



PROSPECTUS DATED 17 MAY 2013

(Registered by the Monetary Authority of Singapore on 17 May 2013)

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.



Soilbuild Construction Group Ltd.

(Company Registration No.: 201301440Z)

(Incorporated in the Republic of Singapore on 14 January 2013)

Invitation in respect of 168,000,000 New Shares comprising:

- (a) 2,000,000 Offer Shares at S\$0.25 for each Offer Share by way of public offer; and
- (b) 166,000,000 Placement Shares at S\$0.25 for each Placement Share by way of placement, payable in full on application.

We have made an application to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and for quotation of, all the ordinary shares (the "Shares") in the capital of Soilbuild Construction Group Ltd. (the "Company") already issued, the new shares which are the subject of this Invitation (the "New Shares"), the Shares which may be issued upon the exercise of the options to be granted under the Soilbuild Construction Employee Share Option Scheme (the "Option Shares") and the Shares which may be issued upon the release of the share awards to be granted under the Soilbuild Construction Performance Share Plan (the "Performance Shares"). Such permission will be granted when we have been admitted to the Official List of the SGX-ST. **The dealing in and quotation of the Shares will be in Singapore dollars.**

Acceptance of applications will be conditional upon, *inter alia*, permission being granted by the SGX-ST to deal in, and for quotation of, all the existing issued Shares, the New Shares, the Option Shares and the Performance Shares. If the completion of the Invitation does not occur because the SGX-ST's permission is not granted or for any other reasons, monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom and you will not have any claims against us, the Issue Manager, the Joint Underwriters or the Joint Placement Agents (each as defined in this Prospectus).

The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our Subsidiaries, our Shares, the New Shares, the Option Shares or the Performance Shares.

A copy of this Prospectus, together with a copy of the Application Forms, has been lodged with and registered by the Monetary Authority of Singapore (the "Authority") on 10 May 2013 and 17 May 2013, respectively. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Shares being offered or in respect of which an invitation is made, for investment. We have not lodged or registered this Prospectus in any other jurisdiction.

Investing in our Shares involves risks which are described in the section entitled "Risk Factors" of this Prospectus.

No Shares will be allotted on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

Issue Manager



Joint Underwriters and Joint Placement Agents



This overview section is qualified in its entirety by, and should be read in conjunction with, the full text of this Prospectus. Meanings of capitalised terms used may be found in the sections entitled “Definitions” and “Glossary of Projects” of this Prospectus.

A1-Graded Construction Group with Design and Build, Turnkey and Project Management Services

36-year track record in constructing business spaces, HDB and condominiums, including projects from our Controlling Shareholder Group

We are a general construction company with over 36 years of experience during which we have handled a wide range of projects, from residential buildings to conservation houses, schools, churches, industrial buildings and business parks. Projects in which our Subsidiary, Soil-Build, acted as the main contractor, have won several architectural and environmental awards over the years.

As at the Latest Practicable Date, our order books based on letters of intent, secured contracts and variation orders amounted to approximately S\$511.2 million. Our on-going projects include, amongst others, three public housing projects with HDB in Ang Mo Kio, Bukit Batok and Tampines, a research and development building in Changi Business Park, a mixed development at Lavender Street and four ramp-up developments in Bukit Batok, Mandai and Yishun.

Soil-Build is graded A1 by BCA. This allows us to tender for public sector projects in Singapore of unlimited contract value. Our track record in public sector projects also puts us in good stead as we compete in future tenders by HDB and other public agencies.

In connection with the proposed expansion of our construction business into Myanmar, as at the Latest Practicable Date, we have secured two contracts there to provide professional consultancy and project management services and project management consultancy services for four developments in Myanmar. We intend to further strengthen our presence there.



Competitive Strengths



COMPREHENSIVE SUITE OF CONSTRUCTION SERVICES

- We are able to provide attractive and effective solutions, such as one-stop end-to-end construction services and project management solutions under our design and build delivery model.
- Our project management team of project managers, architects and engineers, offers multi-disciplinary capabilities spanning the full construction cycle that ensures seamless transition from design to delivery.

PART OF AN INTEGRATED PLATFORM WITH THE CONTROLLING SHAREHOLDER GROUP

- Being part of an integrated platform with our Controlling Shareholder Group ensures better earnings visibility.
- Our Controlling Shareholder Group awarded us projects that contributed to 100.0%, 83.7% and 58.4% of our revenue in FY2010, FY2011 and FY2012 respectively.
- We expect that after listing on the SGX-ST, we would continue to solicit for construction contracts from our Controlling Shareholder Group.

MULTI-PROPERTY SECTOR APPROACH DIVERSIFIES OUR RISKS

- We are capable of executing business space and both public and private residential property construction projects. This multi-property sector approach allows our Group to shift our focus should there be a slowdown in any particular sector of the property market.

ENTRENCHED POSITION AND SOIL-BUILD'S A1 BCA GRADING POSE SIGNIFICANT BARRIERS TO ENTRY

- It would be difficult to replicate our Group's knowledge and understanding of the construction industry and the relationship network we have established in Singapore.
- Being one of the local construction companies that is graded A1 by the BCA, Soil-Build can tender for public sector projects in Singapore of an unlimited contract value.

STRONG MANAGEMENT TEAM WITH SIGNIFICANT INTELLECTUAL CAPITAL

- Our team of Executive Officers has significant industry experience and is able to meld property development and construction industry expertise to offer optimal cost-effective solutions to clients.

EFFECTIVE COST-CONTROL AND OPERATIONAL EFFICIENCY KEEP US COMPETITIVE

- Our design and build projects are developed with constructability in mind, leading to savings in construction costs and time.
- We have been increasing the use of pre-cast concrete work to reduce reliance on labour and shorten construction time, and will continuously explore and adopt more techniques, systems and technologies to enhance our cost efficiencies.

WE HAVE A PROVEN TRACK RECORD

- We have over 36 years of experience in the construction business. Three of the construction projects in which we have been involved during the Period Under Review have won seven awards to-date.
- We believe that our track record has earned the confidence of our customers as well as architects and consultants who have worked with us in the past.



Financial Highlights



REVENUE

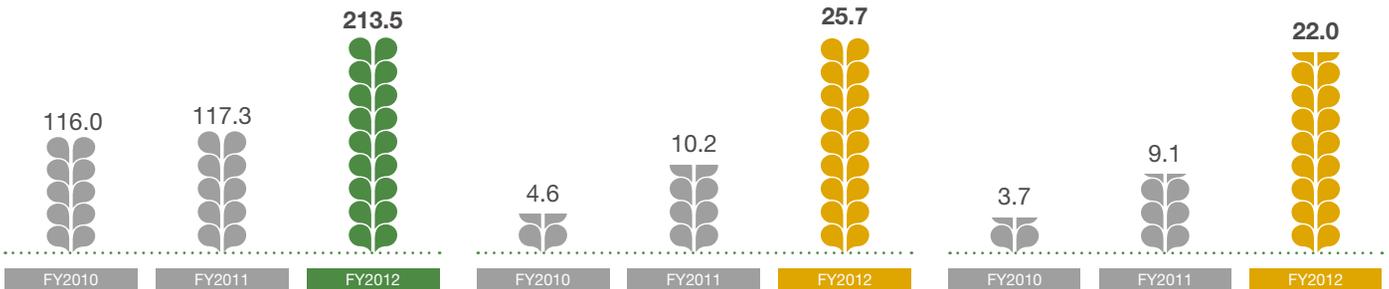
(S\$m)

PROFIT BEFORE INCOME TAX

(S\$m)

NET PROFIT

(S\$m)



“We are able to provide attractive and effective solutions, such as one-stop end-to-end construction services and project management solutions under our design and build delivery model.”

“Order books of approximately S\$511.2M as at the Latest Practicable Date.”



Below: West Park BizCentral: A BCA Green Mark (New Buildings) (Gold) Award winning industrial development at Tanjong Kling / Pioneer Crescent.



Our Multi-Disciplinary Track Record

RESIDENTIAL

PUBLIC HOUSING



- **Tampines HDB***: Public housing at Tampines Central 7/Tampines Concourse
- **Bukit Batok HDB***: Design and build upgrading project at Bukit Batok Street 31 and Bukit Batok West Avenue 8
- **Ang Mo Kio HDB***: Public housing at Ang Mo Kio Avenue 3/Street 51

CONDOMINIUMS



- **Montbleu**: Award-winning condominium at Minbu Road
- **Angullia Park***: 36-storey condominium with sky terraces at Angullia Park
- **Mezzo**: Commercial and residential development at Balestier Road
- **Meier Suites**: Condominium at Margate Road

CONSERVATION HOMES/ TOWN HOUSES



- **Heritage 9**: Conservation and reconstruction of terrace dwelling houses at Everitt Road
- **Fernhill Cottage**: Town houses at Fernhill Road

BUSINESS SPACE AND OTHERS

BUSINESS PARKS



- **Solaris**: Award-winning business space development at Ayer Rajah Avenue/one-north Crescent
- **Changi Business Park Vista***: Research and development building at Changi Business Park

INDUSTRIAL DEVELOPMENTS



- **Northspring Bizhub***: General industrial ramp-up development at Yishun Industrial Street 1/Yishun Street 23
- **Bukit Batok BizHub***: Light industrial ramp-up development at Bukit Batok Street 23
- **West Park BizCentral**: Award-winning light industrial development at Tanjong Kling/Pioneer Crescent

OTHERS



- **Lavender***: Mixed-use development at Lavender Street/Kallang Avenue
- **Church of St Mary of the Angels**: Church at Bukit Batok East Avenue 2
- **Tanglin Trust School**: School at Portsdown Road

*denotes projects under construction

AWARDS

Soil-Build has been involved in the following projects that have received awards:

- **Montbleu**: International Property Award 2011 – Highly Commended High-rise Architecture, Singapore

• Solaris:

- BCA Green Mark (New Buildings) 2009 Award Platinum
- First Prize (Unbuilt Category) in Skyrise Greenery Award 2009
- The Green Good Design 2010 – Architecture

- Pertubuhan Akitek Malaysia Award 2011 – Gold (Overseas)
- Royal Institute of British Architects International Award 2012

- **West Park BizCentral**: BCA Green Mark (New Buildings) 2010 Award Gold

MID-TERM TO LONG-TERM PROSPECTS CONDUCTIVE TO GROWTH

- The BCA projected a total construction demand from private and public sectors of between S\$26 billion to S\$32 billion for 2013, anchored by public sector projects. For 2014 to 2015, the average construction demand from private and public sectors is projected to be S\$20 billion to S\$28 billion per annum¹.



BUSINESS SPACE CONSTRUCTION PROJECTS

- The first half 2013 Government Land Sales Programme has a potential yield of 315,000 sqm gross floor area of commercial space, in addition to the 1,173,000 sq m gross floor area of office space in the pipeline².
- Under the first half 2013 Industrial Government Land Sales Programme, 13 sites are included in the confirmed list and 9 sites in the reserve list, with a total site area of 24.84 hectares³.
- Such increased supplies of commercial land and industrial space will lead to an increased volume of business space construction projects available for tender. We believe our track record in business space properties will put us in a good position to tender for such projects.

**“HEALTHY
CONSTRUCTION
DEMAND FROM
PRIVATE AND
PUBLIC SECTORS”**

RESIDENTIAL CONSTRUCTION PROJECTS

- The first half 2013 Government Land Sales Programme comprises sites which can yield about 14,000 private residential units. As at the third quarter of 2012, about 93,800 private housing units will be constructed over the next few years⁴.
- We will continue to explore tenders for the construction works for sites released by the Government and also development projects of our Controlling Shareholder Group in the near to medium term.
- HDB has launched 25,200 Build to Order units in 2011⁴, 27,084 flats in 2012⁴ and targets to launch at least 25,000 flats in 2013⁵. We have positioned ourselves in the HDB sector through the Tampines HDB Project, the Ang Mo Kio HDB Project, and the Bukit Batok HDB Project, and our Directors believe our Group will benefit from the sustained construction demand from HDB.

¹ Source: See footnote on page 126 of this Prospectus.

² Source: See footnote on page 128 of this Prospectus.

³ Source: See footnote on page 129 of this Prospectus.

⁴ Source: See footnote on page 130 of this Prospectus.

⁵ Source: See footnote on page 131 of this Prospectus.





Business Strategies And Future Plans

INVEST IN PRODUCTIVITY IMPROVEMENTS

- We intend to invest in productivity improvement measures, increase the use of automation and improved technologies, and improve the efficiency of our construction process.
- Through value-engineering, we will review the construction design, specifications and drawings to derive cost savings through improvements in construction methods, sequence and/or material use.

CONTINUE TO FOCUS ON THE BUSINESS SPACE SECTOR, WHICH HAS HEALTHY DEMAND

- Interest in business space will continue to increase on the back of an upswing in industrial property prices between the first quarter of 2012 and the first quarter of 2013. Our and the Controlling Shareholder Group's track record in the business space sector will allow us to take advantage of the positive outlook for business space projects.
- In addition to corporate customers, we intend to reach out to direct end-users to provide our comprehensive suite of services for the construction of their required business space.

"A RAMP UP IN SUPPLY OF HDB FLATS SINCE LATE 2011"

FURTHER DEVELOP OUR POSITION IN PUBLIC HOUSING CONSTRUCTION SECTOR

- We have recently been awarded the contracts for the Tampines HDB Project, the Ang Mo Kio HDB Project, and the Bukit Batok HDB Project. This has positioned us in the public housing construction sector. Our track record in public sector projects will be advantageous to us in competing for any future tenders by HDB and other public agencies.

EXPAND CONSTRUCTION AND / OR PROJECT MANAGEMENT OPERATIONS TO CERTAIN ASIA COUNTRIES SUCH AS MYANMAR

- We are exploring the expansion of our business into other parts of Asia where our services can be replicated and the risks of such expansion contained.
- As at the Latest Practicable Date, we have secured two contracts in Myanmar to provide professional consultancy and project management services and intend to further strengthen our presence in Myanmar.



"SECURED TWO CONTRACTS IN MYANMAR"



Why Invest In Us?

-  We are a Singapore-based construction group with the ability to handle a wide range of construction projects.
-  Our multi-disciplinary capabilities allow us to provide attractive and effective solutions for our customers across multi-property sectors.
-  Our Subsidiary, Soil-Build, has a BCA grading of A1, which allows us to tender for public sector projects in Singapore of an unlimited contract value.
-  Being part of an integrated platform with the Controlling Shareholder Group provides better earnings visibility.
-  As at the Latest Practicable Date, we have secured two contracts to provide professional consultancy and project management services and project management consultancy services in Myanmar and we intend to further strengthen our presence there.
-  Our Board of Directors intends to recommend an annual dividend for FY2013 of at least 25% of our net profit after tax from Listing Date till 31 December 2013 and for FY2014 of at least 25% of our net profit after tax.

*Solaris: Award-winning business space development
at Ayer Rajah Avenue/one-north Crescent*



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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Mr Lim Chap Huat (Executive Chairman) Mr Ho Toon Bah (Executive Director) Ms Lim Cheng Hwa (Non-Executive Director) Mr Poon Hon Thang (Lead Independent Director) Mr Tan Jee Ming (Independent Director) Mr Teo Chee Seng (Independent Director)
COMPANY SECRETARY	:	Ms Lee Bee Fong, ACIS
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	:	SB Building 25 Changi South Street 1 Singapore 486059
SHARE REGISTRAR	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #02-00 Singapore 068898
ISSUE MANAGER	:	United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624
JOINT UNDERWRITERS AND JOINT PLACEMENT AGENTS	:	United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624 Oversea-Chinese Banking Corporation Limited 65 Chulia Street #09-00 OCBC Centre Singapore 049513
INDEPENDENT AND REPORTING AUDITOR	:	PricewaterhouseCoopers LLP Public Accountants and Certified Public Accountants 8 Cross Street #17-00 PWC Building Singapore 048424 Partner-in-charge: Lam Hock Choon (Public Accountant and Certified Public Accountant)
LEGAL ADVISER TO OUR COMPANY ON SINGAPORE LAW	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989

LEGAL ADVISER TO OUR COMPANY ON MYANMAR LAW : Kelvin Chia Yangon Ltd
Unit 1509
15th Floor
Sakura Tower
339 Bogyoke Aung San Road
Kyauktada Township
Yangon
Union of Myanmar

LEGAL ADVISER TO THE ISSUE MANAGER, THE JOINT UNDERWRITERS AND THE JOINT PLACEMENT AGENTS ON SINGAPORE LAW : Stamford Law Corporation
10 Collyer Quay
#27-00 Ocean Financial Centre
Singapore 049315

INDEPENDENT FINANCIAL ADVISER : HL Bank
20 Collyer Quay
#01-02 Tung Centre
Singapore 049319

PRINCIPAL BANKERS : United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

Oversea-Chinese Banking Corporation Limited
65 Chulia Street #09-00
OCBC Centre
Singapore 049513

DBS Bank Ltd.
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Malayan Banking Berhad
2 Battery Road
Maybank Tower
Singapore 049907

RHB Bank Berhad
90 Cecil Street
RHB Bank Building
Singapore 069531

The Hongkong and Shanghai Banking Corporation Limited
21 Collyer Quay
HSBC Building
Singapore 049320

RECEIVING BANK : United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

DEFINITIONS

In this Prospectus, the accompanying Application Forms and, in relation to the Electronic Applications, the instructions appearing on the screens of the ATMs of the Participating Banks or the IB websites of the relevant Participating Banks, the following definitions apply where the context so admits:

Group Companies

<i>“Company” or “Soilbuild Construction”</i>	:	Soilbuild Construction Group Ltd.
<i>“Forte Builder”</i>	:	Forte Builder Pte. Ltd.
<i>“Group”</i>	:	Our Company and our Subsidiaries
<i>“SB Procurement”</i>	:	SB Procurement Pte. Ltd.
<i>“SB Project Services”</i>	:	SB Project Services Pte. Ltd.
<i>“Soilbuild Construction Engineering”</i>	:	Soilbuild Construction Engineering Pte. Ltd.
<i>“Soilbuild Construction International”</i>	:	Soilbuild Construction International Pte. Ltd.
<i>“Soilbuild E&C”</i>	:	Soilbuild E&C Pte. Ltd.
<i>“Soil-Build”</i>	:	Soil-Build (Pte.) Ltd.

Other Corporations and Agencies

<i>“ASEAN”</i>	:	Association of Southeast Asian Nations
<i>“Authority”</i>	:	The Monetary Authority of Singapore
<i>“BCA”</i>	:	Building and Construction Authority
<i>“CBC”</i>	:	Commissioner of Building Control
<i>“CBM”</i>	:	Central Bank of Myanmar
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Controlling Shareholder Group”</i>	:	Our Parent Group, as well as our Parent Group’s Controlling Shareholder and his Associates. This does not include our Company, our Subsidiaries and our Associated Company
<i>“CPF”</i>	:	The Central Provident Fund
<i>“CRO”</i>	:	Companies Registration Office of Myanmar

<i>“DICA”</i>	:	Directorate of Investment and Company Administration of Myanmar
<i>“Dolphin Acquisitions”</i>	:	Dolphin Acquisitions Pte. Ltd.
<i>“HDB”</i>	:	Housing Development Board
<i>“Independent Financial Adviser” or “HL Bank”</i>	:	HL Bank, the independent financial adviser to the Independent Directors
<i>“IRAS”</i>	:	Inland Revenue Authority of Singapore
<i>“Joint Underwriters” or “Joint Placement Agents”</i>	:	UOB and OCBC
<i>“JTC”</i>	:	Jurong Town Corporation
<i>“MIC”</i>	:	Myanmar Investment Commission
<i>“MND”</i>	:	Ministry of National Development
<i>“MOM”</i>	:	Ministry of Manpower
<i>“MTI”</i>	:	Ministry of Trade and Industry
<i>“NEA”</i>	:	National Environment Agency
<i>“OCBC”</i>	:	Oversea-Chinese Banking Corporation Limited
<i>“OCBC Group”</i>	:	OCBC, its Subsidiaries, Associated Companies and/or its affiliates
<i>“Parent Company” or “Soilbuild Group Holdings”</i>	:	Soilbuild Group Holdings Ltd.
<i>“Parent Group”</i>	:	The group of companies comprising Soilbuild Group Holdings, its Subsidiaries and its Associated Companies. This does not include our Company, our Subsidiaries and our Associated Company
<i>“Participating Banks”</i>	:	UOB Group, OCBC and DBS Bank Ltd. (including POSB) (“DBS”)
<i>“PUB”</i>	:	Public Utilities Board
<i>“SCCS”</i>	:	Securities Clearing and Computer Services (Pte) Limited
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Registrar”</i>	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.)

<i>“Soilbuild Group Holdings Group”</i>	:	The group of companies comprising Soilbuild Group Holdings, its Subsidiaries (including our Company and our Subsidiaries) and its Associated Companies (including our Associated Company)
<i>“Solstice Development”</i>	:	Solstice Development Pte. Ltd.
<i>“UOB”, “Issue Manager” or “Receiving Bank”</i>	:	United Overseas Bank Limited
<i>“UOB Group”</i>	:	UOB and its Subsidiary, Far Eastern Bank Limited
<i>“URA”</i>	:	Urban Redevelopment Authority
<i>“YCDC”</i>	:	Yangon City Development Council

General

<i>“Application Forms”</i>	:	The official printed application forms to be used for the purpose of the Invitation and which form part of this Prospectus
<i>“Articles of Association” or “Articles”</i>	:	Articles of Association of our Company
<i>“ATM”</i>	:	Automated teller machines of a Participating Bank
<i>“Audit Committee”</i>	:	The audit committee of our Company as at the date of this Prospectus, unless otherwise stated
<i>“Board” or “Board of Directors”</i>	:	The board of Directors of our Company as at the date of this Prospectus, unless otherwise stated
<i>“Central Region”</i>	:	Comprises the following 22 planning areas: Downtown Core, Orchard, Marina East, Marina South, Museum, Newton, Outram, River Valley, Rochor, Singapore River, Straits View, Bishan, Bukit Merah, Bukit Timah, Geylang, Kallang, Marine Parade, Novena, Queenstown, Southern Islands, Tanglin and Toa Payoh ¹
<i>“Companies Act”</i>	:	The Companies Act, Chapter 50 of Singapore
<i>“Directors”</i>	:	The directors of our Company as at the date of this Prospectus, unless otherwise stated

1 Source: URA (<https://spring.ura.gov.sg/lad/ore/login/glossary.cfm?no=1>). URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.

<i>“Electronic Applications”</i>	:	Applications for the Offer Shares made through an ATM or through IB websites of the relevant Participating Bank in accordance with the terms and conditions of this Prospectus
<i>“EPS”</i>	:	Earnings per Share
<i>“ESOS”</i>	:	Soilbuild Construction Employee Share Option Scheme
<i>“Executive Directors”</i>	:	The executive Directors of our Company as at the date of this Prospectus, unless otherwise stated
<i>“Executive Officers”</i>	:	The key executive officers of our Group as at the date of this Prospectus, unless otherwise stated
<i>“FY”</i>	:	Financial year ended or, as the case may be, ending 31 December
<i>“IB”</i>	:	Internet Banking
<i>“Independent Directors”</i>	:	Mr Poon Hon Thang, Mr Tan Jee Ming and Mr Teo Chee Seng
<i>“Invitation”</i>	:	The Offer and the Placement
<i>“Invitation Price”</i>	:	S\$0.25 for each New Share
<i>“Latest Practicable Date”</i>	:	30 April 2013, being the latest practicable date for the purposes of lodgment of this Prospectus with the Authority
<i>“Licensed Trade Marks”</i>	:	Being the following marks: <ul style="list-style-type: none"> – the logo  (in full-colour, black-and-grey and reverse-white); – the logo SOILBUILD (in full-colour, black-and-grey and reverse-white); – the logo  (in full-colour only); – the word mark “SOILBUILD”; – the word mark “SOIL-BUILD”; – the word mark “SB”; and – the Chinese character mark “速美”
<i>“Listing Date”</i>	:	The date on which our Shares commence trading on the SGX-ST
<i>“Listing Manual”</i>	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Myanmar Companies Act”</i>	:	Myanmar Companies Act 1914

<i>“Myanmar Foreign Exchange Management Law”</i>	:	Foreign Exchange Management Law 2012 of Myanmar
<i>“Myanmar Foreign Investment Law”</i>	:	Myanmar Foreign Investment Law 2012
<i>“NAV”</i>	:	Net asset value
<i>“New Shares”</i>	:	The 168,000,000 new Shares which are the subject of this Invitation
<i>“Nominating Committee”</i>	:	The nominating committee of our Company as at the date of this Prospectus, unless otherwise stated
<i>“NTA”</i>	:	Net tangible assets
<i>“Offer”</i>	:	The offer by our Company of the Offer Shares to the public in Singapore
<i>“Offer Shares”</i>	:	The 2,000,000 New Shares which are the subject of the Offer
<i>“Option Shares”</i>	:	The Shares which may be issued or transferred upon the exercise of the options granted pursuant to the Soilbuild Construction Employee Share Option Scheme
<i>“Outside Central Region”</i>	:	The planning areas outside Central Region ¹
<i>“PER”</i>	:	Price earnings ratio
<i>“Performance Shares”</i>	:	The Shares which may be issued or transferred upon the release of the share awards granted pursuant to the Soilbuild Construction Performance Share Plan
<i>“Period Under Review”</i>	:	The period which comprises FY2010, FY2011 and FY2012
<i>“Placement”</i>	:	The placement of the Placement Shares by the Joint Placement Agents on behalf of our Company
<i>“Placement Shares”</i>	:	The 166,000,000 New Shares, which are the subject of the Placement
<i>“Prospectus”</i>	:	This prospectus dated 17 May 2013 issued by our Company in respect of the Invitation

1 Source: URA (<https://spring.ura.gov.sg/lad/ore/login/glossary.cfm?no=1>). URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.

