



SOILBUILD CONSTRUCTION GROUP LTD.
 (Company Registration No. 201301440Z)
 (Incorporated in the Republic of Singapore)

PROPOSED *PRO RATA* AND NON-RENOUNCEABLE NON-UNDERWRITTEN PREFERENTIAL OFFERING OF UP TO 294,432,468 NEW ORDINARY SHARES IN THE CAPITAL OF SOILBUILD CONSTRUCTION GROUP LTD.

Principal Terms of the Preferential Offering	Description
Issue Price	S\$0.038 for each Rights Share.
Discount	The Issue Price represents (a) a discount of approximately 8.9% to the weighted average price for trades done on the SGX-ST for the full market day of 27 April 2023, being the last full market day on which the Shares were traded on the SGX-ST prior to the date of this Announcement ¹ , of S\$0.0417 per Share; and (b) a discount of approximately 7.2% to the theoretical ex-rights price of S\$0.0410 (being the theoretical market price of each Share assuming the completion of the Preferential Offering, and which is calculated based on the weighted average price for trades done on the SGX-ST for the full market day of 27 April 2023, being the last full market day on which the Shares were traded on the SGX-ST prior to the date of this Announcement, of S\$0.0417 per Share, assuming all the Rights Shares are subscribed for).
Allotment Ratio	Each Entitled Shareholder is entitled to subscribe for one (1) Rights Share for every four (4) existing Shares standing to the credit of the securities account of the Entitled Depositor or held by the Entitled ScripHolder, as the case may be, as at the Record Date, fractional entitlements to be disregarded.
Use of Proceeds	Please refer to paragraph 2 below.
Purpose of Issue	Please refer to paragraph 2 below.

¹ This is based on the weighted average price for trades done on 27 April 2023, as there were no trades done on the SGX-ST since 27 April 2023 up to the date of this Announcement.

1. INTRODUCTION

1.1 **Preferential Offering.** The board of directors (the “**Board**” or the “**Directors**”) of Soilbuild Construction Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following:

- (a) a proposed *pro rata* and non-renounceable non-underwritten preferential offering (the “**Preferential Offering**”) of up to 294,432,468 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.038 for each Rights Share, on the basis of one (1) Rights Share for every four (4) existing ordinary shares in the capital of the Company (“**Shares**”) held by the Entitled Shareholders (as defined herein) as at the time and date to be determined by the Directors for the purposes of determining the entitlements of Entitled Shareholders under the Preferential Offering (the “**Record Date**”), fractional entitlements to be disregarded; and
- (b) the Preferential Offering is subject to, *inter alia*, the receipt of approval in-principle from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST.

1.2 **Adjustments to Existing Warrants.** The Preferential Offering will require further adjustments to be made to the existing number and exercise price of the warrants in registered form (“**2019 Warrants**”) allotted and issued by the Company (i) on 29 July 2019 pursuant to the *pro rata* and non-renounceable non-underwritten preferential offering of new Shares with free detachable warrants by the Company (“**2019 Preferential Offering**”) and (ii) on 11 January 2023, pursuant to the adjustment to the number of the 2019 Warrants as a result of the *pro rata* and non-renounceable non-underwritten preferential offering of new Shares by the Company which was completed on 18 January 2023 (“**January 2023 Preferential Offering**”), pursuant to the terms and conditions of the 2019 Warrants. Please refer to paragraph 6 below for more information.

1.3 **Appointment of Manager.** The Company has appointed United Overseas Bank Limited as the manager for the Preferential Offering (the “**Manager**”). For the avoidance of doubt, the Preferential Offering will not be underwritten.

2. PURPOSE AND USE OF PROCEEDS

2.1 **Rationale.** As announced by the Company through its media statement released on the SGXNET on 28 February 2023, the Company has grown its order books by 59% to S\$461.5 million as at 31 December 2022 vis-à-vis 30 June 2022 despite registering a net loss of S\$28.0 million during the second half year ended 31 December 2022 (“**2HFY2022**”) as it substantially completed projects secured prior to the Covid-19 pandemic.

