

**CIRCULAR DATED 13 JUNE 2019**

**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.**

If you have sold or transferred all your shares in the capital of Soilbuild Construction Group Ltd. (the “**Company**”), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or transferee, or the stockbroker, bank or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the Rights Shares (as defined herein), the Warrants (as defined herein), the New Shares (as defined herein), the Additional 2016 Warrants (as defined herein) and the Additional New Shares (as defined herein) on the Main Board of the SGX-ST, subject to certain conditions. Approval in-principle granted by the SGX-ST for the listing of and quotation for the Rights Shares, the Warrants, the New Shares, the Additional 2016 Warrants and the Additional New Shares is not to be taken as an indication of the merits of the Preferential Offering, the Rights Shares, the Warrants, the New Shares, the Additional 2016 Warrants, the Additional New Shares, the Shares (as defined herein), the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



**SoilBuild**

CONSTRUCTION GROUP LTD

**SOILBUILD CONSTRUCTION GROUP LTD.**

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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED *PRO RATA* AND NON-RENOUNCEABLE NON-UNDERWRITTEN PREFERENTIAL OFFERING OF UP TO 168,247,125 RIGHTS SHARES WITH UP TO 168,247,125 FREE DETACHABLE WARRANTS AT AN ISSUE PRICE OF S\$0.073 FOR EACH RIGHTS SHARE WITH WARRANT, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE NEW SHARE AT AN EXERCISE PRICE OF S\$0.073 FOR EACH NEW SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE WITH ONE (1) WARRANT FOR EVERY FOUR (4) EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgment of Proxy Form	:	25 June 2019 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	28 June 2019 at 10.00 a.m.
Place of Extraordinary General Meeting	:	23 Defu South Street 1 Singapore 533847

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless otherwise stated:

- “1Q”** : Three months financial period ended 31 March
- “2016 Instrument”** : The instrument by way of deed poll executed by the Company on 12 July 2016 constituting the 2016 Warrants and containing the terms and conditions of the 2016 Warrants
- “2016 Preferential Offering”** : The *pro rata* and non-renounceable non-underwritten preferential offering of warrants undertaken by the Company in 2016
- “2016 Warrant Exercise Period”** : The period commencing on and including the date of the issue of the 2016 Warrants and expiring on the date falling five (5) years from the date of issue of the 2016 Warrants
- “2016 Warrant Exercise Price”** : The exercise price for each 2016 Warrant, being S\$0.18 per new Share, subject to adjustment(s) in accordance with the terms and conditions of the 2016 Warrants
- “2016 Warrants”** : The warrants in registered form allotted and issued by the Company on 13 July 2016 pursuant to the 2016 Preferential Offering, and (where the context so admits) such additional warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions of the 2016 Warrants as set out in the 2016 Instrument (such additional warrants to rank *pari passu* with the 2016 Warrants issued pursuant to the 2016 Preferential Offering and for all purposes to form part of the same series of warrants constituted by the 2016 Instrument), each such warrant entitling its holder to subscribe for one (1) new Share at the 2016 Warrant Exercise Price during the 2016 Warrant Exercise Period, subject to the terms and conditions of the 2016 Warrants as set out in the 2016 Instrument
- “Additional 2016 Warrants”** : The additional 2016 Warrants to be allotted and issued by the Company pursuant to an adjustment to the number of 2016 Warrants as a result of the Preferential Offering
- “Additional New Shares”** : The additional new Shares to be issued upon exercise of the Additional 2016 Warrants
- “ARE”** : Application form for Rights Shares with Warrants and excess Rights Shares with Warrants to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares with Warrants under the Preferential Offering
- “Auditor”** : The auditor of the Company for the time being
- “Books Closure Date”** : The time and date to be determined by the Directors at and on which, subject to the approval of the Preferential Offering being obtained at the EGM, the Register of Members and Share Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares with Warrants of Entitled Shareholders under the Preferential Offering
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 13 June 2019
- “Closing Date”** : The time and date to be determined by the Directors, being the last time and date for acceptance of and/or excess application and payment for the Rights Shares with Warrants under the Preferential Offering
- “Code”** : The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time

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## DEFINITIONS

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<b>“Companies Act”</b>	: The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>“Company”</b>	: Soilbuild Construction Group Ltd.
<b>“CPF”</b>	: Central Provident Fund
<b>“CPF Funds”</b>	: CPF investible savings
<b>“CPF Investment Account”</b>	: The investment account maintained with a CPF agent bank for the purpose of investment of CPF Funds under the CPFIS – Ordinary Account
<b>“CPF Members”</b>	: Shareholders who have previously purchased Shares using their CPF Funds under the CPF Investment Account
<b>“CPFIS”</b>	: CPF Investment Scheme
<b>“Director”</b>	: A director of the Company for the time being
<b>“EGM”</b>	: The extraordinary general meeting of the Company to be held on 28 June 2019, notice of which is given on pages 53 to 55 of this Circular
<b>“Entitled Depositors”</b>	: Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
<b>“Entitled Scripholders”</b>	: Shareholders whose share certificates are not deposited with CDP as well as transferees who have tendered to the Share Registrar registrable transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
<b>“Entitled Shareholders”</b>	: Entitled Depositors and Entitled Scripholders
<b>“EPS”</b>	: Earnings/(loss) per Share
<b>“Foreign Shareholder”</b>	: Shareholders whose registered addresses are outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
<b>“FY”</b>	: Financial year ended 31 December
<b>“Group”</b>	: The Company and its subsidiaries, collectively
<b>“Instrument”</b>	: The instrument by way of a deed poll to be executed by the Company constituting the Warrants and containing, <i>inter alia</i> , provisions for the protection of the rights and interests of the Warranholders
<b>“Irrevocable Undertaking”</b>	: The irrevocable undertaking dated 9 May 2019 given by Mr Lim Chap Huat 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 with Warrants which are not validly subscribed and/or applied for at the close of the Preferential Offering after satisfaction of all applications and excess applications (if any) for the Rights Shares with Warrants

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## DEFINITIONS

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<b>“Issue Price”</b>	: The issue price for each Rights Share with Warrant, being S\$0.073 for each Rights Share with Warrant
<b>“Last Dealt Price”</b>	: In relation to a Share on a relevant Market Day, the last dealt price per Share for one or more board lots of Shares on that Market Day on which there is trading of the Shares on the SGX-ST
<b>“Latest Practicable Date”</b>	: 6 June 2019, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	: The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
<b>“Market Day”</b>	: A day on which the SGX-ST is open for securities trading
<b>“New Shares”</b>	: Up to 168,247,125 new Shares to be allotted and issued by the Company upon the exercise of the Warrants subject to and in accordance with the terms and conditions of the Warrants
<b>“NTA”</b>	: Net tangible assets
<b>“PAL”</b>	: The provisional allotment letter to be issued to Entitled Scripholders, setting out their provisional allotments of Rights Shares with Warrants under the Preferential Offering
<b>“Preferential Offering”</b>	: The proposed <i>pro rata</i> and non-renounceable non-underwritten preferential offering by the Company of up to 168,247,125 Rights Shares with up to 168,247,125 free detachable Warrants at the Issue Price for each Rights Share with Warrant, each Warrant carrying the right to subscribe for one (1) New Share at the Warrant Exercise Price, on the basis of one (1) Rights Share with one (1) Warrant for every four (4) existing Shares held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, as announced by the Company on 9 May 2019
<b>“Rights Shares”</b>	: Up to 168,247,125 new Shares to be allotted and issued by the Company pursuant to the Preferential Offering
<b>“Securities Account”</b>	: Securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<b>“SFA”</b>	: Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“Share Registrar”</b>	: Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.)
<b>“Shareholders”</b>	: 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
<b>“Shares”</b>	: Ordinary shares of the Company
<b>“Warrant Exercise Period”</b>	: The period commencing on and including the date of the issue of the Warrants and expiring on the date falling five (5) years from the date of issue of the Warrants, which period will be announced by the Company in due course upon the issue of the Warrants

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## DEFINITIONS

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- “Warrant Exercise Price”** : The exercise price for each Warrant, being S\$0.073 per New Share, subject to adjustment(s) in accordance with the terms and conditions of the Warrants
- “Warrantholder”** : The person in whose name a Warrant is registered, except that where the registered holder is CDP, the term “Warrantholder” shall, in relation to such Warrant, mean, where the context requires, a Depositor whose Securities Account with CDP is credited with Warrants
- “Warrants”** : Up to 168,247,125 warrants in registered form to be issued by the Company pursuant to the Preferential Offering, and (where the context so admits) such additional warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions of the Warrants as set out in the Instrument (such additional warrants to rank *pari passu* with the warrants issued pursuant to the Preferential Offering and for all purposes to form part of the same series of warrants constituted by the Instrument), each such warrant entitling its holder to subscribe for one (1) New Share at the Warrant Exercise Price during the Warrant Exercise Period, subject to the terms and conditions of the Warrants as set out in the Instrument
- “S\$” and “cents”** : Singapore dollars and cents, respectively
- “%” or “per cent.”** : Percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

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.

Any reference in this Circular 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, the SFA, the Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

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## LETTER TO SHAREHOLDERS

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### SOILBUILD CONSTRUCTION GROUP LTD.

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

**Board of Directors:**

Lim Chap Huat (Executive Chairman)  
Ho Toon Bah (Non-Executive Director)  
Lim Cheng Hwa (Non-Executive Director)  
Poon Hon Thang (Lead Independent Director)  
Tan Jee Ming (Independent Director)  
Teo Chee Seng (Independent Director)

**Registered Office:**

23 Defu South Street 1  
Singapore 533847

13 June 2019

To: The Shareholders of Soilbuild Construction Group Ltd.

Dear Sir/Madam

#### 1. INTRODUCTION

- 1.1 **Proposed Preferential Offering.** On 9 May 2019, the Company announced (the “**Announcement**”) that the Directors proposed to carry out the Preferential Offering, which is subject to certain conditions which are set out in paragraph 2.2 of this Circular.

On 7 June 2019, the Company also announced that following discussions with the SGX-ST and consultation with the Company’s advisers, the Company proposes to seek the specific approval of the Shareholders for the Preferential Offering, and that the SGX-ST had granted its approval in-principle for the listing of and quotation for the Rights Shares, the Warrants, the New Shares, the Additional 2016 Warrants and the Additional New Shares on the Main Board of the SGX-ST, subject to certain conditions which are set out in paragraph 2.3 of this Circular. Official quotation of the Rights Shares, the Warrants and the New Shares on the Main Board of the SGX-ST is expected to commence after all conditions imposed by the SGX-ST are satisfied.

Approval in-principle granted by the SGX-ST for the listing of and quotation for the Rights Shares, the Warrants, the New Shares, the Additional 2016 Warrants and the Additional New Shares is not to be taken as an indication of the merits of the Preferential Offering, the Rights Shares, the Warrants, the New Shares, the Additional 2016 Warrants, the Additional New Shares, the Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

- 1.2 **Adjustments to Existing Warrants.** As highlighted in the Announcement, the Preferential Offering will require certain adjustments to be made to the number of 2016 Warrants, pursuant to the terms and conditions of the 2016 Warrants. Essentially, these adjustments will require the allotment and issue by the Company of the Additional 2016 Warrants.
- 1.3 **Circular.** The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders’ approval at the EGM for, the Preferential Offering. Notice of the EGM is set out on pages 53 to 55 of this Circular. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) nor for any other purpose.

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## LETTER TO SHAREHOLDERS

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### 2. PROPOSED PREFERENTIAL OFFERING

2.1 **Principal Terms.** The principal terms of the Preferential Offering, the Rights Shares, the Warrants and the New Shares are summarised below:

**Basis of Provisional Allotment** : The Preferential Offering will be made on a non-renounceable basis to Entitled Shareholders on the basis of one (1) Rights Share with one (1) Warrant for every four (4) existing Shares standing to the credit of the Securities Accounts of the Entitled Depositors or held by the Entitled Scripholders, as the case may be, as at the Books Closure Date, fractional entitlements to be disregarded.

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

In the allotment of excess Rights Shares with Warrants, 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 of the Company, including Mr Lim Chap Huat, will rank last in priority for rounding of odd lots and allotment of excess Rights Shares with Warrants.

Subject to the terms and conditions of the Warrants (the form of which is substantially set out in the Appendix to this Circular) to be set out in the Instrument, each Warrant shall entitle the Warrantholder, at any time during the Warrant Exercise Period, to subscribe for one (1) New Share at the Warrant Exercise Price.

**Issue Price** : S\$0.073 for each Rights Share with Warrant. The Rights Shares with Warrants are payable in full upon acceptance and/or application.

The Issue Price represents (a) a discount of approximately 8.8% to the weighted average price for trades done on the SGX-ST for the full market day of 9 May 2019, being the date of the Announcement, of S\$0.08002 per Share; and (b) a discount of approximately 7.1% to the theoretical ex-rights price of S\$0.07862 (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 9 May 2019, being the date of the Announcement, of S\$0.08002 per Share, assuming all the Rights Shares with Warrants are subscribed for and none of the Warrants are exercised).

**Warrant Exercise Price** : The Warrant Exercise Price for each Warrant shall be S\$0.073 per New Share.



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## LETTER TO SHAREHOLDERS

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**Warrant Exercise Period** : The Warrant Exercise Period is the period commencing on and including the date of the issue of the Warrants and expiring on the date falling five (5) years from the date of issue of the Warrants, which period will be announced by the Company in due course upon the issue of the Warrants.

The Warrants may be exercised at any time during the Warrant Exercise Period, subject to the terms and conditions of the Warrants to be set out in the Instrument.

At the expiry of the Warrant Exercise Period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose. The expiry of the Warrants will be announced through a SGXNET announcement to be posted on the internet at the SGX-ST's website <http://www.sgx.com> and the notice of expiry will be sent to all Warrantholders at least one month before the expiration date.

**Status of Rights Shares** : The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued 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.

**Status of New Shares** : The New Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued 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 New Shares.

**Number of Rights Shares, Warrants and New Shares to be issued** : Based on the number of issued Shares as at the Latest Practicable Date comprising 672,988,500 Shares (of which none are held in treasury) and assuming that there is no change in the number of issued Shares as at the Books Closure Date, the Company will issue up to 168,247,125 Rights Shares and 168,247,125 Warrants under the Preferential Offering, and up to 168,247,125 New Shares upon the exercise of the Warrants.

As at the Latest Practicable Date, the Company has outstanding 2016 Warrants which carry the right to subscribe for an aggregate of 166,683,500 new Shares at an exercise price of S\$0.18 per new Share in accordance with the terms and conditions of the 2016 Warrants<sup>1</sup>. As the 2016 Warrants are out-of-the-money as at the Latest Practicable Date, it is assumed that none of the 2016 Warrants will be exercised on or before the Books Closure Date and the Company has not, as at the Latest Practicable Date, received any exercise notice for the exercise of any of the 2016 Warrants.

As at the Latest Practicable Date, there are no outstanding options under the Soilbuild Construction Employee Share Option Scheme or awards under the Soilbuild Construction Performance Share Plan.

<sup>1</sup> The number of new Shares and the exercise price of the 2016 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 2016 Warrants in accordance with the terms and conditions of the 2016 Warrants as a result of the Preferential Offering.