<i>“PSP”</i>	:	Soilbuild Construction Performance Share Plan
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Prospectus, unless otherwise stated
<i>“Rest of Central Region”</i>	:	The rest of the Central Region which are outside postal districts 9, 10, 11, Downtown Core and Sentosa ¹
<i>“Restructuring Exercise”</i>	:	The corporate restructuring exercise undertaken in connection with the Invitation as described in the section entitled “Restructuring Exercise” of this Prospectus
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>“Securities and Futures Act” or “SFA”</i>	:	The Securities and Futures Act, Chapter 289 of Singapore
<i>“Service Agreements”</i>	:	The service agreements entered into between our Company and each of Mr Lim Chap Huat and Mr Ho Toon Bah, as described in the section entitled “Directors, Management and Staff – Service Agreements” of this Prospectus
<i>“SFR”</i>	:	The Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore
<i>“SGXNET”</i>	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
<i>“Shareholders”</i>	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” of our Company shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
<i>“Shares”</i>	:	Ordinary shares in the capital of our Company

Currencies, Units and Others

<i>“Kyats”</i>	:	Myanmar Kyats
<i>“S\$” and “cents”</i>	:	Singapore dollars and cents respectively
<i>“sqm”</i>	:	Square metres

1 Source: URA (<https://spring.ura.gov.sg/lad/ore/login/glossary.cfm?no=1>). URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.

“US\$” and “US cents” : United States dollars and cents respectively

“%” or “per cent.” : Per centum

The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The expressions “Associate”, “Associated Company”, “Controlling Shareholder” and “Subsidiary” shall have the meanings ascribed to them in the Fourth Schedule of the SFR, save that in the sections entitled “Interested Person Transactions and Potential Conflicts of Interests” and “Directors, Management and Staff – Share-Based Incentive Plans” of this Prospectus, such terms, if used, shall have the meanings ascribed to them in the Listing Manual and/or the SFR as the context so requires. The expression “Substantial Shareholder” shall have the meaning ascribed to it in the Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Prospectus, the Application Forms and the Electronic Applications to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or any statutory modification thereof and used in this Prospectus, the Application Forms and the Electronic Applications shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or any statutory modification thereof, as the case may be.

Any reference in this Prospectus, the Application Forms and the Electronic Applications to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time and date in this Prospectus, the Application Forms and the Electronic Applications shall be a reference to Singapore time and date unless otherwise stated.

Any reference to “we”, “us”, “our” or other grammatical variations thereof, unless otherwise stated, in this Prospectus is a reference to our Company, our Group or any member of our Group as the context requires.

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

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms and abbreviations used in this Prospectus in connection with our Group and our business. The terms and abbreviations and the assigned meanings may not correspond to standard industry meanings and usage of these terms.

- “bizSAFE” : A five-step programme implemented by the Workspace Safety and Health Council to assist companies to build up their workplace safety and health capabilities in order to achieve improvements in safety and health standards at the workplace.
- To achieve the bizSAFE Level Star, an enterprise must, *inter alia*, obtain the OHSAS 18001 or other equivalent certification accompanied by a risk management implementation audit report by a MOM-approved workplace safety and health auditor
- “BS OHSAS 18001:2007” : A standard that specifies requirements for an occupational health and safety management system, to give an organisation a framework to identify, control and reduce the risks associated with health and safety in the workplace.
- OHSAS 18001 is a British standard for occupational health and safety management systems to help organisations put in place demonstrably sound occupational health and safety performance. An organisation wishing to obtain the OHSAS 18001 certification is required to be subject to external audits carried out by accredited certification bodies
- “BTO” : Build-to-order
- “business space” : Includes office space, commercial space, industrial space and/or business parks
- “CW01” : The general building registration category under the Contractors Registration System maintained by the BCA which covers all types of building works in connection with any structure, being built or to be built, for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, requiring in its construction the use of more than two unrelated building trades and crafts. Such structures include the construction of multi-storey carparks, buildings for parks and playgrounds and other recreational works, industrial plants and utility plants. The scope of work includes the additions and alterations on buildings involving structural changes and installation of roofs
- “design and build” : A delivery model where the turnkey contractor takes responsibility for the roles of designer, construction project manager and the main contractor

- “ISO 14001:2004” : A standard that specifies requirements for an environmental management system to enable an organisation to develop and implement policies and objectives which take into account legal and other requirements to which the organisation subscribes, and information about significant environmental aspects. It applies to those environmental aspects that the organisation identifies as those which it can control and those which it can influence. It does not itself state specific environmental performance criteria
- “ISO 9001:2008” : A standard that specifies requirements for a quality management system where an organisation needs to demonstrate its ability to consistently provide products that meet customer and applicable statutory and regulatory requirements and aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements
- “M&E” : Mechanical and electrical
- “MYE” : Man-Year Entitlement, which reflects the total quota of foreign construction workers allocated to a main contractor (being a company that contracts a project directly from the developer or owner) for a specific construction project. Based on the value of projects/contracts awarded by developers/owners, main contractors are allocated a number of man-years (one man-year being equivalent to one year of employment under a work permit) required to complete a project, and the number of foreign workers it is entitled to employ
- “TOP” : Temporary occupation permit

GLOSSARY OF PROJECTS

This glossary contains a brief description of selected significant projects undertaken by our Group as further described in the section entitled "General Information on our Group – Business Overview" of this Prospectus.

Residential

- Ang Mo Kio HDB Project : Erection of a public housing development comprising 3 blocks of 31/32-storey residential building (total 712 units) with multi-storey car park, precinct pavilion, and community facilities at Ang Mo Kio Avenue 3/Street 51
- Angullia Park Project : Erection of a block of 36-storey condominium housing development (total 54 units) with sky terraces, 2 basement carparks, swimming pool and ancillary facilities at Angullia Park
- Bukit Batok HDB Project : Design and build for an upgrading project comprising Blocks 360 to 370 at Bukit Batok Street 31 and Blocks 169 to 177 at Bukit Batok West Avenue 8
- Heritage 9 Project : Conservation and reconstruction of 6 units of 2-storey terrace dwelling houses and 3 units of 2-storey shophouses to terrace dwelling houses at Everitt Road
- Meier Suites Project : Erection of a block of 19-storey condominium housing development (total 55 units) with swimming pool, communal and ancillary facilities at Margate Road
- Mezzo Project : Erection of a 28-storey commercial and residential development, comprising a 6-storey commercial and carpark podium block and a 22-storey residential tower block at Balestier Road
- Montbleu Project : Erection of a block of 34-storey condominium housing development (total 151 units) with attic and communal facilities at Minbu Road
- Tampines HDB Project : Erection of a public housing development, comprising 9 blocks of 17-storey residential flats (total 960 units), 1 block of multi-storey carpark with communal facilities and precinct pavilions at Tampines Central 7/Tampines Concourse

Business Space

- B-Central Project : Upgrading works of 2 blocks of existing 7-storey flatted factory and a block of existing canteen at Bendemeer Road
- Bukit Batok BizHub Project : Erection of a multiple-user general light industrial development comprising a block of 8-storey ramp-up factory building (total 71 factory units), ancillary staff canteen (total 1 unit) and other ancillary facilities at Bukit Batok Street 23

Changi Business Park Vista Project	:	Erection of a 7-storey research and development building with a basement at Changi Business Park Central 1
Clementi Project	:	Erection of a 3-storey warehouse with a 4-storey ancillary office of annex block to existing warehouse cum ancillary office at Clementi Avenue 6
Goodvine Annex Project	:	Extension of a 10-storey industrial development to an existing 3-storey single-user industrial development at Tampines Street 92
Lavender Project	:	Erection of a mixed-use development comprising a block of 14-storey and a block of 17-storey towers with part 3/4-storey podium at Lavender Street/Kallang Avenue
Mandai Connection Project	:	Erection of a 10-storey ramp-up multiple-user light industrial development (total 344 factory units) with a staff canteen and substation at Mandai Link
North Point Bizhub Project	:	Erection of an 8-storey ramp-up multiple-user light industrial factory development comprising 195 ramp-up factory units with mezzanine floor, 74 ramp-up factory units, a staff canteen and substation (total 269 factory units) at Yishun Avenue 6
Northspring BizHub Project	:	Erection of a multiple-user general industrial development comprising a block of 7-storey ramp-up factory building (total 6 factory units with mezzanine floor and 448 factory units) and staff canteen (total 2 units) and other ancillary facilities at Yishun Industrial Street 1/Yishun Street 23
Northview Bizhub Project	:	Erection of a multiple-user general industrial development comprising a block of 8-storey ramp-up factory building (total 128 factory units), ancillary staff canteen (total 1 unit) and other ancillary facilities at Yishun Avenue 9
Solaris Project	:	Erection of a business space development, comprising a block of part 8/15-storey with 2 basement levels and a mezzanine carpark at Ayer Rajah Avenue/one-north Crescent
Solstice Project	:	Erection of an 8-storey multiple-user light industrial building (total 67 factory units) with substation at New Industrial Road
Toh Guan Road Project	:	Additions and alterations works with change of use to approved single-user part 6-storey warehouse building and part 10-storey ancillary office block with a basement carpark at Toh Guan Road
Tuas Lot Project	:	Erection of a 3-storey ramp-up multiple-user industrial development comprising 80 units of 1-storey terrace factory with mezzanine floor, 42 units of 1-storey terrace factory, 2 blocks of canteen and a block of substation at Tuas Avenue 11/Pioneer Road

- West Park BizCentral Project : Erection of a multiple-user light industrial development comprising a block of part 6-storey with mezzanine floor on each storey (total 45 units)/part 11-storey factory (total 72 units) and other ancillary facilities at Tanjong Kling/Pioneer Crescent
- West Point BizHub Project : Erection of 70 units comprising of a unit of 1-storey, 24 units of 2-storey and 45 units of 3-storey multiple-user terrace factory with a block of staff canteen and a block of substation at Tuas South Avenue 2
- Woodlands BizHub Project : Erection of 29 units of 3-storey and 15 units of 4-storey multiple-user general industrial terrace factory with ancillary workers' dormitory and a block of 10-storey multiple-user general industrial development with staff canteen, carparks and a block of substation at Woodlands Industrial Park E5

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Prospectus, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “expects”, “believes”, “plans”, “intends”, “estimates”, “anticipates”, “may”, “will”, “would” and “could” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including, without limitation, statements as to:

- (a) our revenue and profitability;
- (b) expected growth in demand;
- (c) expected industry trends;
- (d) anticipated expansion plans;
- (e) anticipated commencement and completion dates for projects; and
- (f) other matters discussed in this Prospectus regarding matters that are not historical fact,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- (a) changes in political, social and economic conditions and the regulatory environment in Singapore and other countries in which we conduct business;
- (b) our anticipated growth strategies and expected internal growth;
- (c) changes in the availability and prices of raw materials, construction materials and/or equipment and machinery which we require to operate our business;
- (d) changes in customer preferences;
- (e) changes in competitive conditions and our ability to compete under such conditions;
- (f) changes in our future capital needs and the availability of financing and capital to fund such needs;
- (g) other factors beyond our control; and
- (h) other factors that are described under the section entitled “Risk Factors” of this Prospectus.

These factors are discussed in more detail in this Prospectus, in particular, but not limited to, the discussions under the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Financial Position and Results of Operations” and “Prospects, Trends, Business Strategies and Future Plans” of this Prospectus. All forward-looking statements, by or attributable to us or our Directors, Executive Officers or employees acting on our behalf, contained in this Prospectus are expressly qualified in their entirety by such factors.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different than expected, expressed or implied by the forward-looking statements in this Prospectus, undue reliance must not be placed on these statements which apply only as at the date of this Prospectus. Neither our Company, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other person represents or warrants that our Group’s actual future results, performance or achievements will be as discussed in those statements.

Our actual results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Issue Manager, the Joint Underwriters and the Joint Placement Agents disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. We are, however, subject to the provisions of the SFA and the Listing Manual regarding disclosure. In particular, if after this Prospectus is registered but before the close of the Invitation, we become aware of (a) a false or misleading statement or matter in this Prospectus; (b) an omission from this Prospectus of any information that should have been included in it under Section 243 of the SFA; or (c) a new circumstance that has arisen since this Prospectus was lodged with the Authority and would have been required by Section 243 of the SFA to be included in this Prospectus if it had arisen before this Prospectus was lodged, and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement prospectus with the Authority pursuant to Section 241 of the SFA.

DETAILS OF THE INVITATION

LISTING ON THE SGX-ST

We have made an application to the SGX-ST for permission to deal in, and for quotation of, all our Shares already issued, the New Shares, the Option Shares and the Performance Shares on the Main Board of the SGX-ST. Such permission will be granted when our Company has been admitted to the Official List of the SGX-ST.

Acceptance of applications will be conditional upon, *inter alia*, permission being granted by the SGX-ST to deal in, and for quotation of, all our existing issued Shares, the New Shares, the Option Shares and the Performance Shares. If the completion of the Invitation does not occur because the SGX-ST's permission is not granted or for any other reasons, monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom and you will not have any claims whatsoever against us, the Issue Manager, the Joint Underwriters and the Joint Placement Agents. No Shares will be allotted on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our Subsidiaries, our Shares, the New Shares, the Option Shares or the Performance Shares.

A copy of this Prospectus, together with a copy of the Application Forms, has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Shares being offered or in respect of which an invitation is made, for investment. We have not lodged or registered this Prospectus in any other jurisdiction.

Neither our Company, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party involved in the Invitation is making any representation to any person regarding the legality of an investment by such person under any investment or other laws or regulations. No information in this Prospectus should be considered as being business, legal or tax advice. Investors should be aware that they may be required to bear the financial risk of an investment in our Shares for an indefinite period of time. Each prospective investor should consult his own professional or other advisers for business, legal, financial or tax advice regarding an investment in our existing issued Shares and the New Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Issue Manager, the Joint Underwriters or the Joint Placement Agents. Neither the delivery of this Prospectus and the Application Forms nor any documents relating to the Invitation, nor the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change, or development reasonably likely to involve a change, in our affairs, conditions, prospects, or our Shares or in any statements of fact or information contained in this Prospectus since the date of this Prospectus. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we may lodge a supplementary or replacement prospectus with the Authority and make an announcement of the same to the SGX-ST and will comply with the requirements of the SFA and/or any other requirements of the SGX-ST. All applicants should take note of any such announcements and, upon the release of such an announcement, shall be deemed to have notice of such changes.

Save as expressly stated in this Prospectus, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The New Shares are offered for subscription solely on the basis of the information contained and representations made in this Prospectus.

This Prospectus has been prepared solely for the purpose of the Invitation and may not be relied upon by any other persons other than the applicants in connection with their application for the New Shares or for any other purpose.

This Prospectus does not constitute an offer, solicitation or invitation to subscribe for the New Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.

We are subject to the provisions of the SFA and the Listing Manual regarding disclosure. In particular, if after this Prospectus is registered but before the close of the Invitation, we become aware of:

- (a) a false or misleading statement or matter in this Prospectus;
- (b) an omission from this Prospectus of any information that should have been included in it under Section 243 of the SFA; or
- (c) a new circumstance that has arisen since this Prospectus was lodged with the Authority and would have been required by Section 243 of the SFA to be included in this Prospectus if it had arisen before this Prospectus was lodged,

that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement prospectus with the Authority pursuant to Section 241 of the SFA.

In the event that a supplementary or replacement prospectus is lodged with the Authority, the Invitation shall be kept open for at least 14 days after the lodgment of such supplementary or replacement prospectus.

Where prior to the lodgment of the supplementary or replacement prospectus, applications have been made under this Prospectus to subscribe for the New Shares and:

- (a) where the New Shares have not been issued to the applicants, our Company shall either:
 - (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgment of the supplementary or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to the applicants if they have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement prospectus;
 - (ii) within seven days from the date of lodgment of the supplementary or replacement prospectus, provide the applicants the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications; or

- (iii) treat the applications as withdrawn or cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and shall, within seven days from the date of lodgment of the supplementary or replacement prospectus, return all monies paid in respect of any application (without interest or any share of revenue or other benefit arising therefrom) at the applicant's own risk and the applicant will not have any claim whatsoever against us, our Directors, the Issue Manager, the Joint Underwriters and the Joint Placement Agents; or
- (b) where the New Shares have been issued to the applicants, our Company shall, either:
- (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgment of the supplementary or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to return the New Shares which they do not wish to retain title in and take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to the applicants if they have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement prospectus;
 - (ii) within seven days from the date of lodgment of the supplementary or replacement prospectus, provide the applicants the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to return the New Shares which they do not wish to retain title in; or
 - (iii) treat the issue of the New Shares as void, in which case the issue shall be deemed void and shall within seven days from the date of lodgment of the supplementary or replacement prospectus, return all monies paid in respect of any application, without interest or a share of revenue or benefit arising therefrom at the applicant's own risk and the applicant will not have any claims whatsoever against us, our Directors, the Issue Manager, the Joint Underwriters and the Joint Placement Agents.

An applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within 14 days from the date of lodgment of the supplementary or replacement prospectus, notify our Company of this, whereupon our Company shall, within seven days from the receipt of such notification, return to him all monies paid by him on account of his application for those New Shares without interest or a share of revenue or benefit arising therefrom and at his own risk and the applicant shall not have any claims whatsoever against us, our Directors, the Issue Manager, the Joint Underwriters and the Joint Placement Agents.

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the New Shares issued to him shall, within 14 days from the date of lodgment of the supplementary or replacement prospectus, notify our Company of this and return all documents, if any, purporting to be evidence of title to those New Shares, to our Company, whereupon our Company shall, within seven days from the receipt of such notification and documents, if any, return to him all monies paid by him on account of his application for those New Shares without interest or a share of revenue or benefit arising therefrom and at his own risk and the applicant will not have any claim whatsoever against us, our Directors, the Issue Manager, the Joint Underwriters and the Joint Placement Agents and the issue of those New Shares shall be deemed to be void.

Under the SFA, the Authority may, in certain circumstances, issue a stop order (the “Stop Order”) to our Company, directing that no New Shares or no further Shares to which this Prospectus relates, be allotted or issued. Such circumstances will include a situation where this Prospectus (i) contains a statement or matter, which in the opinion of the Authority is false or misleading, (ii) omits any information that should be included in accordance with the SFA, (iii) does not, in the opinion of the Authority, comply with the requirements of the SFA, or (iv) if the Authority is of the opinion that it is in the public interest to do so. Where applications to subscribe for the New Shares to which this Prospectus relates have been made prior to the Stop Order, and:

- (a) where the New Shares have not been issued to the applicants, the applications shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the New Shares; or
- (b) where the New Shares have been issued to the applicants, the Securities and Futures Act provides that the issue of the New Shares shall be deemed to be void and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the New Shares.

Such monies paid in respect of your application will be returned to you at your own risk, without interest or any share or revenue or other benefit arising therefrom, and you will not have any claim against us, the Issue Manager, the Joint Underwriters and the Joint Placement Agents.

Copies of this Prospectus, the Application Forms and envelopes may be obtained on request, subject to availability during office hours, from:

United Overseas Bank Limited

80 Raffles Place #03-03
UOB Plaza 1
Singapore 048624

**Oversea-Chinese Banking
Corporation Limited**

65 Chulia Street
OCBC Centre
Singapore 049513

and members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore.

A copy of this Prospectus is also available on the SGX-ST’s website (<http://www.sgx.com>) and the Authority’s website (<http://masnet.mas.gov.sg/operasdrprosp.nsf>).

The Invitation will open at 5.00 p.m. on 17 May 2013 and will remain open until 12.00 noon on 22 May 2013 or for such further period or periods as our Directors may, in consultation with the Issue Manager, the Joint Underwriters and the Joint Placement Agents, in their absolute discretion decide, subject to any limitation under all applicable laws. In the event a supplementary or replacement prospectus is lodged with the Authority, the Invitation will remain open for at least 14 days after the lodgment of the supplementary or replacement prospectus, as the case may be.

Details of the procedures for application to subscribe for the New Shares are set out in Appendix VI of this Prospectus.

INDICATIVE TIMETABLE

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable for the Invitation and trading of our Shares is set out for reference of applicants:

Indicative date/time	Event
17 May 2013 at 5.00 p.m.	Opening date and time for the Invitation
22 May 2013 at 12.00 noon	Closing date and time for the Invitation
23 May 2013	Balloting of applications, if necessary (in the event of over-subscription for the Offer Shares)
27 May 2013 at 9.00 a.m.	Commence trading on a “ready” basis
30 May 2013	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Invitation will be 22 May 2013, the date of admission of our Company to the Official List of the SGX-ST will be 27 May 2013, the SGX-ST’s shareholding spread requirement will be complied with and the New Shares will be issued and fully paid-up prior to 27 May 2013. **The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.**

The above timetable and procedures may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the decision to permit commencement of trading on a “ready” basis and the commencement date of such trading.

Investors should consult the SGX-ST’s announcement on the “ready” trading date on the Internet (at SGX-ST’s website (<http://www.sgx.com>)) or the newspapers or check with their brokers on the date on which trading on a “ready” basis will commence.

In the event of any changes in the closure of the Invitation or the time period during which the Invitation is open, we will publicly announce the same:

- (a) through a SGXNET announcement to be posted on the Internet at the SGX-ST’s website (<http://www.sgx.com>); and
- (b) in a major Singapore English newspaper.

We will publicly announce the level of subscription and the results of the distribution of the New Shares pursuant to the Invitation, as soon as it is practicable after the close of the Invitation through channels in (a) and (b) above.

PLAN OF DISTRIBUTION

The Invitation Price is determined by us in consultation with the Issue Manager, the Joint Underwriters and the Joint Placement Agents after taking into consideration, *inter alia*, prevailing market conditions and estimated market demand for our Shares determined through a book-building process. The Invitation Price is the same for each New Share and is payable in full on application.

Investors may apply to subscribe for any number of New Shares in integral multiples of 1,000 Shares. In order to ensure a reasonable spread of Shareholders, we have the absolute discretion to prescribe a limit to the number of New Shares to be allotted to any single applicant and/or to allot New Shares above or under such prescribed limit as we shall deem fit.

Offer Shares

The Offer Shares are made available to the members of the public in Singapore for subscription at the Invitation Price. Members of the public may apply for the Offer Shares by way of printed Application Forms or by Electronic Application as described under “Terms, Conditions and Procedures for Application and Acceptance” as set out in Appendix VI of this Prospectus.

Pursuant to the management agreement dated 17 May 2013 (“Management Agreement”) entered into between our Company and the Issue Manager, we have appointed UOB to manage the Invitation. UOB will receive a management fee payable by our Company.

Pursuant to the underwriting and placement agreement dated 17 May 2013 (“Underwriting and Placement Agreement”) entered into between our Company and the Joint Underwriters and the Joint Placement Agents, our Company has appointed UOB and OCBC to underwrite the 2,000,000 Offer Shares. UOB and OCBC will receive an underwriting commission of 1.5 per cent. of the Invitation Price payable by our Company for subscribing or procuring subscribers for such Offer Shares not subscribed for by the public and will pay or procure payment to our Company for such Offer Shares, as follows:

Joint Underwriters	Number of Offer Shares
UOB	1,400,000
OCBC	600,000
Total	2,000,000

UOB and OCBC may, at their absolute discretion, appoint one or more sub-underwriters for the Offer Shares.

The Underwriting and Placement Agreement, or as the case may be, the Management Agreement (the “Relevant Agreement”) may be terminated by UOB or OCBC at any time on or before the issue of the New Shares, on the occurrence of certain events including, *inter alia*:

- (a) a Stop Order by the Authority in accordance with Section 242 of the SFA is issued;
- (b) there shall come to the knowledge of UOB or OCBC any breach of the representations, warranties or undertakings by our Company in the Relevant Agreement or that any of the warranties in the Relevant Agreement is untrue or incorrect;

- (c) if there shall have been, since the date of the Relevant Agreement:
- (i) any material adverse change, or any development involving a prospective material adverse change, in the business, trading position, operations, prospects or condition (financial or otherwise) of our Company or of our Group as a whole; or
 - (ii) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, policy, rule, guideline or directive in Singapore or elsewhere (whether or not having the force of law and including, without limitation, any directive or request issued by the Authority, ACRA, the Securities Industry Council of Singapore or the SGX-ST) or in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore or elsewhere; or
 - (iii) any change, material adverse fluctuation or any development involving a prospective change, in local, national, regional or international financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, legal or monetary conditions, taxation or exchange controls (including without limitation, the imposition of any moratorium, suspension or restriction on trading in securities generally on the SGX-ST due to exceptional financial circumstances or otherwise); or
 - (iv) any imminent threat or occurrence of any local, national, regional or international outbreak or escalation of hostilities, insurrection, terrorist attacks or armed conflict (whether or not involving financial markets in any jurisdiction); or
 - (v) any regional or local outbreak of any infectious disease including any recurrence of severe acute respiration syndrome or avian influenza,

which event or events shall in the opinion of UOB or OCBC (1) prejudice or is reasonably likely to prejudice the success of the Invitation (whether in the primary market or in respect of dealings in the secondary market), or (2) make it impracticable, inadvisable, inexpedient or uncommercial to proceed with Invitation, or (3) result or be likely to result in the issue of a Stop Order by the Authority pursuant to the Securities and Futures Act;

- (d) there is a material contravention by any of the Company or its Subsidiaries of the Listing Manual or any applicable laws which have an adverse effect on the performance of the Relevant Agreement or consummation of any of the transactions contemplated therein; or
- (e) without limiting the generality of the foregoing, if it comes to the notice of UOB or OCBC (as the case may be) (1) any statement contained in this Prospectus or the Application Forms relating thereto which in the opinion of UOB or OCBC has become untrue, incorrect or misleading in any material respect or (2) circumstances or matters have arisen or have been discovered, which would, if this Prospectus was to be issued at that time, constitute in the opinion of UOB or OCBC, a material omission of information, and our Company fails to lodge a supplementary or replacement prospectus or document within a reasonable time after being notified of such misrepresentation or omission or fails to promptly take such steps as the Joint Underwriters and the Joint Placement Agents and as the case may be, the Issue Manager may require to inform investors of the lodgment of such supplementary prospectus or document. In such an event, the Joint Underwriters and the Joint Placement Agents and as the case may be, the Issue Manager reserve the right, at its absolute discretion to inform SGX-ST and the Authority and to cancel the Invitation, and any application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicants for the New Shares by ordinary post, telegraphic transfer or such other means as the Joint Underwriters and the Joint Placement Agents and as the case may be, the Issue Manager may deem appropriate at the applicant's own risk within fourteen (14) days of the termination of the Invitation.