The construction industry has been facing challenges caused by the pandemic and geopolitical tensions, which drove up construction material and labour costs and prolonged procurement lead times. The Group is not insulated from these challenges and has had to navigate the challenging environment to deliver and complete projects that were secured before the onset of the pandemic.

Despite experiencing losses on these projects during financial year ended 31 December 2022, the Group has been actively adapting its strategy to reflect changing market conditions brought on by the pandemic, adjusting its project costing and estimation, and bidding processes to secure new projects.

Following the launch of the January 2023 Preferential Offering on 30 November 2022, the Group has secured two (2) construction contracts with an aggregate value of approximately S\$140.4 million. In this regard, the Group has secured a total of five (5) new construction contracts, valued at S\$199.2 million, and seven (7) new precast supply and delivery contracts, valued at S\$74.2 million during 2HFY2022, which are expected to complete in 2023. These secured construction contracts include high tech industrial 4.0 manufacturing facilities with cleanroom capabilities for the electronics and semiconductor industry, a Housing and Development Board residential project, and a private residential project. The precast contracts relate to the supply and delivery of precast components including prefabricated prefinished volumetric construction components, prefabricated bathroom units, large panel slabs, hollow core slabs, and single and double T slabs for the construction of public housing developments, Mass Rapid Transit lines, an international school and a hospital in Singapore.

Based on a press release by the Building and Construction Authority (“**BCA**”) on 12 January 2023, the total construction demand in 2023 (i.e., the value of construction contracts to be awarded) is expected to range between S\$27 billion and S\$32 billion. Over the medium-term, BCA expects the total construction demand to reach between S\$25 billion and S\$32 billion per year from 2024 to 2027. In line with such projection, following the launch of the January 2023 Preferential Offering on 30 November 2022, there has been an increase in the number of new construction projects open for tender, which the Group has been actively tendering for.

Building on this momentum, the Group is also actively tendering for more high value, high tech facilities for clients in the semiconductor, precision engineering, food tech and logistics industries to secure new contract wins in 2023.

In view of the foregoing, the Preferential Offering has been proposed to strengthen the Group’s financial position and to allow the Group to maintain a strong equity base and provide it with the foundation to meet its ongoing financial commitments.

The Preferential Offering has been proposed with the following objectives:

- (a) to strengthen the equity base and increase the market capitalization of the Company;
- (b) to improve the financial strength of the Company to facilitate the Company’s ability to tender for more and larger projects; and
- (c) to provide additional working capital for the Company’s new and prospective projects.

2.2 **Use of Proceeds.** Taking into consideration the Irrevocable Undertaking (as defined herein), the gross proceeds from the Preferential Offering are approximately S\$11.2 million. The estimated net proceeds from the Preferential Offering after taking into account the estimated expenses of approximately S\$0.3 million for the Preferential Offering are expected to be approximately S\$10.9 million (the “**Net Proceeds**”).

The Company intends to use the entire Net Proceeds for general corporate and working capital purposes. Pending the deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purposes on a short-term basis as the Directors may deem fit in the interests of the Group. The Company will make periodic announcements on the utilisation of such proceeds, as the funds are materially disbursed and provide a status report on the use of such proceeds in the Company's annual report, in accordance with the rules of the Listing Manual of the SGX-ST. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

3. PREFERENTIAL OFFERING

- 3.1 **Eligibility of Shareholders to Participate in the Preferential Offering.** The Company proposes to provisionally allot the Rights Shares to all shareholders of the Company ("**Shareholders**") who are eligible to participate in the Preferential Offering ("**Entitled Shareholders**"), comprising Entitled Depositors and Entitled Scripholders (both as defined herein).

Entitled Shareholders will be provisionally allotted the Rights Shares on the basis of their shareholdings in the Company as at 5.00 p.m. (Singapore time) on the Record Date. Entitled Shareholders are at liberty to accept or decline their provisional allotments of the Rights Shares and are eligible to apply for additional Rights Shares ("**Excess Rights Shares**") in excess of their provisional allotments under the Preferential Offering.