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## LETTER TO SHAREHOLDERS

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**Adjustments** : The Warrant Exercise Price and/or the number of Warrants to be held by each Warrantholder will be subject to adjustment(s) under certain circumstances (such as rights, bonus or other capitalisation issues) as set out in the terms and conditions of the Warrants to be set out in the Instrument. For further details, please also refer to Condition 5 of the terms and conditions of the Warrants (the form of which is substantially set out in the Appendix to this Circular). Any additional warrants issued pursuant to such adjustment shall rank *pari passu* with the Warrants and will for all purposes form part of the same series.

**Modification of rights of Warrantholders** : The Company may, without the consent of the Warrantholders but in accordance with the terms and conditions of the Warrants to be set out in the Instrument, effect any modification to the Warrants, the Warrant agency agreement or the Instrument, which, in the opinion of the Company, is not materially prejudicial to the interests of the Warrantholders, or which, in the Company's opinion, is to correct a manifest error or to comply with mandatory provisions of Singapore law; and/or effect any modification to the Warrants or the Instrument which, in the Company's opinion, is to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of the New Shares arising from the exercise thereof or meetings of the Warrantholders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the Main Board of the SGX-ST, provided that such modification is not materially prejudicial to the interests of the Warrantholders.

Any such modification will be binding on the Warrantholders and will be notified to them in accordance with the terms and conditions of the Warrants to be set out in the Instrument as soon as practicable thereafter.

Any material alteration to the terms and/or conditions of the Warrants after the issue thereof to the advantage of the Warrantholders and prejudicial to Shareholders is subject to the approval of the Shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants to be set out in the Instrument.

Any alteration to the terms and/or conditions of the Warrants after the issue thereof must be approved by the SGX-ST, except where the alterations are made pursuant to the terms and conditions of the Warrants to be set out in the Instrument.

**Winding-up** : Where there is a members' voluntary winding-up of the Company (other than a winding-up for the purpose of reconstruction or amalgamation), the Warrantholders may elect, in accordance with the terms and conditions of the Warrants to be set out in the Instrument, to be treated as if they had immediately prior to the commencement of such winding-up exercised the Warrants and had on such date been the holders of the New Shares to which they would have become entitled pursuant to such exercise.

Subject to the foregoing, if the Company is wound-up for any reason other than a members' voluntary winding-up, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

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## LETTER TO SHAREHOLDERS

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- Further issue of Shares** : Subject to the terms and conditions of the Warrants to be set out in the Instrument, the Company shall be at liberty to issue Shares to Shareholders either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit. However, the Warrantholders shall not have any participation rights in any further issues of Shares by the Company unless otherwise resolved by the Company in general meeting or in the event of a take-over offer to acquire Shares.
- Transfer and transmission** : The procedure for the transfer and transmission of the Warrants is set out in the terms and conditions of the Warrants to be set out in the Instrument.
- 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 with Warrants which are not validly subscribed and/or applied for at the close of the Preferential Offering after satisfaction of all applications and excess applications (if any) for the Rights Shares with Warrants.
- 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.
- Eligibility to Participate** : As there may be prohibitions or restrictions against the offering of Rights Shares with Warrants in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Preferential Offering. Please see paragraph 2.7 of this Circular for details on the eligibility of Shareholders to participate in the Preferential Offering.
- Listing and Trading** : The SGX-ST had granted its approval in-principle for the listing of and quotation for the Rights Shares, the Warrants, the New Shares, the Additional 2016 Warrants and the Additional New Shares on the Main Board of the SGX-ST, subject to certain conditions which are set out in paragraph 2.3 of this Circular.

Approval in-principle granted by the SGX-ST for the listing of and quotation for the Rights Shares, the Warrants, the New Shares, the Additional 2016 Warrants and the Additional New Shares is not to be taken as an indication of the merits of the Preferential Offering, the Rights Shares, the Warrants, the New Shares, the Additional 2016 Warrants, the Additional New Shares, the Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

Upon the listing and quotation of the Rights Shares, the Warrants and the New Shares on the Main Board of the SGX-ST, the Rights Shares, the Warrants and the New 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 or, as the case may be, Warrants will comprise 100 Shares or, as the case may be, 100 Warrants.

The listing and quotation of the Warrants on the SGX-ST is subject to, *inter alia*, there being a sufficient spread of holdings of the Warrants to provide for an orderly market in the Warrants. Under Rule 826 of the Listing Manual, it is provided that as a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants. **In the event that permission is not granted by the SGX-ST for the listing of and quotation for the Warrants for any reason, Warrantholders will not be able to trade their Warrants on the SGX-ST.** However, if a holder of the Warrants were to exercise his right, subject to the terms and conditions of the Warrants, to convert his Warrants into New Shares, such New Shares will be listed and quoted on the Main Board of the SGX-ST.

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## LETTER TO SHAREHOLDERS

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

**Acceptance, excess application and payment procedures** : Entitled Shareholders will be at liberty to accept or decline their provisional allotments of the Rights Shares with Warrants and will be eligible to apply for Rights Shares with Warrants in excess of their provisional allotments under the Preferential Offering.

The procedures for, and the terms and conditions applicable to, the acceptances of the provisional allotments of the Rights Shares with Warrants and the applications for excess Rights Shares with Warrants, 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 ARE and the 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, subject to, *inter alia*, the approval of the Shareholders for the Preferential Offering at the EGM.

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

**Use of CPF Funds** : CPF Members can only use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their provisional allotments of Rights Shares with Warrants and (if applicable) application for excess Rights Shares with Warrants and subsequently the Warrant Exercise Price of the Warrants (if applicable).

Such CPF Members who wish to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants or, as the case may be, pay for the Warrant Exercise Price of the Warrants 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 Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants on their behalf in accordance with the terms and conditions of the Instruction Booklet or, as the case may be, to pay for the Warrant Exercise Price of the Warrants on their behalf in accordance with the terms and conditions of the Warrants to be set out in the Instrument.

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 Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants on their behalf or, as the case may be, to pay for the Warrant Exercise Price of the Warrants on their behalf.

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## LETTER TO SHAREHOLDERS

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**Warrant Agent** : Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.).

**Estimated Net Proceeds from the Preferential Offering** : 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\$12.0 million. Assuming all the Warrants are exercised, the estimated proceeds arising from the exercise of the Warrants will be approximately S\$12.3 million.

**Governing law** : Singapore law.

The terms and conditions of the Preferential Offering are subject to such changes as the Directors may deem appropriate. The final terms and conditions of the Preferential Offering will be contained in the Instruction Booklet, the ARE and/or the PAL to be despatched by the Company to Entitled Shareholders in due course, subject to, *inter alia*, the approval of the Shareholders for the Preferential Offering at the EGM.

2.2 **Conditions for the Preferential Offering.** Shareholders should note that the Preferential Offering is subject to the following:

- (a) the receipt by the Company of the approval in-principle from the SGX-ST for the listing of and quotation for the Rights Shares, the Warrants, the New Shares, the Additional 2016 Warrants and the Additional New Shares on the Main Board of the SGX-ST; and
- (b) the approval of Shareholders at the EGM for the Preferential Offering, including the allotment and issue of the Rights Shares, the Warrants and the New Shares.

2.3 **SGX-ST Approval.** On 7 June 2019, the SGX-ST granted its approval in-principle for the listing of and quotation for the Rights Shares, the Warrants, the New Shares, the Additional 2016 Warrants and the Additional New Shares on the Main Board of the SGX-ST, subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) Shareholders' approval for the Preferential Offering;
- (c) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of proceeds from the Preferential Offering and from the exercise of the Warrants and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (d) a written undertaking from the Company that it will comply with the confirmation given under Rule 877(10) of the Listing Manual with regards to the allotment of any excess Rights Shares with Warrants;
- (e) the submission of the Irrevocable Undertaking by Mr Lim Chap Huat;
- (f) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that Mr Lim Chap Huat (who has given the Irrevocable Undertaking) has sufficient financial resources to fulfil his obligations under his undertaking;
- (g) a written confirmation from the Company that there is a satisfactory spread of registered warrant holders (at least 100) to provide an orderly market for the Warrants and the Additional 2016 Warrants in compliance with Rule 826 of the Listing Manual;

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## LETTER TO SHAREHOLDERS

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- (h) a written confirmation from the Company that the terms and conditions of the Warrants and the Additional 2016 Warrants do not permit revision of the exercise price/ratio in any form, other than in compliance with Rule 829(1) of the Listing Manual; and
- (i) a written undertaking from the Company that Rules 820, 830 and 831 of the Listing Manual will be complied with.

Approval in-principle granted by the SGX-ST for the listing of and quotation for the Rights Shares, the Warrants, the New Shares, the Additional 2016 Warrants and the Additional New Shares is not to be taken as an indication of the merits of the Preferential Offering, the Rights Shares, the Warrants, the New Shares, the Additional 2016 Warrants, the Additional New Shares, the Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

- 2.4 **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 with Warrants which are not validly subscribed and/or applied for at the close of the Preferential Offering after satisfaction of all applications and excess applications (if any) for the Rights Shares with Warrants.

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, the Warrants and the New Shares on the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company.

- 2.5 **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 at the Latest Practicable Date, Mr Lim Chap Huat holds 73.19% of the total number of issued Shares and 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 with Warrants which are not validly subscribed and/or applied for at the close of the Preferential Offering in accordance with his Irrevocable Undertaking.

Shareholders may also note that pursuant to Rule 820 of the Listing Manual 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 Rights Shares and Warrants pursuant to the Preferential Offering and/or the acquisition of New Shares upon the exercise of all or any Warrants should consult the Securities Industry Council and/or their professional advisers immediately.

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## LETTER TO SHAREHOLDERS

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2.6 **Non-underwritten Preferential Offering.** 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.

2.7 **Eligibility of Shareholders to Participate in the Preferential Offering.**

2.7.1 **Entitled Shareholders.** Entitled Shareholders will be entitled to participate in the Preferential Offering and to receive the Instruction Booklet together with the AREs or PALs, as the case may be, and its accompanying documents at their respective Singapore addresses, as maintained in the records of CDP or the Company, as the case may be. Entitled Depositors who do not receive the Instruction Booklet and AREs may obtain them from CDP during the period from the date the Preferential Offering commences up to the Closing Date. Entitled Scripholders who do not receive the Instruction Booklet and the PALs may obtain them from the Share Registrar during the period from the date the Preferential Offering commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares with Warrants under the Preferential Offering on the basis of their shareholdings as at the Books Closure Date.

Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotments of Rights Shares with Warrants. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the twelfth (12<sup>th</sup>) Market Day from the date of lodgment of the share certificates with CDP or such later date as CDP may determine.

2.7.2 **Provisional Allotments.** Entitled Shareholders are at liberty to accept or decline their provisional allotments of the Rights Shares with Warrants and are eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Preferential Offering.

**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 with Warrants or (b) eligibility to apply for excess Rights Shares with Warrants.**

Fractional entitlements to the Rights Shares with Warrants will be aggregated and used with provisional allotments which are not taken up or allotted for any reason to satisfy excess applications for Rights Shares with Warrants (if any) or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of excess Rights Shares with Warrants, 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 of the Company, including Mr Lim Chap Huat, will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares with Warrants.

2.7.3 **Foreign Shareholders.** The Instruction Booklet and its accompanying documents will not be registered, lodged or filed in any jurisdiction other than in Singapore. The distribution of the Instruction Booklet and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Preferential Offering will only be made in Singapore and the Instruction Booklet and its accompanying documents will not be despatched to Foreign Shareholders or into any jurisdiction outside Singapore.

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## LETTER TO SHAREHOLDERS

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The Rights Shares with Warrants will NOT be offered to Foreign Shareholders. Accordingly, Foreign Shareholders will not be entitled to participate in the Preferential Offering and no provisional allotment of the Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by Foreign Shareholders will be valid.

Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP.

Depositors who wish to maintain a mailing address (“**Rights Mailing Address**”) with CDP for the purpose of receiving the Preferential Offering documents should inform CDP in writing at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589. Depositors are reminded that any request to register a Rights Mailing Address or to effect any change in address must reach CDP not later than three (3) Market Days before the Books Closure Date.

Shareholders (not being Depositors) who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Preferential Offering should provide such an address in Singapore by notifying in writing the Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02 Singapore 068898, not later than three (3) Market Days before the Books Closure Date.

The Rights Shares with Warrants which are not otherwise taken up or allotted for any reason shall be used to satisfy excess applications for Rights Shares with Warrants (if any) or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of excess Rights Shares with Warrants, 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 of the Company, including Mr Lim Chap Huat, will rank last in priority for rounding of odd lots and allotment of excess Rights Shares with Warrants.

- 2.7.4 **No Offer Outside Singapore.** Notwithstanding the above, Entitled Shareholders and any other person having possession of the Instruction Booklet and its accompanying documents are advised to keep themselves informed of and to observe any legal requirements applicable thereto at their own expense and without liability to the Company or any other person involved in the Preferential Offering. No person in any territory outside Singapore receiving the Instruction Booklet and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares with Warrants unless such offer, invitation or solicitation can lawfully be made without violating any regulatory or legal requirements in such territories.
- 2.7.5 **Instruction Booklet.** The procedures for, and the terms and conditions applicable to, the acceptances of the provisional allotments of the Rights Shares with Warrants and the applications for excess Rights Shares with Warrants, including the different modes of acceptance or application and payment, will be contained in the Instruction Booklet and in the ARE and the 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, subject to, *inter alia*, the approval of the Shareholders for the Preferential Offering at the EGM.
- 2.7.6 **No Prospectus or Offer Information Statement.** As the Preferential Offering will be made pursuant to the exemptions invoked under Sections 273(1)(ce) and 273(1)(cg) of the SFA, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore (“**MAS**”).



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## LETTER TO SHAREHOLDERS

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2.7.7 **Notification under Section 309B of the SFA.** The provisional allotments of Rights Shares with Warrants, the Rights Shares, the Warrants and the New 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).

2.7.8 **Indicative Timetable.** The indicative timetable for the Preferential Offering will be announced by the Company in due course, subject to, *inter alia*, the approval of the Shareholders for the Preferential Offering at the EGM.

### 3. RATIONALE FOR THE PREFERENTIAL OFFERING AND USE OF PROCEEDS

3.1 **Rationale.** The Preferential Offering has been proposed to strengthen the capital base of the Group and to fund the Group's further expansion of its manufacturing and fabrication facilities for premium precast building components and Prefabricated and Pre-finished Volumetric Construction ("**PPVC**") in its plant in Malaysia.

In 2017, the Building and Construction Authority ("**BCA**") launched the Construction Industry Transformation Map with the vision to transform the construction industry into an advanced and integrated sector with widespread adoption of leading technologies. One of the key approaches taken by BCA to achieve the desired vision is the adoption of Design for Manufacturing and Assembly ("**DfMA**") methodology in the industry. In this regard, the Integrated Construction and Precast Hub ("**ICPH**") and PPVC are the key elements for the adoption of DfMA in building supply capacity and capabilities for the built environment.