The Underwriting and Placement Agreement is conditional upon the Management Agreement not having been terminated or rescinded pursuant to the provisions of the Management Agreement and vice versa. In the event that the Underwriting and Placement Agreement and/or the Management Agreement is terminated, our Company reserves the right, at the absolute discretion of our Directors, to cancel the Invitation.

Our Company has agreed to indemnify the Issue Manager, the Joint Underwriters and the Joint Placement Agents against certain liabilities, including liabilities arising out of any material misrepresentation contained in this Prospectus, provided that such indemnity shall not apply in respect of any claims or losses to the extent that they are proven by a final judgment of a court of competent jurisdiction to have resulted from the gross negligence or wilful default of the Issue Manager, the Joint Underwriters or the Joint Placement Agents, as the case may be. There are no contribution provisions.

In the event of an under-subscription for the Offer Shares as at the close of the Invitation, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Invitation.

In the event of an over-subscription for the Offer Shares as at the close of the Invitation and the Placement Shares are fully subscribed or over-subscribed as at the close of the Invitation, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Company, after consultation with the Issue Manager, and approved by the SGX-ST, if required.

Brokerage payable for the Offer Shares will be paid by our Company to the Participating Banks in respect of successful applications made through Electronic Applications at the rate of 0.25% (and in the case of DBS, 0.5%) of the Invitation Price for each Offer Share. In addition, DBS levies a minimum brokerage of S\$10,000 that will be paid by our Company.

Placement Shares

The Placement Shares are made available to retail and institutional investors who apply through their brokers or financial institutions by way of application forms or such other forms of applications as the Joint Placement Agents deem appropriate. Applications for Placement Shares by way of printed Application Forms are further described under “Terms, Conditions and Procedures for Application and Acceptance” as set out in Appendix VI of this Prospectus.

Pursuant to the Underwriting and Placement Agreement entered into between our Company and the Joint Underwriters and Joint Placement Agents, UOB and OCBC agreed to subscribe or procure subscribers for the 166,000,000 Placement Shares for a placement commission of 1.5% of the Invitation Price payable by our Company, as follows:

Joint Placement Agents	Number of Placement Shares
UOB	116,200,000
OCBC	49,800,000
Total	166,000,000

UOB and OCBC may, at their absolute discretion, appoint one or more sub-placement agents for the Placement Shares.

The New Shares may be re-allocated between the Offer and Placement tranches, at the discretion of the Issue Manager, the Joint Underwriters and the Joint Placement Agents, in the event of an excess of applications in one and a deficit of applications in the other.

Subscribers of the Placement Shares may be required to pay brokerage of 1.0% of the Invitation Price to the Joint Placement Agents or any sub-placement agent that may be appointed by the Joint Placement Agents.

Persons intending to subscribe for the New Shares

To the best of our knowledge and belief, we are not aware of any person who intends to subscribe for more than 5.0% of the New Shares.

However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate their interest to subscribe for more than 5.0% of the New Shares. If such person(s) were to make an application for more than 5.0% of the New Shares, we will make the necessary announcement at the appropriate time.

MORATORIUM

Soilbuild Group Holdings has undertaken that, from the date of the close of the Invitation until the date falling six months after the Listing Date, it will not, without the prior consent of the Issue Manager, the Joint Underwriters and the Joint Placement Agents:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate or encumber or otherwise transfer, assign, dispose or realise, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Shares;
- enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Shares;
- deposit any Shares or any securities convertible into or exchangeable for or which carry rights to subscribe or purchase any Shares in any depository receipt facilities (other than CDP); or
- publicly announce any intention to do any of the above.

This restriction shall apply to all Shares held directly by Soilbuild Group Holdings as of the date of the undertaking, being 488,000,000 Shares (representing 73.5% of our Company's post-Invitation share capital).

In addition, each of Mr Lim Chap Huat and Dolphin Acquisitions has given a similar undertaking not to reduce any part of his or its deemed shareholding interest in our Company (held through Soilbuild Group Holdings) from the date of the close of the Invitation until the date falling six months after the Listing Date.

Mr Ho Toon Bah has also undertaken that, from the date of the close of the Invitation until the date falling six months after the Listing Date, he will not, without the prior consent of the Issue Manager, the Joint Underwriters and the Joint Placement Agents:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate or encumber or otherwise transfer, assign, dispose or realise, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Shares;
- enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Shares;
- deposit any Shares or any securities convertible into or exchangeable for or which carry rights to subscribe or purchase any Shares in any depository receipt facilities (other than GDP); or
- publicly announce any intention to do any of the above.

This restriction shall apply to all Shares held directly by Mr Ho Toon Bah as of the date of the undertaking, being 8,000,000 Shares (representing 1.2% of our Company's post-Invitation share capital).

We have undertaken that, from the date of the Management Agreement and the Underwriting and Placement Agreement until the date falling six months after the Listing Date, we will not, without the prior consent of the Issue Manager, the Joint Underwriters and the Joint Placement Agents (such consent not to be unreasonable delayed or withheld), issue any marketable securities of our Company or Shares or any options therefor, or vary, alter, subdivide or otherwise do anything to our capital structure (issued or otherwise) (save for the issue of the New Shares, Option Shares, Performance Shares, and the grant of options under the ESOS and the grant of share awards under the PSP).

SELLING RESTRICTIONS

Singapore

This Prospectus does not constitute an offer, solicitation or invitation to subscribe for the New Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the lodgment and/or registration of this Prospectus in Singapore in order to permit a public offering of the New Shares and the public distribution of this Prospectus in Singapore. The distribution of this Prospectus and the offering of the New Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Prospectus are required by us, the Issue Manager, the Joint Underwriters and the Joint Placement Agents to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us, the Issue Manager, the Joint Underwriters and the Joint Placement Agents.

Persons to whom a copy of this Prospectus have been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur.

Malaysia

No recognition from the Securities Commission of Malaysia has been applied for or will be obtained for the making available, offering for subscription or purchase, or issuing an invitation to subscribe for or purchase, the New Shares under the Capital Markets and Services Act 2007 (“CMSA”). Accordingly, this Prospectus or any amendment or supplement hereto may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the New Shares and no person may make available, offer for subscription or purchase, or issue invitation to subscribe for or purchase, any of the New Shares directly or indirectly to anyone in Malaysia, unless the making available, offering for subscription or purchase, or issuing invitation to subscribe for or purchase, the New Shares falls within any of the categories specified in Schedule 5 of the CMSA.

No prospectus has been or will be registered with the Securities Commission of Malaysia under the CMSA. Accordingly, no person may issue, offer for subscription or purchase, make an invitation to subscribe for or purchase, any of the New Shares directly or indirectly to anyone in Malaysia, unless the issue, offer for subscription or purchase, or invitation to subscribe for or purchase, the New Shares is made to persons specified in the applicable categories of Schedule 5, and Schedule 6 or 7, as the case may be, of the CMSA in which case this Prospectus will be deposited as an information memorandum and where necessary registered as a disclosure document with the Securities Commission of Malaysia under the CMSA.

Hong Kong

This Prospectus does not constitute an offer to the public in Hong Kong to subscribe for and/or purchase the New Shares.

This Prospectus has not been and will not be registered with the Registrar of Companies in Hong Kong. Accordingly, except as mentioned below, this Prospectus may not be issued, circulated or distributed in Hong Kong.

A copy of this Prospectus may, however, be distributed by the Joint Placement Agents or their designated sub-placement agents to a limited number of professional investors (within the meaning of Schedule 1 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “Securities and Futures Ordinance”)) for the Placement Shares in Hong Kong in a manner which does not constitute an offer of the Placement Shares to the public in Hong Kong or an issue, circulation or distribution in Hong Kong of a prospectus for the purposes of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the “Companies Ordinance”). The offer of the Placement Shares is personal to the person named in the accompanying application form, and application for the Placement Shares will only be accepted from such person. An application for the Placement Shares is not invited from any person in Hong Kong other than a person to whom a copy of this Prospectus has been distributed by the Joint Placement Agents or their designated sub-placement agents, and if made, will not be accepted, unless the applicant satisfies the Joint Placement Agents or their respective designated sub-placement agents that he is a professional investor as defined in the Securities and Futures Ordinance.

No person to whom a copy of this Prospectus is issued may issue, circulate or distribute this Prospectus in Hong Kong or make or give a copy of this Prospectus to any other person, other than their legal, financial, tax or other appropriate advisers who are subject to a duty of confidentiality to such person.

The Joint Placement Agents have agreed with our Company that they (and their designated sub-placement agents, if any) have not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any of the Placement Shares other than (i) as permitted under the Securities and Futures Ordinance, or (ii) in circumstances which do not constitute an offer of the Placement Shares to the public within the meaning of the Companies Ordinance.

PROSPECTUS SUMMARY

The following summary highlights certain information found in greater detail elsewhere in this Prospectus. As this is a summary, it does not contain all the information that prospective investors should consider before investing in our Shares. Terms defined elsewhere in this Prospectus have the same meaning when used herein. In addition to this summary, we urge you to read the entire Prospectus carefully, especially the section entitled “Risk Factors” of this Prospectus and our financial statements and related notes, before deciding to invest in our Shares.

OVERVIEW OF OUR GROUP

Business Overview

We are involved in general construction and our Subsidiary, Soil-Build, is graded A1 by the BCA under the registration category CW01 for General Building, which allows us to tender for public sector projects in Singapore of an unlimited contract value. We are principally engaged in building works in Singapore in which we act as the main contractor. In addition, we are also engaged in architectural works in Singapore in which we act as a direct contractor, and in project management services in Singapore in which we act as the project manager. In connection with the proposed expansion of our construction business into Myanmar, as at the Latest Practicable Date, we have secured two contracts in Myanmar, as further described in the section entitled “General Information on our Group – History” of this Prospectus, and are intending to further strengthen our presence in Myanmar.

Depending on the project requirements, we are also able to provide design and build or turnkey construction services as part of our project scope.

In the ordinary course of business, depending on the relevant project specifications and/or our customers’ requests, we may acquire shareholding interests in construction joint ventures or minority shareholding interests in development joint ventures for projects in which we are involved in order to align the interests of the relevant parties involved in the projects. As at the Latest Practicable Date, we hold a 50% shareholding interest and a 19% shareholding interest in our joint ventures, Forte Builder and Solstice Development, respectively. Forte Builder is the main contractor for the construction of the Angullia Park Project and has subcontracted the construction work (together with the ensuing responsibilities and liabilities) to our Group. Solstice Development is the developer of the Solstice Project for which Soil-Build is the main contractor.

Please refer to the section entitled “General Information on our Group – Business Overview” of this Prospectus for further details.

Our Competitive Strengths

We believe our competitive strengths are as follows:

Delivery of a more comprehensive suite of construction services, such as through our design and build delivery model

Our Directors believe that our comprehensive suite of construction services allows us to provide attractive and effective solutions, such as a one-stop delivery of end-to-end construction services and project management solutions under the design and build delivery model, for our customers.

In order to provide better support and value added services, we have expanded our scope of services through the years to include design and build contract services, turnkey construction project services and project management services. With multi-disciplinary capabilities spanning the full cycle of construction, we are able to deliver a more comprehensive suite of construction services.

In particular, under the one-stop design and build delivery model, we will, based on a customer's concept plan, develop a detailed design for authority approvals before moving on to the full construction spectrum to hand-over to the customer. We possess the ability to provide such one-stop delivery solution due to our multi-disciplinary capabilities spanning the full building cycle of construction. Further, our team of project managers comprises trained architects and engineers, who are able to examine architectural, structural, mechanical, electrical and plumbing designs thus ensuring seamless transition from design to delivery.

Our Directors believe that our track record in the one-stop design and build delivery model will put us in a strong position in our project tenders, as demonstrated by the recent awards of the design and build contracts for the Solstice Project and the Lavender Project to our Group.

Being part of an integrated platform with the Controlling Shareholder Group ensures better earnings visibility

For the Period Under Review, we derived a significant portion of our revenue from construction projects awarded to us by the Controlling Shareholder Group. The portion of our revenue derived from construction projects awarded to us by the Controlling Shareholder Group is 100.0%, 83.7% and 58.4% of our revenue in FY2010, FY2011 and FY2012 respectively. The portion of our gross profit derived from construction projects awarded to us by the Controlling Shareholder Group is 100.0%, 80.5% and 83.3% of our gross profit in FY2010, FY2011 and FY2012 respectively. As at the Latest Practicable Date, approximately 49.1% of our order books are in relation to the Controlling Shareholder Group's property development business and/or property investment business. We anticipate that we would, after listing on the SGX-ST, in the ordinary course of business, continue to solicit for the award of construction contracts from the Controlling Shareholder Group. For example, we recently secured the award of the Mandai Connection Project, the Northview Bizhub Project and the Bukit Batok BizHub Project from our Parent Group following their successful tender for the relevant land sites under the Government Land Sales Programme.

Multi-property sector approach to construction protects our Group from any potential slowdown in any particular sector of the property market

Due to our multi-property sector approach to construction projects, our Group is capable of executing business space and both public and private residential property construction projects. Should there be a slowdown in any particular sector of the property market, our Group is able to shift its focus onto other property sectors.

For instance, the recent series of measures implemented since 2010 to cool the residential property prices and potential policy interventions have moderated the growth in residential property prices in Singapore as demonstrated by the 2.8% increase in the URA All Residential Price Index between the fourth quarter of 2011¹ and the fourth quarter of 2012². Notwithstanding that the BCA expects the public sector construction demand to strengthen in 2013, contributing about S\$14 billion to S\$17 billion of the construction demand, driven by public housing and infrastructure construction works³, should the demand for construction of private residential projects slow down as a result of the moderated price rise, our Group would be able to weather the slow down by increasing its tenders for business space and/or public housing construction projects. Based on our order books as at the Latest Practicable Date, approximately 53.7% of our order books relate to the business space sector while approximately 46.3% of our order books relate to the residential sector.

Significant barriers to entry given our entrenched position in the local construction industry, and the A1 BCA grading of our Subsidiary, Soil-Build, allow us to benefit from the current construction trends

Our Directors believe that it would be difficult for new entrants to the construction industry to compete against our Group in the local construction industry because it would be difficult to replicate our Group's knowledge and understanding of the construction industry and the relationship network we have established in Singapore.

Being one of the local construction companies that is graded A1 under the BCA registration category CW01 for General Building, Soil-Build is allowed to tender for public sector projects in Singapore of an unlimited contract value. This allows us to benefit from the current increase in construction tenders awarded by HDB. For instance, we have recently been awarded the contracts for the S\$130.6 million Tampines HDB Project, the S\$101.4 million Ang Mo Kio HDB Project and the S\$24.5 million Bukit Batok HDB Project, and our Directors believe that our track record in public sector projects will be advantageous in competing for any future tenders by HDB and other public agencies.

1 Source: URA news release dated 27 January 2012 and entitled "Private Housing Price Increase Continues to Slow Down in 4Q2011" on its website: <http://www.ura.gov.sg/pr/text/2012/pr12-08.html>. URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

2 Source: URA news release dated 2 January 2013 and entitled "URA Releases Flash 4th Quarter 2012 Private Residential Property Price Index" on its website: <http://www.ura.gov.sg/pr/text/2013/pr13-01.html>. URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

3 Source: BCA news release dated 16 January 2013 and entitled "Public Sector Projects to Boost Construction Demand in 2013" on its website: http://www.bca.gov.sg/Newsroom/pr16012013_CP.html. BCA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

Strong management team with significant intellectual capital

Our team of Executive Officers involved in our construction activities has significant industry experience as further described in the section entitled “Directors, Management and Staff – Executive Officers” of this Prospectus and is able to meld both property development as well as construction industry experience to find the optimal cost-effective solutions. This enables us to secure not only construction management contracts but also design and build contracts and also to deliver the projects in the shortest possible time frame.

We are also able to leverage on the financial knowledge and experience of our management in securing construction contracts through our ability and flexibility in structuring contracts and/or partnerships with potential customers. For instance, depending on the relevant project specifications and/or our customers’ requests, we may acquire shareholding interests in construction joint ventures or minority shareholding interests in development joint ventures for projects in which we are involved in order to align the interests of the relevant parties involved in the projects. In 2010, we entered into joint ventures for the Solstice Project and the Angullia Park Project.

Our effective cost control and operational efficiency keeps us competitive

Our Directors believe that our Group remains competitive in tenders versus its peers as we manage our costs efficiently despite the recent general inflationary concerns. For instance, our designs for our design and build projects are developed with constructability in mind, and such increased constructability translates to savings in construction costs and time without compromising on functionality of the final product. We also adopt a structured approach in reviewing construction design, specifications and drawings to derive cost savings through improvements in construction methods, sequence and/or material use. Further, we have been increasing the use of pre-cast concrete work in our projects, which enables us to reduce our reliance on labour and shorten the construction time when compared against conventional construction methods, thus improving efficiency and margins.

We will continuously explore and adopt more techniques, systems and technologies such as the procurement of automated pre-casting technology, as set out in the section entitled “Prospects, Trends, Business Strategies and Future Plans” of this Prospectus, to enhance our cost efficiencies.

We have a proven track record

We have over 36 years of experience in the construction business. For the Period Under Review, 12 construction projects in which we have been involved have obtained TOP and projects in which we were the main contractors have won numerous awards as further described in the section entitled “General Information on our Group – Awards and Accreditations” of this Prospectus. We believe that our track record has earned the confidence of our customers as well as architects and consultants who have collaborated with us in the past. Our Directors believe that our track record will also put our Group in good stead when we tender for new construction projects.

Please refer to the section entitled “General Information on our Group – Competitive Strengths” of this Prospectus for further details.

SUMMARY FINANCIAL DATA

The following table presents a summary of the combined financial information of our Group and should be read in conjunction with the full text of this Prospectus, including the Combined Financial Statements of Our Group for the Period Under Review as set out in Appendix I of this Prospectus and the section entitled “Management’s Discussion and Analysis of Financial Position and Results of Operations” of this Prospectus.

Selected items from the combined statements of comprehensive income of our Group

S\$’000	←————— Audited —————→		
	FY2010	FY2011	FY2012
Revenue	115,952	117,346	213,501
Gross profit	9,701	15,613	28,074
Share of profit of joint ventures	12	275	414
Profit before income tax	4,606	10,249	25,683
Net profit	3,692	9,132	22,027
Other comprehensive income, net of tax	—	—	—
Total comprehensive income	3,692	9,132	22,027

Selected items from the combined balance sheets of our Group

S\$’000	←————— Audited —————→		
	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012
Current assets	94,938	84,589	56,358
Non-current assets	18,452	18,080	15,102
Total assets	113,390	102,669	71,460
Current liabilities	83,608	64,935	55,112
Non-current liabilities	3,472	2,292	848
Total liabilities	87,080	67,227	55,960
Net assets	26,310	35,442	15,500
Total equity	26,310	35,442	15,500

PROSPECTS, TRENDS, BUSINESS STRATEGIES AND FUTURE PLANS

Our Prospects

Our Directors have observed that the growth of the Singapore construction industry is generally linked to Singapore's economic growth. Barring any unforeseen circumstances, our Directors believe that the mid-term to long-term prospects of our Group will be conducive to our growth. On 22 February 2013, the MTI maintained the Singapore gross domestic product growth forecast for 2013 at 1.0% to 3.0%¹. Based on advanced estimates, for the first quarter of 2013, although the Singapore economy contracted by an annualised rate of 1.4% on a quarter-on-quarter basis, the construction sector grew by an annualised rate of 15.1% on a quarter-on-quarter basis mainly due to a recovery in private sector building activities².

The BCA projected a total construction demand from private and public sectors (including public housing and infrastructure construction works) of between S\$26 billion to S\$32 billion for 2013, anchored by public sector projects. This comes on the heels of the construction sector's performance in 2012, where total construction demand from private and public sectors (including public housing and infrastructure construction works) was sustained at S\$28 billion. The BCA expects the private sector construction demand to moderate, between S\$12 billion and S\$15 billion, in 2013. For 2014 to 2015, the average construction demand from private and public sectors (including public housing and infrastructure construction works) is projected to be S\$20 billion to S\$28 billion per annum. Barring any unforeseen circumstances, the BCA expects the projection to be plausible in view of the pipeline of housing and infrastructure construction projects planned by the Government to meet the needs of the population.³ Our Directors believe that such demand for housing construction projects reflects a continued and sustained level of demand for construction services workload for the next few years.

1 Source: MTI news release dated 22 February 2013 and entitled "MTI Maintains its 2013 GDP Growth Forecast at 1.0 to 3.0 Per Cent" on its website: http://www.mti.gov.sg/ResearchRoom/SiteAssets/Pages/Economic-Survey-of-Singapore-2012/PR_4Q2012.pdf. MTI has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

2 Source: MTI news release dated 12 April 2013 and entitled "Singapore's Economy Contracted in the First Quarter of 2013" on its website: <http://www.mti.gov.sg/NewsRoom/Pages/Singapore's-Economy-Contracted-in-the-First-Quarter-of-2013.aspx>. MTI has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

3 Source: BCA news release dated 16 January 2013 and entitled "Public Sector Projects to Boost Construction Demand in 2013" on its website: http://www.bca.gov.sg/Newsroom/pr16012013_CP.html. BCA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

Further, based on tender notifications issued for various construction projects by URA, JTC and HDB, the building infrastructure demands from an increased population base of 5.3 million people in 2012¹ and the ramping up of supply of HDB flats since late 2011, our Directors believe that barring unforeseen circumstances, there will be a healthy supply of construction projects in the coming years, which our Group is well-positioned to benefit from.

In January 2013, the MND released the Land Use Plan² in tandem with the Population White Paper³, outlining the strategies to ensure that Singaporeans will continue to enjoy a high quality living environment and for Singapore to remain as one of the best cities in the world to live in. The salient points of the Land Use Plan and Population White Paper are as follows:

- Singapore's total population could be between 5.8 million and 6.0 million in 2020, and between 6.5 million and 6.9 million by 2030;
- Infrastructure and facilities development will be ramped up to meet the needs of the larger population. More public housing will be provided in mature estates and in towns such as Bukit Batok, Bukit Merah, Choa Chu Kang, Clementi, Hougang, Queenstown, Sembawang, Tampines, Woodlands and Yishun;
- Sufficient land will be set aside for an additional 700,000 homes and more in the longer term if needed, with the opening up of new towns and estates in Bidadari, Tampines North and Tengah; and
- Land has been catered for modern industrial parks near residential areas. There will be new manufacturing areas at Woodlands, Sengkang West, Seletar, Lorong Halus, Pasir Ris and newly reclaimed areas at Tuas.

1 Source: The Singapore Department of Statistics' information table last updated on 28 September 2012 and entitled "Time Series on Population (Mid-Year Estimates)" on its website: http://www.singstat.gov.sg/statistics/latest_data.html#12. The Singapore Department of Statistics has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

2 Source: MND publication on 31 January 2013 and entitled "Land Use Plan to Support Singapore's Future Population – A High Quality Living Environment for All Singaporeans" on its website: <http://www.mnd.gov.sg/landuseplan/e-book/>. MND has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

3 Source: National Population and Talent Division publication on 29 January 2013 and entitled "Population White Paper – A Sustainable Population for a Dynamic Singapore" on its website: <http://202.157.171.46/whitepaper/downloads/population-white-paper.pdf>. The National Population and Talent Division has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

Our Business Strategies and Future Plans

Our Group intends to invest in productivity improvements

We believe that the recent wage inflation reinforces the critical need for construction companies in Singapore to employ the latest technologies to enhance cost efficiencies and productivity going forward. In this regard, our Group intends to invest in productivity improvement measures, increase the use of automation and improved technologies, and improve the efficiency of our construction process.

For instance, through value engineering, we will review the construction design, specifications and drawings to derive cost savings through improvements in construction methods, sequence and/or material use. We have also invested in biometrics security systems to improve the security measures at our worksites, and thus reduce time and human resources required to record staff working hours and staff-in and staff-out processing.

Lastly, our Group intends to procure automated pre-casting technology that will enable us to reduce our reliance on labour and is expected to shorten the construction time when compared against conventional construction methods, thus driving up labour efficiency and reducing labour costs.

Our Group will continue to focus on the business space sector which continues to have healthy demand

Our Group will continue to focus on the business space sector which continues to have healthy demand. Our Directors believe that interest in business space will continue to increase on the back of an upswing in industrial property prices between the first quarter of 2012 and the first quarter of 2013. Our Directors believe that our and the Controlling Shareholder Group's track record in the business space sector will allow us to take advantage of the positive outlook for business space projects.

In addition to targeting the conventional corporate customers (such as property developers), we also intend to reach out to direct end-users (such as anchor occupants) to provide our comprehensive suite of construction services in the construction of their required business space. We are currently constructing the Changi Business Park Vista Project for a direct end-user.

Our Group intends to further develop its position in the public housing construction sector which has sustained construction demand

We have recently been awarded the contract for the Tampines HDB Project, the Ang Mo Kio HDB Project and the Bukit Batok HDB Project, and our Group believes that this has positioned our Group in the public housing construction sector which has sustained construction demand. Our Directors believe that our track record in public sector projects will be advantageous in competing for any future tenders by HDB and other public agencies.

Our Group intends to expand our construction and/or project management operations to certain countries in Asia such as Myanmar and other South East Asian countries

Our Group intends to expand our construction and/or project management operations to certain countries in Asia such as Myanmar and other South East Asian countries. We have in 2012 set up an initial team to undertake preliminary studies and analysis to explore the potential and feasibility of expanding our construction and/or project management activities in Myanmar. Spearheaded by our Executive Officer, Mr William Koh Hock Ann, as at the Latest Practicable Date, we have secured two contracts in Myanmar, as further described in the section entitled "General Information on our Group – History" of this Prospectus, and are intending to further strengthen our

presence in Myanmar. Apart from Myanmar, our management is also undertaking preliminary studies to explore the feasibility and the possibility of expanding our business into other parts of Asia where such services can be easily replicated and the risk of such expansion contained. Please also see the risk factors “We may not be able to successfully implement our future plans” and “We would be subject to local legal and regulatory conditions and may be affected by the economic, social and political situations (including risks relating to foreign currency exchange rate fluctuations) in other countries where we may carry out construction and/or project management operations” in the section entitled “Risk Factors – Risks Relating to Our Group in General” of this Prospectus for further details on the risk of such expansion. When our management decides that the terms and the time are right for such expansions, we will further expand our business and operations into other parts of Asia.