As the Preferential Offering is made on a non-renounceable basis, Entitled Shareholders are prohibited from trading, transferring, assigning or otherwise dealing with (in full or in part) their (a) provisional allotments of the Rights Shares or (b) eligibility to apply for Excess Rights Shares.

- 3.2 **Entitled Depositors.** Shareholders whose Shares are registered in the name of The Central Depository (Pte) Limited ("**CDP**") and whose securities accounts with CDP are credited with Shares as at the Record Date ("**Depositors**") will be provisionally allotted their entitlements on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at the Record Date. To be "**Entitled Depositors**", Depositors must have registered addresses with CDP in Singapore as at the Record Date or must have, at least three (3) days on which the SGX-ST is open for securities trading ("**Market Days**") prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents.
- 3.3 **Entitled Scripholders.** Duly completed and (where necessary) stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title received up to the Record Date by the Company's share registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) (the "**Share Registrar**"), will be registered to determine the provisional entitlements of the transferee (a "**Scripholder**", which term shall include a person who is registered as a holder of Shares and whose share certificates are not deposited with CDP) under the Preferential Offering. To be "**Entitled Scripholders**", Scripholders must have registered addresses in Singapore as at the Record Date or must have, at least three (3) Market Days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents.

- 3.4 **Foreign Shareholders.** For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Preferential Offering is only made in Singapore and the Rights Shares will **NOT** be offered to Shareholders with registered addresses outside Singapore and who have not, at least three (3) Market Days prior to the Record Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**").

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE PREFERENTIAL OFFERING SHOULD PROVIDE CDP OR THE SHARE REGISTRAR, AS THE CASE MAY BE, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE RECORD DATE.

For the avoidance of doubt, even if a Shareholder has provided a Singapore address as aforesaid, the offer of the Rights Shares under the Preferential Offering to him will be subject to compliance with applicable securities laws outside Singapore. The Company further reserves the right to reject any acceptances of the Rights Shares and any application for Excess Rights Shares under the Preferential Offering where it believes, or has reason to believe, that such acceptances or applications may violate the applicable laws of any jurisdiction.

- 3.5 **Summary of the Terms of the Preferential Offering.** The following is a summary of the principal terms and conditions of the Preferential Offering.

Basis of Provisional Allotment : Each Entitled Shareholder is entitled to subscribe for one (1) Rights Share for every four (4) existing Shares standing to the credit of the securities account of the Entitled Depositor or held by the Entitled Scripholder, as the case may be, as at the Record Date, fractional entitlements to be disregarded.

Fractional entitlements to the Rights Shares will be aggregated and used with provisional allotments which are not taken up or allotted for any reason to satisfy excess applications for the Rights Shares (if any) or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Group.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the Board, including Mr Lim Chap Huat, will rank last in priority for rounding of odd lots and allotment of Excess Rights Shares.

Issue Price : S\$0.038 for each Rights Share. The Rights Shares are payable in full upon acceptance and/or application.

The Issue Price represents (a) a discount of approximately 8.9% to the weighted average price for trades done on the SGX-ST for the full market day of 27 April 2023, being the last full market day on which the Shares were traded on the SGX-ST prior to the date of this Announcement², of S\$0.0417 per Share; and (b) a discount of approximately 7.2% to the theoretical ex-rights price of S\$0.0410 (being the theoretical market price of each Share assuming the completion of the Preferential Offering, and which is calculated based on the weighted average price for trades done on the SGX-ST for the full market day of 27 April 2023, being the last full market day on which the Shares were traded on the SGX-ST prior to the date of this Announcement, of S\$0.0417 per Share, assuming all the Rights Shares are subscribed for).

Status of Rights Shares : The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of allotment and issue of the Rights Shares.