The construction of the Group's ICPH, as well as the installation of its automated plant and machineries, had been completed in December 2018 and the Group's ICPH currently houses the production of certain large concrete panel slabs, hollow core concrete, reinforcing steel wire mesh and a wide range of other precast components. In November 2018, the Company also completed the acquisition of the entire issued and paid-up share capital of Precast Concrete Builders Pte. Ltd. ("**Precast Concrete Builders**") (formerly known as Sembcorp EOSM Pte. Ltd.) (the "**2018 Acquisition**") which (together with its subsidiaries) is principally engaged in the provision of design, construction, fabrication and manufacturing of PPVC modular components and other building materials in Singapore, Malaysia and India.

The 2018 Acquisition provided the Group with additional plant facilities and machineries for the manufacturing and fabrication of premium precast building components and PPVC modular components (including a factory in Pontian (the "**Pontian Factory**"), Johor, Malaysia) to further support the Group's growth in this segment.

The Directors believe that the further expansion of the Group's manufacturing and fabrication facilities in the Pontian Factory would broaden the production scale of the Group for premium precast building components and allow the Group to tap on the anticipated growing demand of such concrete products arising from the Construction Industry Transformation Map. The successful implementation of the DfMA methodologies will also support the creation of a clearer construction project delivery and quality advantage for the Group in the competitive built environment sector.

3.2 **Use of Proceeds.** Taking into consideration the Irrevocable Undertaking, the gross proceeds from the Preferential Offering are approximately S\$12.3 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\$12.0 million (the "**Net Proceeds**").

Assuming all the Warrants are exercised, the estimated proceeds arising from the exercise of the Warrants will be approximately S\$12.3 million.

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## LETTER TO SHAREHOLDERS

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The Company intends to use:

- (a) up to approximately S\$10.0 million of the Net Proceeds (or up to approximately 83.3 per cent. of the Net Proceeds) to fund the expansion of the Pontian Factory; and
- (b) the remainder of at least approximately S\$2.0 million of the Net Proceeds (or at least approximately 16.7 per cent. of the Net Proceeds) to fund the acquisition of plant and machinery by the Precast Concrete Builders group of companies (including for the Pontian Factory).

Proceeds from the exercise of the Warrants (the “**Exercise Proceeds**”) will be utilised towards the repayment of the Group’s bank borrowings. In this regard, the Company has an existing secured term loan of approximately S\$50.0 million which is due in 2021 and which the Group intends to refinance upon maturity. The Company intends to utilise the Exercise Proceeds towards the partial repayment of borrowings under such existing term loan and upon refinancing, under the new loan to be procured for refinancing the existing term loan. The existing term loan had been drawn down to fund the capital expenditure of the Group which include construction cost and procurement of automated plant and machinery for the Group’s ICPH as well as acquisition of assets and working capital.

Pending the deployment of the Net Proceeds and the Exercise Proceeds (if any), 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 appropriate 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.

The proceeds raised from the Preferential Offering would be sufficient to enable the Company to meet its obligations and continue to operate as a going concern.

#### 4. FINANCIAL EFFECTS OF THE PREFERENTIAL OFFERING

For illustration purposes only and based on the Group’s audited consolidated financial statements for FY2018 and the Group’s unaudited consolidated financial statements for 1Q2019, the financial effects of the Preferential Offering on the Group are set out below.

The analysis below has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Group immediately after the completion of the Preferential Offering.

- 4.1 **Share Capital.** As at the Latest Practicable Date, the Company has outstanding 2016 Warrants which carry the right to subscribe for an aggregate of 166,683,500 new Shares at an exercise price of S\$0.18 per new Share in accordance with the terms and conditions of the 2016 Warrants<sup>2</sup>. As the 2016 Warrants are out-of-the-money as at the Latest Practicable Date, it is assumed that none of the 2016 Warrants will be exercised on or before the Books Closure Date and the Company has not, as at the Latest Practicable Date, received any exercise notice for the exercise of any of the 2016 Warrants.

As at the Latest Practicable Date, there are no outstanding options under the Soilbuild Construction Employee Share Option Scheme or awards under the Soilbuild Construction Performance Share Plan.

<sup>2</sup> The number of new Shares and the exercise price of the 2016 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 2016 Warrants in accordance with the terms and conditions of the 2016 Warrants as a result of the Preferential Offering.

## LETTER TO SHAREHOLDERS

The effects of the Preferential Offering on the issued share capital of the Company as at the Latest Practicable Date are as follows:

	Number of Shares	S\$'000
Issued share capital as at the Latest Practicable Date	672,988,500	59,597
Add: Rights Shares to be issued	168,247,125	12,000
Issued share capital after the Preferential Offering	841,235,625	71,597
Add: New Shares to be issued	168,247,125	12,282
Issued share capital after the exercise of the Warrants in full	1,009,482,750	83,879

4.2 **NTA.** Assuming the Preferential Offering was completed on 31 December 2018 and 31 March 2019, the effects of the Preferential Offering on the NTA of the Group as at 31 December 2018 and 31 March 2019 respectively are as follows:

	As at 31 December 2018	As at 31 March 2019
NTA before the Preferential Offering (S\$'000)	78,613	77,686
Net proceeds from the Preferential Offering (S\$'000) <sup>(1)</sup>	12,000	12,000
NTA after adjusting for the Preferential Offering (S\$'000) <sup>(1)</sup>	90,613	89,686
Net proceeds from the exercise of Warrants in full (S\$'000) <sup>(2)</sup>	12,282	12,282
NTA after adjusting for the exercise of Warrants in full (S\$'000) <sup>(2)</sup>	102,895	101,968
<b>Before the Preferential Offering</b>		
Number of Shares in issue	672,988,500	672,988,500
NTA per Share (S\$)	0.117	0.115
<b>After the Preferential Offering</b>		
Number of Shares in issue	841,235,625	841,235,625
NTA per Share (S\$) <sup>(1)</sup>	0.108	0.107
<b>After the exercise of Warrants in full</b>		
Number of Shares in issue	1,009,482,750	1,009,482,750
NTA per Share (S\$) <sup>(2)</sup>	0.102	0.101

**Notes:**

<sup>(1)</sup> Assuming the net proceeds from the Preferential Offering after taking into account the estimated expenses of approximately S\$0.3 million are approximately S\$12.0 million.

<sup>(2)</sup> Assuming the net proceeds from the exercise of the Warrants in full are approximately S\$12.3 million.

## LETTER TO SHAREHOLDERS

- 4.3 **EPS.** Assuming the Preferential Offering was completed on 1 January 2018 and 1 January 2019, the effects of the Preferential Offering on the EPS of the Group for FY2018 and 1Q2019 respectively are as follows:

	FY2018	1Q2019
Loss for the year/period (S\$'000)	(3,282)	(887)
Loss per Share before the Preferential Offering (cents) <sup>(1)</sup>	(0.48)	(0.13)
Loss per Share after the Preferential Offering (cents) <sup>(2)</sup>	(0.39)	(0.11)
Loss per Share after the exercise of Warrants in full (cents) <sup>(3)</sup>	(0.33)	(0.09)

**Notes:**

<sup>(1)</sup> Based on 672,988,500 Shares.

<sup>(2)</sup> Based on 841,235,625 Shares. Does not take into account the effects of the use of proceeds from the Preferential Offering on the earnings of the Group.

<sup>(3)</sup> Based on 1,009,482,750 Shares. Does not take into account the effects of the use of proceeds from the exercise of the Warrants on the earnings of the Group.

## 5. REVIEW OF PAST PERFORMANCE

- 5.1 The audited or, as the case may be, audited and restated consolidated income statements of the Group for FY2016, FY2017 and FY2018 and the unaudited consolidated income statements of the Group for 1Q2018 and 1Q2019 are set out below.

	Audited FY2016	Audited FY2017	Audited FY2017 (Restated)	Audited FY2018	Unaudited 1Q2018	Unaudited 1Q2019
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	399,647	200,769	199,606	208,584	38,962	46,756
Cost of sales	(377,316)	(200,963)	(199,370)	(201,976)	(36,282)	(44,320)
<b>Gross profit/(loss)</b>	<b>22,331</b>	<b>(194)</b>	<b>236</b>	<b>6,608</b>	<b>2,680</b>	<b>2,436</b>
Other income	2,384	1,597	1,597	2,277	352	775
Other gains/(losses) - net	274	(149)	(149)	(102)	(397)	(63)
Expenses						
- Administrative	(8,587)	(7,587)	(7,587)	(6,764)	(1,560)	(2,164)
- Marketing	(39)	(40)	(40)	(8)	-	(1)
- Finance	(33)	(71)	(71)	(635)	(60)	(388)
- Others	(1,947)	(2,175)	(2,175)	(3,930)	(714)	(1,361)
Share of profit/(loss) of joint ventures	27	594	594	143	44	(2)
<b>Profit/(loss) before income tax</b>	<b>14,410</b>	<b>(8,025)</b>	<b>(7,595)</b>	<b>(2,411)</b>	<b>345</b>	<b>(768)</b>
Income tax (expense)/credit	(2,534)	1,719	1,621	(871)	(139)	(119)
<b>Net profit/(loss)</b>	<b>11,876</b>	<b>(6,306)</b>	<b>(5,974)</b>	<b>(3,282)</b>	<b>206</b>	<b>(887)</b>
<b>Profit/(loss) attributable to:</b>						
Equity holders of the Company	11,876	(6,303)	(5,971)	(3,242)	206	(887)
Non-controlling interests	-	(3)	(3)	(40)	-	-
	<b>11,876</b>	<b>(6,306)</b>	<b>(5,974)</b>	<b>(3,282)</b>	<b>206</b>	<b>(887)</b>

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5.2 The audited or, as the case may be, audited and restated consolidated balance sheets of the Group as at 31 December 2016, 31 December 2017 and 31 December 2018 and the unaudited consolidated balance sheet of the Group as at 31 March 2019 are set out below.

	<b>Audited As at 31 December 2016</b>	<b>Audited As at 31 December 2017</b>	<b>Audited As at 31 December 2017  (Restated)</b>	<b>Audited As at 31 December 2018</b>	<b>Unaudited As at 31 March 2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	32,830	27,871	27,871	15,252	12,889
Trade and other receivables	103,427	56,100	56,189	70,175	76,590
Other current assets	2,175	14,637	14,637	1,387	2,007
Inventory	-	-	-	-	261
Income tax recoverable	-	685	685	-	103
	<b>138,432</b>	<b>99,293</b>	<b>99,382</b>	<b>86,814</b>	<b>91,850</b>
<b>Non-current assets</b>					
Trade and other receivables	14,918	5,591	5,591	7,305	7,914
Other non-current assets	10,000	-	-	-	-
Investments in joint ventures	2,784	943	943	525	523
Property, plant and equipment	23,474	54,360	54,360	101,891	102,237
Intangible assets	179	455	455	330	300
Land lease prepayment	25,535	30,106	30,106	33,928	33,601
Right of use – Land lease	-	-	-	-	589
Deferred income tax assets	-	50	274	831	831
	<b>76,890</b>	<b>91,505</b>	<b>91,729</b>	<b>144,810</b>	<b>145,995</b>
<b>Total assets</b>	<b>215,322</b>	<b>190,798</b>	<b>191,111</b>	<b>231,624</b>	<b>237,845</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	112,702	93,988	95,181	96,018	85,754
Current income tax liabilities	2,016	226	226	436	627
Borrowings	-	11,244	11,244	51,554	20,067
Lease liability	-	-	-	-	167
Provision for other liabilities	1,119	1,093	1,281	1,490	1,287
	<b>115,837</b>	<b>106,551</b>	<b>107,932</b>	<b>149,498</b>	<b>107,902</b>
<b>Non-current liabilities</b>					
Trade and other payables	-	1,253	1,253	3,183	4,534
Borrowings	-	-	-	-	47,000
Lease liability	-	-	-	-	423
Deferred income tax liabilities	1,394	-	-	-	-
	<b>1,394</b>	<b>1,253</b>	<b>1,253</b>	<b>3,183</b>	<b>51,957</b>
<b>Total liabilities</b>	<b>117,231</b>	<b>107,804</b>	<b>109,185</b>	<b>152,681</b>	<b>159,859</b>
<b>NET ASSETS</b>	<b>98,091</b>	<b>82,994</b>	<b>81,926</b>	<b>78,943</b>	<b>77,986</b>
<b>EQUITY</b>					

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	Audited As at 31 December 2016	Audited As at 31 December 2017	Audited As at 31 December 2017 (Restated)	Audited As at 31 December 2018	Unaudited As at 31 March 2019
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	58,798	59,597	59,597	59,597	59,597
Capital reserve	(1,070)	(1,070)	(1,070)	(1,070)	(1,070)
Currency translation reserve	116	(310)	(405)	(149)	(219)
Performance share plan reserve	719	-	-	-	-
Warrant reserve	8,161	8,128	8,128	8,128	8,128
Retained profits	31,367	16,652	15,679	12,437	11,550
	98,091	82,997	81,929	78,943	77,986
Non-controlling interests	-	(3)	(3)	-	-
<b>TOTAL EQUITY</b>	<b>98,091</b>	<b>82,994</b>	<b>81,926</b>	<b>78,943</b>	<b>77,986</b>

5.3 The audited or, as the case may be, audited and restated consolidated cash flow statements of the Group for FY2016, FY2017 and FY2018 and the unaudited consolidated cash flow statements of the Group for 1Q2018 and 1Q2019 are set out below:

	Audited FY2016	Audited FY2017	Audited FY2017 (Restated)	Audited FY2018	Unaudited 1Q2018	Unaudited 1Q2019
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>						
Net profit/(loss)	11,876	(6,306)	(5,974)	(3,282)	206	(887)
Adjustments for:						
- Amortisation of intangible assets	68	80	80	125	32	30
- Depreciation of property, plant and equipment	2,559	2,411	2,411	3,411	676	1,364
- Amortisation of land lease prepayment	888	982	982	1,186	271	315
- Share-based compensation expense/(write-back)	503	(75)	(75)	-	-	-
- Interest income	(45)	(47)	(47)	(31)	(9)	(6)
- Interest expense	33	71	71	635	60	388
- Income tax expense/(credit)	2,534	(1,719)	(1,621)	871	139	119
- Loss/(gain) on disposal of property, plant and equipment	304	156	156	(34)	42	-
- Loss on disposal of a subsidiary	-	-	-	45	-	-
- Property, plant and equipment written off	-	-	-	23	-	-
- Share of (profit)/loss of joint ventures	(27)	(594)	(594)	(143)	(44)	2

