



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

AWARD OF TENDER FOR THE LEASE OF LAND FOR THE DEVELOPMENT OF AN INTEGRATED CONSTRUCTION AND PRECAST HUB AT AIRPORT ROAD (DEFU 1)

The Board of Directors of Soilbuild Construction Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that Soil-Build (Pte.) Ltd., a wholly-owned subsidiary of the Company, has been awarded the tender for the lease of land at Airport Road (Defu 1) (the “**Subject Land**”) by the Building and Construction Authority for the development of an integrated construction and precast hub (the “**Award**”). The land area of the Subject Land is approximately 20,400 square metres and the lease term is 30 years with effect from September 2015. The overall consideration for the Award is approximately S\$26.0 million (excluding goods and services tax and stamp duty), comprising the land price and an administrative fee. The overall consideration was arrived at through a concept and price tender exercise.

The material terms and conditions of the Award include the following:

- (a) the development of the Subject Land shall be solely as an integrated construction and precast hub; and
- (b) the completion of construction of the buildings on the Subject Land so as to be completely fit for occupation within 36 months from September 2015 or the deadline imposed by the relevant authorities, whichever is earlier.

The Group is pleased to be awarded the tender as it is part of the Group’s long term strategy to establish an integrated construction and precast plant. As disclosed in the prospectus issued by the Company on 17 May 2013 in connection with the initial public offering of shares of the Company, the Group intends to invest in productivity improvements, including the procurement of automated precast technology. The Group believes that investments in highly automated precast technology is critical for it to continue to succeed and to be a market leader in the local construction industry. It will further enhance and contribute to construction productivity, reduce reliance on labour and improve cost efficiency.

In addition to the consideration for the Award, the Group estimates that it will further invest approximately S\$50.0 million over the next two years for the construction of the new buildings on the Subject Land and for the procurement of highly automated precast equipment. The new buildings, subject to the approval of the relevant authorities, shall comprise factory premises for the integrated precast and prefabrication plant, an administrative office and a workers dormitory with approximately 1,000 beds. The Group expects to commence the construction of the new buildings in November 2015, with completion targeted in the third quarter of 2017, while the integrated precast and prefabrication plant is scheduled to commence operations in the fourth quarter of 2017.

The Group intends to fund the consideration for the Award by internal funds. The Group also expects to fund the further investments over the next two years by a combination of internal funds available, bank borrowings and/or capital fund raising.

The above transaction is in connection with the ordinary course of the Group's business and is accordingly a non-discloseable transaction for the purposes of Chapter 10 of the Singapore Exchange Securities Trading Limited Listing Manual.

The transaction is not expected to have any material impact on the consolidated net tangible assets per share and the consolidated earnings per share of the Company and its subsidiaries for the current financial year ending 31 December 2015.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Award (other than through their respective shareholdings in the Company).

BY ORDER OF THE BOARD
SOILBUILD CONSTRUCTION GROUP LTD.

Ho Toon Bah
Executive Director

21 September 2015