Number of Rights Shares to be Issued : Based on the number of issued Shares as at the date of this Announcement comprising 1,177,729,874 Shares (of which none are held in treasury) and assuming that there is no change in the number of issued Shares as at the Record Date, the Company will issue up to 294,432,468 Rights Shares under the Preferential Offering.

As at the date of this Announcement, the Company has outstanding 2019 Warrants which carry the right to subscribe for an aggregate of 183,759,161 new Shares at an exercise price of S\$0.073 per new Share in accordance with the terms and conditions of the 2019 Warrants³. As the 2019 Warrants are out-of-the-money as at the date of this Announcement, it

² This is based on the weighted average price for trades done on 27 April 2023, as there were no trades done on the SGX-ST since 27 April 2023 up to the date of this Announcement.

³ The existing number of new Shares and the exercise price of the 2019 Warrants disclosed does not include any additional Shares that may be issued or, as the case may be, does not take into account any change to the exercise price pursuant to any adjustments that may be made to the 2019 Warrants in accordance with the terms and conditions of the 2019 Warrants as a result of the Preferential Offering.

is assumed that none of the 2019 Warrants will be exercised on or before the Record Date and the Company has not, as at the date of this Announcement, received any exercise notice for the exercise of any of the 2019 Warrants.

As at the date of this Announcement, there are no outstanding options under the Soilbuild Construction Employee Share Option Scheme or awards under the Soilbuild Construction Performance Share Plan.

Irrevocable Undertaking : Mr Lim Chap Huat has given an irrevocable undertaking to the Company to subscribe and pay in full for his entitlements under the Preferential Offering and to make excess application(s) to effectively take up any Rights Shares which are not validly subscribed and/or applied for at the close of the Preferential Offering after satisfaction of all valid applications and excess applications (if any) for the Rights Shares.

Non-underwritten : In view of the Irrevocable Undertaking by Mr Lim Chap Huat, the Company has decided to proceed with the Preferential Offering on a non-underwritten basis. The Directors are of the reasonable opinion that there is no minimum amount which must be raised from the Preferential Offering.

Listing and Trading : An application will be made by the Company to obtain the SGX-ST's approval for the listing of and quotation for the Rights Shares.

Upon the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, the Rights Shares will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the Main Board of the SGX-ST, each board lot of Shares will comprise 100 Shares.

Trading of Odd Lots : Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) and who wish to trade in odd lots are able to trade odd lots of Shares on the SGX-ST's Unit Share Market. The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one (1) Share.

Acceptance, Excess Application and Payment Procedures : The procedures for, and the terms and conditions applicable to, the acceptances of the provisional allotments of the Rights Shares and the applications

for Excess Rights Shares, including the different modes of acceptance or application and payment, will be contained in an instruction booklet to be issued by the Company in connection with the Preferential Offering (the “**Instruction Booklet**”) and in the application form for the Rights Shares and Excess Rights Shares (“**ARE**”) and the provisional allotment letter (“**PAL**”). The Instruction Booklet and (in the case of Entitled Depositors), the ARE or (in the case of Entitled Scripholders) the PAL will be despatched by the Company to Entitled Shareholders in due course. A further announcement on the despatch will be made by the Company at the appropriate time.

As the Preferential Offering is made on a non-renounceable basis, the provisional allotment of the Rights Shares cannot be renounced in favour of a third party or traded on the SGX-ST.

Use of CPF Funds

- : Shareholders who have previously purchased Shares using their Central Provident Fund (“**CPF**”) investible savings (the “**CPF Funds**”) under the Central Provident Fund Investment Scheme (“**CPFIS**”) (“**CPF Members**”) can only use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective investment accounts maintained with a CPF agent bank for the purpose of investment of CPF Funds under the CPFIS – Ordinary Account (“**CPF Investment Accounts**”) to pay for the acceptance of their provisional allotments of the Rights Shares and (if applicable) application for Excess Rights Shares.

Such CPF Members who wish to accept their provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares using their CPF Funds must have sufficient funds in their CPF Investment Accounts and will need to instruct their respective CPF agent banks with whom they hold their CPF Investment Accounts, to accept the provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions of the Instruction Booklet.