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	<b>Audited FY2016</b>	<b>Audited FY2017</b>	<b>Audited FY2017 (Restated)</b>	<b>Audited FY2018</b>	<b>Unaudited 1Q2018</b>	<b>Unaudited 1Q2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Operating cash flows before working capital changes	18,693	(5,041)	(4,611)	2,806	1,373	1,325
Changes in working capital:						
- Trade and other receivables	29,766	56,654	56,778	(14,890)	1,920	(7,024)
- Other current assets	(898)	(12,462)	(12,462)	13,273	1,295	(620)
- Inventory	-	-	-	-	-	(261)
- Other non-current assets	-	10,000	10,000	-	-	-
- Trade and other payables	(4,804)	(17,465)	(17,805)	(1,744)	(17,794)	(8,972)
- Provision for other liabilities	(232)	(26)	(273)	209	529	(203)
Cash generated from/(used in) operations	42,525	31,660	31,627	(346)	(12,677)	(15,755)
Income tax paid	(2,141)	(2,221)	(2,221)	(549)	(426)	(30)
<b>Net cash provided by/(used in) operating activities</b>	<b>40,384</b>	<b>29,439</b>	<b>29,406</b>	<b>(895)</b>	<b>(13,103)</b>	<b>(15,785)</b>
<b>Cash flows from investing activities</b>						
Additions to property, plant and equipment	(9,999)	(34,019)	(34,019)	(37,894)	(11,363)	(1,744)
Additions of intangible assets	(23)	(356)	(356)	-	-	-
Proceeds from disposal of property, plant and equipment	878	531	531	589	26	158
Additions of land lease prepayment	-	(5,552)	(5,552)	(2,892)	-	-
Acquisition of assets, net of cash acquired	-	-	-	(7,625)	-	-
Disposal of a subsidiary, net of cash disposed of	-	-	-	88	-	-
Distributions received from a joint venture	17	435	435	261	111	-
Dividend received from a joint venture	-	2,000	2,000	300	-	-
Interest received	45	47	47	31	9	6
<b>Net cash used in investing activities</b>	<b>(9,082)</b>	<b>(36,914)</b>	<b>(36,914)</b>	<b>(47,142)</b>	<b>(11,217)</b>	<b>(1,580)</b>
<b>Cash flows from financing activities</b>						
Dividends paid to equity holders of the Company	(13,390)	(8,412)	(8,412)	-	-	-
Proceeds from issuance of shares to non-controlling interest	-	-	-	75	-	-
Proceeds from conversion of warrants to ordinary shares	3	122	122	-	-	-
Proceeds from bank loans	12,800	26,744	26,744	56,756	11,780	15,522

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	<b>Audited FY2016</b>	<b>Audited FY2017</b>	<b>Audited FY2017 (Restated)</b>	<b>Audited FY2018</b>	<b>Unaudited 1Q2018</b>	<b>Unaudited 1Q2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Repayment of bank loans	(12,800)	(15,500)	(15,500)	(20,976)	-	-
Proceeds from preferential offering of warrants	8,368	-	-	-	-	-
Expenses relating to preferential offering of warrants	(206)	-	-	-	-	-
Interest paid	(33)	(67)	(67)	(599)	(46)	(328)
<b>Net cash (used in)/provided by financing activities</b>	<b>(5,258)</b>	<b>2,887</b>	<b>2,887</b>	<b>35,256</b>	<b>11,734</b>	<b>15,194</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>26,044</b>	<b>(4,588)</b>	<b>(4,621)</b>	<b>(12,781)</b>	<b>(12,586)</b>	<b>(2,171)</b>
Cash and cash equivalents at beginning of financial year/ period	6,721	32,830	32,830	27,871	27,871	15,252
Effects of currency translation on cash and cash equivalents	65	(371)	(338)	162	168	(192)
<b>Cash and cash equivalents at end of financial year/ period</b>	<b>32,830</b>	<b>27,871</b>	<b>27,871</b>	<b>15,252</b>	<b>15,453</b>	<b>12,889</b>

**5.4 Review of Performance.**

**5.4.1 1Q2019 compared to 1Q2018.**

Revenue and Gross Profit. For the quarter under review, the Group's revenue increased by 20.0% from S\$39.0 million in 1Q2018 to S\$46.8 million in 1Q2019. The increase in revenue was due to the progress of on-going projects in 2019. These on-going projects included those newly secured in 2018 and 2019.

The major revenue contributors in 1Q2019 were as follows:

- (a) 68 Residence Project (construction and completion of a 26½ storey serviced apartment / condominium in Yangon);
- (b) Rosehill Residence Project (erection of a 24-storey residential development in Yangon);
- (c) 164 Kallang Way Project (construction of a multi-user general industrial factory development at Geylang Planning Area);
- (d) 171 Kallang Way Project (construction of a general industrial factory development at Geylang Planning Area); and
- (e) Bedok Food City Project (construction of a high rise multi-user food factory at Bedok North Avenue 4).

In 1Q2019, while trial production of precast and prefabrication was undertaken by the Group's ICPH, the Precast and Pre-fabrication division started to register revenue amounting to approximately S\$0.5 million for sales of its products.



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The Group reported a gross profit of S\$2.4 million in 1Q2019 compared to gross profit of S\$2.7 million in 1Q2018. The gross profit for 1Q2019 was 5.2% compared to gross profit margin for 1Q2018 of 6.9%.

Other Income. Other income increased by approximately S\$423,000 mainly due to increase in rental income received in 1Q2019.

Other Losses. Other losses (net) of approximately S\$63,000 in 1Q2019 were mainly attributable to loss on foreign exchange.

Administrative Expenses. Administrative expenses increased from S\$1.56 million in 1Q2018 to S\$2.2 million in 1Q2019 due to mainly to (a) an increase in property tax for the factories and building of the Group in 2019, and (b) an increase in utilities charges and other administrative expenses.

Finance Expenses. The increase in finance expenses in 1Q2019 was mainly due to higher borrowings in 1Q2019 compared to borrowings in 1Q2018.

Other Operating Expenses. The increase in other operating expenses in 1Q2019 was mainly due to an increase in depreciation on property, plant and machinery during the quarter, in particular those property, plant and equipment acquired or completed in the second half of 2018 and which started to depreciate.

Income Tax Expenses. The Group recognised income tax expenses of approximately S\$0.1 million in 1Q2019 mainly due to net profit before tax reported by the Group's subsidiaries in Myanmar.

Net (Loss)/Profit after Tax. With the impact of the increase in administrative expenses (mainly due to an increase in property taxes) as well as the increase in other operating expenses as a result of higher depreciation charges, the Group reported a net loss after tax of approximately S\$0.9 million.

### 5.4.2 FY2018 compared to FY2017 (Restated).

*On 1 January 2018, the Group had adopted the following new Singapore Financial Reporting Standards (International) (“SFRS(I)”) which were mandatory and effective from 1 January 2018:*

(a) *Adoption of SFRS(I) 15 Revenue from Contracts with Customers - Construction Contracts*

(i) *Change in method for recognition of revenue and margin from construction contracts*

*Before 1 January 2018, the Group recognised construction contract revenue by reference to the stage of completion of the contract activity at the end of each reporting period (“percentage-of-completion method”), when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the value of work performed relative to the total contract value as determined by the architects’ certificates. The value of work performed is determined by the architects based on physical surveys of the construction works completed (“Output Method”).*

*With the adoption of SFRS(I) 15, the Group continues to recognise construction contract revenue over time by measuring the progress towards complete satisfaction of performance obligations. Under the new standard, the methods of measuring progress include Output Method and Input Method (which is cost-based input method). The Group has determined that the Input Method reflects the over-time transfer of control to customers. Accordingly, with effective from 1 January 2018, the Group adopted the Input Method under the SFRS(1) 15, in recognising its contract revenue.*

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*The Group has also assessed the corresponding tax impact with the adoption of SFRS(I)15.*

(ii) *Accounting for loss-making construction contracts*

*Before 1 January 2018, under FRS 11 Construction Contracts, when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately on a contract-by-contract basis, and is accounted for on the balance sheet as part of construction contract balances under trade and other receivables or trade and other payables.*

*With the adoption of SFRS(I) 15, there is no guidance on how to account for expected losses on loss-making contracts. As such, the Group will need to apply SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets to identify and account for loss-making contracts. Accordingly, there will be a classification impact and the provision for foreseeable losses will be classified and disclosed separately as provision for other liabilities on the balance sheet.*

(b) *SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)*

*In the application of SFRS(I) 1, the Group has elected the optional exemption to deem cumulative translation differences for foreign operations to be zero on 1 January 2017 and reclassified S\$92,000 of foreign currency translation reserve to the opening retained earnings as at 1 January 2017.*

*In view of the foregoing, for purposes of this section, the description of the Group's performance for FY2018 as compared to FY2017 is based on the audited consolidated income statements of the Group for FY2018 and the audited and restated consolidated income statements of the Group for FY2017 (as the same was disclosed in the Company's annual report for FY2018).*

Revenue. In FY2018, the Group reported a higher revenue of S\$208.6 million compared to S\$199.6 million reported in FY2017. The approximately 4.5% increase in revenue was attributable mainly to the increase in construction activities during the financial year under review. Construction projects that contributed revenue in FY2018 comprised Bedok Food City Project, 164 Kallang Way Project, 171 Kallang Way Project, 68 Residence Project and Rosehill Residence Project. Revenue recognised from projects in Myanmar continued to increase during FY2018, from approximately S\$27.4 million in FY2017 to S\$50.8 million in FY2018, representing an increase of approximately 85.1%.

Gross Profit. The Group reported a gross profit of S\$6.6 million in FY2018 compared to a gross profit of S\$0.2 million in FY2017. Correspondently, the Group reported a gross margin of 3.2% in FY2018 compared to a gross margin of 0.1% in FY2017. The gross profit in FY2018 was led by recognition of revenue from construction projects that generated relatively higher project margins and cost savings achieved on certain projects in Singapore and Myanmar during the financial year under review.

On 25 February 2019, the Group received the grant of arbitration award ("**Award**") by an arbitrator against the Company's wholly-owned subsidiary, Soil-Build (Pte.) Ltd. ("**SBPL**"), in connection with an arbitration commenced by SBPL 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 was not liable to pay SBPL any damages for delay, liquidated or otherwise, and SBPL was 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.

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The Award had resulted in the Company having to recognise S\$5.3 million additional cost of sales in respect of the relevant construction project for FY2018, which included (a) the amount of S\$1.4 million as mentioned in the above; (b) damages previously deemed receivable; and (c) interest, prolongation cost and legal fee. Excluding the recognition of these additional cost of sales amounting to S\$5.3 million, the Group's gross profit for FY2018 would have been approximately S\$11.9 million, and the Group's gross profit margin for FY2018 would have been 5.7%.

Other Income. The Group's other income increased from S\$1.6 million in FY2017 to S\$2.3 million in FY2018, due mainly to the increase in rental income. However, the increase in rental income in FY2018 was partially offset by a decrease in services income and a decrease in receipts of grants from various government agencies.

Other Losses, net. The Group's other losses of S\$0.1 million in FY2018 were attributable to foreign exchange losses while the other losses in FY2017 arose mainly from the loss on disposal of property, plant and equipment.

Administrative Expenses. In FY2018, the Group's administrative expenses decreased by S\$0.8 million or 10.8% from S\$7.6 million in FY2017 to S\$6.8 million. The decrease in administrative expenses was attributable mainly to the decrease in various administrative expenses, including rental expenses as well as payroll expenses.

Finance Expenses. The Group's finance expenses increased by S\$0.5 million to S\$0.6 million in FY2018. The increase was due mainly to an increase in bank borrowings in FY2018 which were drawdown to finance the Group's capital expenditure.

Other Operating Expenses. The Group's other operating expenses increased by S\$1.7 million from S\$2.2 million in FY2017 to S\$3.9 million in FY2018. The increase in other operating expenses was due mainly to higher depreciation charges on the Group's property, plant and equipment in FY2018 following the completion of the Group's ICPH during the financial year.

Share of Profit of Joint Ventures. The Group's share of profit of its joint ventures amounted to approximately S\$0.1 million in FY2018 as compared with S\$0.6 million in FY2017. The decrease was due mainly to the completion of a construction project of a joint venture in FY2018.

Loss Before Income Tax. The Group reported a loss before income tax of S\$2.4 million in FY2018, compared to a loss before income tax of S\$7.6 million in FY2017, as gross profit generated in FY2018 was lower than the overall operating expenses.

Income Tax Expenses. The Group recognised income tax expenses of approximately S\$0.9 million for FY2018 due mainly to (a) income tax arising from profit reported by the Group's Myanmar operations, which were not available to offset income tax losses reported by the Group's subsidiaries in Singapore, (b) expenses not deductible for tax purposes, and (c) income tax under-provided in prior year.

Net Loss. The Group reported a net loss of S\$3.3 million in FY2018, compared to a net loss of S\$6.0 million in FY2017. Correspondently, the Group's net loss margin was 1.6% in FY2018, compared to a net loss margin of 3.0% in FY2017.

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### 5.4.3 FY2017 compared to FY2016.

*For purposes of this section, the description of the Group's performance for FY2017 as compared to FY2016 is based on the audited consolidated income statements of the Group for FY2017 and FY2016 (as the same was disclosed in the Company's annual report for FY2017).*

Revenue. In FY2017, the Group reported a lower revenue of S\$200.8 million compared to S\$399.6 million reported in FY2016. The approximately 49.8% decrease in revenue was attributable mainly to the completion of various projects in Singapore during the financial year under review, which include Jalan Lam Huat (Main Contract) Project, Ang Mo Kio HDB Project and Goodwood Grand Project. Despite the decrease in overall revenue in FY2017, the Group recognised higher revenue from the projects in Myanmar, which amounted to approximately S\$21.2 million, an increase of approximately 86.0% as compared to S\$11.4 million recognised in FY2016.

Gross (Loss)/Profit. The Group reported a gross loss of S\$0.2 million in FY2017 compared to a gross profit of S\$22.3 million in FY2016. Correspondently, the Group reported a negative gross margin of 0.1% compared to a gross margin of 5.6% in FY2016. The gross loss in FY2017 was led by the reduction in margin recognised due to completion of projects with higher margins, which was further reduced by the increase in construction costs for certain construction projects in Singapore as a result of cost overrun and extended construction period.

Other Income. The Group's other income decreased from S\$2.4 million in FY2016 to S\$1.6 million in FY2017, due mainly to the decrease in rental income as well as the decrease in receipts of grants from various government agencies.

Other (Losses)/Gains, net. The Group's other losses of S\$0.1 million in FY2017 were attributable to the loss on disposal of property, plant and equipment. The other gains of S\$0.3 million in FY2016 were due mainly to foreign exchange gains in that financial year.

Administrative Expenses. In FY2017, the Group's administrative expenses decreased by S\$1.0 million or 11.6% from S\$8.6 million in FY2016 to S\$7.6 million. The decrease in administrative expenses was attributable mainly to the decrease in various administrative expenses, including rental expenses, payroll expenses as well as training expenses.

Other Operating Expenses. The Group's other operating expenses increased by S\$0.3 million from S\$1.9 million in FY2016 to S\$2.2 million in FY2017. The increase in other operating expenses was due mainly to higher amortisation charges on the land lease prepayment and higher depreciation charges on certain property, plant and equipment in FY2017.

Share of Profit of Joint Ventures. The Group's share of profit of joint ventures increased by approximately S\$0.6 million from S\$27,000 in FY2016 to S\$0.6 million in FY2017. The increase was due mainly to recognition of net profit reported by a joint venture in FY2017 for execution of a civil work project.

(Loss)/Profit Before Income Tax. The Group reported a loss before income tax of S\$8.0 million in FY2017, compared with a profit before income tax of S\$14.4 million in FY2016. The Group's loss before income tax was attributable to the decrease in the Group's gross profit of S\$22.5 million in FY2017.