Please refer to the section entitled “Prospects, Trends, Business Strategies and Future Plans” of this Prospectus for further details.

Where you can find us

Our registered office and principal place of business is located at SB Building, 25 Changi South Street 1 Singapore 486059. Our telephone number is (65) 6542 2882 and our facsimile number is (65) 6543 1818.

THE INVITATION

- The Invitation : The Invitation comprises an offering of 168,000,000 New Shares by way of Offer and Placement as follows:
- 2,000,000 Offer Shares at the Invitation Price, to members of the public in Singapore; and
- 166,000,000 Placement Shares at the Invitation Price, by way of placement.
- The New Shares, upon issue and allotment, will rank *pari passu* in all respects with the existing issued Shares.
- Invitation Price : S\$0.25 for each New Share.
- Clawback and Re-allocation : The New Shares may be re-allocated between the Placement and the Offer tranches, at the discretion of the Issue Manager, the Joint Underwriters and the Joint Placement Agents, in the event of an excess of applications in one and a deficit of applications in the other.
- Purpose of the Invitation : Our Directors consider that the listing of our Company and the quotation of our Shares on the SGX-ST will enhance our public image locally and overseas and enable us to tap the capital markets for the expansion of our operations. The Invitation will also provide members of the public with an opportunity to participate in the equity of our Company.
- Listing status : Prior to the Invitation, there had been no public market for our Shares. Our Shares will be quoted in Singapore dollars on the Main Board of the SGX-ST, subject to admission of our Company to Official List of the SGX-ST and permission for dealing in and for quotation of our Shares, the New Shares, the Option Shares and the Performance Shares being granted by the SGX-ST.
- Risk Factors : Investing in our Shares involves risks which are described in the section entitled "Risk Factors" of this Prospectus.

RISK FACTORS

An investment in our Shares involves risks. Prospective investors should carefully consider and evaluate each of the following considerations and all other information set forth in this Prospectus before deciding to invest in our Shares. The following describes some of the significant risks known to us now that could directly or indirectly affect us and the value or trading price of our Shares. The following does not state risks unknown to us now but which could occur in future, and risks which we currently believe to be immaterial, which could turn out to be material. Should these risks occur or turn out to be material, they could materially and adversely affect our business, financial condition, results of operations and prospects. To the best of our Directors' knowledge and belief, the risk factors that are material to investors in making an informed judgement have been set out below. If any of the following considerations and uncertainties develops into actual events, our business, financial conditions, results of operations and prospects could be materially and adversely affected. In such cases, the trading price of our Shares could decline and investors may lose all or part of their investment in our Shares.

This Prospectus also contains forward-looking statements having direct and/or indirect implications on our future performance. Investors should also consider the information provided below in connection with the forward-looking statements in this Prospectus and the warning regarding forward-looking statements at the beginning of this Prospectus. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us, as described below and elsewhere in this Prospectus.

RISKS RELATING TO OUR CONSTRUCTION BUSINESS

Our construction activities are principally carried out in Singapore and accordingly, our business is subject to the cyclical nature of the local property market and the construction industry in Singapore

Our principal activity is construction. For FY2010, FY2011 and FY2012, almost all of our revenue was derived from our construction business, contributing S\$113.9 million, S\$116.3 million and S\$212.9 million respectively. As our construction activities are principally carried out in Singapore, we are vulnerable to any downturn in the local property market and the construction industry in Singapore.

A downturn in the Singapore economy as well as the global economy in general will dampen general sentiments in the local property market and reduce construction demand which will invariably have a material adverse effect on our business operations, financial performance and financial condition. In addition, dampened general sentiments in the local property market and reduced construction demand may also erode profit margins for any available construction projects due to keen competition. This will also have a material adverse effect on our business operations, financial performance and financial condition. Further, the Singapore government has recently implemented several rounds of measures to cool demand and expand supply, so as to moderate the increase in housing prices. More recently, on 11 January 2013, the Singapore government announced a comprehensive package of measures to cool the residential market and also introduced a seller's stamp duty on industrial properties to discourage speculative activity in the industrial market. In the event that such measures result in lowered demand for construction activities, our business operations, financial performance and financial condition may be adversely affected.

In addition, we previously tendered for and were awarded public sector contracts (such as the Tampines HDB Project, the Ang Mo Kio HDB Project and the Bukit Batok HDB Project), and may continue to tender for such public sector contracts. In the event that the Singapore government postpones or reduces public sector projects, especially those in the business space or HDB segment, that are available for tender, our revenue may be adversely affected.

We are subject to government legislation, regulations and policies which affect the construction industry in Singapore and require various licences and permits for our operations

We are subject to government legislation, regulations and policies which affect the construction industry in Singapore, including, amongst others, those as set out in the section entitled “Government Regulations” of this Prospectus, governing, among other things:

- (a) employment of workers (including foreign workers) in Singapore, such as overtime limits, the MYE allocation system and the conditions of the work permits of foreign workers;
- (b) licensing of builders;
- (c) approval and execution of plans of building works;
- (d) workplace safety and health; and
- (e) environmental matters such as public health and noise pollution,

the contravention of which may subject our Group, our Group’s employees and/or our Directors to statutory penalties which may be significant, such as fines imposed by the relevant authorities or we may have to modify, suspend or discontinue our operations. Hence, any conviction for such contravention may have a material adverse effect on our business, financial conditions, results of operations and prospects.

We have implemented systems and procedures to comply with such legislation, regulations and policies and we believe that we are materially in compliance with such legislation, regulations and policies. However, prior to or notwithstanding the implementation of such systems and procedures, there have been instances of non-compliance, including certain instances of exceeding of employee overtime limits which have since been rectified through the implementation of certain systems and procedures, for which our Group, our Group’s employees and/or our Directors may still be subject to investigation and/or liable to statutory penalties which may be significant, such as fines, imposed by the relevant authorities. There is no assurance that our Group, our Group’s employees and/or our Directors will not be subject to investigation in the future by the relevant authorities in respect of past instances of non-compliance which have since been rectified, and if found guilty, held liable to statutory penalties, such as fines, which may be significant.

We also require various licences and permits for our operations.

For example, the Building Control Act, Chapter 29 of Singapore (the “Building Control Act”), and the Building Control (Licensing of Builders) Regulations 2008 set out the requirements for licensing of builders. Licensing requirements will apply to builders who undertake all building works where plans are required to be approved by the CBC (including those who undertake works in specialist areas which have a high impact on public safety and require specific expertise, skill or resources for their proper execution). The requirements apply to both public and private construction projects. As at the Latest Practicable Date, each of Soil-Build, SB Procurement and Forte Builder has obtained a Class 1 General Builder licence. In addition, main contractors registered under Class 1 General Builder will need to comply with requirements on Construction

Registration of Tradesmen Scheme (“CoreTrade”) on construction personnel. Licensed Class 1 General Builders undertaking general building works of contract values of S\$20.0 million or more are required to lodge a manpower programme with the CBC. The programme will set out the number and proportion of registered construction personnel to be deployed for the project. In the event that the CBC is satisfied that such requirements are not met, the Class 1 General Builder licence of Soil-Build, SB Procurement or Forte Builder may be revoked. This would then have an adverse impact on our business.

In addition, under the Building Control Act, no person shall commence or carry out, or permit or authorise the commencement or carrying out of, any building works unless the plans of the building works have been approved by the CBC and in the case of structural works, there is in force a permit granted by the CBC to carry out the structural works. In the event that such approvals or permits are not obtained, we will not be able to undertake the relevant projects, and our business operations and financial performance will be adversely affected.

Our licences and permits may also be granted for fixed periods of time after the expiry of which these need to be renewed from time to time. There is no assurance that upon expiration of such licences and permits, we will be able to successfully renew them in a timely manner or at all, or that the renewal of such licences and permits will not be attached with conditions which we may find difficult to comply with, or that if the relevant authorities enact new laws and regulations, we will be able to successfully meet their requirements.

Failure by us to obtain, renew or maintain the required licences and permits, or cancellation, suspension or revocation of any of our licences and permits may result in the interruption of our operations and may have a material adverse effect on our business.

Government legislation, regulations and policies affecting the construction industry in Singapore are also subject to amendments from time to time. Any such changes could adversely affect our business operations and/or have a negative effect on the demand for our construction services. The compliance with such changes may also increase our costs and any significant increase in compliance costs arising from such changes may adversely affect our financial performance. There is no assurance that any changes in government legislation, regulations and policies will not have an adverse effect on our financial performance and financial condition. Please refer to the section entitled “Government Regulations” of the Prospectus for further details.

We are required to maintain our BCA gradings for our business

Although business entities which are not registered with the BCA are not precluded from conducting business as contractors or suppliers outside the public sector, registration in the Contractors Registration System maintained by the BCA is a pre-requisite to tendering for projects in the Singapore public sector. To maintain Soil-Build’s BCA grading status of A1 (under the category CW01 for General Building), amongst others, (a) Soil-Build has to secure projects with an aggregate value of at least S\$150.0 million over a five year period, of which S\$75.0 million is in respect of projects in Singapore, S\$112.5 million is in respect of projects where Soil-Build is the main contractor or nominated contractor and there is at least one project with a contract value of at least S\$37.5 million; (b) Soil-Build must have a minimum paid up capital and net worth of S\$15.0 million; (c) Soil-Build must have in its employment at least 24 holders of approved professional qualifications; and (d) Soil-Build must possess ISO 9001:2008 (SAC), ISO14000 and OHSAS18000/SS506 Part1 certifications.

In the event that Soil-Build does not maintain its A1 status because it fails to comply with any of the requirements laid out by the BCA in respect thereof, Soil-Build's BCA registration status would accordingly be downgraded and this would imply that we would lose our ability to tender for public construction projects of an unlimited contract value, thereby reducing our tendering capacity in the public sector. In addition, private sector projects may sometimes also adopt the same minimum grading requirements for their tenders. In the event that our BCA gradings are downgraded, our market reputation, business and financial performance may be adversely affected.

Please refer to the sections entitled "General Information on our Group – Competition" and "Government Regulations – Singapore – Contractors Registration System" of this Prospectus for further details.

Our ability to secure new projects may depend on us being able to secure performance bond guarantees and other bank facilities

In line with the industry practice, certain of our projects for the Period Under Review and in which we act as the main contractor require a performance bond to be furnished by a bank or an acceptable financial institution to guarantee our contractual performance in the project. Generally, the performance bond for each of such projects covers up to approximately 10.0% of the contract value of the project. In the event that we default in our contractual obligations, the project owner would be entitled to call on the bond with the bank or financial institution and our liquidity and financial position may be adversely affected.

For the Period Under Review and from 1 January 2013 up to the Latest Practicable Date, we have not encountered any problems securing performance bonds for our projects. For the Period Under Review, our Parent Company has provided corporate guarantees to secure performance bonds from banks or other financial institutions in respect of our ongoing projects. As of the date of lodgment of this Prospectus, we have obtained a release and discharge of all the corporate guarantees, which is subject to our listing on the SGX-ST.

There is no assurance that we can continue to secure performance bonds for our new projects in the future or that the performance bonds may be secured on terms that are acceptable to us or on terms as favourable as those previously obtained. If we are unable to secure performance bond guarantees from our banks or acceptable financial institutions, we may be unable to secure new projects, and this would have a material adverse effect on our turnover and profitability.

Our business is vulnerable to keen competition and our performance will depend on our ability to compete effectively against our competitors and adapt to changing market conditions and trends

Although Soil-Build has been graded A1 by the BCA for its construction business, it is still vulnerable to keen competition. According to the BCA's website¹ as at the Latest Practicable Date, there are 64 registered general building contractors graded A1 under the category CW01, including Soil-Build. Furthermore, additional contractors can obtain such gradings if they fulfill the BCA's minimum requirements for such gradings. In the event that such additional contractors are successful in obtaining such gradings, they may compete with us in the same category of business. Additionally, we may have to submit competitive bid prices in order to secure tenders in

1 Source: BCA (<http://www.bcadirectory.sg>). BCA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

the face of keen competition. If we have to lower bid prices to compete effectively and yet face high operating costs from providing competitive and high standards of service quality, this will have an adverse impact on our profit margins.

There is no assurance that we will be able to compete effectively with our existing and future competitors and adapt quickly to changing market conditions and trends. Any failure by us to remain competitive will adversely affect the demand for our business, our business operations and our financial conditions.

Please refer to the section entitled “General Information on our Group – Competition” of this Prospectus for further details.

Our financial performance is dependent on our successful bidding for new projects and the non-cancellation of secured projects

As most of our projects are undertaken on a non-recurring basis, it is critical that we are able to continuously and consistently secure new projects of similar value and volume. There is no assurance that we will be able to do so. In the event that we are not able to continually and consistently secure new projects of similar or higher value and on terms and conditions that are favourable to us, this would have an adverse impact on our financial performance. In addition, the scope of work in a project, which is dependent on its scale and complexity, will affect the profit margin of the project and our financial performance. In the event that we have to subcontract a material portion of the project work to a third party subcontractor, our profit margins from such projects may be reduced.

Cancellation or delay in the commencement of secured projects due to factors such as changes in our customers’ businesses, poor market conditions and lack of funds on the part of the project owners may adversely affect us. In addition, there may be a lapse of time between the completion of our projects and the commencement of our subsequent projects. Any cancellation or delay of projects could lead to idle or excess capacity, and in the event that we are unable to secure replacement projects on a timely basis, this may adversely affect our business operations and financial conditions.

Our gross profit margin achieved in a financial year is not an accurate indicator of our gross profit margin that may be achieved in a subsequent financial year

Our Group’s overall gross profit margin for each financial year is dependent on the gross profit margin contribution from each of the projects. The gross profit margin for our Group was 8.4%, 13.3% and 13.1% for FY2010, FY2011 and FY2012 respectively. Our gross profit margin is dependent on various factors, including the nature of the projects that was undertaken by our Group and the progress of such projects during the relevant financial year. Please refer to the section entitled “Management’s Discussion and Analysis of Financial Position and Results of Operations” of this Prospectus for more information on the gross profit and gross profit margin in FY2010, FY2011 and FY2012.

Our gross profit margin achieved in a financial year is not an accurate indicator of our gross profit margin that may be achieved in a subsequent financial year. As our projects vary in terms of engineering specifications, complexity and scale and face different competitive conditions at the time of bidding, this will give rise to varying project margins. Therefore, in any particular financial period, the overall blended gross margin of projects achieved for that financial period varies according to the mix of projects at hand.

Our order books may not be an accurate indicator of our future performance

As at the Latest Practicable Date, our order books amounted to approximately S\$511.2 million, out of which our order books in relation to the Controlling Shareholder Group's property development business and/or property investment business amounted to approximately S\$251.0 million. These figures exclude progress payments billed to our customers and accrued revenue and other revenue recognised up to the Latest Practicable Date. Our order books consist of contracts that we have managed to secure from our customers. Please refer to the section entitled "General Information on our Group – Our Order Books" of this Prospectus for more details.

Our order books may not be an accurate indicator of our future performance as we have not taken into account any potential renegotiations, cancellations or deferrals of orders in calculating our order books, the occurrence of any of which will have an adverse impact on our revenue. Potential renegotiations, cancellations or deferrals may be due to factors beyond our control and are, by nature, uncertain. There is therefore no assurance that we can successfully transform all our existing orders into revenue.

We may face liquidity and non-payment risks and are exposed to credit risks of our customers

The nature of our industry is that work is performed before payment is made, even when progress payments are provided for. For our construction business, there is a time lag between expenditure incurred and actual receipt of payment from customers.

Further, in compliance with the Building and Construction Industry Security of Payment Act (Chapter 30B) of Singapore ("BCISPA"), we must make payment to our subcontractors, whether or not we have received payments from our customers. Please refer to the section entitled "Government Regulations – Singapore – Building and Construction Industry Security of Payment Act" of this Prospectus for further information on provisions of the BCISPA.

Generally we bill our customers on a monthly basis according to the proportion of work completed with respect to the contract value of the project, as recommended by our customer's quantity surveyor and as stated in the architect's certificate issued to us. Such progress payments will be received over the course of the project, which may take between one to three years to complete.

In the event that we fail to closely monitor our receivables and make timely submission of our progress payment claims, we may encounter liquidity problems. Furthermore, the time lag increases the risk of bad debts as the financial position of our customers may deteriorate over the same period of time. Our operating results will be adversely affected if there is any significant default in payment by our customers.

We are also exposed to the credit risks of our customers. From time to time, we may encounter customers who may have cash flow problems and are unable to pay us on time or at all. In such an event, our profitability will be adversely affected through allowance for impairment of receivables. For the Period Under Review, the allowance for impairment of receivables was S\$133,000, S\$106,000 and S\$129,000 as at 31 December 2010, 31 December 2011 and 31 December 2012 respectively. For further details, please refer to the section entitled "General Information on our Group – Credit Policy" of this Prospectus.

Variation orders, disputes and claims can adversely affect our operating cash flows, profitability and/or financial condition

During the course of a construction project, the owner, developer, architect or consultant of the project may request us to perform additional works which are not specified in the original tender or contract, or to carry out variations to the specifications stipulated in the original tender or contract. In line with the industry practice and to ensure that the project is completed on time, on these occasions, the parties may agree that variation orders be performed before the costs for such additional works are finalised between the parties. Therefore, the final value of such variation orders may be subject to a lower valuation by the project consultant. In the event that we are required to bear any part of the variation costs, our operating cash flows and our earnings will be adversely affected.

Disputes and claims may arise due to defective workmanship, non-adherence to contract specifications and flawed quality of materials supplied. Our Company may also incur additional costs during the maintenance period (as further described below) to make good any defective workmanship. Retention monies are normally withheld by customers that will be applied in respect of defective work that may surface only after a period of time. Most of our customers withhold up to 10.0% of each progress payment due to us for work completed as retention monies, until the accumulated retention monies reach the cap which is typically 5.0% of the total contract value. The retention monies will be held by our customer for the duration of the maintenance period, which is typically in the range of 12 months to 18 months after the date of obtaining the TOP for the relevant project. The relevant contract may, however, provide for the early release of half of the retention monies upon obtaining the TOP for the relevant project. We may therefore encounter difficulties in collecting the full sum or any part of the retention monies due and may run the risk of incurring additional costs to make good the defective work under dispute resulting in an erosion of our profit margin or incurring losses for the building project. There can be no assurance that there will not be any material disputes in the future that may have a material adverse effect on our operating cash flows, our earnings and financial performance.

Moreover, where we are in breach of any terms of the contract, our customers are entitled to claim for liquidated damages for delay in completion or other losses suffered by them by off-setting the same from the retention monies or enforcing the performance bond. If the performance bond is called upon, we will be required to indemnify the relevant financial institution for such payment, as well as any damages arising from disputes. This will have an adverse effect on our operating cash flows, our earnings, financial performance and financial condition as we may not be able to recognise the anticipated profits and may incur additional costs and this may result in a reduction in our previously estimated profit margins or may cause us to incur a loss.

Disputes may also arise between us and our subcontractors for various reasons, including defective works, disruption of subcontract works and disputes over contract specifications and the final amount payable for work done on a project. These disputes may lead to legal and other proceedings. In addition, in instances where we are appointed as the main contractor of developments, we are exposed to the risk of legal suits, by either our customers or, in respect of defective works in common areas and common property, the management corporation. In such an event, we may be liable for damages and incur legal costs, which will have an adverse effect on our financial performance and financial condition.

We are liable for defects or failure in the architectural, structural and M&E design for the design and build projects that we undertake as the main contractor

For design and build projects, a single contract is awarded by the developer to the main contractor who shall be responsible for the architectural, structural and M&E designs and construction works of the entire project. External consultants, such as architects and engineers, are always engaged to work on such projects and they will be liable for any defect or failure in the architectural, structural and M&E design of the building arising from their default, as the case may be. However, in the event that such defaults could not be sufficiently covered by the professional indemnity insurance taken up by the respective consultants, we would be liable to the developer for the residual amount of such defaults. Where subcontractors are engaged to work on such projects, such subcontractors will be liable for any defect arising from their default. In the event of any loss or damage which arises from the default of the subcontractors engaged by us, we, being the main contractor, will nevertheless be liable for our subcontractors' default. As at the Latest Practicable Date, we are not subject to any material claims for such defaults of external consultants or subcontractors.

If a developer were to succeed in obtaining a court judgment or an arbitration award against us for claims on the grounds of design defect or failure, such claims may have a material adverse effect on our financial performance and financial condition.

We may be affected by accidents and/or violation of workplace safety and health regulatory requirements, and/or violation of environmental regulatory requirements at our construction sites

Accidents or mishaps may occur at the construction sites for our projects even though we have put in place certain safety measures as may be required. As such, we are subject to personal injury claims by workers who are involved in accidents at our worksites during the course of their work from time to time.

Such accidents or mishaps may severely disrupt our operations and lead to a delay in the completion of a project, and in the event of such delay, we could be liable to pay liquidated damages under the construction contract with our customers. In addition, we may incur fines and penalties imposed by the MOM in relation to any breaches of workplace safety and health regulations on worksites. In such an event, our business operations, financial performance and financial condition may be materially and adversely affected. Further, such accidents or mishaps may subject us to claims from workers or other persons involved in such accidents or mishaps for damages suffered by them, and any significant claims which are not covered by our insurance policies may materially and adversely affect our financial performance and financial condition. In addition, any accidents or mishaps resulting in significant damage to our premises, machinery or equipment may also have a significant adverse effect on our business operations, financial performance and financial condition. Save for one worksite accident in 2011 which resulted in one fatality from a fall from height, for the Period Under Review and up to the Latest Practicable Date, we have not experienced any fatal accidents at our worksites. In 2011, certain staff members (such as the safety staff, the project manager and the relevant supervisors) and the relevant subcontractor were interviewed by the MOM in connection with the aforesaid worksite accident. Following such interviews, to the best of the Company's knowledge, as at the Latest Practicable Date, they have not been required to provide any further assistance and no legal proceedings have been instituted against us. Save for the foregoing, as the Latest Practicable Date, we have not incurred any material financial or legal liabilities in respect of the aforesaid worksite accident. In addition, a partial stop-work order was issued in respect of the relevant worksite for approximately two weeks and we also received five demerit points. Please see the section entitled "Government Regulations – Singapore – Fines and Penalties" of this Prospectus for further details.

Further, the MOM has implemented a demerit points system for the construction sector. All main contractors and subcontractors in the construction sector will be issued with demerit points for breaches under the Workplace Safety and Health Act, Chapter 354A of Singapore (“WSHA”) and relevant subsidiary legislation. The number of demerit points awarded depends on the severity of the infringement. A contractor that has received more than 18 demerit points within a 12-month period will receive a formal warning from the MOM, while the continued accumulation of demerit points will result in more stringent corrective actions as further described in the section entitled “Government Regulations – Singapore – Workplace Safety and Health (General Provisions) Regulations (“WSHR”)” of this Prospectus. If a contractor continues to commit workplace safety and health offences, applications from the company for new and renewal of all types of work passes for all foreign employees will be rejected by the MOM.

We may incur demerit points from time to time on our projects. According to the MOM website¹, as at 22 April 2013, we have accumulated five demerit points for breaches in August 2012 under the WSHA and relevant subsidiary legislation in relation to works carried out on formwork and its related activities at the Tampines HDB Project worksite. For more information on the demerit points system, please refer to the section entitled “Government Regulations – Singapore – Workplace Safety and Health (General Provisions) Regulations (“WSHR”)” of this Prospectus.

In addition, under the WSHA, the Commissioner of Workplace Safety and Health (“CWSH”) may issue a stop-work order in respect of a workplace if he is satisfied that (i) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work; (ii) any person has contravened any duty imposed by the WSHA; or (iii) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work. Further, if the CBC is of the opinion that any building works are carried out in such a manner as (i) will cause, or will be likely to cause, a risk of injury to any person or damage to any property; (ii) will cause, or will be likely to cause, or may have caused a total or partial collapse of the building in respect of which building works are or have been carried out or any building, street or natural formation opposite, parallel, adjacent or in otherwise close proximity to those building works, or any part of such building, street, slope or land; or (iii) will render, or will be likely to render, or may have rendered the building in respect of which building works are or have been carried out or any building, street, slope or natural formation opposite, parallel, adjacent or in otherwise close proximity to those building works, or any part of such building, street or land, so unstable or dangerous that it will collapse or be likely to collapse either totally or partially, he may, amongst others, by order, direct the person for whom or on whose behalf those building works are carried out to immediately stop the building works and to execute or caused to be executed such measures as he may specify to prevent the abovementioned situations from happening. For the Period Under Review and up to the Latest Practicable Date, we have been issued two partial stop-work orders by the MOM. On 23 February 2011, MOM issued a partial stop-work order with respect to the West Park BizCentral Project worksite to cease the carrying on of any process or work where any person would be liable to fall more than two metres. The stop-work order was in relation to the lack of or inadequacy of safety measures put in place for working at heights and falling hazards and was lifted on 9 March 2011 upon rectification (such as the barricading of all open sides and the effective covering of all floor openings where workers are liable to fall more than two metres in height). On 24 August 2012,

1 Source: MOM (<http://www.mom.gov.sg/Documents/safety-health/reports-stats/List%20of%20Contractors%20with%20Demerit%20Points.pdf>). MOM has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.

MOM issued a partial stop-work order with respect to the Tampines HDB Project worksite to cease the carrying on of any works carried out on formwork and its related activities. The stop-work order was in relation to the lack of or inadequacy of safety measures put in place for formworks activities and was lifted on 4 September 2012 upon rectification (such as the provision of means of fall protection for workers working at the formworks).

The MOM has also implemented the Business Under Surveillance (“BUS”) programme to regulate poor performing companies to focus on developing and implementing a robust safety and health management system to improve their workplace safety and health performance. We were placed into the BUS programme with effect from 28 July 2011 arising from the MOM’s assessment/inspection which found systemic lapses in the management of workplace safety and health and subsequently exited the BUS programme with effect from 17 September 2012.