In the case of insufficient CPF Funds or stock limit, CPF Members could top-up cash into their CPF Investment Accounts before instructing their respective CPF agent banks to accept their

provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf.

3.6 **Terms and Conditions of the Preferential Offering.** The terms and conditions of the Preferential Offering may be subject to such changes as the Company deems fit.

3.7 **Record Date.** The Record Date will be separately announced in due course after approval in-principle of the SGX-ST for the listing of and quotation for the Rights Shares on the SGX-ST has been obtained.

4. IRREVOCABLE UNDERTAKING

4.1 **Irrevocable Undertaking.** The Executive Chairman and controlling Shareholder, Mr Lim Chap Huat, has given an irrevocable undertaking to the Company to subscribe and pay in full for his entitlements under the Preferential Offering and to make excess application(s) to effectively take up any Rights Shares which are not validly subscribed and/or applied for at the close of the Preferential Offering after satisfaction of all valid applications and excess applications (if any) for the Rights Shares (the “**Irrevocable Undertaking**”).

4.2 **Conditions.** The Irrevocable Undertaking by Mr Lim Chap Huat as set out above is subject to and conditional upon the approval in-principle of the SGX-ST (such approval not having been withdrawn or revoked on or prior to the closing date of the Preferential Offering) for the listing of and quotation for the Rights Shares on the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company.

5. SINGAPORE CODE ON TAKE-OVERS AND MERGERS

The Singapore Code on Take-overs and Mergers (the “**Code**”) regulates the acquisition of ordinary shares of public companies, including the Company. Unless exempted, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30.0% to 50.0% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1.0% of the voting rights in the Company in any six (6)-month period, must extend a take-over offer for the remaining Shares in the Company in accordance with the provisions of the Code.

In general, the acquisition of instruments convertible into and options in respect of new shares which carry voting rights does not give rise to an obligation to make a mandatory take-over offer under the Code but the exercise of any conversion rights or options will be considered an acquisition of voting rights for the purposes of the Code.

As of the date of this Announcement, Mr Lim Chap Huat holds 892,988,798 Shares representing approximately 75.82% of the total number of issued Shares. Accordingly, Mr Lim Chap Huat will not trigger an obligation under the Code to make a general offer for the Shares in the event that none of the other Shareholders subscribe for their entitlements under the Preferential Offering and Mr Lim Chap Huat subscribes for his entitlements under the Preferential Offering and makes excess application(s) to effectively take up any Rights Shares which are not validly subscribed and/or applied for at the close of the Preferential Offering in accordance with his Irrevocable Undertaking.

Pursuant to Rule 820 of the Listing Manual of the SGX-ST, which applies to a non-underwritten rights issue, the SGX-ST may permit the Company to scale down a Shareholder's application to subscribe for the Preferential Offering to avoid placing the Shareholder in the position of incurring a mandatory bid obligation under the Code as a result of the other Shareholders not taking up their entitlements fully.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of the Rights Shares pursuant to the Preferential Offering should consult the Securities Industry Council and/or their professional advisers immediately.

6. ADJUSTMENTS TO EXISTING WARRANTS

On 29 July 2019, the Company issued 168,247,125 2019 Warrants pursuant to the 2019 Preferential Offering. On 11 January 2023, following an adjustment of the number of the 2019 Warrants as a result of the January 2023 Preferential Offering, the Company issued 15,512,036 additional 2019 Warrants. The existing exercise price and/or the number of the 2019 Warrants held by each warrant holder will be subject to adjustments under certain circumstances as set out in the instrument by way of a deed poll executed by the Company on 25 July 2019 constituting the 2019 Warrants (the "**2019 Instrument**"). As at the date of this Announcement, the Company has outstanding 2019 Warrants which carry the right to subscribe for an aggregate of 183,759,161 new Shares at an exercise price of S\$0.073 per new Share in accordance with the terms and conditions of the 2019 Warrants.