Income Tax Expenses. The Group's income tax credit for FY2017 was due mainly to overprovision of income tax in prior year which were adjusted during FY2017, as well as recognition of deferred tax assets arising from tax losses incurred in FY2017 which can be utilised in future.

Net (Loss)/Profit. The Group reported a net loss of S\$6.3 million in FY2017, compared with a net profit of S\$11.9 million in FY2016. Correspondently, the Group's net loss margin was 3.1% in FY2017, compared to a net profit margin of 3.0% in FY2016.

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### 6. WORKING CAPITAL

6.1 **Working Capital.** The working capital of the Group as at 31 December 2016, 31 December 2017, 31 December 2018 and 31 March 2019 are set out below:

	Audited As at 31 December 2016	Audited As at 31 December 2017	Audited As at 31 December 2017 (Restated)	Audited As at 31 December 2018	Unaudited As at 31 March 2019
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	138,432	99,293	99,382	86,814	91,850
Current liabilities	115,837	106,551	107,932	149,498	107,902
Net current assets/(liabilities)	22,595	(7,258)	(8,550)	(62,684)	(16,052)

### 6.2 Review of Working Capital.

#### 6.2.1 31 March 2019.

As at 31 March 2019, the Group's current liabilities, amounting to S\$107.9 million, exceeded its current assets, amounting to S\$91.9 million, by S\$16.0 million. The negative working capital position was due mainly to the timing difference arising from the significant capital investment by the Group in recent years (i.e. investment in the Group's ICPH project, two factories in Tuas South Link, as well as the acquisition of manufacturing plants in Malaysia). The Group is finalising the long term funding arrangement to support these investments.

#### 6.2.2 31 December 2018 compared to 31 December 2017 (Restated).

*For purposes of this section, the description of the Group's working capital as at 31 December 2018 as compared to 31 December 2017 is based on the audited consolidated balance sheet of the Group as at 31 December 2018 and the audited and restated consolidated balance sheet of the Group as at 31 December 2017 (as the same was disclosed in the Company's annual report for FY2018).*

The Group's current assets decreased from S\$99.4 million as at 31 December 2017 to S\$86.8 million as at 31 December 2018. The decrease was attributable mainly to the decrease in cash and cash equivalents by S\$12.6 million as a result of payment for capital expenditure of the Group in FY2018, as well as a decrease in other current assets by S\$13.3 million.

The decrease in current assets discussed above were partly offset by an increase in trade and other receivable by S\$14.0 million which was due mainly to an increase in progress billings receivable from customers.

The Group's current liabilities increased from S\$107.9 million as at 31 December 2017 to S\$149.5 million as at 31 December 2018. The increase was attributable mainly to the increase in bank borrowings, which were drawdown to finance the Group's capital expenditure.

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### 6.2.3 31 December 2017 compared to 31 December 2016.

*For purposes of this section, the description of the Group's working capital as at 31 December 2017 as compared to 31 December 2016 is based on the audited consolidated balance sheets of the Group as at 31 December 2017 and 31 December 2016 (as the same was disclosed in the Company's annual report for FY2017).*

The Group's current assets decreased from S\$138.4 million as at 31 December 2016 to S\$99.3 million as at 31 December 2017. The decrease was attributable mainly to the decrease in trade and other receivable by S\$47.3 million as a result of lesser construction contracts and lower collection of progress billings from customers upon completion of projects in FY2017.

The decrease in current assets discussed above was partly offset by an increase in advance payment for the procurement of automated plant and machinery for the Group's ICPH, as well as an increase in deposits receivable on project due to the reclassification of such deposits from non-current assets in FY2017.

The Group's current liabilities decreased from S\$115.8 million as at 31 December 2016 to S\$106.6 million as at 31 December 2017. The decrease was attributable mainly to the decrease in trade and other payables of S\$18.7 million, which resulted from the decrease in sub-contractors claims and the decrease in payables for purchases of construction materials during the year under review.

The decrease in current liabilities discussed above was partly offset by an increase in borrowings, which comprised mainly bank loans for the purpose of financing construction projects in Myanmar as well as financing the procurement of automated plant and machinery for the Group's ICPH.

## 7. ADJUSTMENTS TO 2016 WARRANTS

7.1 **Background.** On 13 July 2016, the Company issued 167,369,000 2016 Warrants pursuant to the 2016 Preferential Offering. Under the terms and conditions of the 2016 Warrants, the exercise price and/or the number of 2016 Warrants held by each warrant holder are subject to adjustments under certain circumstances, as set out in the 2016 Instrument.

As at the Latest Practicable Date, the Company has outstanding 2016 Warrants which carry the right to subscribe for an aggregate of 166,683,500 new Shares at an exercise price of S\$0.18 per new Share in accordance with the terms and conditions of the 2016 Warrants.

7.2 **Adjustments to 2016 Warrants.** Pursuant to the terms and conditions of the 2016 Warrants, the Preferential Offering constitutes an event giving rise to an adjustment to the number and exercise price of the 2016 Warrants.

Condition 5.2.4 of the 2016 Warrants states that if, and whenever, the Company shall make any offer or invitation to its members whereunder they may acquire or subscribe for Shares by way of rights, then the 2016 Warrant Exercise Price shall be adjusted in the following manner:

$$\text{New 2016 Warrant Exercise Price} = \frac{E - F}{E} \times X$$

and the number of 2016 Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of 2016 Warrants} = \frac{E}{E - F} \times W$$

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## LETTER TO SHAREHOLDERS

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where:

E = the Last Dealt Price on the Market Day immediately preceding the date on which the offer or invitation referred to in Condition 5.2.4 is publicly announced to the SGX-ST or (failing any such announcement) immediately preceding the date of the offer or invitation;

X = existing 2016 Warrant Exercise Price;

W = existing number of 2016 Warrants held; and

F = the value of rights attributable to one Share, which shall be calculated in accordance with the formula:

$$\frac{E - G}{H + 1}$$

where:

E = as in E above;

G = the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares by way of rights; and

H = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share by way of rights.

Purely for illustrative purposes, on the basis of 672,988,500 issued Shares (of which none are held in treasury) as at the Latest Practicable Date and assuming that there is no change in the number of issued Shares as at the Books Closure Date and that the Company will issue 168,247,125 Rights Shares, applying the formula:

(a) the value of rights attributable to one Share will be as follows:

$$\begin{aligned} F &= \frac{E - G}{H + 1} \\ &= \frac{\text{S\$}0.078 - \text{S\$}0.073}{4 + 1} \\ &= \text{S\$}0.001 \end{aligned}$$

(b) the adjusted 2016 Warrant Exercise Price will be as follows:

$$\begin{aligned} \text{New 2016 Warrant Exercise Price} &= \frac{E - F}{E} \times X \\ &= \frac{\text{S\$}0.078 - \text{S\$}0.001}{\text{S\$}0.078} \times \text{S\$}0.18 \\ &= \text{S\$}0.18 \text{ (after rounding upwards to the nearest one cent)} \end{aligned}$$

Pursuant to Condition 5.4 of the 2016 Warrants, any adjustment to the 2016 Warrant Exercise Price will be rounded upwards to the nearest one cent. As the adjusted and rounded exercise price is S\$0.18 which is equivalent to the existing exercise price, there is no change to the exercise price of the 2016 Warrants.

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## LETTER TO SHAREHOLDERS

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(c) the adjusted number of 2016 Warrants (on an aggregate basis) will be as follows:

$$\begin{aligned} \text{Adjusted number of 2016 Warrants} &= \frac{E}{E - F} \times W \\ &= \frac{\text{S\$0.078}}{\text{S\$0.078} - \text{S\$0.001}} \times 166,683,500 \\ &= \text{Up to 168,848,221} \end{aligned}$$

Pursuant to Condition 5.5 of the 2016 Warrants, any adjustment to the number of 2016 Warrants held by each warrant holder will be rounded downwards to the nearest whole 2016 Warrant.

The adjustment to the number of 2016 Warrants will be effective (if appropriate, retroactively) from the commencement of the day next following the closing date for the Preferential Offering.

As stated in the Announcement, the terms and conditions of the Preferential Offering may be subject to such changes as the Company deems fit. These may include changes to the Preferential Offering ratio of Rights Shares with Warrants and the issue price of the Rights Shares with Warrants in accordance with and in compliance with the Listing Manual. In accordance with the terms and conditions of the 2016 Warrants, the adjustment to the number of 2016 Warrants (based on the final terms and conditions of the Preferential Offering) will be determined by the Directors in consultation with the Auditor and will be announced by the Company and notified to warrant holders in due course.

7.3 **SGX-ST Approval.** On 7 June 2019, the SGX-ST granted its approval in-principle for the listing of and quotation for, amongst others, the Additional 2016 Warrants and the Additional New Shares on the Main Board of the SGX-ST, subject to certain conditions.

Approval in-principle granted by the SGX-ST for the listing of and quotation for the Additional 2016 Warrants and the Additional New Shares is not to be taken as an indication of the merits of the Preferential Offering, the Additional 2016 Warrants, the Additional New Shares, the Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

7.4 **Authority.** In view that the Company is seeking Shareholders' approval at the EGM for the Preferential Offering, as announced on 7 June 2019, the Company proposes to allot and issue the Additional 2016 Warrants and the Additional New Shares pursuant to the share issue mandate approved by Shareholders at the annual general meeting of the Company held on 26 April 2019.



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## LETTER TO SHAREHOLDERS

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### 8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDER'S SHAREHOLDINGS

The interests of the Directors and substantial Shareholder of the Company in the issued share capital of the Company as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares <sup>(1)</sup>	% <sup>(2)</sup>	Number of Shares <sup>(1)</sup>	% <sup>(2)</sup>
<b>Directors</b>				
Lim Chap Huat	492,560,215	73.19	-	-
Ho Toon Bah	11,654,785	1.73	-	-
Lim Cheng Hwa	200,000	0.03	-	-
Poon Hon Thang	-	-	-	-
Tan Jee Ming	300,000	0.04	-	-
Teo Chee Seng	200,000	0.03	-	-
<b>Substantial Shareholder</b>				
Lim Chap Huat			See above	

**Notes:**

<sup>(1)</sup> Based on the Register of Directors and the Register of Substantial Shareholders as at the Latest Practicable Date.

<sup>(2)</sup> Based on 672,988,500 issued Shares as at the Latest Practicable Date.

### 9. DIRECTORS' AND SUBSTANTIAL SHAREHOLDER'S INTERESTS

Save as disclosed in this Circular, none of the Directors and substantial Shareholder of the Company has any interest, direct or indirect, in the Preferential Offering other than through their respective holdings of Shares (direct and indirect) (if any).

### 10. EXTRAORDINARY GENERAL MEETING

The EGM, notice (the "Notice") of which is set out on pages 53 to 55 of this Circular, will be held at 23 Defu South Street 1, Singapore 533847 on 28 June 2019 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without amendment, the Ordinary Resolution set out in the Notice.

### 11. BOOKS CLOSURE DATE

Subject to the approval of the Preferential Offering being obtained at the EGM, the Register of Members and the Share Transfer Books of the Company will be closed at the time and date as the Directors may determine, for the purpose of determining the provisional allotments of Entitled Shareholders under the Preferential Offering.

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## LETTER TO SHAREHOLDERS

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### 12. INSTRUCTION BOOKLET

The Instruction Booklet will be despatched to the Entitled Shareholders subject to, *inter alia*, the approval of Shareholders for the Preferential Offering being obtained at the EGM. Acceptances and applications under the Preferential Offering can only be made through the following (which will form part of the Instruction Booklet, where applicable):

- (a) the PAL, in the case of Entitled Scripholders;
- (b) the ARE, in the case of Entitled Depositors; and
- (c) the automated teller machines of the relevant participating bank providing electronic applications through such automated teller machines, in the case of Entitled Depositors.

The procedures for, and the terms and conditions applicable to, the acceptances of the provisional allotments of the Rights Shares with Warrants and for the excess applications for the Rights Shares with Warrants pursuant to the Preferential Offering, including the different modes of acceptance or application and payment, will be set out in the Instruction Booklet.

### 13. ACTION TO BE TAKEN BY SHAREHOLDERS

- 13.1 **Lodgment of Proxies.** Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete and sign the Proxy Form attached to this Circular in accordance with the instructions printed thereon. The completed and signed Proxy Form should then be returned as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02 Singapore 068898 not later than seventy-two (72) hours before the time fixed for the EGM. Shareholders who have completed and returned the Proxy Form may still attend and vote in person at the EGM, if they so wish, in place of their proxy.

Your completion and return of a Proxy Form will not prevent you from attending and voting in person at the EGM if you so wish. However, any appointment of a proxy or proxies by you shall be deemed to be revoked if you attend the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

- 13.2 **Depositors.** A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP as at seventy-two (72) hours before the EGM.

### 14. DIRECTORS' RECOMMENDATIONS

Having considered, amongst others, the terms and the rationale for, and the financial effects of the Preferential Offering set out in this Circular, the Directors are of the opinion that the Preferential Offering is in the interests of the Company and Shareholders. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution to be proposed at the EGM.

Shareholders are advised to read this Circular in its entirety, including the rationale for the Preferential Offering set out in paragraph 3.1 of this Circular, the financial effects set out in paragraph 4 of this Circular and for those who may require advice in the context of their specific investment, to consult their respective stockbroker, bank manager, solicitor, accountant or other professional adviser.

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## LETTER TO SHAREHOLDERS

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### 15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Preferential Offering, and 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 Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

### 16. INSPECTION OF DOCUMENTS

Copies of the following documents 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 EGM:

- (a) the Constitution of the Company;
- (b) the annual reports of the Company for FY2016, FY2017 and FY2018;
- (c) the Irrevocable Undertaking; and
- (d) the 2016 Instrument.

Yours faithfully  
for and on behalf of the Board of Directors of  
Soilbuild Construction Group Ltd.

Lim Chap Huat  
Executive Chairman  
13 June 2019

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## APPENDIX

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### TERMS AND CONDITIONS OF THE WARRANTS

The Warrants (as defined herein) to subscribe for new Shares (as defined herein) in the capital of Soilbuild Construction Group Ltd. (the “**Company**”) are issued in conjunction with the *pro rata* and non-renounceable non-underwritten preferential offering of up to 168,247,125 new Shares (the “**Rights Shares**”) with up to 168,247,125 free detachable warrants (the “**Warrants**”) at an issue price of S\$0.073 for each Rights Share with Warrant, each Warrant carrying the right to subscribe for one (1) new Share at an exercise price of S\$0.073 for each new Share, on the basis of one (1) Rights Share with one (1) Warrant for every four (4) existing ordinary shares in the capital of the Company (“**Shares**”) held by entitled shareholders of the Company as at ● 2019, being the books closure date determined by the Company for the purposes of determining the entitlements of shareholders of the Company to the Rights Shares with Warrants, fractional entitlements to be disregarded, and are issued subject to and with the benefit of an instrument dated ● 2019 (the “**Instrument**”) made by the Company. The issue of the Warrants was authorised by resolutions of the shareholders of the Company passed on ● 2019 and by resolutions of the Board of Directors of the Company passed on ● 2019 and ● 2019. The statements in these terms and conditions of the Warrants (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Instrument. Copies of the Instrument are available for inspection at the specified office of the warrant agent referred to in Condition 4.7 (the “**Warrant Agent**”) and the Warrant holders (as defined herein) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Instrument.