For more information on the above, please refer to the section entitled “Government Regulations” of this Prospectus. In the event that we are issued such stop-work orders in the future, this may severely disrupt our operations and lead to a delay in the completion of a project. These circumstances and any future inclusion in the BUS programme may generate negative publicity and adversely affect our market reputation, and may also have a material adverse impact on our business operations, financial performance and financial condition.

In addition, violation of environmental regulatory requirements may occur at the construction sites for our projects even though we have put in place certain measures as may be required. We may incur fines and penalties imposed by the NEA in relation to any breaches of environmental regulations on worksites. In such an event, our business operations, financial performance and financial condition may be materially and adversely affected. For the Period Under Review and up to the Latest Practicable Date, we have been issued with one stop-work order by the NEA. On 30 March 2013, the NEA issued a stop-work order with respect to the Northspring BizHub Project worksite to stop all construction works. The stop-work order was issued as the worksite was found to be favourable to the propagation and harbouring of vectors, and was lifted on 10 April 2013 upon rectification (such as the removal of debris and stagnant water). In the event that we are issued such stop-work orders in the future, this may severely disrupt our operations and lead to a delay in the completion of a project. These circumstances may generate negative publicity and adversely affect our market reputation, and may also have a material adverse impact on our business operations, financial performance and financial condition.

Cost overruns can adversely affect our profitability

In preparation for our projects, we carry out internal costing and budgetary estimates, which are based on quotations from our suppliers and subcontractors, and our own estimation of costs. However, due to unforeseen circumstances such as adverse soil conditions, unfavourable weather conditions, unanticipated construction constraints at the worksite arising during the course of construction, fluctuations in the cost of labour, raw materials, equipment and subcontracted services, unanticipated variations in labour and equipment productivity over the term of a contract, corrective works for poor workmanship or any delays or errors that occurred during the course of the project, costs not previously factored into our contract value may lead to cost overruns. In addition, some of our contracts do not allow for adjustments to the contract value consequent upon a rise in the cost, amongst others, of labour, materials, equipment and subcontracted services. Under such circumstances, the cost overruns would have to be absorbed by us. In such an event, our profitability and financial performance would be adversely affected.

Our projects typically take approximately one to three years to complete and materials and labour costs may increase beyond our initial estimates. The time taken and the costs involved in completing our construction projects can be adversely affected by several factors including shortage of materials, shortage of equipment and labour, adverse weather conditions, disputes with contractors or subcontractors, accidents, poor site management, wastage, damage of materials, delay in approval from the authorities and other unforeseen circumstances. Any of these factors could delay the completion of our construction projects and/or may result in cost overruns. Our profitability and financial performance will be affected if we are not able to pass the cost overruns on to our customers, contractors or subcontractors or obtain extension for the completion of our construction projects. Furthermore, delay in project completion beyond the scheduled dates may expose us to liquidated damages payable to the owners of the project.

Price fluctuations in raw material and/or for the rental of equipment and machinery may affect our earnings

Raw materials are a key component of cost of sales. Raw materials comprise mainly ready mixed concrete, steel reinforcement bars, pre-cast components, tiles, concreting sand, bagged cement, steel welded mesh, steel strands, mild steel, stainless steel, aluminium, glass, plywood and paint. Our raw materials costs for each project are dependent on the size, design and material specifications of the project and the price levels of the raw materials. Prices of these raw materials will fluctuate and are affected by, amongst others, the interaction of their demand and supply in Singapore and the region. Any sudden shortage of supply or reduction in the allocation of construction materials to us for any reason may adversely affect our business operations or result in us having to pay a higher cost for these construction materials. For example, the Indonesian government's ban on sand exports to Singapore with effect from the beginning of 2007 led to a shortage of sand supply, resulting in an increase in our cost of construction materials.

Furthermore, a typical construction project generally spans a period of between one to three years. While we do not adhere to a formal hedging policy, where feasible, we have entered into long-term fixed-price contracts for steel reinforcement bars and steel welded mesh with suppliers to secure the supply of and to stabilise the prices of such raw materials over the duration of our projects. Despite the foregoing, our costs may increase beyond our initial projections and should we be unable to pass on such increases in costs to our customers or find alternative cheaper sources on a timely basis, this may result in a reduction in our previously estimated profit margins or may cause us to incur a loss.

In addition, our projects require heavy use of construction equipment and machinery. Where our own equipment is not sufficient to handle our projects and/or new equipment is required for our projects, we may acquire or lease additional equipment from suppliers. In the event of unforeseen delays, to ensure that the project schedule can be met, we may rent additional equipment and machinery, thereby driving up our project costs. In the event that we are unable to continue to acquire or lease construction equipment and machinery at prices or rental rates that are within our projected budget, our financial performance may be adversely affected.

We are reliant on foreign labour

Our industry is highly labour intensive. As at the Latest Practicable Date 642 employees (or approximately 82.7% of our total labour force) are foreign workers mainly from India. Out of this, 625 workers are subject to levies.

Changes in the labour policies of Singapore or those of the foreign workers' countries of origin may affect the supply and/or cost of foreign labour and cause disruption to our operations, delays in the completion of projects and/or increase in project costs. For instance, the availability of the foreign workers to the construction industry in Singapore is regulated by the MOM through policy instruments such as the imposition of levies and quotas based on the MYE. We are susceptible to any increases in such levies and any sudden withdrawal in the supply of foreign workers which will negatively impact our earnings and financial performance.

As announced in the Singapore government's Budget 2013, there will be further increases in such levies in addition to the increase in the levies which was previously announced in the Singapore government's Budget 2010, Budget 2011 and Budget 2012. The changes to the levies are being phased in from January 2012 till July 2015. In the event that our reliance on foreign workers remains the same or increases, our financial performance may be affected as our project costs will increase accordingly. As at the Latest Practicable Date, a levy of S\$400 will apply to basic skilled workers (including workers who possess the Skills Evaluation Certificate ("SEC") or the Skills Evaluation Certificate (Knowledge) ("SEC(K)"), and a levy of S\$280 will apply to higher skilled workers (including workers who are registered under the CoreTrade or issued with trade certifications recognised by the BCA with at least four years of construction experience in Singapore or who are under the Multi-Skilled Scheme). As at the Latest Practicable Date, for workers excluded from the requirement for prior authorisation before applying for a work permit (including foreign workers with at least two years' working experience in the construction sector and who are exempt from MYE requirements), a levy of S\$650 will apply to basic skilled workers and a levy of S\$550 will apply to higher skilled workers. The gradual increase in the levies until July 2015 will increase our payroll costs until FY2015 and further increase in the levies in the future will result in a corresponding increase in our payroll costs which will negatively affect the profitability of our Group. Similarly, the gradual increase in the levies until July 2015 may increase the payroll costs of our suppliers and subcontractors and further increase in the levies in the future may result in a corresponding increase in the payroll costs of our suppliers and subcontractors which may affect their ability to supply the products or carry out the work for which they were contracted, thus delaying the completion of or failing to complete our construction projects, resulting in additional costs for us or exposing us to the risk of liquidated damages.

In addition, if the MOM imposes further restrictions on the supply of foreign labour, we may have to explore alternative and more costly sources of labour for our projects. In such event, our payroll costs may increase and the profitability of our Group may be materially and adversely affected. In the Singapore government's Budget 2012, the MOM announced a further 5% cut in the MYE quota for new projects with effect from July 2012. This is in addition to the 15% cut in the MYE quota for new projects with effect from July 2013 as announced in the Singapore government's Budget 2011 and the reduction in the MYE quota by 25% over three years for the construction sector as announced in the Singapore government's Budget 2010. As such, we are entitled to employ fewer foreign workers and if we are unable to seek alternative sources of labour for our projects at the same or lower cost, our financial performance may be materially and adversely affected. Similarly, our suppliers and subcontractors may be entitled to employ fewer foreign workers and if they are unable to seek alternative sources of labour at the same or lower cost, this may affect their ability to supply the products or carry out the work for which they were contracted, thus delaying the completion of or failing to complete our construction projects, resulting in additional costs for us or exposing us to the risk of liquidated damages.

Please refer to the section entitled "Government Regulations – Singapore – Employment of Foreign Workers in Singapore" of this Prospectus for further details.

Our business is dependent on the services of our suppliers and subcontractors

We purchase our raw materials and/or acquire or lease equipment from our suppliers for our construction projects. We also engage subcontractors to provide various services for our construction projects, including piling and foundation works, structural works, architectural works, mechanical and electrical installation, utilities installation, interior decoration and any other specialist work. These suppliers and subcontractors are selected based on, amongst others, our past working experience with them, their competitiveness in terms of their pricing and their past performance. We cannot be assured that the products and services rendered by suppliers and subcontractors will be satisfactory to us or that they will meet the requirements for quality or the project requirements. In the event of any loss or damage which arises from the default of the suppliers or subcontractors engaged by us, we, being the main contractor, will nevertheless be liable for our suppliers' or subcontractors' default if we are not able to pass such loss or damage on to our suppliers or subcontractors. Furthermore, these suppliers or subcontractors may experience financial or other difficulties that may affect their ability to supply the products or carry out the work for which they were contracted, thus delaying the completion of or failing to complete our construction projects, resulting in additional costs for us or exposing us to the risk of liquidated damages. Any of these factors could result in a material adverse effect on our business operations, financial performance and financial condition.

Excessive warranty claims will adversely affect our financial position

We provide limited warranty for certain of our construction projects for a standard period of up to 10 years on certain items of the works. The limited warranty covers defects and any premature wear and tear of the materials and workmanship used in the projects. Rectification and repair works to be carried out by us that are covered under the limited warranty would not be chargeable to the customers. Excessive warranty claims for rectification and repair works will have an adverse effect on our financial performance.

RISKS RELATING TO THE PROPOSED EXPANSION OF OUR CONSTRUCTION BUSINESS INTO MYANMAR

We may be affected by political, security, economic and social situations in Myanmar

The economy of Myanmar (including its financial sector and its accounting system) is still developing. In addition, companies may have to deal with inadequate telecommunications, transportation and other infrastructure, and shortage of utilities and other essential services, which will affect the ease and cost of doing business in Myanmar. The previous governing military regime in Myanmar was recently succeeded by a nominally civilian government, with the country's first free presidential elections scheduled for 2015. This new government has already implemented a number of political, economic and social reforms. However, there is no certainty that reform will continue after such said elections or any intended reform will continue or be successful, and there is no certainty that the business and investment environment in Myanmar will continue to improve or be sustainable. Various parts of the country are also experiencing a rise in ethnic and sectarian tensions, which, if escalated further, could hamper investor confidence, economic potential, and growth and stability of the construction industry. Any unfavourable changes in the political, economic and social conditions of Myanmar, and the existence of conditions impacting upon safety and security, may also adversely affect our Group's business and operations in Myanmar.

The Myanmar legal system is still maturing and the interpretation and application of Myanmar laws and regulations involve uncertainty

Our Group's operations in Myanmar will be subject to the laws and regulations promulgated by the Myanmar legislature, and notifications and guidelines from various government authorities and bodies. These include the laws and regulations relating to labour (such as those dealing with subjects such as work hours, wages and overtime, minimum wage and workmen's compensation). The laws and regulations of Myanmar may be supplemented or otherwise modified by unofficial or internal guidelines and practices which exist but which are not documented or which are not generally available to the public or uniformly applied. Such guidelines and practices may not have been ruled upon by the courts or enacted by legislative bodies and may be subject to change without notice or adequate notice. There are also limited precedents on the interpretation, implementation or enforcement of Myanmar laws and regulations, and there is limited judicial review over administrative actions and decisions. Therefore, a high degree of uncertainty exists in connection with the application of existing laws and regulations to events, circumstances and conditions.

Myanmar laws and regulations are also undergoing extensive changes. Changes in the laws and regulations may however not adequately address shortcomings in the legal and regulatory regimes and even if they do, may not be successfully implemented or could be subjected to uncertainty and differences in application and interpretation. Further, changes in the laws may be unpredictable and may in some instances introduce conditions that will increase the costs of doing business in Myanmar and adversely affect our Group's financial performance.

While Myanmar adopts a mixed legal system of common law, civil law and customary law, governmental policies play an overriding role in the implementation of the laws. Furthermore, the application and administration of Myanmar laws and regulations may be subject to a certain degree of discretionary determination by the authorities and may differ in implementation across various regional governments and government authorities and bodies.

In any event, the resolution of commercial and investment disputes by domestic tribunals, either through the courts or arbitration proceedings, is, at present, limited. The experience of Myanmar courts with respect to commercial disputes is significantly limited, and while domestic arbitration is available under the Arbitration Act of Myanmar 1944, an insignificant number of proceedings have been conducted under this law. There are, furthermore, limited local experts with the know-how needed to preside over commercial disputes. While Myanmar has recently ratified and acceded to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958, it is uncertain how long it would take to enact or amend the necessary domestic laws to implement a framework capable of supporting the recognition and enforcement of foreign arbitral awards by the Myanmar courts. Whilst Myanmar is also a party to the ASEAN Comprehensive Investment Agreement (2009), it is likewise unclear as yet how disputes covered by and the protections afforded under this agreement will be treated and resolved under Myanmar law or by the Myanmar courts.

We may be affected by sanctions imposed on Myanmar

We may be affected by sanctions imposed on Myanmar. Certain (but not all) of such sanctions against Myanmar have been either lifted or temporarily suspended. It is uncertain whether the suspension of these sanctions will be renewed. It is also uncertain whether these sanctions will ultimately be lifted, or if additional sanctions will be imposed. These continuing sanctions, the non-renewal of any suspension of these sanctions or the imposition of additional sanctions may hamper the economic growth of Myanmar and indirectly impact on the financial performance of our Group.

Our Group is in the process of registering a Subsidiary with the Companies Registration Office of Myanmar (“CRO”) under the Myanmar Companies Act 1914 (“Myanmar Companies Act”)

In connection with the proposed expansion of our construction business into Myanmar, our Group is in the process of registering a Myanmar Subsidiary, with the corresponding application for a Permit to Trade, with the CRO which is administered by the Directorate of Investment and Company Administration of Myanmar (“DICA”) under the Myanmar Companies Act. We may also in future register other Subsidiaries, with the corresponding applications for a Permit to Trade, with the CRO. The outcome of an application for registration of such Subsidiary (or of any other future Myanmar Subsidiaries) will significantly affect our ability to conduct business in Myanmar onshore.

Under the Myanmar Companies Act, any foreign company intending to do business in Myanmar, either as a branch or as an incorporated entity, must secure a Permit to Trade issued by the DICA by applying to the CRO. The grant of this Permit to Trade, as well as the registration of the Myanmar Subsidiary (or any other future Myanmar Subsidiaries) as a private limited company, is subject to the discretion of the DICA. Should the DICA deny our application for a Permit to Trade for such Subsidiary (or any other future Myanmar Subsidiaries), our Group’s services for Myanmar clients may only be performed outside of Myanmar and services to be performed inside Myanmar will not be allowed.

In any event, should we secure the appropriate Permit to Trade and registration as a company in Myanmar, such registration must be renewed every five years. If this registration is not renewed, we may be unable to offer our services in Myanmar or may be required to discontinue our operations in Myanmar, and this may have a material adverse effect on our business, financial condition, results of operations and prospects.

Please also refer to the section entitled “Government Regulations – Myanmar” of this Prospectus for further details.

The ability to provide construction services will also depend upon the issuance of a construction licence from the Yangon City Development Council (“YCDC”) and permit from regional and/or local governments

Aside from the registration of a Myanmar Subsidiary under the Myanmar Companies Act, the ability of a Myanmar Subsidiary to provide construction services in Myanmar will also depend upon the issuance of a general construction licence from the YCDC. In addition, we may also be required to secure individual permits from the appropriate regional or local government agencies, for particular construction works and services. While there are relevant rules and regulations outlining the requirements necessary to apply for these permits from the YCDC or the appropriate regional or local government agency, the issuance of these permits is nonetheless dependent upon the administrative discretion of the relevant government agency. There is therefore no guarantee that such permit will be issued.

Moreover, if the construction licence is not renewed after its validity of one year, we may be unable to offer our services in Myanmar or may be required to discontinue our operations in Myanmar, and this may have a material adverse effect on our business, financial condition, results of operations and prospects.

Please also refer to the section entitled “Government Regulations – Myanmar” of this Prospectus for further details.

We may not benefit from the provisions of the Myanmar Foreign Investment Law 2012 (“Myanmar Foreign Investment Law”) and may face difficulties in remitting capital, profits and dividends out of Myanmar

Should the CRO approve our application for registration and Permit to Trade for a Myanmar Subsidiary and this results in the issue of a certificate of registration and Permit to Trade from the DICA, such Subsidiary may be limited to providing general construction and consultancy services in Myanmar (or such other activities to be specified in its constitutional documents and Permit to Trade).

Aside from the registration of a Myanmar Subsidiary under the Myanmar Companies Act and the issuance of a Permit to Trade, should we not additionally obtain an investment permit with the Myanmar Investment Commission (“MIC”), we will be unable to enjoy the benefits and other incentives available to foreign investors under the Myanmar Foreign Investment Law, which currently includes an exemption from income tax for up to five consecutive years; an exemption from customs duties and other internal taxes on machinery, equipment, machinery components, spare parts and materials used for construction activities; an exemption from customs duties and other internal taxes on raw materials imported for the first three years of commercial operations; other tax benefits; and the opportunity to lease and develop land for a period not exceeding fifty years (renewable for two terms of ten years each). Furthermore, the relevant Myanmar Subsidiary may not be able to undertake any import or export activities, and will have to purchase machinery, equipment and tools locally from importers who have a right to import. There is also no guarantee that the assets of the relevant Myanmar Subsidiary will not be nationalised or expropriated by the Myanmar government, as it does not enjoy the investment assurances and guarantees otherwise available for foreign investors under the Myanmar Foreign Investment Law. Finally, as a private limited company registered with the CRO, the relevant Myanmar Subsidiary may experience difficulty in remitting capital, profits and dividends out of Myanmar, as such remittances will likely involve the scrutiny and specific approval of the Central Bank of Myanmar (“CBM”), and will be subject to foreign exchange policies and conditions prevailing from time to time. At present time, the mechanics, procedures and conditions for obtaining the approval of the CBM for such remittances are also uncertain and lack clarity.

Please also refer to the section entitled “Government Regulations – Myanmar” of this Prospectus for further details.

Sources of public and private financing for Myanmar projects continue to be weak

While legislation has recently allowed licensed domestic banks to deal with foreign currency and to extend foreign currency loans to Myanmar companies, the existence of project financing and other financing arrangements within Myanmar is limited and may continue to be so limited. It is uncertain whether local banks may lend to foreign invested entities under the prevailing policies of the CBM. The costs of obtaining funds from local banks are high and foreign banks are not permitted to operate within Myanmar. Furthermore, there are inadequate legal mechanisms available for the securitisation or collateralisation of land, operating and other assets, uncertainty concerning the validity of foreign loans being extended to Myanmar entities, uncertainty surrounding the repayment for foreign loans and advances and uncertainty of the nature and extent of the approvals that are required for repatriation of principal and interests out of Myanmar for the payment and discharge of foreign loans. These undeveloped financial structures may affect our ability to provide services or complete construction projects in Myanmar.

We may face increased costs in Myanmar due to reforms

Because of the rising foreign and domestic interest in the real estate sector in Myanmar, it is likely that the government will be enacting or updating existing building industry, workplace health, safety and environmental rules and regulations that may result in higher operating and compliance costs for our Group in Myanmar, thereby reducing profitability. Building rules and regulations may be introduced which may impact the design of buildings already under construction or to be constructed. In addition, reforms in the area of labour legislation, such as the amendment of the minimum wage law and the enactment of labour relations laws allowing the formation of labour unions may also increase our Group's labour costs in Myanmar. Apart from construction-industry specific reforms, the Myanmar government may similarly change or update existing tax structures and tax rates, import/export regulations and conditions, trade policies and customs requirements which may affect our business, financial conditions and results of operations.

We may be dependent on the services of local subcontractors where we may be engaged in building works in Myanmar in which we act as the main contractor

Where we may be engaged in building works in Myanmar in which we act as the main contractor, we may be dependent on the services of local subcontractors, which may be nominated and selected by our customers, or selected by us based on internal criteria, including past working experience and competitiveness in terms of pricing.

We cannot assure that the services rendered by these subcontractors in Myanmar will always be satisfactory or that they will meet our requirements for quality. In the event of any loss or damage arising from the default of the subcontractors engaged by us, we, being the main contractor, will be liable for our subcontractors' default. Furthermore, these subcontractors may experience financial or other difficulties that may affect their ability to carry out the work for which they were contracted to complete, thus causing delay or failure in the completion of our projects or resulting in additional costs for us. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

There is limited insurance coverage available in Myanmar

The insurance industry in Myanmar is relatively undeveloped and is expected to remain closed to foreign insurers until 2015. With the opening of the insurance industry to Myanmar citizens in 2012, as at the Latest Practicable Date, there are at least ten (10) licensed insurance providers in Myanmar although the government-owned Myanmar Insurance Enterprise continues to be the most dominant in Myanmar. The available scope of insurance providers and the portfolio of insurance policies available in Myanmar continue to be severely limited, with reinsurance schemes carrying high premium payments. Hence, it may be a challenge to sufficiently and comprehensively insure against risks relating to our Group's operations in Myanmar.

We may be dependent on local manpower in Myanmar

The construction industry in Myanmar is highly labour intensive. Because the existing government laws and policies require that all unskilled workers must be sourced exclusively from the local labour market, our Group's operations in Myanmar may also rely heavily on local manpower, whether engaged by us directly, or through corresponding subcontractors (where we may be engaged in building works in Myanmar in which we act as the main contractor). There is no assurance that there will be an adequate supply of local manpower that will provide adequate services for our services or construction projects. Our operations and financial performance are therefore vulnerable to any shortage in the supply of unskilled workers in Myanmar.

We may be subject to foreign exchange control risks in Myanmar

On 2 April 2012, the CBM adopted a managed float for the Kyats after a 35-year fixed exchange rate regime. Although this policy shift is widely considered to be a positive development in the liberalisation of Myanmar's economy, the actual impact of such change is yet to be ascertained. Significant fluctuations of the Kyats against the United States dollars or the Singapore dollars could have a material adverse effect on our Group's operations and financial conditions and prospects.

Further, the remittance of foreign currency into Myanmar is generally unlimited (although remittances in excess of US\$10,000 will require a declaration on the source of the foreign currency deposited) but for remittance of foreign currency considered transferred payments for capital out of Myanmar, the specific approval by the CBM will be required. Only remittances of certain categories of foreign currency by an entity in Myanmar which is granted an investment permit are specifically referenced in the foreign investment laws and these will in any event, require the approval of the MIC and in some instances, the further approval of the CBM. Remittances by any entity not granted an investment permit are subject to the specific approval of and other conditions imposed by the CBM and uncertainties affecting the mechanism, process and requirements for securing approval. Apart from these statutory and other legal restrictions, the ability of our Subsidiary or Subsidiaries in Myanmar to pay dividends or make other distributions, payments of the purchase price for goods and service fees, repayments of loans (including interest) and other manner of payments to our Group or any relevant overseas party by way of repatriation or remittance from the Myanmar operations may also be restricted by, amongst other things, the availability of foreign exchange and changes in foreign currency policies, as may be implemented by the CBM from time to time.

Please also refer to the section entitled "Government Regulations – Myanmar" of this Prospectus for further details.

There is limited accessibility of publicly available information and statistics in Myanmar

Under the current business environment in Myanmar, it may be very difficult to obtain up-to-date information and statistics on other businesses in Myanmar that may be comparable to our Group in terms of, *inter alia*, business activities, geographical spread, track record, operating and financial leverage, liquidity, quality of earnings and accounting, economic outlook, growth statistics and other relevant data. As such, it may be difficult to gauge the performance of our Group in Myanmar, which may lead to inefficient pricing of our Shares due to incomplete market information.

RISKS RELATING TO OUR GROUP IN GENERAL

We may not be able to successfully implement our future plans

Our future plans, as set out in the section entitled "Prospects, Trends, Business Strategies and Future Plans" of this Prospectus, involve numerous uncertainties and risks. These include but are not limited to, our Group successfully securing new project tenders and/or awards and/or identifying technologies and/or work processes which may improve our operations. Further, these future plans may also require substantial capital expenditure, the incurrence of working capital requirements and additional financial resources and commitments. There is no assurance that these future plans will achieve the expected results or outcome such as an increase in revenue that will be commensurate with our investment costs, or the ability to generate any costs savings, operational efficiencies and/or productivity improvements to our operations. There is also no assurance that we will continue to succeed in securing more project tenders and/or awards. If the results or outcome of our future plans do not meet our expectations, if we fail to achieve a sufficient level of revenue or if we fail to manage our costs efficiently, we will not be able to recover our investment and our future financial performance, business operations, and/or financial condition would be adversely affected.

We are dependent on key personnel and skilled labour for our continued success and growth

Our continued success is dependent on our ability to retain our key management. For example, the loss of the services of our Executive Chairman, Mr Lim Chap Huat or our Executive Director, Mr Ho Toon Bah, without an adequate, suitable and timely replacement could have an adverse impact on our business operations, financial performance and financial condition.

Our business is also highly dependent on skilled personnel such as our project directors. Having a team of experienced and skilled personnel is essential in maintaining the quality of services. A high turnover of such personnel without suitable and timely replacements could have an adverse impact on our business operations and competitiveness. Our financial performance could also be materially and adversely affected if we need to increase employee compensation levels substantially to attract and retain our existing key personnel, as well as any additional personnel that we may require in the future.

There may be potential conflicts of interests between our Parent Group and our Group

Mr Lim Chap Huat (our Executive Chairman) and Ms Lim Cheng Hwa (our Non-Executive Director) are also executive directors of Soilbuild Group Holdings. Each of Mr Lim and Ms Lim also holds directorships in certain of Soilbuild Group Holdings' Subsidiaries. Please also see the section entitled "Directors, Management and Staff – Directors" of this Prospectus for further details on Mr Lim's and Ms Lim's directorships in Soilbuild Group Holdings and its Subsidiaries.

