



SOILBUILD CONSTRUCTION GROUP LTD.

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

UPDATE ON ADJUDICATION AND SETTLEMENT

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Soilbuild Construction Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 12 April 2023 in relation to the receipt of request letters by the Company’s wholly-owned subsidiary, Precast Concrete (Pontian) Sdn Bhd (“**PCPSB**”) from one of PCPSB’s contractor (the “**Contractor**”).

As per the Company’s announcement dated 12 April 2023, the request letters were addressed to the Director of Asian International Arbitration Centre for registration of adjudication and appointment of adjudicator for claims amounting to approximately MYR 7.0 million (equivalent to approximately S\$2.1 million) (the “**Adjudication Application**” or the “**Claims**”).

2. UPDATE ON ADJUDICATION AND SETTLEMENT

The Board wishes to update that PPSB has reached a settlement agreement with the Contractor, pursuant to which SBPL will pay approximately MYR 4.7 million (equivalent to approximately S\$1.4 million) (the “**Settlement Amount**”) to the Contractor for full and final settlement of the Claims (the “**Settlement**”). Pursuant to the Settlement, the Contractor has also withdrawn the Adjudication Application.

3. GENERAL

The Claims relate to work performed by the Contractor for the building of a manufacturing facility for PPSB which is accounted for as property, plant and equipment in the Group’s consolidated financial statements (the “**Underlying Project**”).

The Group had previously recognised an accrual for liabilities in relation to the Underlying Project amounting to approximately MYR 2.7 million (equivalent to approximately S\$0.8 million) (the “**Accrued Amount**”) which had been correspondingly capitalised as property, plant and equipment in the Group’s consolidated balance sheet as at 31 December 2022.

The difference between the Settlement Amount and the Accrued Amount as at 31 December 2022 amounting to approximately MYR 2.0 million (equivalent to approximately S\$0.6 million) has been capitalised as property, plant and equipment in the Group's consolidated balance sheet as at 30 June 2023, in the Group's condensed interim financial statements for the six months ended 30 June 2023.

**BY ORDER OF THE BOARD
SOILBUILD CONSTRUCTION GROUP LTD.**

Lim Han Ren
Executive Director

21 August 2023
Singapore