#### 1. DEFINITIONS

For the purposes of these Conditions and subject as otherwise provided herein:

“**Act**” means the Companies Act, Chapter 50 of Singapore, as the same may be modified, amended or supplemented from time to time;

“**Approved Bank**” means any bank or merchant bank in Singapore of international repute and selected by the Directors;

“**Auditors**” means the auditors for the time being of the Company or, if there shall be joint auditors, any one or more of such auditors or, in the event of their being unable or unwilling to carry out any action requested of them pursuant to the provisions of this Instrument or the Conditions, such other auditors as may be nominated by the Company;

“**Business Day**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks in Singapore, the SGX-ST, the Depository and the Warrant Agent are open for business;

“**CPF**” means the Central Provident Fund;

“**CPF Act**” means the Central Provident Fund Act, Chapter 36 of Singapore, as the same may be modified, amended or supplemented from time to time;

“**CPF Agent Bank**” means any bank appointed by the CPF Board to be a bank for the purposes of the CPF Regulations;

“**CPF Board**” means the Board of the CPF established pursuant to the CPF Act;

“**CPF Investment Account**” means an account opened by a member of CPF with a CPF Agent Bank from which money may be withdrawn for, *inter alia*, payment of the Exercise Price arising from the exercise of each Warrant;

“**CPF Regulations**” means the Central Provident Fund (Investment Schemes) Regulations, as the same may be modified, amended or supplemented from time to time;

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“**Depositor**” and “**Depository**” shall have the respective meanings ascribed to them in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore;

“**Directors**” means the directors for the time being of the Company;

“**Exercise Date**” means, in relation to the exercise of a Warrant, the Business Day on which the applicable conditions referred to in Condition 4.1 are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, provided that if any such day falls during a period when the Register is closed, then the Exercise Date shall be the next following Business Day on which the Register is open;

“**Exercise Notice**” means a notice (for the time being current and as the same may be modified or amended from time to time) for the exercise of the Warrants, copies of which may be obtained from the Warrant Agent;

“**Exercise Period**” means the period during which the Warrants may be exercised, commencing on and including the date of the issue of the Warrants and expiring at 5.00 p.m. on the Expiration Date, unless such date is a date on which the Register is closed or is not a Market Day, in which event the period shall end on the Market Day prior to the closure of the Register or the immediately preceding Market Day, as the case may be, but excluding such period(s) during which the Register may be closed pursuant to Condition 4.6;

“**Exercise Price**” means, in respect of each Warrant, S\$0.073 for each Share, subject to adjustment(s) in accordance with Condition 5;

“**Expiration Date**” means the date falling on the fifth (5<sup>th</sup>) anniversary of the date of issue of the Warrants;

“**Last Dealt Price**” means, in relation to a Share on a relevant Market Day, the last dealt price per Share for one or more board lots of Shares on that Market Day on which there is trading of the Shares on the SGX-ST;

“**Market Day**” means a day on which the SGX-ST is open for securities trading in Singapore;

“**Register**” means the Register of Warrantheolders to be maintained by the Warrant Agent pursuant to Condition 4.6;

“**Securities Account**” means a securities account maintained by a Depositor with the Depository but does not include a securities sub-account;

“**SGX-ST**” means the Singapore Exchange Securities Trading Limited;

“**Special Account**” means the account maintained by the Company with a bank in Singapore for the purpose of crediting monies paid by exercising Warrantheolders in satisfaction of the Exercise Price in relation to the Warrants exercised by such exercising Warrantheolders;

“**Warrant Agency Agreement**” means the Warrant Agency Agreement dated • 2019 appointing, *inter alia*, the Warrant Agent, as the same may be modified from time to time by the parties thereto, and includes any other agreement (whether made pursuant to the terms of the Warrant Agency Agreement or otherwise) appointing further or other Warrant Agents or amending or modifying the terms of any such appointment;

“**Warrant Certificates**” means the certificates (in registered form) to be issued in respect of the Warrants substantially in the form set out herein, as from time to time modified in accordance with the provisions set out in the Instrument; and

“**Warrantheolders**” means the registered holders of the Warrants, except that where the registered holder is the Depository, the term “**Warrantheolders**” shall, in relation to Warrants registered in the name of the Depository, include, where the context requires, the Depositors whose Securities Accounts with the Depository are credited with Warrants and provided that for the purposes of Schedule 2 of the Instrument relating to meetings of Warrantheolders, such Warrantheolders shall mean those Depositors having Warrants credited to

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their Securities Accounts as shown in the records of the Depository as at a time not earlier than 48 hours prior to the time of a meeting of Warrantheolders supplied by the Depository to the Company. The word “holder” or “holders” in relation to Warrants shall (where appropriate) be construed accordingly.

### 2. FORM AND TITLE

2.1 The Warrants are issued in registered form. Title to the Warrants will be transferable in accordance with Condition 9. The Warrant Agent will maintain the Register on behalf of the Company and except as may be ordered by a court of competent jurisdiction or as may be required by law:

2.1.1 the registered holder of Warrants (other than the Depository); and

2.1.2 (where the registered holder of Warrants is the Depository) each Depositor for the time being appearing in the records maintained by the Depository as having Warrants credited to the Depositor's Securities Account(s),

will be deemed to be and be treated as the absolute owner thereof (whether or not the Company shall be in default in respect of the Warrants or its covenants contained in the Instrument and notwithstanding any notice of ownership or writing hereon or notice of any previous loss or theft of the relevant Warrant Certificate) for the purpose of giving effect to the exercise of the rights constituted by the Warrants and for all other purposes.

2.2 The executors or trustees of a deceased Warrantheolder whose Warrants are registered otherwise than in the name of Depository (not being one of several joint holders whose Warrants are registered otherwise than in the name of Depository) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders, shall be the only person(s) recognised by the Company and the Warrant Agent as having title to Warrants registered in the name of a deceased Warrantheolder. Such persons shall, on producing to the Warrant Agent such evidence as may be reasonably required by the Warrant Agent to prove their title and on the payment of such fees and expenses referred to in Condition 9, be entitled to be registered as a holder of the Warrants or to make such transfer as the deceased Warrantheolder could have made.

2.3 If two or more persons are entered into the Register or, as the case may be, the records maintained by the Depository, as joint holders of any Warrant, they shall be deemed to hold the same as joint tenants with the benefit of survivorship subject to the following provisions:

2.3.1 the Company shall not be bound to register more than two persons as the registered joint holders of any Warrant but this provision shall not apply in the case of executors or trustees of a deceased Warrantheolder;

2.3.2 joint holders of any Warrant whose names are entered into the Register or, as the case may be, the relevant records maintained by the Depository shall be treated as one Warrantheolder;

2.3.3 the Company shall not be bound to issue more than one Warrant Certificate for a Warrant registered jointly in the names of several persons and delivery of a Warrant Certificate to the joint holder whose name stands first in the Register shall be sufficient delivery to all; and

2.3.4 the joint holders of any Warrant whose names are entered into the Register or, as the case may be, the relevant records maintained by the Depository shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such Warrant.

### 3. EXERCISE RIGHTS

3.1 Each Warrantheolder shall have the right, by way of exercise of a Warrant, at any time during normal business hours on any Business Day (before 3.00 p.m. on any Business Day prior to the Expiration Date and before 5.00 p.m. on the Expiration Date) during the Exercise Period in the manner set out in Condition 4 and

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otherwise on the terms and subject to the Conditions set out below, to subscribe for one Share at the Exercise Price, subject to adjustment(s) in accordance with Condition 5, on the Exercise Date applicable to such Warrant.

- 3.2 At the expiry of the Exercise Period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.
- 3.3 Any Warrant in respect of which the Exercise Notice shall not have been duly completed and delivered in the manner set out below under Condition 4 to the Warrant Agent on or before 5.00 p.m. on the Expiration Date shall become void.

### 4. PROCEDURE FOR EXERCISE OF WARRANTS

#### 4.1 Lodgment Conditions

In order to exercise one or more Warrants, a Warrantholder must fulfil all the following conditions:

- 4.1.1 lodgment during normal business hours (before 3.00 p.m. on any Business Day prior to the Expiration Date and before 5.00 p.m. on the Expiration Date) of the relevant Warrant Certificate registered in the name of the exercising Warrantholder for exercise at the specified office of the Warrant Agent together with the Exercise Notice in respect of the Warrants represented thereby in the form (for the time being current and as the same may be modified or amended from time to time) obtainable from the Warrant Agent, duly completed and signed by or on behalf of the exercising Warrantholder and duly stamped in accordance with any law for the time being in force relating to stamp duty, provided always that the Warrant Agent may dispense with the production of the relevant Warrant Certificate where such Warrant Certificate is registered in the name of the Depository;
- 4.1.2 the furnishing of such evidence (if any) as the Warrant Agent may require to determine the due execution of the Exercise Notice by or on behalf of the exercising Warrantholder (including every joint Warrantholder, if any);
- 4.1.3 the payment or satisfaction of the Exercise Price in accordance with the provisions of Condition 4.2 below;
- 4.1.4 the payment of a deposit or other fees for the time being chargeable by, and payable to, the Depository (if any) or any stamp, issue, registration or other similar taxes or duties arising on the exercise of the relevant Warrants as the Warrant Agent may require; and
- 4.1.5 if applicable, the payment of any fees for certificates for the Shares to be issued and the expenses of, and the submission of any necessary documents required in order to effect, the delivery of certificates for the Shares upon exercise of the relevant Warrants to the place specified by the exercising Warrantholder in the Exercise Notice.

Any exercise by a Warrantholder in respect of Warrants registered in the name of the Depository shall be further conditional on that number of Warrants so exercised being available in the "Free Balance" of the Securities Account(s) of the exercising Warrantholder with the Depository until the relevant Exercise Date and on the exercising Warrantholder electing in the Exercise Notice to have the delivery of the Shares arising from the exercise of the relevant Warrants to be effected by crediting such Shares to the Securities Account(s) of the exercising Warrantholder, or, in the case where funds standing to the credit of a CPF Investment Account are to be used for the payment of the Exercise Price arising from the exercise of each Warrant, by crediting such Shares to the Securities Account of the nominee company of the CPF Agent Bank, as specified in the Exercise Notice, failing which the Exercise Notice shall be void and all rights of the exercising Warrantholder and of any other person thereunder shall cease.

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Once all the abovementioned conditions (where applicable) have been fulfilled, the relevant Warrant Certificate(s) (if any), Exercise Notice and any monies tendered in or towards payment of the Exercise Price in accordance with Condition 4.2 below may not be withdrawn without the consent in writing of the Company.

### 4.2 Payment of Exercise Price

Payment of the Exercise Price shall be made:

4.2.1 to the specified office of the Warrant Agent by way of a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore, and/or by debiting the CPF Investment Account with the CPF Agent Bank, as specified in the Exercise Notice, for the credit of the Special Account for the full amount of the Exercise Price payable in respect of the Warrants exercised, provided that any such remittance shall be accompanied by the delivery to the Warrant Agent of the payment advice referred to in Condition 4.2.2; and

4.2.2 free of any foreign exchange commissions, remittance charges or any other deductions and shall be accompanied by a payment advice containing:

- (i) the name of the exercising Warrantholder; and
- (ii) the certificate numbers of the relevant Warrant Certificates or, if the relevant Warrant Certificates are registered in the name of the Depository, the Securities Account(s) of the exercising Warrantholder which is/are to be debited with the Warrants being exercised.

If the payment advice fails to comply with the provisions in Conditions 4.2.1 and 4.2.2, the Warrant Agent may, at its absolute discretion and without liability on behalf of itself or the Company, refuse to recognise the relevant payment as relating to the exercise of any particular Warrant, and the exercise of the relevant Warrants may accordingly be delayed or treated as invalid. If the relevant payment received by the Warrant Agent in respect of an exercising Warrantholder's purported payment of the Exercise Price relating to all the relevant Warrants lodged with the Warrant Agent is less than the full amount of such Exercise Price, the Warrant Agent shall not treat the relevant payment so received or any part thereof as payment of the Exercise Price or any part thereof and, accordingly, the whole of such relevant payment shall remain in the Special Account (subject to Condition 4.4 below) unless and until a further payment is made in accordance with the requirements set out above in this Condition 4.2 in an amount sufficient to cover the deficiency.

### 4.3 Exercise Date

A Warrant shall (provided that the provisions of Condition 4.1 have been satisfied) be treated as exercised on the Exercise Date relating to that Warrant.

### 4.4 Special Account

Payment of the Exercise Price received by the Warrant Agent for credit to the Special Account will be available for release to the Company on the Business Day after the Exercise Date relating to the relevant Warrants in payment for the Shares to be delivered in consequence of the exercise of such Warrants. The relevant Warrant Certificates shall be cancelled on the Exercise Date except that, in relation to Warrant Certificates in the name of the Depository, such Warrant Certificates shall be cancelled as soon as possible after receipt by the Warrant Agent of such Warrant Certificates, accompanied by instructions from the Depository as to the cancellation of such Warrant Certificates, from the Depository.

If such payment is made to the Warrant Agent and such payment is not recognised by the Warrant Agent as relating to the exercise of the relevant Warrants or the relevant payment is less than the full amount of the Exercise Price, or the conditions set out in Condition 4.1 have not then all been fulfilled in relation to the exercise of such Warrants, such payment will remain in the Special Account pending recognition of such payment or full payment or, fulfilment of the lodgment conditions, as the case may be, but on whichever is the



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earlier of the day falling 14 days after receipt of such Exercise Notice by the Warrant Agent and the Expiration Date, such payment will (if the Exercise Date in respect of such Warrant(s) has not by then occurred) be returned, without interest, to the person who remitted such payment. The Warrant Agent will, if it is possible to relate the payment so returned to any Warrant Certificates (if applicable) and the Exercise Notice previously lodged with the Warrant Agent, return such Warrant Certificates (if applicable) and the relevant Exercise Notice to the exercising Warranholder at the risk and expense of such Warranholder. The Company will be entitled to deduct or otherwise recover any applicable handling charges and out-of-pocket expenses of the Warrant Agent. So long as any particular payment remains credited to the Special Account and the relevant Exercise Date has not occurred, it (but excluding any interest accrued thereon) will continue to belong to the exercising Warranholder but it may only be withdrawn within the abovementioned 14-day period with the consent in writing of the Company.

### 4.5 Allotment of Shares and Issue of Balancing Warrant Certificates

A Warranholder exercising Warrants which are registered in the name of the Depository must elect in the Exercise Notice to have the delivery of Shares arising from the exercise of such Warrants to be effected by crediting such Shares to the Securities Account of such Warranholder or, as the case may be, the nominee company of the CPF Agent Bank, as specified in the Exercise Notice. A Warranholder exercising Warrants registered in his own name may elect in the Exercise Notice to either receive physical share certificates in respect of the Shares arising from the exercise of such Warrants or to have the delivery of such Shares effected by crediting such Shares to his Securities Account as specified in the Exercise Notice, with the Depository.