There may be circumstances where our Group may compete with Soilbuild Group Holdings in the construction business. In this regard, Soilbuild Group Holdings has undertaken to and with our Company that, from the Listing Date and for the duration of a non-competition deed ("Parent Non-Competition Deed"), Soilbuild Group Holdings shall not, and shall procure its Subsidiaries and to the extent that it has knowledge, shall use its best endeavours to procure its Associated Companies not to, whether directly or indirectly, engage in, carry on (whether alone or in partnership or joint venture with anyone else) or otherwise be interested in (whether as trustee, principal, agent, shareholder, unitholder or in any other capacity) any construction business (which, for the avoidance of doubt, shall exclude the property development business, the property investment business, Soilbuild Group Holdings' shareholding interest in our Company, the provision of renovation and/or minor construction services by a listed real estate investment trust or business trust in support of its own portfolio, the engagement by a listed real estate investment trust or business trust of our Group or other third parties to carry out construction services and construction projects undertaken by a Relevant REIT/BT (as defined below)), save that the Parent Non-Competition Deed shall not be construed as prohibiting our Parent Group from entering into a joint venture with not more than 20 per cent. equity stake with other third parties which may also be involved in construction activities for the purposes of undertaking a property development or investment project together with such third parties.

For purposes of the Parent Non-Competition Deed, a Relevant REIT/BT means any listed real estate investment trust or business trust, where the manager or the trustee-manager of such real estate investment trust or business trust, as the case may be, is not a Subsidiary of Soilbuild Group Holdings.

Where the manager or the trustee-manager of a listed real estate investment trust or business trust, as the case may be, is a Subsidiary of Soilbuild Group Holdings, the manager or the trustee-manager of such listed real estate investment trust or business trust will not form its own team to engage in any construction business. In addition, our Parent Group (excluding our Group) will not form its own team to engage in any construction business, including the provision of construction services to any Relevant REIT/BT, listed real estate investment trust or business trust of our Group or other third parties following our Listing. For the avoidance of doubt, our Parent Group (excluding our Group) will not retain any construction capability following our Listing.

In addition to the Parent Non-Competition Deed, Mr Lim has a non-competition provision in his Service Agreement which is similar to the scope of the Parent Non-Competition Deed. Please see the section entitled “Directors, Management and Staff – Service Agreements” of this Prospectus for further details. Mr Lim has also provided a personal non-competition deed (“Personal Non-Competition Deed”), with the same terms and substance as the non-competition provision in his Service Agreement, which shall be in force for so long as he is a Director or Controlling Shareholder.

There can be no assurance that conflicts of interest will not arise between Soilbuild Group Holdings and us, and that such conflicts can be adequately resolved. Please see the section entitled “Interested Person Transactions and Potential Conflicts of Interests – Potential Conflicts of Interests” of this Prospectus for further details.

We may be affected by terrorist attacks and other acts of violence, wars, or outbreaks of diseases

Any fresh occurrence of terrorist attacks such as those which occurred in the United States, India and Indonesia or acts of violence may lead to uncertainty in the economic outlook of our market. All these could have a negative impact on the demand for our services and our sales, and our business operations, financial performance and financial condition may be adversely affected.

Furthermore, an outbreak of infectious diseases such as the severe acute respiratory syndrome (SARS) in Singapore and other countries where we may carry out construction and/or project management operations may adversely affect our business operations, financial performance and financial condition. If an outbreak of such infectious diseases occurs in Singapore and other countries where we may carry out construction and/or project management operations, customer sentiment and spending could be adversely affected and this may have a negative impact on our business operations, financial performance and financial condition. Our staff and employees may also be affected by any outbreak of such infectious diseases and this may affect our day-to-day operations.

Our business may be adversely affected by the recent developments in the global markets

Since the global economic downturn in late 2008, there have been negative developments in the global financial markets including the downgrading by major international credit rating agencies of sovereign debts issued by some of the European Union member countries and the difficult conditions in the global credit and capital markets. These challenging market conditions have given rise to reduced liquidity, greater volatility, widening of credit spreads, lack of price transparency in credit markets, a reduction in available financing, government intervention and lack of market confidence. These factors, combined with declining business and consumer confidence, have resulted in global economic uncertainties.

It is difficult to predict how long these developments will last. Further, there can be no assurance that measures implemented by governments around the world to stabilise the credit and capital markets will improve market confidence and the overall credit environment and economy. A global economic downturn could adversely affect our ability to obtain short-term and long-term financing. It could also result in an increase in the cost of our bank borrowings and a reduction in the amount of banking facilities currently available to us, our suppliers and our subcontractors. The inability of our Group, our suppliers and our subcontractors to access capital efficiently on time, or at all, as a result of possible economic difficulties, may have an adverse effect on our ability to complete existing projects and/or secure new projects. In addition, the construction industry is generally dependent on the health of the local economy, which is in turn dependent on the global economic conditions. Any deterioration in the global economy could in turn adversely affect the health of the local economy and correspondingly adversely affect the number of available projects for tender and impact our business and financial performance. Profit margins for any available projects could also be eroded due to keen competition.

In the event that the global economic conditions do not improve or any recovery is halted or reversed, our business operations and future financial performance may be adversely affected.

We are reliant on the Controlling Shareholder Group

For the Period Under Review, we derived a significant portion of our revenue from construction projects awarded to us by the Controlling Shareholder Group. The portion of our revenue derived from construction projects awarded to us by the Controlling Shareholder Group is 100.0%, 83.7% and 58.4% of our revenue in FY2010, FY2011 and FY2012 respectively. The portion of our gross profit derived from construction projects awarded to us by the Controlling Shareholder Group is 100.0%, 80.5% and 83.3% of our gross profit in FY2010, FY2011 and FY2012 respectively. As at the Latest Practicable Date, approximately 49.1% of our order books are in relation to the Controlling Shareholder Group's property development business and/or property investment business. We anticipate that we would after listing on the SGX-ST, in the ordinary course of business, continue to solicit for the award of construction contracts from the Controlling Shareholder Group. Such arrangements will be subject to the review procedures under the Shareholders' Mandate. Please refer to the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Shareholders' Mandate for Interested Person Transactions" of this Prospectus for further details.

If the Controlling Shareholder Group ceases to be a majority Shareholder of our Company, or if our Company should otherwise cease to be part of the Parent Group, this could have a material adverse effect on our business operations, financial performance and financial conditions. There is also no assurance that we will be able to retain the Controlling Shareholder Group as a customer or maintain the volume of contracts awarded by the Controlling Shareholder Group at current levels or profit margins. Any material reduction or cancellation in contracts awarded by the Controlling Shareholder Group or in the event that we are unable to secure the Shareholders' Mandate could lead to our business operations, financial performance and financial condition being adversely affected.

In addition, our Parent Group is the lessee of SB Building and we occupy our premises at SB Building through a sharing arrangement with our Parent Group. Although the master lease agreement between our Parent Group and its immediate landlord permits our Parent Group to share SB Building with its subsidiaries, our Group has, in preparation for the Listing, formalised our sharing arrangement with our Parent Group by entering into a sub-lease agreement (the "Sub-lease Agreement") in respect of the areas of SB Building which we occupy. The immediate landlord of SB Building is in the process of seeking the concurrence of JTC, being the ultimate landlord of SB Building, that the Sub-lease Agreement is an appropriate form of formalising the existing sharing arrangement. In the event that JTC does not concur, we may be required to formalise the existing sharing arrangement through other alternative methods, such as a premises

sharing arrangement or premises licence arrangement, which would retain the arrangements, obligations, risks and economics of the existing sharing arrangement. For further details, please see the section entitled “Interested Person Transactions and Potential Conflicts of Interests – Present and On-going Interested Person Transactions” of this Prospectus.

We would be subject to local legal and regulatory conditions and may be affected by the economic, social and political situations (including risks relating to foreign currency exchange rate fluctuations) in other countries where we may carry out construction and/or project management operations

We have plans to expand our construction and/or project management operations to certain countries in Asia such as Myanmar and other South East Asian countries.

In the event of such expansion, our business may be materially and adversely affected by developments with respect to inflation, interest rates, government policies, price and wage controls, exchange control regulations, taxation, expropriation, social instability and other political, economic or diplomatic developments in or affecting the countries in which we operate. We have no control over such conditions and developments and can provide no assurance that such conditions and developments will not adversely affect our operations.

In the event of such expansion, our business and operations are subject to the legal and regulatory framework in these countries. Laws and regulations governing business entities in these countries may change and may be subject to a number of possibly conflicting interpretations, both by the business entities and by the courts. Our business, financial condition and results of operations may be adversely affected by the uncertainty surrounding business laws and regulations. Any changes in legal and regulatory conditions in these countries could adversely affect the results of our operations and in turn, the market price of our Shares.

We are also subject to the applicable laws, regulations and guidelines in the countries and jurisdictions in which we have a business presence or carry out operations, particularly in relation to entry and employment requirements and restrictions in respect of certain of our employees and workers. If we fail to comply with such laws, regulations and guidelines, we may be subject to penalties for such breaches, including fines or restrictions on our ability to carry on business or operate in such countries or jurisdictions. In addition, the relevant employees in breach of such laws, regulations and/or guidelines may also be subject to penalties such as fines, imprisonment or deportation.

Because of any geographic diversity in the event of such expansion, we may receive income and incur expenses in a variety of currencies, including Singapore dollars, United States dollars and Kyats. Consequently, our costs, profit margins and asset values may be affected by fluctuations in the exchange rates among the above-mentioned currencies. We cannot predict the effect of future exchange rate fluctuations on our assets, liabilities, income, cost of sales and margins. Some of the currencies we may use may not be readily convertible or exchangeable or may be subject to exchange controls. In addition, our financial information is presented in Singapore dollars. Exchange rate gains or losses will arise when the assets and liabilities in foreign currencies are translated or exchanged into Singapore dollars for financial reporting or repatriation purposes. Fluctuations in currency exchange rates could materially affect our reported financial results.

Please also see the section entitled “Risk Factors – Risks Relating to the Proposed Expansion of our Construction Business into Myanmar” of this Prospectus for further details on the risks relating to the proposed expansion of our construction business into Myanmar.

We are subject to risks associated with joint ventures

We expect that we may, as a matter of business strategy, from time to time enter into construction projects through the formation of joint ventures. These joint ventures involve a certain amount of business risks such as the inability or unwillingness of joint venture partners to fulfil their obligations under the joint venture agreements (if any). There is no assurance that we will not, in the future, encounter such business risks which, if financially material, will have an adverse effect on our business operations, financial performance and financial condition.

We may have to pay to use or may not be able to use the Licensed Trade Marks

Our Company has entered into a trade mark licence agreement (the “Trade Mark Licence Agreement”) with Soilbuild Group Holdings pursuant to which Soilbuild Group Holdings has granted us the licence to use the Licensed Trade Marks in our business for a nominal one-off consideration of S\$1.00. However, in the event that Soilbuild Group Holdings is no longer an interested person of our Company for purposes of Chapter 9 of the Listing Manual for six consecutive months, our Company will be required to pay such fee as may be agreed by the parties at the relevant time. The licence may be terminated forthwith, *inter alia*, by Soilbuild Group Holdings or our Company when Soilbuild Group Holdings is no longer an interested person of our Company for purposes of Chapter 9 of the Listing Manual for six consecutive months or if we, our Subsidiaries and our Associated Companies over which we have control have effected a change of their respective names such that each of them no longer incorporates any of the words “SOILBUILD”, “SB” or “SOIL-BUILD” or the Chinese characters “速美” as part of their names.

If the licence is terminated, we and our sub-licenceses will not be able to use the aforesaid marks and, as a result, will have to change the names that we or our sub-licenceses use in our or their businesses. This could adversely affect the perception of investors, our financiers or other counterparties, as to the credibility, creditworthiness, and abilities of us or our sub-licenceses, which in turn may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our insurance coverage may not be adequate

We face the risk of loss or damage to our property and machinery due to fire, theft and natural disasters, such as floods. Such events may cause disruption or cessation in our operations, thus adversely affecting our business operations, financial performance and financial condition.

Whilst our insurance policies cover some losses in respect of damage to our properties and machinery, they may not be sufficient to cover all of our potential losses in extraordinary events. In the event such loss exceeds the insurance coverage or is not covered by the insurance policies that we have taken up, we may be liable to cover the shortfall of the amounts claimed and our financial performance and financial condition may be adversely affected.

In relation to the construction projects which we undertake as the main contractor, we have taken up workmen’s compensation under the Work Injury Compensation Act, Chapter 354 of Singapore (“WICA”), public liability insurance, foreign workers medical insurance and contractors’ all risks insurance in connection with our projects in Singapore and based on contract requirements. In the event that insurance coverage is insufficient to meet the claims arising in respect of the projects, we may be exposed to losses which may adversely affect our profitability. Please refer to the section entitled “General Information on our Group – Insurance” of this Prospectus for further details of our insurance coverage.

We utilise bank borrowings to fund our operations

We utilise bank borrowings to fund our operations. Although we have sufficient banking facilities at present, we cannot guarantee that our bankers will not recall our facilities. In the event that our bankers recall our facilities or accelerate our payment obligations due to a default of any of our other payment obligations at any time in the future, our cash flows may be adversely affected. In addition, if the interest costs on our borrowings increase, our profitability will be adversely affected. Also, our cash flows may not be sufficient to meet the increased interest payments.

In addition, we may underestimate our capital requirements and other expenditures or overestimate our future cash flows. In such event, additional capital, debt or other forms of financing may be required. If we are unable to raise such additional capital, debt or other financing, our business, results of operations, liquidity and financial position will be adversely affected.

If such financing requirements are met by way of debt financing, we may have restrictions placed on us through such debt financing arrangements which may:

- (a) limit our ability to pay dividends or require us to seek consents for the payment of dividends;
- (b) increase our vulnerability to general adverse economic and/or industry conditions;
- (c) limit our ability to pursue our growth plans;
- (d) require us to dedicate a portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditure, working capital requirements and other general corporate purposes; and
- (e) limit our flexibility in planning for, or reacting to, changes in our business and our industry.

There is no assurance that sufficient banking facilities will be available when needed or that, if available, such banking facilities will be obtained on terms that are acceptable to us. There is also no guarantee that the terms for banking facilities will be as favourable as those previously obtained. Our ability to obtain banking facilities for our requirements depends, *inter alia*, on the prevailing economic conditions, our ongoing performance and the general condition of the construction industry. In the event that we are unable to obtain sufficient banking facilities or if such banking facilities are obtained at terms not as favourable as those previously obtained, we may not be able to undertake certain new projects or the profitability of such secured projects will be adversely affected, and our business operations, financial performance and financial condition may be adversely affected.

Please refer to the section entitled “Capitalisation and Indebtedness” of this Prospectus for further details on our bank borrowings.

RISKS RELATING TO OWNERSHIP OF OUR SHARES

Control by Mr Lim Chap Huat may limit your ability to influence the outcome of decisions requiring the approval of shareholders

Immediately upon the completion of the Invitation, Mr Lim Chap Huat (who is our Executive Chairman) will indirectly own in aggregate approximately 73.5 per cent. of our Company’s post-Invitation share capital. Therefore, he will be able to exercise significant influence over matters requiring Shareholders’ approval, including the election of directors and the approval of significant corporate transactions. He will also have veto power with respect to any shareholder action or approval requiring a majority vote except where he is required by the rules of the Listing Manual to abstain from voting. Such concentration of ownership may also have the effect of

delaying, preventing or deterring a change in control of our Group, or otherwise discourage a potential acquirer from attempting to obtain control of our Company through corporate actions such as merger or takeover attempts notwithstanding that the same may be synergistic or beneficial to our Group or our Shareholders.

Investors in our Shares will face immediate and substantial dilution in the book value per Share and may experience future dilution

Our Invitation Price of S\$0.25 per Share is substantially higher than our Group's NAV per Share based on the post-Invitation issued share capital. If we were liquidated for NAV immediately following the Invitation, each Shareholder subscribing to the Invitation would receive less than the price they paid for their Shares. We also intend to grant share options and share awards to our employees to acquire Shares under the ESOS and the PSP. To the extent that such outstanding options are exercised or such outstanding share awards are released, there will be further dilution to Shareholders following this Invitation. Details of the immediate dilution of our Shares incurred by new investors are described under the section entitled "Dilution" of this Prospectus.

We may require additional funding for our future growth

Although we have identified our future growth plans set out in the section entitled "Prospects, Trends, Business Strategies and Future Plans" of this Prospectus as the avenues to pursue growth in our business, the net proceeds from the Invitation may not be sufficient to fully cover the estimated costs of implementing all these plans. We may also find opportunities to grow through acquisitions which cannot be predicted at this juncture. Under such circumstances, secondary issue(s) of securities after the Invitation may be necessary to raise the required capital to develop these growth opportunities. If new Shares placed to new and/or existing shareholders are issued after the Invitation, they may be priced at a discount to the then-prevailing market price of our Shares trading on the SGX-ST, in which case, existing shareholders' equity interest may be diluted. If we fail to utilise the new equity to generate a commensurate increase in earnings, our EPS will be diluted, and this could lead to a decline in our Share price.

Furthermore, any additional debt financing which we may undertake to raise the funds required to develop these growth opportunities may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters. If we are unable to procure the additional funding that may be required, our growth or financial performance may be adversely affected.

Any future sales of our Shares by our Substantial Shareholder could adversely affect our Share price

Any future sale by our Substantial Shareholder or availability of our Shares in the public market can have an adverse effect on our Share price. The sale of a significant amount of Shares in the public market after the Invitation, or the perception that such sales may occur, could adversely affect the market price of Shares. These factors also affect our ability to sell additional equity securities. Except as otherwise described under the section entitled "Shareholders – Moratorium" of this Prospectus, there are no restrictions imposed on our Substantial Shareholder to dispose of its shareholdings.

There has been no prior market for our Shares and this offering may not result in an active or liquid market and there is a possibility that our Share price may be volatile

Prior to the Invitation, there has been no public market for our Shares. Although we have made an application to the SGX-ST to list our Shares on the SGX-ST, there is no assurance that an active trading market for our Shares will develop, or if it develops, be sustained. There is also no assurance that the market price for our Shares will not decline below the Invitation Price. The

market price of our Shares could be subject to significant fluctuations due to various external factors and events including the liquidity of our Shares in the market, difference between our actual financial or operating results and those expected by investors and analysts, the general market conditions and broad market fluctuations.

Our Share price may fluctuate following the Invitation

The market price of our Shares may be highly volatile and could fluctuate significantly and rapidly in response to, amongst others, the following factors, some of which are beyond our control:

- (a) variations of our operating results;
- (b) success or failure of our management team in implementing business and growth strategies;
- (c) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (d) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors;
- (e) announcements by our competitors or ourselves of the gain or loss of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- (f) changes in market valuations and share prices of companies with similar businesses to our Group that may be listed in Singapore;
- (g) additions or departures of key personnel;
- (h) fluctuations in stock market prices and volume; or
- (i) involvement in litigation.

We may not be able to pay dividends in the future

Our ability to declare dividends in relation to the Shares will depend on, amongst others, our operating results, financial condition, other cash requirements including capital expenditures, the terms of borrowing arrangements, other contractual restrictions and other factors deemed relevant by our Directors. This, in turn, depends on our strategy, the successful implementation of our strategy and on financial, competitive, regulatory, general economic conditions and other factors that may be specific to us or specific to our industry, many of which are beyond our control.

In addition, our Company is a holding company and we operate our business through our Subsidiaries. Therefore, our ability to pay dividends will be affected by the ability of our Subsidiaries to declare and pay us dividends or other distributions. The ability of our Subsidiaries to declare and pay dividends to us will be dependent on the cash income of and cash available to such Subsidiary and the operating results, financial condition, other cash requirements including capital expenditures, the terms of borrowing arrangements and other contractual restrictions of the relevant Subsidiary and may be restricted under applicable law or regulation. For example, the relevant Subsidiary may need approvals from tax and other regulatory authorities before payment or repatriation of dividends or other distributions can be made, which may not be forthcoming in a timely manner or at all. Please also see the section entitled "Risk Factors – Risks Relating to the Proposed Expansion of our Construction Business into Myanmar – We may not benefit from the provisions of the Myanmar Foreign Investment Law 2012 ("Myanmar Foreign Investment Law") and may face difficulties in remitting capital, profits and dividends out of Myanmar" of this Prospectus. If any of our Subsidiaries are unable or are

restricted in their ability to declare and pay dividends or other distributions to us, our ability to pay dividends on our Shares may be adversely affected. In addition, covenants in loan documents of the Subsidiaries may restrict the ability of these Subsidiaries to declare and/or pay dividends, which in turn could have an adverse impact on our ability to declare and pay dividends to our Shareholders. As at the Latest Practicable Date, there is no loan agreement entered into by our Group with any financial institutions or debt securities issued by our Group which contains covenants restricting our Group's ability to pay dividends. See the section entitled "Dividend Policy" of this Prospectus for further details.

Singapore law contains provisions that could discourage a take-over of our Company

The Singapore Code on Take-overs and Mergers and Sections 138, 139 and 140 of the Securities and Futures Act (collectively, the "Singapore Take-over and Merger Provisions") contain certain provisions that may delay, deter or prevent a future take-over or change in control of our Company for so long as our Shares are listed for quotation on the SGX-ST. Except with the consent of the Securities Industry Council, any person acquiring an interest, whether by a series of transactions over a period of time or otherwise, either on his own or together with parties acting in concert with him, in 30% or more of our voting Shares is required to extend a take-over offer for our remaining voting Shares in accordance with the Singapore Take-over and Merger Provisions. Except with the consent of the Securities Industry Council, such a take-over offer is also required to be made if a person holding between 30% and 50% (both inclusive) of our voting Shares (either on his own or together with parties acting in concert with him) acquires additional voting Shares representing more than 1% of our voting Shares in any six-month period. While the Singapore Code on Take-overs and Mergers seeks to ensure an equality of treatment among shareholders, its provisions could substantially impede the ability of shareholders to benefit from a change of control and, as a result, may adversely affect the market price of our Shares and the ability to realise any benefit from a potential change of control.

Our Share price may be adversely affected by negative publicity relating to our Group or any of our Directors, Executive Officers or Substantial Shareholders

Any change in controlling ownership of our Company may generate negative publicity which might adversely affect our Share price.

In addition, any negative publicity or announcements relating to our Group, any of our Directors, Executive Officers or Substantial Shareholders may adversely affect the stock market's perception of our Company, whether or not this is justified. Some examples are unsuccessful attempts in joint ventures, takeovers or involvement in insolvency proceedings.

Investors may not be able to participate in future issues of our Shares

In the event that we issue new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, we may be subject to regulations as to the procedure to be followed in making such rights offering available to our existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. Accordingly, holders of our Shares may be unable to participate in future offerings of our Shares and may experience dilution of their shareholdings as such.

INVITATION STATISTICS

Invitation Price	S\$0.25
 NAV	
NAV per Share based on the audited combined balance sheets of our Group as at 31 December 2012 adjusted for the Share Split and the Restructuring Exercise (“Adjusted 2012 NAV”):	
(a) before adjusting for the estimated net proceeds from the New Shares and based on the pre-Invitation share capital of 496,000,000 Shares	3.1 cents
(b) after adjusting for the estimated net proceeds from the New Shares and based on the post-Invitation enlarged share capital of 664,000,000 Shares	8.3 cents
 Premium of Invitation Price over the Adjusted 2012 NAV per Share:	
(a) before adjusting for the estimated net proceeds from the New Shares and based on the pre-Invitation share capital of 496,000,000 Shares	706.5%
(b) after adjusting for the estimated net proceeds from the New Shares and based on the post-Invitation share capital of 664,000,000 Shares	201.2%
 For illustrative purposes, the unaudited NAV per Share as at the Latest Practicable Date adjusted for the Share Split and the Restructuring Exercise (“Adjusted LPD NAV”):	
(a) before adjusting for the estimated net proceeds from the New Shares and based on the pre-Invitation share capital of 496,000,000 Shares	3.5 cents
(b) after adjusting for the estimated net proceeds from the New Shares and based on the post-Invitation enlarged share capital of 664,000,000 Shares	8.6 cents
 Premium of Invitation Price over the Adjusted LPD NAV per Share:	
(a) before adjusting for the estimated net proceeds from the New Shares and based on the pre-Invitation share capital of 496,000,000 Shares	614.3%
(b) after adjusting for the estimated net proceeds from the New Shares and based on the post-Invitation share capital of 664,000,000 Shares	190.7%
 Earnings	
Historical net EPS for FY2012 based on the audited net profit for the year attributable to equity holders of our Company and our Company’s pre-Invitation share capital of 496,000,000 Shares	4.4 cents
Historical EPS for FY2012 based on the audited net profit for the year attributable to equity holders of our Company (assuming that the Service Agreements have been in effect for FY2012) and based on the pre-Invitation share capital of 496,000,000 Shares	4.4 cents ⁽¹⁾

Price earnings ratio

Historical PER for FY2012 based on the audited net profit for the year attributable to equity holders of our Company and our Company's pre-Invitation share capital of 496,000,000 Shares 5.6 times

Historical PER for FY2012 based on the audited net profit for the year attributable to equity holders of our Company (assuming that the Service Agreements have been in effect for FY2012) and the pre-Invitation share capital of 496,000,000 Shares 5.6 times⁽¹⁾

Net cash provided by operating activities⁽²⁾

Historical net cash provided by operating activities per Share for FY2012 based on the pre-Invitation share capital of 496,000,000 Shares 2.1 cents

Historical net cash provided by operating activities per Share for FY2012 (assuming that the Service Agreements have been in effect for FY2012) and based on the pre-Invitation share capital of 496,000,000 Shares 2.1 cents⁽¹⁾

Price to net operating cash flow ratio

Ratio of Invitation Price to historical net cash flow provided by operating activities per Share for FY2012 based on the pre-Invitation share capital of 496,000,000 Shares 11.9 times

Ratio of Invitation Price to historical net cash flow provided by operating activities per Share for FY2012 (assuming that the Service Agreements have been in effect for FY2012) and based on the pre-Invitation share capital of 496,000,000 Shares 11.9 times⁽¹⁾

Market capitalisation

Market capitalisation based on the post-Invitation share capital of 664,000,000 Shares and the Invitation Price of S\$0.25 S\$166.0 million

Notes:

- (1) Does not include any performance bonus payable under the Service Agreements of our Executive Chairman and Executive Director.
- (2) Net operating cash flow is defined as net cash provided by operating activities as set out in our Group's audited combined statements of cash flows for FY2012 as set out in Appendix I of this Prospectus.