Pursuant to the terms and conditions of the 2019 Instrument, the Preferential Offering constitutes an event giving rise to an adjustment to the existing number and exercise price of the 2019 Warrants. Purely for illustrative purposes, on the basis of 1,177,729,874 issued Shares (of which none are held in treasury) as at the date of this Announcement and assuming that there is no change in the number of issued Shares as at the Record Date and that the Company will issue 294,432,468 Rights Shares:

- (a) pursuant to Condition 5.2.4 of the 2019 Instrument, the existing number of the 2019 Warrants will be increased by up to 1,856,153 additional 2019 Warrants after applying a ratio of approximately 1.010 to the existing number of the 2019 Warrants held by each holder of the 2019 Warrants and thereafter rounded downwards to the nearest whole 2019 Warrant; and
- (b) pursuant to Conditions 5.2.4 and 5.4 of the 2019 Instrument, the existing exercise price of the 2019 Warrants would have been decreased by S\$0.003, from S\$0.073 to S\$0.070, after (i) applying a ratio of approximately 0.990 to the existing exercise price of the 2019 Warrants and (ii) taking into account the adjustment to the exercise price of the 2019 Warrant pursuant to the January 2023 Preferential Offering carried forward, and thereafter (iii) rounding upwards to the nearest half cent (S\$0.005). As the reduction in exercise price of the 2019 Warrants will be less than half cent (S\$0.005), no adjustment will be made to the exercise price of the 2019 Warrants, but such adjustment will be carried forward and taken into account appropriately in any subsequent adjustment.

The adjustment to the existing number of the 2019 Warrants will be effective (if appropriate, retroactively) from the commencement of the day next following the closing date for the Preferential Offering.

In accordance with the terms and conditions of the 2019 Warrants, the adjustment to the existing number of the 2019 Warrants will be determined by the Directors in consultation with the Company's auditors and will be announced by the Company and notified to warrant holders in due course.

7. STATEMENT BY THE BOARD OF DIRECTORS

The Directors are of the opinion that after taking into consideration the Group's internal resources and present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Preferential Offering will strengthen the financial position and capital base of the Group. For the reasons outlined in paragraph 2 above, the Board believes that the Preferential Offering is in the interest of the Group.

8. APPROVALS

- 8.1 **Authority.** The Rights Shares, the additional 2019 Warrants arising from the adjustments to the existing number of 2019 Warrants in accordance with the 2019 Instrument under the Preferential Offering (the "Additional **2019 Warrants**") and the additional new Shares to be allotted and issued by the Company upon exercise of the Additional 2019 Warrants (the "**Additional New Shares**") are to be issued pursuant to the share issue mandate approved by Shareholders (the "**General Mandate**") at the annual general meeting of the Company held on 26 April 2023.

As at the approval of the General Mandate on 26 April 2023, the number of Shares in issue (excluding treasury shares) was 1,177,729,874 Shares (the "**Reference Number of Shares**").

As at the approval of the General Mandate on 26 April 2023, the Company had outstanding 2019 Warrants which carry the right to subscribe for an aggregate of 183,759,161 new Shares and there were no outstanding options under the Soilbuild Construction Employee Share Option Scheme or awards under the Soilbuild Construction Performance Share Plan. Since 26 April 2023, no new Shares have been issued by the Company pursuant to the exercise of the 2019 Warrants.

From the date of the approval of the General Mandate to the date of this Announcement, no Shares or offers, agreements or options that might or would require Shares to be issued have been issued, made or granted pursuant to the authority granted under the General Mandate.

On the basis of the foregoing, the maximum number of new Shares, additional convertible securities and new Shares arising from the conversion of such additional convertible securities that may be issued under the General Mandate on a *pro rata* basis to Shareholders is 588,864,937 new Shares, which is 50.0% of the Reference Number of Shares. Of this, the maximum number of new Shares, additional convertible securities and new Shares arising from the conversion of such additional convertible securities that may be issued under the General Mandate on a *non pro rata* basis to Shareholders is 235,545,974 new Shares, which is 20.0% of the Reference Number of Shares.