The Company shall allot and issue the Shares arising from the exercise of the relevant Warrants by a Warranholder in accordance with the instructions of such Warranholder as set out in the Exercise Notice and:

- 4.5.1 where such Warranholder has elected in the Exercise Notice to receive physical share certificates in respect of the Shares arising from the exercise of the relevant Warrants, the Company shall despatch, as soon as practicable but in any event not later than five Business Days after the relevant Exercise Date, by ordinary post to the address specified in the Exercise Notice and at the risk of such Warranholder the certificates relating to such Shares registered in the name of such Warranholder; and
- 4.5.2 where such Warranholder has elected in the Exercise Notice to have the delivery of Shares arising from the exercise of the relevant Warrants to be effected by the crediting of the Securities Account of such Warranholder as specified in the Exercise Notice or, as the case may be, the Securities Account of the nominee company of the CPF Agent Bank, as specified in the Exercise Notice, the Company shall as soon as practicable but not later than five Business Days after the relevant Exercise Date despatch the certificates relating to such Shares in the name of, and to, the Depository for the credit of the Securities Account of such Warranholder as specified in the Exercise Notice or, as the case may be, the Securities Account of the nominee company of the CPF Agent Bank, as specified in the Exercise Notice (in which case, such Warranholder shall also duly complete and deliver to the Warrant Agent such forms as may be required by the Depository, failing which such exercising Warranholder shall be deemed to have elected to receive physical share certificates in respect of such Shares at the address of such Warranholder as specified in the Register).

Where a Warranholder exercises part only (but not all) of the subscription rights represented by Warrants registered in his name, the Company shall despatch a balancing Warrant Certificate in the name of the exercising Warranholder in respect of any Warrants remaining unexercised by ordinary post to the address specified in the relevant Exercise Notice and at the risk of that Warranholder at the same time as it delivers in accordance with the relevant Exercise Notice the certificate(s) relating to the Shares arising upon exercise of such Warrants.

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Where such Warrantholder exercises part only (and not all) of his Warrants registered in the name of the Depository, the number of Warrants represented by the Warrant Certificate registered in the name of the Depository shall be deemed to have been reduced for all purposes by the number of Warrants so exercised.

### 4.6 Register of Warrantholders

The Warrant Agent will maintain the Register, which may be closed for any time or times provided that the Register shall not be closed for more than 30 days in the aggregate in any calendar year. Not less than 14 days' notice of each closure of the Register will be given to the Warrantholders in accordance with Condition 13.

### 4.7 Warrant Agent

The name of the initial Warrant Agent and its specified office are set out below. The Company reserves the right at any time to vary or terminate the appointment of the Warrant Agent and to appoint an additional or another Warrant Agent, provided that it will at all times maintain a Warrant Agent having a specified office in Singapore so long as the Warrants are outstanding. Notice of any such termination or appointment and of any changes in the specified offices of the Warrant Agent will be given to the Warrantholders in accordance with Condition 13.

Name of initial Warrant Agent : Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.)  
Office of initial Warrant Agent : 80 Robinson Road #11-02, Singapore 068898

## 5. ADJUSTMENTS OF EXERCISE PRICE AND NUMBER OF WARRANTS

5.1 The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted by the Directors in consultation with an Approved Bank and/or the Auditors and certified to be in accordance with this Condition 5 by the Approved Bank and/or the Auditors, as the case may be. The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted as provided in these Conditions and the Instrument in all or any of the following cases:

- 5.1.1 any consolidation or subdivision of the Shares;
- 5.1.2 an issue by the Company of Shares for which no consideration is payable or by way of capitalisation of profits or reserves (whether of a capital or income nature) to its members ("**Members**") (other than an issue of Shares to Members who elect to receive Shares in lieu of cash or other dividend);
- 5.1.3 a Capital Distribution (as defined in Condition 5.2.3 below) made by the Company to its Members whether on a reduction of capital or otherwise;
- 5.1.4 an offer or invitation made by the Company to its Members whereunder they may acquire or subscribe for Shares by way of rights; or
- 5.1.5 an issue (otherwise than pursuant to an offer or invitation made by the Company to its Members whereunder they may acquire or subscribe for Shares by way of rights, requiring an adjustment under Condition 5.1.4, and other than an issue of Shares to Members who elect to receive Shares in lieu of cash or other dividend) by the Company of Shares, if the Total Effective Consideration (as defined in Condition 5.2.6 below) for each Share is less than 90 per cent. of the Last Dealt Price for each Share (calculated as provided below).

5.2 Subject to these Conditions and the Instrument, the Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two or more of Conditions

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5.1.1 to 5.1.5 or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Approved Bank and/or the Auditors shall determine):

5.2.1 If, and whenever, consolidation or subdivision of the Shares occurs, the Exercise Price and the number of Warrants shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{B} \times X$$

$$\text{Adjusted number of Warrants} = \frac{B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such consolidation or subdivision;

B = the aggregate number of issued and fully paid-up Shares immediately after such consolidation or subdivision;

X = existing Exercise Price; and

W = existing number of Warrants held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision becomes effective.

5.2.2 If, and whenever, the Company shall make any issue of Shares to its Members (other than an issue of Shares to Members who elect to receive Shares in lieu of cash or other dividend) for which no consideration is payable or, by way of capitalisation of profits or reserves (whether of a capital or income nature), the Exercise Price and the number of Warrants shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{A + B} \times X$$

$$\text{Adjusted number of Warrants} = \frac{A + B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Members (other than an allotment of Shares to Members who elect to receive Shares in lieu of cash or other dividend) credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature);

X = as in X above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the day next following the record date for such issue.

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For the purpose of this Condition 5, “**record date**” in relation to the relevant transaction means the date as at the close of business (or such other time as may be notified by the Company) on which Members must be registered as such to participate therein.

5.2.3 If, and whenever, the Company shall make a Capital Distribution (as defined herein) to Members whether on a reduction of capital or otherwise, then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{C - D}{C} \times X$$

where:

C = the Last Dealt Price on the Market Day immediately preceding the date on which the Capital Distribution is publicly announced to the SGX-ST or (failing any such announcement) immediately preceding the date of the Capital Distribution;

D = the fair market value, as determined by an Approved Bank and/or the Auditors, of that portion of the Capital Distribution attributable to one Share; and

X = as in X above.

For the purposes of Conditions 5.1.3 and 5.2.3, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 5.2.2) or other securities (other than an issue of Shares to Members who elect to receive Shares in lieu of cash or other dividend) by way of capitalisation of profits or reserves.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the date next following the record date for such transactions.

5.2.4 If, and whenever, the Company shall make any offer or invitation to its Members whereunder they may acquire or subscribe for Shares by way of rights, then the Exercise Price and the number of Warrants shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{E - F}{E} \times X$$

$$\text{Adjusted number of Warrants} = \frac{E}{E - F} \times W$$

where:

E = the Last Dealt Price on the Market Day immediately preceding the date on which the offer or invitation referred to in this Condition 5.2.4 is publicly announced to the SGX-ST or (failing any such announcement) immediately preceding the date of the offer or invitation;

X = as in X above;

W = as in W above; and

F = the value of rights attributable to one Share, which shall be calculated in accordance with the formula:

$$\frac{E - G}{H + 1}$$

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where:

E = as in E above;

G = the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares by way of rights; and

H = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share by way of rights.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the date next following the closing date for such offer or invitation.

For the purpose of this paragraph, “**closing date**” shall mean the date by which acceptance of and payment for the Shares is to be made under the terms of such offer or invitation.

5.2.5 If, and whenever, the Company makes any allotment to its Members as provided in Condition 5.2.2 and also makes any offer or invitation to its Members as provided in Condition 5.2.4 and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Exercise Price and the number of Warrants shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{(I \times E) + (J \times G)}{(I + J + B) \times E} \times X$$

$$\text{Adjusted number of Warrants} = \frac{(I + J + B) \times E}{(I \times E) + (J \times G)} \times W$$

where:

I = the aggregate number of issued and fully paid-up Shares on the record date;

E = as in E above;

J = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

G = as in G above;

B = as in B above;

X = as in X above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the date next following the closing date for such offer or invitation.

For the purpose of this paragraph, “**closing date**” shall mean the date by which acceptance of and payment for the Shares is to be made under the terms of such offer or invitation.

5.2.6 If, and whenever (otherwise than pursuant to a rights issue available to all Members alike and requiring an adjustment under Conditions 5.2.4 or 5.2.5 and other than an issue of Shares to Members who elect to receive Shares in lieu of cash or other dividend), the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined herein) is less than 90 per cent. of the Last Dealt Price on the SGX-ST on the date on which the issue price of such Shares is determined,

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or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{K + L}{K + M} \times X$$

where:

K = the number of Shares in issue at the close of business on the SGX-ST on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

L = the number of Shares which the Total Effective Consideration (as defined herein) would have purchased at such Last Dealt Price (exclusive of expenses);

M = the aggregate number of Shares so issued; and

X = as in X above.

Such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Company determines the offering price of such Shares.

For the purposes of Conditions 5.1.5 and 5.2.6, the “**Total Effective Consideration**” shall be determined by the Directors with the concurrence of an Approved Bank and/or the Auditors and shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration for each Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

- 5.3 Notwithstanding any of the provisions hereinbefore contained, no adjustment to the Exercise Price and the number of Warrants will be required in respect of:
- 5.3.1 an issue by the Company of Shares to officers, including directors, or employees of the Company or any of its subsidiaries or associated companies pursuant to any purchase or option scheme or performance share plan approved by the Members in general meeting;
  - 5.3.2 an issue by the Company of Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;
  - 5.3.3 any issue by the Company of Shares pursuant to the exercise of any of the Warrants;
  - 5.3.4 any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares; or
  - 5.3.5 subject to Condition 5.11 below, any purchase by the Company of Shares.
- 5.4 Any adjustment to the Exercise Price will be rounded upwards to the nearest half cent (S\$0.005) and in no event shall any adjustment (otherwise than upon the consolidation of Shares) involve an increase in the Exercise Price. No adjustments to the Exercise Price shall be made unless it is in accordance with Condition 5.2. No adjustment will be made to the Exercise Price in any case in which the amount by which the same would be reduced would be less than half cent (S\$0.005) but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.

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- 5.5 Any adjustment to the number of Warrants held by each Warrantholder will be rounded downwards to the nearest whole Warrant. No adjustment to the number of Warrants shall be made unless it is in accordance with this Condition 5 and approval in-principle has been granted by the SGX-ST for the listing of and quotation for such additional Warrants as may be issued as a result of such adjustment and such additional Shares as may be issued on the exercise of any of such Warrants.
- 5.6 Notwithstanding the provisions referred to in this Condition 5, in any circumstances where the Directors consider that any adjustments to the Exercise Price and/or the number of Warrants provided under the said provisions should not be made or should be calculated on a different basis or date or should take effect on a different date or that an adjustment to the Exercise Price and/or the number of Warrants should be made notwithstanding that no such adjustment is required under the said provisions, the Company may appoint an Approved Bank and/or the Auditors to consider whether, for any reason whatsoever, the absence of an adjustment or the adjustment to be made in accordance with the provisions of this Condition 5 is appropriate or inappropriate, as the case may be, and, if such Approved Bank and/or the Auditors shall consider the adjustment or absence of an adjustment to be inappropriate, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner as shall be considered by such Approved Bank and/or the Auditors to be in its opinion appropriate.
- 5.7 Whenever there is an adjustment as herein provided, the Company shall give notice to Warrantholders in accordance with Condition 13 that the Exercise Price and/or the number of Warrants has/have been adjusted and setting forth the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall, at all times thereafter so long as any of the Warrants remains exercisable, make available for inspection at its registered office a signed copy of the certificate of the Approved Bank and/or the Auditors, as the case may be, and a certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall, on request, send a copy thereof to any Warrantholder. Whenever there is an adjustment to the number of Warrants, the Company will, as soon as practicable but not later than five Market Days after the effective date of such adjustment, despatch by ordinary post Warrant Certificate(s) for the additional number of Warrants issued to each Warrantholder, at the risk and expense of that Warrantholder, at his address appearing in the Register or, in respect of Warrants registered in the name of the Depository, to the Depository.
- 5.8 If the Directors and the Approved Bank and/or the Auditors are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Approved Bank and/or the Auditors acting as expert and not arbitrator and whose decision as to such adjustment shall be final and conclusive.
- 5.9 If the Company shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire or subscribe for Shares, the Company shall appoint an Approved Bank and/or the Auditors to consider whether any adjustment is appropriate and if such Approved Bank and/or the Auditors and the Directors shall determine that any adjustment is appropriate, the Exercise Price and/or the number of Warrants shall be adjusted accordingly.
- 5.10 Any new Warrants which may be issued by the Company under this Condition 5 shall be part of the series of Warrants constituted by the Instrument, and shall be issued subject to and with the benefit of the Instrument and on such terms and conditions as the Directors may from time to time think fit, including but not limited to the terms and conditions as set out herein for the Warrants.
- 5.11 If the Company shall purchase or otherwise acquire Shares issued by it pursuant to the provisions of the Act, the Company shall, if so required by the Warrantholders by way of an Extraordinary Resolution (as defined in this Instrument), appoint an Approved Bank and/or the Auditors to consider whether any adjustment is appropriate and if such Approved Bank and/or the Auditors shall determine that any adjustment is appropriate, the Exercise Price and/or the number of Warrants held by each Warrantholder shall be adjusted accordingly.

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- 5.12 In giving any certificate or making any adjustment hereunder, the Approved Bank and/or the Auditors shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on all persons having an interest in the Warrants.
- 5.13 Notwithstanding anything herein contained, any adjustment to the Exercise Price and/or the number of Warrants other than in accordance with the provisions of this Condition 5, shall be subject to the approval of the SGX-ST and agreed to by the Company and the Approved Bank and/or the Auditors.

### 6. STATUS OF SHARES

Shares allotted and issued upon exercise of the Warrants shall be fully paid and shall rank for any dividends, rights, allotments or other distributions, the Record Date for which is on or after the date of allotment and issue of the Shares arising from the exercise of the relevant Warrants, and (subject as aforesaid) shall rank *pari passu* in all respects with the then existing Shares. For the purpose of this Condition 6, “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date at the close of business (or such other time as may have been notified by the Company) on which Members must be registered in order to participate in such dividends, rights, allotments or other distributions.

### 7. WINDING-UP OF THE COMPANY

- 7.1 If a resolution is passed for a members’ voluntary winding-up of the Company then:
- 7.1.1 if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warranholders, or some person designated by them for such purpose by Extraordinary Resolution, shall be a party, the terms of such scheme of arrangement shall be binding on all the Warranholders; and
- 7.1.2 in any other case, every Warranholder shall be entitled, upon and subject to the Conditions, at any time within six weeks after the passing of such resolution for a members’ voluntary winding-up of the Company, by irrevocable surrender of his Warrant Certificate(s) to the Company with the Exercise Notice(s) duly completed, together with payment of the relevant Exercise Price, to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the Warrants to the extent specified in the Exercise Notice(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the Warranholders in accordance with Condition 13 of the passing of any such resolution within seven Market Days after the passing thereof.