USE OF PROCEEDS

Based on the Invitation Price, the net proceeds to be raised by our Company from the issue of the New Shares (after deducting the estimated issue expenses of approximately S\$2.5 million) are estimated to be approximately S\$39.5 million.

The estimated amount of the expenses of the Invitation and of the application for listing, including the underwriting commission, placement commission, brokerage, management fees, audit and legal fees, fees payable by our Company to the SGX-ST and the Authority as well as other incidental fees is approximately S\$2.5 million (including goods and services tax). We will pay the Joint Underwriters and Joint Placement Agents underwriting commission and placement commission of S\$0.004 for each New Share.

The following table sets out the breakdown of the use of net proceeds from the Invitation and the estimated expenses to be borne by our Company:

Intended Use	Estimated Amount (S\$'million)	Amount allocated for each dollar/ as a percentage of the gross proceeds raised from the Invitation by our Company (cents/%)
Net Proceeds		
Investment in productivity improvements ⁽¹⁾⁽²⁾	Up to 10.0	Up to 23.8
Expansion of our construction business to certain countries in Asia ⁽²⁾	Up to 5.0	Up to 11.9
Working capital purposes	24.5	58.3
Invitation Expenses⁽³⁾		
Listing Fees	0.1	0.2
Professional Fees	1.7	4.1
Underwriting commission, placement commission and brokerage	0.7	1.7
TOTAL	42.0	100.0

Notes:

- (1) Our Group intends to invest in productivity improvements, including procuring automated pre-casting technology as further described in the section entitled "Prospects, Trends, Business Strategies and Future Plans – Business Strategies and Future Plans" of this Prospectus.
- (2) In the event any of such proceeds is not utilised for investments in productivity improvements or expansion of our construction business to certain countries in Asia, as the case may be, the unutilised amount will be re-allocated for working capital purposes.
- (3) In accordance with the Singapore Financial Reporting Standards, a portion of the listing expenses incurred in connection with the Invitation has been recognised in our financial results for FY2012 and a portion will also be recognised as an expense in FY2013 and this will affect our financial results in FY2013.

Further details of our intended use of net proceeds from the Invitation may be found in the section entitled “Prospectus, Trends, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Prospectus.

The foregoing represents our best estimate of our allocation of our net proceeds from the Invitation based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates, and we may find it necessary or advisable to re-allocate our net proceeds within the categories described above or to use portions of our net proceeds for other purposes. In the event that we decide to reallocate our net proceeds from the Invitation for other purposes, we will publicly announce our intention to do so through an SGXNET announcement to be posted on the internet at the SGX-ST’s website (<http://www.sgx.com>).

Pending the deployment of our net proceeds from the Invitation in the manner described above, we may also place the funds in fixed deposits with banks and financial institutions or use the funds to invest in short-term money market instruments, as our Directors may, in their absolute discretion, deem fit.

As and when the funds from the Invitation are materially disbursed, our Company will make periodic announcements via SGXNET on the use of the net proceeds and will provide a status report on the use thereof in our annual report.

There is no minimum amount which, in the reasonable opinion of our Directors, must be raised by the Invitation.

Subscribers of the Placement Shares may be required to pay brokerage of 1.0% of the Invitation Price to the Joint Placement Agents or any sub-placement agent that may be appointed by the Joint Placement Agents.

DIVIDEND POLICY

Statements contained in this section that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those which may be forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us, the Issue Manager, the Joint Underwriters, the Joint Placement Agents or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Please see the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Prospectus.

DIVIDEND POLICY

We currently do not have any dividend policy. The declaration and payment of future dividends may be recommended by our Board of Directors at their discretion and will depend upon, amongst others, our operating results, financial condition, other cash requirements including capital expenditures, the terms of borrowing arrangements, other contractual restrictions and other factors deemed relevant by our Directors. This, in turn, depends on our strategy, the successful implementation of our strategy and on financial, competitive, regulatory, general economic conditions and other factors that may be specific to us or specific to our industry, many of which are beyond our control.

In addition, our Company is a holding company and we operate our business through our Subsidiaries. Therefore, our ability to pay dividends will be affected by the ability of our Subsidiaries to declare and pay us dividends or other distributions. The ability of our Subsidiaries to declare and pay dividends to us will be dependent on the cash income of and cash available to such Subsidiary and the operating results, financial condition, other cash requirements including capital expenditures, the terms of borrowing arrangements and other contractual restrictions of the relevant Subsidiary and may be restricted under applicable law or regulation. For example, the relevant Subsidiary may need approvals from tax and other regulatory authorities before payment or repatriation of dividends or other distributions can be made, which may not be forthcoming in a timely manner or at all. Please see the sections entitled "Risk Factors – Risks Relating to Ownership of Our Shares – We may not be able to pay dividends in the future" and "Risk Factors – Risks Relating to the Proposed Expansion of our Construction Business into Myanmar – We may not benefit from the provisions of the Myanmar Foreign Investment Law 2012 ("Myanmar Foreign Investment Law") and may face difficulties in remitting capital, profits and dividends out of Myanmar" of this Prospectus.

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. Our Board of Directors may also declare an interim dividend without the approval of our Shareholders. We must pay all dividends out of our profit(s) available for distribution. See the section entitled "Description of Our Ordinary Shares – Dividends" of this Prospectus for information relating to payment of dividends. Cash dividends, if any, will be paid in Singapore dollars.

All dividends will be paid in accordance with the Companies Act. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

Information relating to taxation on dividends is set out under the section entitled "Taxation" of this Prospectus.

PROPOSED DIVIDENDS FOR FY2013 AND FY2014

Subject to the factors described, our Board of Directors intends to recommend an annual dividend for FY2013 of at least 25.0% of our net profit after tax for the financial period from the Listing Date till 31 December 2013 and for FY2014 of at least 25.0% of our net profit after tax, after considering a number of factors, including our level of cash and reserves, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions, the absence of any circumstances which might reduce the amount of reserves available to pay dividends, and other factors considered relevant by our Board of Directors, including our expected financial performance.

Investors should note that the foregoing statements (including the statements above) are merely statements of our present intention and shall not constitute legally binding obligations on our Company or legally binding statements in respect of our future dividends (including those proposed for FY2013 and FY2014), which may be subject to modification (including reduction or non-declaration thereof) in our Directors' sole and absolute discretion. Investors should also not treat the proposed dividends for FY2013 and FY2014 as an indication of our future dividend policy.

No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends.

PAST DIVIDENDS

Our Company has not paid any dividends since incorporation and up to the Latest Practicable Date.

Please also refer to the Combined Financial Statements of Our Group for the Period Under Review included in Appendix I of this Prospectus for further details on the dividends paid by our Subsidiaries for the Period Under Review.

Subsequent to the Period Under Review, on 26 April 2013, our Subsidiaries, Soil-Build, SB Procurement and SB Project Services, paid an interim dividend (the "**Interim Dividend**") of S\$4.0 million in aggregate to their then-ultimate sole shareholder, Soilbuild Group Holdings. Please see the section entitled "Management's Discussion and Analysis of Financial Position and Results of Operations – Overview – Recent Developments" of this Prospectus for further details.

As at the date of this Prospectus, no dividend payment by our Company is outstanding.

SHARE CAPITAL

Our Company (company registration number 201301440Z) was incorporated in Singapore on 14 January 2013 under the Companies Act as a private limited company under the name of Soilbuild Construction Group Pte. Ltd. On 8 May 2013, we converted into a public company and changed our name to Soilbuild Construction Group Ltd. As at the date of incorporation of our Company, our issued and paid-up capital was S\$1.00 comprising one ordinary share.

At the extraordinary general meeting held on 6 May 2013, our Shareholder authorised our Directors to issue 15,499,999 Shares to Soilbuild Group Holdings as consideration for the sale by Soilbuild Group Holdings of the entire issued ordinary shares in the capital of each of Soil-Build, SB Procurement and SB Project Services to our Company, in each case on such terms and conditions and with such rights or restrictions as our Directors may think fit to impose.

Pursuant to the Restructuring Exercise, our issued and paid-up share capital was increased to approximately S\$16.6 million, comprising 15,500,000 ordinary shares, of which one ordinary share was paid-up in cash and the remaining 15,499,999 ordinary shares were paid up with assets other than cash as further described in the section entitled “Restructuring Exercise” of this Prospectus.

At the extraordinary general meetings held on 7 May 2013 and 9 May 2013, our Shareholders approved, *inter alia*, the following:

- (a) the sub-division of each ordinary share in our issued share capital into 32 ordinary shares (the “Share Split”);
- (b) the conversion of our Company into a public limited company and the change of our name to Soilbuild Construction Group Ltd.;
- (c) the adoption of a new set of Articles of Association;
- (d) authority be given to our Directors to issue Shares and offer the same to such person, on such terms and conditions and with such rights or restrictions as they may think fit to impose, in connection with the Invitation and the admission of our Company to the Official List of the SGX-ST; and
- (e) authority be given to our Directors to:
 - (i) (1) issue Shares whether by way of rights, bonus or otherwise; and/or
 - (2) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit; and
 - (ii) (notwithstanding the authority conferred may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by our Directors while such authority was in force,

provided that:

- (1) the aggregate number of Shares issued pursuant to such authority (including new Shares to be issued in pursuance to Instruments made or granted pursuant to such authority) shall not exceed 50 per cent. of the total number of issued Shares excluding treasury shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to Shareholders may not exceed 20 per cent. of the total number of issued Shares excluding treasury shares (as calculated in accordance with sub-paragraph (2) below);
 - (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares excluding treasury shares immediately following the close of the Invitation, after adjusting for:
 - (A) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time such authority is given; and
 - (B) any subsequent bonus issue, consolidation or subdivision of Shares;
 - (3) in exercising the authority conferred, our Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles; and
 - (4) (unless revoked or varied by our Company in general meeting) such authority shall continue in force until the conclusion of the next Annual General Meeting of our Company or the date by which the next Annual General Meeting of our Company is required by law to be held, whichever is the earlier;
- (f) the adoption of the Soilbuild Construction Employee Share Option Scheme and the Soilbuild Construction Performance Share Plan, the rules of which are set out in Appendix IV and Appendix V of this Prospectus respectively, and that authority be given to our Directors to allot and issue Option Shares upon the exercise of options granted under the ESOS and Performance Shares upon the release of share awards granted by the PSP, provided that the total number of Option Shares and Performance Shares which may be allotted and issued shall not exceed 15 per cent. of the total number of issued Shares (excluding Shares held by our Company as treasury shares) on the date preceding the date of the relevant option or share award;
- (g) the adoption of the Shareholders' Mandate for Interested Person Transactions, details of which are set out in the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Shareholders' Mandate for Interested Person Transactions" of this Prospectus; and
- (h) authority be given to our Directors to grant options under the ESOS, subject to the terms of the ESOS, set at a price (the "Market Price") equal to the average of the last dealt prices for a Share on the Official List of the SGX-ST for the five consecutive market days immediately preceding the date on which an offer to grant an option is made or at a discount to the Market Price (subject to a maximum discount of 20%).

As at the Latest Practicable Date, there is only one class of shares in the capital of our Company. There are no founder, management or deferred shares. The rights and privileges attached to our Shares are stated in the Articles of Association of our Company.

Except pursuant to the Soilbuild Construction Employee Share Option Scheme and the Soilbuild Construction Performance Share Plan, no person has been, or is entitled to be, given an option to subscribe for any shares in or debentures of our Company or any of our Subsidiaries.

Prior to the allotment and issue of the New Shares and following the Share Split, the issued and paid up capital of our Company is S\$16.6 million comprising 496,000,000 Shares.

Upon the allotment and issue of the New Shares, the resultant issued and paid-up capital of our Company will be increased to approximately S\$57.8 million comprising 664,000,000 Shares.

Details of the changes to the issued and paid-up share capital of our Company as at the date of incorporation, and our issued and paid-up share capital immediately after the Invitation are as follows:

	Number of Shares	Resultant Issued and Paid-up Share Capital (S\$)
Issued and fully paid-up ordinary shares as at incorporation	1	1
New shares issued pursuant to the Restructuring Exercise	15,499,999	16,570,446
	15,500,000	16,570,447
Sub-division of Shares	496,000,000	16,570,447
Pre-Invitation share capital	496,000,000	16,570,447
New Shares to be issued pursuant to the Invitation	168,000,000	40,996,076 ⁽¹⁾
Post-Invitation share capital	664,000,000	57,566,523

Note:

- (1) This takes into account set-off of estimated listing expenses of approximately S\$1.0 million, which excludes estimated listing expenses of approximately S\$1.5 million to be charged directly to the income statement.

Save as disclosed above and below, there are no changes in the issued and paid-up share capital of our Company and our Subsidiaries within the last three years preceding the Latest Practicable Date.

SB PROCUREMENT

Date of issue	Number of shares issued	Price per share	Purpose of issue	Resultant issued share capital
9 June 2010	499,999	S\$1.00 per share	Subscription of shares by our Parent Company	S\$500,000.00

SB PROJECT SERVICES

Date of issue	Number of shares issued	Price per share	Purpose of issue	Resultant issued share capital
21 January 2010	1	S\$1.00 per share	Issue of subscriber share	S\$1.00

SOILBUILD CONSTRUCTION INTERNATIONAL

Date of issue	Number of shares issued	Price per share	Purpose of issue	Resultant issued share capital
29 January 2013	1	S\$1.00 per share	Issue of subscriber share	S\$1.00
6 March 2013	99,999	S\$1.00 per share	Increase in working capital	S\$100,000.00

SOILBUILD CONSTRUCTION ENGINEERING

Date of issue	Number of shares issued	Price per share	Purpose of issue	Resultant issued share capital
24 April 2013	1	S\$1.00 per share	Issue of subscriber share	S\$1.00

SOILBUILD E&C

Date of issue	Number of shares issued	Price per share	Purpose of issue	Resultant issued share capital
26 April 2013	1	S\$1.00 per share	Issue of subscriber share	S\$1.00

SHAREHOLDERS

The Directors and Shareholders of our Company and their respective shareholdings in our Company immediately before and after the Invitation are set out below:

	← Before the Invitation →		← After the Invitation →	
	Direct Interest Number of Shares	Deemed Interest Number of Shares	Direct Interest Number of Shares	Deemed Interest Number of Shares
	%	%	%	%
Directors				
Mr Lim Chap Huat ⁽¹⁾	—	488,000,000	—	488,000,000
Mr Ho Toon Bah	8,000,000	1.6	8,000,000	1.2
Ms Lim Cheng Hwa	—	—	—	—
Mr Poon Hon Thang	—	—	—	—
Mr Tan Jee Ming	—	—	—	—
Mr Teo Chee Seng	—	—	—	—
Substantial Shareholders				
Soilbuild Group Holdings ⁽²⁾	488,000,000	98.4	488,000,000	73.5
Dolphin Acquisitions ⁽³⁾	—	—	488,000,000	98.4
Public	—	—	168,000,000	25.3
Total	496,000,000	100.0	664,000,000	100.0

Notes:

- (1) Mr Lim Chap Huat holds the entire issued share capital of Dolphin Acquisitions. Accordingly, Mr Lim Chap Huat is deemed to have an interest in our Shares held by Soilbuild Group Holdings.
- (2) Soilbuild Group Holdings is a property developer with a development portfolio of residential properties and business space properties. In January 2005, Soilbuild Group Holdings was successfully admitted to the Official List of the SGX-ST. Soil-Build was already a wholly-owned Subsidiary of Soilbuild Group Holdings while SB Procurement and SB Project Services were subsequently incorporated as wholly-owned Subsidiaries of Soilbuild Group Holdings in 2009 and 2010 respectively. In December 2010, Soilbuild Group Holdings was delisted from the Official List of the SGX-ST following a successful privatisation by way of a voluntary delisting.
- (3) Dolphin Acquisitions holds the entire issued share capital of Soilbuild Group Holdings. Accordingly, Dolphin Acquisitions is deemed to have an interest in our Shares held by Soilbuild Group Holdings. Dolphin Acquisitions is an investment holding company which was incorporated in Singapore on 13 September 2010.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the New Shares.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed in the section entitled “Restructuring Exercise” of this Prospectus, there have been no significant changes in the percentage ownership of our Company held by our Directors and Substantial Shareholders in the last three years prior to the Latest Practicable Date.

CHANGE IN CONTROL OF OUR COMPANY

We are currently controlled (as such term is defined in the Listing Manual) by our Parent Company who holds directly 98.4% of the total number of our issued Shares immediately prior to the Invitation. Our Parent Company is wholly owned by Dolphin Acquisitions which is in turn wholly owned by Mr Lim Chap Huat.

We expect Mr Lim Chap Huat, through Dolphin Acquisitions and our Parent Company, to continue to control our Company after the completion of the Invitation.

Save as disclosed in this Prospectus, to the best of the knowledge of our Directors, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any other person or government and there is no known arrangement, the operation of which may, at a subsequent date, result in a change in control of our Company.

Save as disclosed under “Restructuring Exercise”, there have been no public takeover offers by third parties in respect of our Shares or by us in respect of other companies’ shares or units of a business trust which have occurred between the beginning of the most recent completed financial year and the Latest Practicable Date.

CAPITALISATION AND INDEBTEDNESS

The following table shows our cash and cash equivalents as well as capitalisation and indebtedness of our Group as at 30 April 2013, being the Latest Practicable Date, after taking into account the payment of the Interim Dividend as further described in the section entitled “Management’s Discussion and Analysis of Financial Position and Results of Operations – Overview – Recent Developments” of this Prospectus, and as adjusted for the Restructuring Exercise and the net proceeds from the issuance of New Shares.

You should read this table in conjunction with the full text of this Prospectus, including the Combined Financial Statements of Our Group for the Period Under Review as set out in Appendix I of this Prospectus and the sections entitled “Management’s Discussion and Analysis of Financial Position and Results of Operations” and “Use of Proceeds” of this Prospectus.

	As at 30 April 2013, being the Latest Practicable Date	
	Unaudited Actual S\$’000	Unaudited As adjusted for the Restructuring Exercise and the net proceeds from the issuance of New Shares S\$’000
Cash and cash equivalents	12,281	51,781
Short term debt:		
Secured and guaranteed	993	993
Secured and non-guaranteed	–	–
Unsecured and guaranteed	–	–
Unsecured and non-guaranteed	–	–
	993	993
Long-term debt:		
Secured and guaranteed	–	–
Secured and non-guaranteed	–	–
Unsecured and guaranteed	–	–
Unsecured and non-guaranteed	–	–
	–	–
Total indebtedness	993 ⁽¹⁾	993
Capital and reserves attributable to equity holders of the Company:		
Total equity	17,598	57,098
Total capitalisation and indebtedness	18,591	58,091

Note:

- (1) Excludes contingent liabilities as further described in the section entitled “Capitalisation and Indebtedness – Contingent Liabilities” of this Prospectus.

COMMITMENTS

(a) Sub-lease agreement

On 17 May 2013, our Subsidiary, Soil-Build, entered into a sub-lease agreement (the "Sub-Lease Agreement") with Soilbuild Group Holdings to lease space at SB Building, 25 Changi South Street 1 Singapore 486059, for a period commencing on 17 May 2013 and expiring on 24 November 2016 and the monthly rental is S\$60,236 (inclusive of a service charge). For further details, please see the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Present and On-going Interested Person Transactions" of this Prospectus.

Under the Sub-Lease Agreement, the total rental payable is as follows:

	S\$'000
Not later than one year	723
Between one and five years	1,828
Total	2,551

We will fund the rental payable using cash generated from our operating activities.

(b) Capital expenditure commitments as at the Latest Practicable Date:

	S\$'000
Commitments for purchase of luffing tower cranes in Singapore	3,552
Total	3,552

We expect to fund such commitments using cash generated from our operating activities, together with our internal funds, bank borrowings and the net proceeds from the issuance of the New Shares.

BANK BORROWINGS

As at 31 December 2012, our total facilities (outstanding and unutilised) were as follows:

	Facilities granted S\$'000	Outstanding S\$'000	Unutilised S\$'000
Short-term revolving loans	9,000	–	9,000
Term loans ⁽¹⁾	1,338	1,338	–
Bank overdrafts	2,000	–	2,000
Finance lease ⁽²⁾	254	254	–
Letters of credit/Banker's guarantee/Performance bonds ⁽³⁾	43,072	35,360	7,712
Total	55,664	36,952	18,712

Notes:

- (1) The term loan matures in March 2014. The interest rate charged by the relevant financial institution (being RHB Bank Berhad), is 5% per annum.
- (2) The finance leases mature between June 2013 to March 2014. S\$242,000 is repayable within the next 12 months, as at 31 December 2012. The interest rate charged by the relevant financial institutions (being Orix Leasing Singapore Limited and Malayan Banking Berhad) is 5% per annum. As at the Latest Practicable Date, the finance leases have been fully repaid.
- (3) The letter of credit expired in February 2013 and the interest rate charged by the relevant financial institution (being UOB) is 0.125% per month on the full amount issued under the letter of credit for its full duration, subject to the bank's prevailing minimum commission. The banker's guarantees expire between February 2013 to February 2016. The interest rate charged by the relevant financial institutions (being UOB, The Hongkong and Shanghai Banking Corporation Limited, RHB Bank Berhad, Malayan Banking Berhad, DBS and The Bank of East Asia Limited) is between 0.75% to 1.5% per annum. Certain of the banker's guarantee facilities provide that the banker's guarantee is to be provided in respect of a specific project.
- (4) The interest rates set out above may be varied by the respective financial institutions from time to time in accordance with the relevant terms of the facilities.

The facilities granted include S\$32.0 million of uncommitted facilities (comprising short-term revolving loans, letters of credit, banker's guarantee and performance bonds), out of which S\$22.8 million has been utilised as at 31 December 2012.

As at the Latest Practicable Date, we had facilities of S\$70.8 million, of which S\$39.7 million is outstanding. The remaining unutilised facilities amount to S\$31.1 million.

Our borrowings as at 31 December 2012 are secured by corporate guarantees from Soilbuild Group Holdings, the assets under the hire purchase agreements, assignment of the proceeds from the relevant projects and the goods under the letter of credits. As at 31 December 2012, our Parent Company has provided corporate guarantees amounting to S\$52.6 million in respect of facilities extended by the financial institutions to us. As of the date of lodgment of this Prospectus, we have obtained a release and discharge of all the corporate guarantees, which is subject to our listing on the SGX-ST. Subsequent to our listing on the SGX-ST, we do not envisage that there will be similar transactions. However, should we enter into such similar transactions, it will be subject to the requirements of Chapter 9 of the Listing Manual. Please refer to the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Interested Person Transactions" of this Prospectus for further details on the corporate guarantees given by our Parent Company.

To the best of our Directors' knowledge, as at the Latest Practicable Date, we are not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position and results of operations, or the investments of our Shareholders.

As at the date of lodgment of this Prospectus, we have obtained a waiver of certain conditions in loan agreements entered into by our Group which make reference to the shareholding interests of our Controlling Shareholders or place restrictions on any change in control of our Company, subject to our listing on the SGX-ST and save for the foregoing, there is no loan agreement entered into by our Group with any financial institution or debt securities issued by our Group which contains a condition making reference to the shareholding interests of any Controlling Shareholders or places restrictions on any change in control of our Company.

CONTINGENT LIABILITIES

Save for the letters of credit, banker's guarantee and performance bonds as disclosed under the section entitled "Capitalisation and Indebtedness – Bank Borrowings" of this Prospectus, as at the Latest Practicable Date, to the best of our knowledge, information and belief, we are not aware of any material contingent liabilities which may have a material effect on the financial position and profitability of our Group.

DILUTION

Dilution is the amount by which the Invitation Price paid by the subscribers of our Shares in this Invitation exceeds our NAV per Share after the Invitation. Our NAV per Share based on the audited combined balance sheets of our Group as at 31 December 2012 adjusted for the Restructuring Exercise and the Share Split, before adjusting for the estimated net proceeds from the Invitation and based on the pre-Invitation share capital of 496,000,000 Shares was 3.1 cents per Share.

Pursuant to the Invitation in respect of 168,000,000 New Shares at the Invitation Price, our NAV per Share based on the audited combined balance sheets of our Group as at 31 December 2012 after adjusting for (i) the Restructuring Exercise and the Share Split; and (ii) the estimated net proceeds from the Invitation and based on the post-Invitation share capital of 664,000,000 Shares would have been 8.3 cents. This represents an immediate increase in NAV per Share of 5.2 cents to our existing Shareholders and an immediate decrease in NAV per Share of 16.7 cents or approximately 66.8% to applicants for our New Shares pursuant to the Invitation.

The following table illustrates the per Share dilution as at 31 December 2012:

	Cents
Invitation Price per Share	25.0
NAV per Share based on the pre-Invitation share capital of 496,000,000 Shares (adjusted for the Restructuring Exercise and the Share Split)	3.1
Increase in NAV per Share attributable to existing shareholders	5.2
NAV per Share after the Invitation	8.3
Dilution in NAV per Share to new public investors	16.7
Percentage dilution in NAV per Share to new public investors	66.8%

For illustrative purposes only, the following table illustrates the per Share dilution as at the Latest Practicable Date:

	Cents
Invitation Price per Share	25.0
Unaudited NAV per Share based on the pre-Invitation share capital of 496,000,000 Shares (adjusted for the Interim Dividend, the Restructuring Exercise and the Share Split)	3.5
Increase in unaudited NAV per Share attributable to existing shareholders	5.1
Unaudited NAV per Share after the Invitation	8.6
Dilution in unaudited NAV per Share to new public investors	16.4
Percentage dilution in unaudited NAV per Share to new public investors	65.6%

The following table summarises the total number of Shares acquired by our existing shareholders during the period of three years prior to the date of lodgment of this Prospectus, the total consideration paid by them for such acquisition and the effective cash cost per Share to them, and by our new public investors pursuant to the Invitation.