As the maximum number of the Rights Shares, the Additional 2019 Warrants and the Additional New Shares (being 294,432,468 Rights Shares, 1,856,153 Additional 2019 Warrants and 1,856,153 Additional New Shares), the aggregate of which is less than the maximum number of new Shares that may be issued under the General Mandate, the issue of the Rights Shares, the Additional 2019 Warrants and the Additional New Shares would be within the limits of the General Mandate.

- 8.2 **SGX-ST Approval.** The Preferential Offering, the issue of the Additional 2019 Warrants and the issue of the Additional New Shares are subject to the approval in-principle of the SGX-ST for the listing of and quotation for the Rights Shares, the Additional 2019 Warrants and the Additional New Shares, on the Main Board of the SGX-ST. An application will be made by the Company to obtain the SGX-ST's approval for the listing of and quotation for the Rights Shares, the Additional 2019 Warrants and the Additional New Shares. An appropriate announcement (the "**AIP Announcement**") will be made upon the receipt of such in-principle approval from the SGX-ST.
- 8.3 **No Prospectus or Offer Information Statement.** As the Preferential Offering will be made pursuant to the exemptions invoked under Section 273(1)(ce) of the Securities and Futures Act 2001 of Singapore (the "**SFA**"), no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore ("**MAS**").

9. GENERAL

- 9.1 **Indicative Timetable.** The indicative timetable for the Preferential Offering will be set out in the AIP Announcement.
- 9.2 **Notification under Section 309B of the SFA.** The Rights Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).
- 9.3 **Previous Equity Fund Raising.** On 18 January 2023, the Company issued 336,494,250 Shares at an issue price of S\$0.031 for each rights share pursuant to the January 2023 Preferential Offering, which raised gross proceeds of approximately S\$10.4 million and net proceeds of approximately S\$10.1 million (the "**January 2023 Preferential Offering Proceeds**").

It was stated in the Company's announcement dated 30 November 2022 relating to the launch of the January 2023 Preferential Offering that the Company intended to use the entire January 2023 Preferential Offering Proceeds for general corporate and working capital purposes, including funding short-term contractual obligations for existing construction projects.

As stated in the Company's condensed interim financial statements for the six months and full year ended 31 December 2022 dated 28 February 2023 and the Group's annual report for the financial year ended 31 December 2022 dated 27 March 2023 (the "**Annual Report 2022**"), the Company has disbursed in full the January 2023 Preferential Offering Proceeds. The January 2023 Preferential Offering Proceeds in so far as they have been disbursed were used for the intended purposes and a breakdown on the use of such proceeds was included in the Annual Report 2022 as follows:

- (a) approximately S\$3,343,000 for payment to subcontractors;
- (b) approximately S\$1,347,000 for payment to suppliers;
- (c) approximately S\$904,000 for staff payroll; and
- (d) approximately S\$4,506,000 for repayment of borrowings.

10. DIRECTORS' RESPONSIBILITY STATEMENT

- 10.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement, and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Preferential Offering, the Company and its subsidiaries which are relevant to the Preferential Offering, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement 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 Announcement in its proper form and context.

BY ORDER OF THE BOARD SOILBUILD CONSTRUCTION GROUP LTD.

Lim Han Ren
Executive Director

28 April 2023

Important Notice

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Rights Shares.

The value of the Rights Shares and/or Shares and the income derived from them, if any, may fall as well as rise. An investment in the Rights Shares and/or Shares is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Company to redeem or purchase their Rights Shares and/or Shares for so long as the Rights Shares and/or Shares are listed on the SGX-ST. It is intended that Shareholders may only deal in their Rights Shares and/or Shares (where applicable) through trading on the SGX-ST. Listing of the Rights Shares and/or Shares on the SGX-ST does not guarantee a liquid market for the Rights Shares and/or Shares.

The past performance of the Company is not necessarily indicative of the future performance of the Company.