Subject to the foregoing, if the Company is wound-up for any reason other than a members’ voluntary winding-up, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

### 8. FURTHER ISSUES

Subject to the Conditions, the Company shall be at liberty to issue Shares to Members either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit. However, the Warranholders shall not have any participation rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a take-over offer to acquire Shares.



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### 9. TRANSFER OF WARRANTS

- 9.1 In order to transfer Warrants, the Warrantholder must fulfil the following conditions:
- 9.1.1 lodgment during normal business hours of the relevant Warrant Certificate(s) registered in the name of the Warrantholder at the specified office of the Warrant Agent together with an instrument of transfer in respect thereof (the “**Transfer Form**”), in the form approved by the Company, duly completed and signed by or on behalf of the Warrantholder and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty, provided that the Company and the Warrant Agent may dispense with requiring the Depository to sign as transferee any Transfer Form for the transfer of Warrants to it;
  - 9.1.2 the furnishing of such evidence (if any) as the Warrant Agent may require to determine the due execution of the Transfer Form by or on behalf of the Warrantholder;
  - 9.1.3 the payment of the registration fee of S\$2.00 (or such other amount as may be determined by the Company) (subject to goods and services tax at the prevailing rate, if applicable) for every Warrant Certificate issued; and
  - 9.1.4 the payment of the expenses of, and the submission of any necessary documents required in order to effect the delivery of, the new Warrant Certificate(s) to be issued in the name of the transferee.
- 9.2 The Warrantholder specified in the Register shall remain the registered holder of the Warrants until the name of the transferee is entered in the Register maintained by the Warrant Agent.
- 9.3 If the Transfer Form has not been fully or correctly completed by the transferring Warrantholder or the full amount of the fees and expenses due to the Warrant Agent has not been paid to the Warrant Agent, the Warrant Agent shall return such Transfer Form to the transferring Warrantholder accompanied by written notice of the omission(s) or error(s) and request the transferring Warrantholder to complete and/or amend the Transfer Form and/or to make the requisite payment.
- 9.4 If the Transfer Form has been fully and correctly completed, the Warrant Agent shall, as agent for and on behalf of the Company:
- 9.4.1 register the person named in the Transfer Form as transferee in the Register as the registered holder of the Warrant in place of the transferring Warrantholder;
  - 9.4.2 cancel the Warrant Certificate(s) in the name of the transferring Warrantholder; and
  - 9.4.3 issue new Warrant Certificate(s) in respect of the Warrants registered in the name of the transferee.
- 9.5 The executors or trustees of a deceased registered Warrantholder whose Warrants are registered otherwise than in the name of Depository (not being one of several joint holders whose Warrants are registered otherwise than in the name of Depository) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders, shall be the only person(s) recognised by the Company as having any title to the Warrants registered in the name of the deceased Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be reasonably required by the Warrant Agent to prove their title, and on the completion of a Transfer Form and payment of the fees and expenses referred to in subparagraphs 9.1.3 and 9.1.4 above be entitled to be registered as a holder of the Warrants or to make such transfer as the deceased Warrantholder could have made.

Should the Warrants be registered in the name of the Depository and the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by the Depository by way of book entry.

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### 10. REPLACEMENT OF WARRANT CERTIFICATES

Should any Warrant Certificate be lost, stolen, destroyed, mutilated or defaced, it may be replaced at the specified office of the Warrant Agent, upon payment by the claimant of the expenses incurred in connection therewith and the replacement fee of S\$2.00 (or such other sum being the replacement fee for the time being, which replacement fee shall not exceed the maximum sum for the time being prescribed by any applicable law) for every Warrant Certificate issued and on such terms as to evidence and indemnity (which shall provide, *inter alia*, that if the allegedly lost, stolen or destroyed Warrant Certificate(s) in respect of the Warrants is subsequently exercised, there will be paid to the Company on demand the market value of the Warrants at the time of the replacement thereof) as the Company may reasonably require. Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued.

### 11. WARRANT AGENT NOT ACTING FOR THE WARRANTHOLDERS

In acting under the Warrant Agency Agreement, the Warrant Agent is, subject to the terms therein, acting solely as agent for the Company for certain specified purposes, and does not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders.

### 12. MEETINGS OF WARRANTHOLDERS AND MODIFICATION

- 12.1 The Instrument contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Warrants or the Instrument. Such a meeting may be convened by the Company or by Warrantholders holding not less than 10 per cent. of the Warrants for the time being remaining unexercised (as defined in the Instrument). The quorum at any such meeting for passing an Extraordinary Resolution shall be two or more persons holding or representing over 50 per cent. of the Warrants for the time being unexercised or, at any adjourned meeting, two or more persons being or representing Warrantholders whatever the number of Warrants so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Warrants or of the Instrument (including cancelling the subscription rights constituted by the Warrants or changing the Exercise Period), the necessary quorum for passing an Extraordinary Resolution shall be two or more persons holding or representing not less than 75 per cent. or, at any adjournment of such meeting, over 50 per cent. of the Warrants for the time being remaining unexercised. An Extraordinary Resolution duly passed at any meeting of Warrantholders shall be binding on all Warrantholders, whether or not they are present at the meeting. Warrants which have not been exercised but have been lodged for exercise shall not, unless and until they are withdrawn from lodgment, confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Warrantholders.
- 12.2 The Company may, without the consent of the Warrantholders but in accordance with the terms of the Instrument, effect:
- 12.2.1 any modification to the Warrants, the Warrant Agency Agreement or the Instrument which, in their opinion, is not materially prejudicial to the interests of the Warrantholders;
  - 12.2.2 any modification to the Warrants, the Warrant Agency Agreement or the Instrument which, in their opinion, is to correct a manifest error or to comply with mandatory provisions of Singapore law; and/or
  - 12.2.3 any modification to the Warrants or the Instrument which, in their opinion, is to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of Shares arising from the exercise thereof or meetings of the Warrantholders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry

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(scripless) settlement system in respect of trades of the Company's securities on the Main Board of the SGX-ST, provided that such modification is not materially prejudicial to the interests of the Warrantheolders.

Any such modification shall be binding on the Warrantheolders and shall be notified to them in accordance with Condition 13 as soon as practicable thereafter.

- 12.3 Any alteration to the terms and/or conditions of the Warrants after the issue thereof must be approved by the SGX-ST, except where the alterations are made pursuant to the terms and conditions of the Warrants as set out in the Instrument.
- 12.4 Notwithstanding any other provisions as set out in the Instrument, any material alteration to the terms and/or conditions of the Warrants after the issue thereof to the advantage of the Warrantheolders and prejudicial to the shareholders of the Company must be approved by the shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants.

### 13. NOTICES

- 13.1 All notices to Warrantheolders will be valid if published in a daily English language newspaper of general circulation in Singapore. If at any time publication in such newspaper is not practicable, notices will be valid if published in such other manner as the Company, with the approval of the Warrant Agent, shall determine. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.
- 13.2 The Company shall, not later than one month before the Expiration Date, give notice to the Warrantheolders in accordance with this Condition 13, of the Expiration Date and make an announcement of the same to the SGX-ST. The Company shall also, not later than one month before the Expiration Date, take reasonable steps to notify the Warrantheolders in writing of the Expiration Date and such notice shall be delivered by post to the addresses of the Warrantheolders as recorded in the Register or, in the case of Warrantheolders whose Warrants are registered in the name of the Depository, their addresses as shown in the records of the Depository. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next Business Day after posting.

### 14. STAMP DUTY ON EXERCISE OF WARRANTS

The Company will pay all stamp duties and other similar duties or taxes payable in Singapore on or in connection with the constitution and initial issue of the Warrants, the distribution of the Warrants and the execution of the Instrument. Any other stamp duties, similar duties or taxes (if any) or other fees payable to the Depository on, or arising from, the exercise of Warrants will be for the account of the relevant Warrantheolder.

### 15. THIRD PARTY RIGHTS

No person shall have any right to enforce any term or condition of the Warrants and the Instrument under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

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## APPENDIX

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### 16. GOVERNING LAW

- 16.1 The Warrants and the Instrument are governed by, and shall be construed in accordance with, the laws of the Republic of Singapore.
- 16.2 The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Warrants and the Instrument and accordingly any legal action or proceedings arising out of or in connection with the Warrants and the Instrument ("**Proceedings**") may be brought in such courts. The Company irrevocably submits to the exclusive jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

#### NOTES:

1. The attention of Warranholders is drawn to Rule 14 of The Singapore Code on Take-overs and Mergers (the "**Code**") and Section 139 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), as amended from time to time. In particular, a Warranholder should note that he may be under an obligation to extend a take-over offer of the Company if:
  - (a) he acquires whether by exercise of the Warrants over a period of time or not, Shares which (taken together with Shares held or acquired by persons acting in concert with him (the term "**acting in concert**" as used herein shall have the meaning ascribed thereto by the Code)) carry 30 per cent. or more of the voting rights of the Company; or
  - (b) he, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of the Company, and he, or any person acting in concert with him, acquires in any period of six months additional Shares carrying more than one per cent. of the voting rights of the Company.
2. A Warranholder who, after the exercise of his Warrants, has an interest (as defined in the SFA) in not less than five per cent. of the total votes attached to all the voting shares in the Company, is under an obligation to notify the Company and other relevant persons of his interest in the manner set out in Section 135, Section 136, Section 137A and Section 137B of the SFA.

# SOILBUILD CONSTRUCTION GROUP LTD.

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

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (the “**EGM**”) of the shareholders of Soilbuild Construction Group Ltd. (the “**Company**”) will be held at 23 Defu South Street 1, Singapore 533847 on 28 June 2019 at 10.00 a.m. for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolution:

### ORDINARY RESOLUTION: PROPOSED PREFERENTIAL OFFERING

THAT:

- (a) a *pro-rata* and non-renounceable non-underwritten preferential offering (the “**Preferential Offering**”) of up to 168,247,125 new ordinary shares in the capital of the Company (the “**Rights Shares**”) with up to 168,247,125 free detachable warrants (the “**Warrants**”), at an issue price of S\$0.073 for each Rights Share with Warrant (the “**Issue Price**”), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the “**New Share**”) at an exercise price of S\$0.073 for each New Share (“**Warrant Exercise Price**”), on the basis of one (1) Rights Share with one (1) Warrant for every four (4) existing ordinary shares in the capital of the Company (“**Shares**”) held by shareholders of the Company (the “**Shareholders**”) who are eligible to participate in the Preferential Offering (the “**Entitled Shareholders**”) as at a books closure date to be announced by the Company (the “**Books Closure Date**”), fractional entitlements to be disregarded, be and is hereby approved;
- (b) authority be and is hereby given to the board of directors of the Company (the “**Directors**”) to:
- (i) undertake the Preferential Offering and provisionally allot and issue the Rights Shares with Warrants on the basis of one (1) Rights Share with one (1) Warrant for every four (4) existing Shares held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, on the terms and conditions set out below or on such other terms and conditions (including the basis of provisional allotments of the Rights Shares with Warrants) as the Directors may in their absolute discretion and from time to time think fit:
- (1) the provisional allotment of the Rights Shares with Warrants shall be made on a non-renounceable basis to the Entitled Shareholders whose names appear in the Register of Members of the Company or the records of The Central Depository (Pte) Limited (“**CDP**”) as at the Books Closure Date with registered addresses in Singapore or who have, at least three (3) market days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents;
  - (2) no provisional allotment of the Rights Shares with Warrants shall be made in favour of Shareholders with registered addresses outside Singapore as at the Books Closure Date or who have not, at least three (3) market days prior thereto, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”);
  - (3) the provisional allotment of the Rights Shares with Warrants which would otherwise accrue to Foreign Shareholders may be dealt with by the Company in such manner and on such terms and conditions as the Directors shall deem fit;
  - (4) the provisional allotment of the Rights Shares with Warrants not taken up or allotted for any reason shall be aggregated and allotted to satisfy excess applications for the Rights Shares with Warrants or otherwise dealt with in such manner and on such terms and conditions as the Directors may in their absolute discretion deem fit;

- (5) the Rights Shares when issued and fully paid-up will rank *pari passu* in all respects with the then existing issued Shares, save 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; and
- (6) the New Shares when issued and fully paid-up will rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of allotment and issue of the New Shares; and
- (ii)
  - (1) to create, allot and issue (notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company) such additional Warrants (“**Additional Warrants**”) as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants (any such Additional Warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Warrants); and
  - (2) to allot and issue (notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company) such further new ordinary shares in the capital of the Company (“**Additional New Shares**”) as may be required to be allotted and issued on the exercise of any of the Additional Warrants referred to in sub-paragraph (b)(ii)(1) above, subject to and in accordance with the terms and conditions of the Warrants, such Additional New Shares to be credited as fully paid when issued and to rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls on or after the date of allotment and issue of the Additional New Shares, unless otherwise provided in the terms and conditions of the Warrants; and
- (c) the Directors be and are hereby authorised to take such steps, do all such acts and things (including but not limited to finalising, approving and executing all such documents as may be required in connection with the Preferential Offering and the issue of the Rights Shares, the Warrants, the New Shares, the Additional Warrants and the Additional New Shares and making amendments to the terms and conditions of the Preferential Offering (including the ratio, the Issue Price and the Warrant Exercise Price)) and to exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or to give full effect to this Ordinary Resolution and the Preferential Offering, and the allotment and issue of the Rights Shares, the Warrants, the New Shares, the Additional Warrants and the Additional New Shares.

By Order of the Board of Directors of  
Soilbuild Construction Group Ltd.

Lim Chap Huat  
Executive Chairman  
13 June 2019

**Notes:**

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, 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 form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.
3. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
4. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02 Singapore 068898 not less than 72 hours before the time appointed for the EGM.

**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.

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

# PROXY FORM

**IMPORTANT:**

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold shares through their CPF/SRS funds. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 13 June 2019.

\*I/We \_\_\_\_\_

\*NRIC/ Passport/Co. Reg No. \_\_\_\_\_ of \_\_\_\_\_

being a \*member/members of SOILBUILD CONSTRUCTION GROUP LTD. (the “**Company**”) hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

\*and/or

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

or failing \*him/her/them, the Chairman of the meeting, as \*my/our \*proxy/proxies to attend, speak and vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting of the Company (the “**Meeting**”) to be held at 23 Defu South Street 1, Singapore 533847 on Friday, 28 June 2019 at 10.00 a.m. and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolution to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion, as \*he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Ordinary Resolution	**For	**Against
1	Proposed Preferential Offering		

\* Delete accordingly

\*\* Indicate your vote “For” or “Against” with a (✓) within the relevant box provided.

Note: Voting will be conducted by poll.

**Total number of Shares held**

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019

\_\_\_\_\_  
Signature(s) or Common Seal of member(s)

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**Notes**

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, 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 form of proxy.  
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02 Singapore 068898 not less than 72 hours before the time appointed for holding the meeting.
5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
6. 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 either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an 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.
8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold Here

**Affix  
Postage  
Stamp**

The Company Secretary  
**SOILBUILD CONSTRUCTION GROUP LTD.**  
c/o Tricor Barbinder Share Registration Services  
(a division of Tricor Singapore Pte. Ltd.)  
80 Robinson Road #11-02  
Singapore 068898

Fold Here