	Number of Shares acquired	Total consideration (S\$)	Effective cash cost per Share (cents)
Existing shareholders			
– Soilbuild Group Holdings	496,000,000 ⁽¹⁾⁽²⁾	16,570,447.25 ⁽²⁾	3.34 ⁽¹⁾⁽²⁾
– Mr Ho Toon Bah	8,000,000 ⁽¹⁾	255,360.88	3.19 ⁽¹⁾
New public investors	168,000,000	42,000,000	25.00

Notes:

(1) After adjusting for the Share Split.

(2) Prior to the transfer of 250,000 Shares (before adjusting for the Share Split) to Mr Ho Toon Bah for a consideration of approximately S\$0.3 million.

RESTRUCTURING EXERCISE

Prior to the lodgment of this Prospectus with the Authority, our Group undertook and completed the transaction described below in connection with the Invitation. The Restructuring Exercise was undertaken to rationalise and streamline our business structure within Soilbuild Group Holdings and its Subsidiaries for the Invitation.

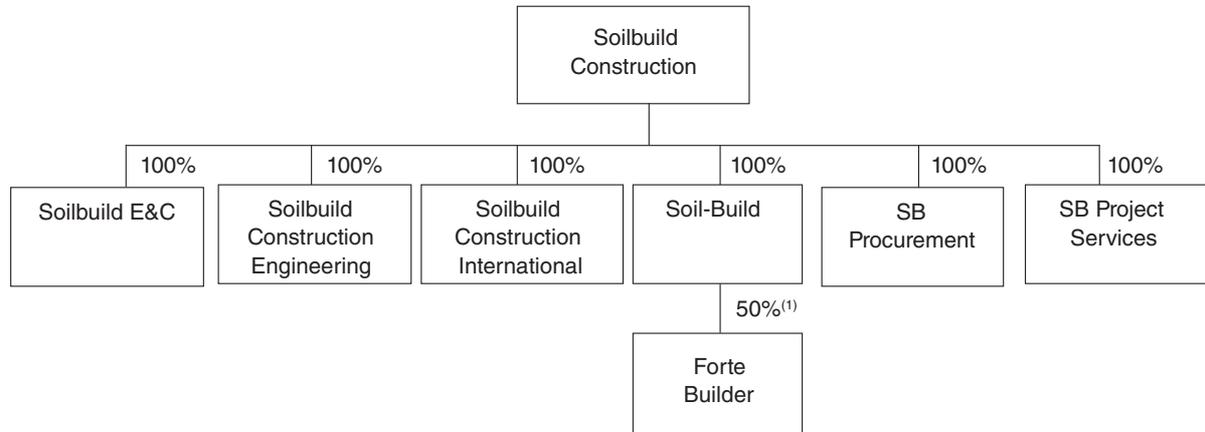
Pursuant to a share transfer agreement entered into between our Company and Soilbuild Group Holdings on 6 May 2013 ("Share Transfer Agreement"), our Company acquired the entire issued share capital of Soil-Build, SB Procurement and SB Project Services for a consideration of approximately S\$16.6 million which was met by the allotment and issue of 15,499,999 new Shares to Soilbuild Group Holdings. The consideration for the acquisition of the entire issued share capital of Soil-Build, SB Procurement and SB Project Services was agreed based on the aggregate net asset value of Soil-Build, SB Procurement and SB Project Services of approximately S\$16.6 million as of 30 April 2013. Such acquisition was completed on 6 May 2013.

Taking into account the rationale for and the terms of the Restructuring Exercise, our Board of Directors is of the view that the Restructuring Exercise was on an arm's length basis.

In connection with the Restructuring Exercise, Soilbuild Group Holdings has transferred 250,000 Shares (before adjusting for the Share Split) to Mr Ho Toon Bah for a consideration of approximately S\$0.3 million. The consideration for the transfer of the Shares was agreed based on the net asset value of the Shares of approximately S\$0.3 million as of 30 April 2013.

GROUP STRUCTURE

Our Group structure after the Restructuring Exercise and as at the date of this Prospectus is as follows:



The details of each Subsidiary and Associated Company of our Company as at the date of this Prospectus are as follows:

Name	Country of incorporation	Principal place of business	Principal business	Percentage owned
Soil-Build	Singapore	Singapore	Building construction	100.0
SB Procurement	Singapore	Singapore	Mixed construction activities and procurement activities	100.0
SB Project Services	Singapore	Singapore	Project and construction management services, and project managers in the construction industry	100.0
Soilbuild Construction Engineering	Singapore	Singapore	Building construction	100.0
Soilbuild Construction International	Singapore	Singapore	Investment holding and building construction	100.0
Soilbuild E&C	Singapore	Singapore	Building construction	100.0
Forte Builder	Singapore	Singapore	General contractors (building construction including major upgrading works), and building construction	50.0 ⁽¹⁾

Note:

- (1) The remaining 50.0% shareholding interests in Forte Builder are held by Or Kim Peow Contractors (Private) Limited, a wholly-owned subsidiary of OKP Holdings Limited which is listed on the Main Board of the SGX-ST.

As at the Latest Practicable Date, Soil-Build holds a 19% shareholding interest in Solstice Development and the remaining 81% shareholding interests in Solstice Development are held by third parties who are not related to any of our Directors, the Substantial Shareholders or their Associates. Accordingly, Solstice Development is neither a Subsidiary nor an Associated Company of our Group. Solstice is the developer of the Solstice Project for which Soil-Build is the main contractor.

Forte Builder and Solstice Development are recognised as joint ventures in the Combined Financial Statements of Our Group for the Period Under Review as set out in Appendix I of this Prospectus.

As at the Latest Practicable Date, our Group is in the process of registering a Myanmar Subsidiary and applying for a Permit to Trade with the CRO under the Myanmar Companies Act. Please also see the section entitled “General Information on our Group – History” of this Prospectus for further details.

Save as disclosed above, our Group does not have any other Subsidiaries or Associated Companies or investee companies. None of our Subsidiaries or Associated Companies is listed on any stock exchange.

SELECTED COMBINED FINANCIAL INFORMATION

The following selected combined financial information should be read in conjunction with the full text of this Prospectus, including the Combined Financial Statements of Our Group for the Period Under Review as set out in Appendix I of this Prospectus and the section entitled “Management’s Discussion and Analysis of Financial Position and Results of Operations” of this Prospectus.

COMBINED STATEMENTS OF COMPREHENSIVE INCOME⁽¹⁾

S\$'000	←————— Audited —————→		
	FY2010	FY2011	FY2012
Revenue	115,952	117,346	213,501
Cost of sales	(106,251)	(101,733)	(185,427)
Gross profit	9,701	15,613	28,074
Other income	1,281	671	781
Other gains – net	35	99	1,579
Expenses			
– Administrative expense	(5,691)	(5,219)	(4,508)
– Finance	(289)	(731)	(218)
– Others	(443)	(459)	(439)
Share of profit of joint ventures	12	275	414
Profit before income tax	4,606	10,249	25,683
Income tax expense	(914)	(1,117)	(3,656)
Net profit	3,692	9,132	22,027
Other comprehensive income, net of tax	–	–	–
Total comprehensive income	3,692	9,132	22,027
Net profit and total comprehensive income attributable to equity holder of the Company	3,692	9,132	22,027
EPS attributable to equity holder of the Company (cents)			
Basic and diluted ⁽²⁾	0.74	1.84	4.44
Adjusted (cents) ⁽³⁾	0.56	1.38	3.32

Notes:

- (1) For comparative purposes, the combined statements of comprehensive income of our Group for the Period Under Review have been prepared on the basis that our Group has been in existence throughout the Period Under Review. Please refer to note 2 of the Combined Financial Statements in Appendix I of this Prospectus.
- (2) For comparative purposes, the basic and diluted EPS for the Period Under Review have been computed based on the net profit attributable to equity holder of the Company and our pre-Invitation share capital of 496,000,000 Shares (after the Share Split).
- (3) For comparative purposes, the adjusted EPS for the Period Under Review have been computed based on the net profit attributable to equity holder of the Company and our post-Invitation share capital of 664,000,000 Shares.

COMBINED BALANCE SHEETS⁽¹⁾

S\$'000	← Audited →		
	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012
ASSETS			
Current assets			
Cash and cash equivalents	4,822	3,844	5,267
Trade and other receivables	89,817	80,448	47,773
Other current assets	299	297	852
Investment property classified as held-for-sale	–	–	2,466
	94,938	84,589	56,358
Non-current assets			
Trade and other receivables	9,182	10,255	9,117
Investment in joint ventures	531	806	1,220
Property, plant and equipment	5,740	5,150	4,724
Investment property	735	845	–
Intangible assets	3	93	41
Loan to a joint venture	2,261	931	–
	18,452	18,080	15,102
Total assets	113,390	102,669	71,460
LIABILITIES			
Current liabilities			
Trade and other payables	71,319	59,682	48,974
Current income tax liabilities	627	1,010	3,934
Borrowings	10,616	3,241	1,242
Provision for other liabilities	1,046	1,002	962
	83,608	64,935	55,112
Non-current liabilities			
Borrowings	3,005	1,614	350
Deferred income tax liabilities	467	678	498
	3,472	2,292	848
Total liabilities	87,080	67,227	55,960
NET ASSETS	26,310	35,442	15,500

	← Audited →		
S\$'000	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012
EQUITY			
Capital and reserves attributable to equity holder of the Company			
Share capital	15,500	15,500	15,500
Retained profits	10,810	19,942	–
TOTAL EQUITY	26,310	35,442	15,500
NAV per Share (cents) ⁽²⁾	5.30	7.15	3.13

Notes:

- (1) For comparative purposes, the combined balance sheets of our Group for the Period Under Review have been prepared on the basis that our Group has been in existence throughout the Period Under Review. Please refer to note 2 of the Combined Financial Statements in Appendix I of this Prospectus.
- (2) For comparative purposes, the NAV per Share has been computed based on the NAV of our Group divided by our pre-Invitation share capital of 496,000,000 Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion of our business, financial condition and results of operations for the Period Under Review should be read in conjunction with the full text of this Prospectus, including the Combined Financial Statements of Our Group for the Period Under Review as set out in Appendix I of this Prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in the section entitled "Risk Factors" of this Prospectus. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us, the Issue Manager, the Joint Underwriters, the Joint Placement Agents or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Please see the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Prospectus.

The figures in this section are approximate figures and where appropriate, for ease of reference, have been rounded to the nearest one decimal place.

OVERVIEW

We are involved in general construction and our Subsidiary, Soil-Build, is graded A1 by the BCA under the registration category CW01 for General Building, which allows us to tender for public sector projects in Singapore of an unlimited contract value. We are principally engaged in building works in Singapore in which we act as the main contractor. In addition, we are also engaged in architectural works in Singapore in which we act as a direct contractor, and in project management services in Singapore in which we act as the project manager. In connection with the proposed expansion of our construction business into Myanmar, as at the Latest Practicable Date, we have secured two contracts in Myanmar, as further described in the section entitled "General Information on our Group – History" of this Prospectus, and are intending to further strengthen our presence in Myanmar.

In the ordinary course of business, we may acquire shareholding interests in construction joint ventures or minority shareholding interests in development joint ventures for projects in which we are involved in order to align the interests of the relevant parties involved in the projects.

Since our inception in 1976, we have handled a wide range of construction projects in support of the property development business and/or property investment business of the Controlling Shareholder Group, as well as parties other than the Controlling Shareholder Group, in the private and public sectors. During the Period under Review, a significant part of our construction business was in support of the Controlling Shareholder Group's property development business and/or property investment business. As part of our Group's expansion, we began to tender for more construction projects from parties other than the Controlling Shareholder Group from 2010.

During the Period Under Review, all our projects were based in Singapore. Our revenue was principally generated from construction activities in Singapore and the breakdown by geographical region or by business segment is not applicable.

Revenue

The table below summarises the breakdown of our construction revenue for residential projects and business space projects and revenue from the rendering of project management services for the Period Under Review:

Revenue	FY2010		FY2011		FY2012	
	S\$'000	%	S\$'000	%	S\$'000	%
Business space projects	96,354	83.1	90,264	76.9	147,098	68.9
Residential projects	17,526	15.1	25,990	22.1	65,800	30.9
Rendering of project management services	2,072	1.8	1,092	1.0	603	0.2
Total	115,952	100.0	117,346	100.0	213,501	100.0

Revenue from construction contracts

Revenue from construction projects, comprising both business space projects and residential projects for the Period Under Review, are recognised using the percentage-of-completion method. The stage of completion is determined by reference to the value of work performed which is determined by the architects based on physical surveys of the construction works completed. We recognise our revenue and cost of sales based on the percentage of completion multiplied by the respective estimated total revenue and total cost of sales of the project upon completion, after making appropriate allowances for foreseeable losses and estimated costs to complete. Our additional claims for variation orders are included in revenue when the outcome can be reasonably ascertained. The value of variation orders recognised is based on our management's best estimate of the proposed work to be completed and this is in turn subject to evaluation by a qualified person (who is usually an architect or engineer).

Revenue from rendering of project management services

Revenue from the rendering of project management services refers to revenue derived from our Group's undertaking of construction management services. Construction management services rendered by our Group include the overall management, planning, coordination and control of a project from inception to completion with strict adherence to a client's requirements. The construction management delivery model is usually undertaken for clients who have a ready detailed design developed by a team of consultants.

Key factors affecting our revenue

Our revenue could be affected by, among others, the following key factors:

- (a) the state of the local property market and construction industry in Singapore and other countries where we may carry out construction and/or project management operations, which is closely linked to the state of the economies of Singapore and other countries where we may carry out construction and/or project management operations respectively as well as the global economy in general. A strong and growing economy will generally lead to growth in the construction industry;
- (b) changes in government legislation, regulations or policies, budget and expenditure which may directly or indirectly affect the construction industry in Singapore and other countries where we may carry out construction and/or project management operations;

- (c) our ability to compete successfully with other construction firms in terms of pricing, range of services, delivery, minimal variation from project specifications to secure new construction projects either by way of an open tender system or private invitation;
- (d) the number of competitors competing with us in the various tenders from time to time. An increase in the number of qualified competitors will intensify the competition in the industry and may affect our tender prices;
- (e) our ability to claim for additional works and variations which were not included in the original specifications of the contracts; and
- (f) the progress of our construction projects on hand. A typical construction project generally spans a period of between one to three years and the recognition of revenue is based on the project progress which could be affected by various factors such as weather, soil conditions and change in technical requirements of a project.

Please refer to the section entitled “Risk Factors” of this Prospectus which contains a further in-depth discussion of other factors which may affect our business operations, revenue and financial performance.

Cost of sales

Our cost of sales comprises direct costs such as raw materials, direct labour, subcontracting costs, preliminaries and overheads relating to construction contracts with external parties.

Raw materials

Raw materials comprise mainly ready mixed concrete, steel reinforcement bars, pre-cast components, tiles, concreting sand, bagged cement, steel welded mesh, steel strands, mild steel, stainless steel, aluminium, glass, plywood and paint. Prices of raw materials will fluctuate and are affected, amongst others, by the following:

- (a) the interaction of their demand and supply in Singapore and other countries where we may carry out construction and/or project management operations and the region;
- (b) our suppliers’ assessment of our creditworthiness; and
- (c) payment terms.

Please refer to the section entitled “Risk Factors – Risks Relating to Our Construction Business – Price Fluctuations in raw material and/or for the rental of equipment and machinery may affect our earnings” of this Prospectus for further details on the risk of price fluctuations in raw materials.

Our raw materials costs for each project are dependent on the size, design and material specifications of the project and the price levels of the raw materials. While we do not adhere to a formal hedging policy, where feasible, we have entered into long-term fixed-price contracts for steel reinforcement bars and steel welded mesh with suppliers to secure the supply of and to stabilise the prices of such raw materials over the duration of our projects.

Direct labour

Our direct labour costs comprise mainly the wages and salaries of foreign workers, site supervisors and engineers. A significant portion of our labour requirements were subcontracted to external parties and were classified under subcontracting costs. Changes in the labour policies of Singapore and other countries where we may carry out construction and/or project management

operations or those of the foreign workers' countries of origin may affect the supply and/or cost of foreign labour. Please refer to the sections entitled "Risk Factors – Risks relating to our Construction Business – We are reliant on foreign labour" and "Risk Factors – Risks Relating to the Proposed Expansion of our Construction Business into Myanmar – We may be dependent on local manpower in Myanmar" of this Prospectus for further details on risks relating to employment of workers.

Subcontracting costs

Our subcontracting costs comprise mainly costs incurred for specialised works such as bored-piling, structural works, excavation, M&E works, plumbing, soil-testing and surveying, and general works such as interior fitting out works and carpentry which are usually subcontracted to external parties. As part of their services, the subcontractors will also provide the labour required. These subcontracting costs are similarly affected by the construction industry's demand as well as government legislations and regulations.

Preliminaries and overheads costs

Our preliminaries and overheads costs comprise mainly project management costs, professional fees, environment control costs, depreciation of our property, plant and machinery, rental and upkeep of equipment and machinery, site expenses and utilities.

Key factors affecting our cost of sales

Our cost of sales could be affected by, among others, the following key factors:

- (a) our ability to manage our project costs and resources deployment to avoid costs overruns;
- (b) fluctuations in the prices of raw materials. For example, the Indonesian government's ban on sand exports to Singapore with effect from the beginning of 2007 led to a shortage of sand supply, resulting in an increase in our cost of construction materials;
- (c) the project requirements and type of projects. Depending on the project requirements, the amount of project works to be outsourced to subcontractors will differ. We will engage subcontractors to carry out construction works that we do not do;
- (d) developers' requirements to appoint nominated subcontractors. Certain nominated subcontractors may charge fees that are higher than other subcontractors;
- (e) additional costs arising from unforeseen delays to project progress. In the event of unforeseen delays, to ensure that the project schedule can be met, we may rent additional equipment and machinery or engage more workers thereby driving up our project costs. Further, delays in the completion of projects may lead to the imposition of liquidated damages; and
- (f) labour policies and the turnover, demand and supply conditions for construction staff and foreign workers.

Please refer to the section entitled "Risk Factors" of this Prospectus for a more comprehensive discussion of the abovementioned factors and other factors which may affect our cost of sales.

Other income

Other income for the Period Under Review was derived mainly from rental income from our investment property at Jalan Lokam (which has been sold pursuant to a collective sale in April 2013) and non-recurring income streams such as provision of labour and other services to our subcontractors and the sale of scrap metal and sand.

Other gains – net

For the Period Under Review, our other gains (net) comprises mainly fair value gains for our investment property and losses on disposal of plant, property and equipment.

Administrative expenses

Our administrative expenses comprise mainly professional fees, rental of office premises, payroll expenses relating to our general and administrative staff, telecommunications expenses, office expenses, medical expenses and other general expenses.

Finance expenses

Finance expenses comprise mainly interest paid on both short and long-term loans to banks and our Parent Group. They also include our hire purchase expenses which relate mainly to finance leases in respect of machinery.

Other expenses

Other expenses relate mainly to depreciation of office equipment and motor vehicles and general transportation expenses.

Share of profit of joint ventures

For the Period Under Review, share of profit of joint ventures comprises our share of profit from our 50% shareholding interest in Forte Builder and our 19% shareholding interest in Solstice Development.

Income tax expense

As we operate in Singapore during the Period Under Review, we were only taxed in accordance with Singapore's corporate tax law. For the Period Under Review, our operations were subject to a corporate tax rate of 17.0%. The effective tax rate for our Group was 19.9%, 10.9% and 14.2% for FY2010, FY2011 and FY2012 respectively.

Recent developments

On 26 April 2013, our Subsidiaries, Soil-Build, SB Procurement and SB Project Services, paid the Interim Dividend of S\$4.0 million in aggregate to their then-ultimate sole shareholder, Soilbuild Group Holdings. The Interim Dividend was paid in cash and out of the retained earnings of our Subsidiaries arising from profits generated from 1 January 2013 onwards for FY2013. As such, the payment of the Interim Dividend has no impact on the Combined Financial Statements of Our Group for FY2012. As at the Latest Practicable Date, the retained earnings of our Group following the payment of the Interim Dividend was S\$17.6 million. As at the Latest Practicable Date, the NAV of our Group is not less than the NAV of our Group as at 31 December 2012. Please see the sections entitled “Invitation Statistics” and “Dilution” of this Prospectus for further details on the NAV of our Group as at 31 December 2012 and the section entitled “Capitalisation and Indebtedness” of this Prospectus for further details on the capitalisation and indebtedness of the Group after taking into account the payment of the Interim Dividend.

In connection with the proposed expansion of our construction business into Myanmar, as at the Latest Practicable Date, we have secured two contracts in Myanmar, as further described in the section entitled “General Information on our Group – History” of this Prospectus, and are intending to further strengthen our presence in Myanmar.

In April 2013, we have sold our investment property at Jalan Lokam pursuant to a collective sale.

REVIEW OF OPERATING RESULTS

The following discussion and analysis should be read in conjunction with the full text of this Prospectus, including the Combined Financial Statements of Our Group for the Period Under Review as set out in Appendix I of this Prospectus.

Our management considers the business of our Group to be derived mainly from the construction segment and there is no other business segregation. Accordingly, we have only considered revenue from construction contracts in the below breakdown of our revenue, cost of sales and gross profit between residential projects and business space projects for the Period Under Review:

	FY2010		FY2011		FY2012	
	S\$'000	%	S\$'000	%	S\$'000	%
Revenue						
Business space projects	96,354	84.6	90,264	77.6	147,098	69.1
Residential projects	17,526	15.4	25,990	22.4	65,800	30.9
Total	113,880	100.0	116,254	100.0	212,898	100.0
Cost of sales						
Business space projects	90,189	85.0	77,188	75.9	123,395	66.5
Residential projects	15,962	15.0	24,514	24.1	62,028	33.5
Total	106,151	100.0	101,702	100.0	185,423	100.0
Gross profit						
Business space projects	6,165	79.8	13,076	89.9	23,703	86.3
Residential projects	1,564	20.2	1,476	10.1	3,772	13.7
Total	7,729	100.0	14,552	100.0	27,475	100.0

	FY2010	FY2011	FY2012
	%	%	%
Gross profit margin			
Business space projects	6.4	14.5	16.1
Residential projects	8.9	5.7	5.7
Overall gross profit margin for revenue from construction contracts	6.8	12.5	12.9

FY2011 COMPARED TO FY2010

Revenue

Revenue from construction contracts

Our revenue from construction activities increased by S\$2.4 million or 2.1% from S\$113.9 million in FY2010 to S\$116.3 million in FY2011. Revenue contributions from the Meier Suites Project and the Mezzo Project increased by an aggregate of S\$15.1 million in FY2011 as compared to FY2010. Further, we undertook the Toh Guan Road Project and the North Point Bizhub Project, which were new projects in FY2011, accounting for an aggregate of S\$36.0 million in revenue in FY2011.

The increased contributions from the abovesaid projects were offset by the S\$49.7 million year-on-year decline in contributions, observed in FY2011 as compared to FY2010, from the Monteleu Project, the Solaris Project, the West Park BizCentral Project and the Woodlands BizHub Project. These projects were past the peak construction milestones by FY2011.

Revenue from rendering of project management services

Management fee income decreased by S\$1.0 million or 47.6% from S\$2.1 million in FY2010 to S\$1.1 million in FY2011 as a significant portion of the services rendered under the construction management services projects was performed during FY2010 and obtained TOP by FY2011.

Cost of sales

Overall, our cost of sales declined by S\$4.5 million or 4.2% in FY2011 as compared to FY2010. This was mainly because, in FY2011, we wrote back S\$5.1 million of costs over-accrued for the Solaris Project, thereby reducing our cost of sales for FY2011. As we expected to incur significant costs on tunneling and external works on the Solaris Project, we accrued for approximately S\$9.2 million of estimated costs in FY2010. Upon the completion of such works and subsequent to back-charging of certain direct costs to our subcontractors upon settlement of the direct costs for the Solaris Project in FY2011, we have quantified the over-accruals and reversed such amounts to the cost of sales in FY2011.

Should we have disregarded the financial impact of such over-accruals and write-backs in FY2011, our cost of sales in FY2011 would have been S\$106.9 million. This represents a 0.6% year-on-year increase in cost of sales over FY2010. This was lower than the 1.2% year-on-year increase in revenue between FY2010 and FY2011 due to maiden revenue contribution from the Toh Guan Road Project in FY2011 which generated above average gross profit margin.

Gross profit and gross profit margin

Our gross profit and gross profit margin are dependent on various factors, including the nature of the projects that were undertaken by our Group and the progress of such projects during the relevant financial year. Also during the course of a construction project, variation orders may be carried out and such variation orders may affect our profitability and profit margins. As such, our gross profit margin achieved in a financial year is not an accurate indicator of our gross profit margin that may be achieved in a subsequent financial year.

We recognised S\$6.2 million and S\$13.1 million in gross profit from our business space projects in FY2010 and FY2011 respectively, giving rise to gross profit margins from business space projects of 6.4% and 14.5% in FY2010 and FY2011 respectively. The higher gross profit and gross profit margin in FY2011 as compared to FY2010 were mainly due to contributions from the Toh Guan Road Project and the North Point Bizhub Project, as well as, the write-back of S\$5.1 million of over-accrued costs for the Solaris Project.

We recognised S\$1.6 million and S\$1.5 million in gross profit from our residential projects in FY2010 and FY2011 respectively. This translated into gross profit margins from residential projects of 8.9% and 5.7% in FY2010 and FY2011 respectively. The Mezzo Project and the Meier Suites Project recorded lower gross profit margins in FY2011 as compared to FY2010 arising from additional costs incurred on variation works undertaken in FY2011 for these two projects.

Other income

We earned S\$0.7 million of other income in FY2011 as compared to S\$1.3 million in FY2010. Our other income was mainly due to the sale of scrap materials such as sand and scrap metal. Such sales are non-recurring and sporadic in nature. For instance, in FY2010, we sold a significant amount of sand excavated from our worksite, amounting to S\$0.4 million, whereas in FY2011, we did not sell any sand.

Other gains – net

Other gains for FY2010 and FY2011 arose mainly from the fair value gains on our investment property at Jalan Lokam (which has been sold pursuant to a collective sale in April 2013) due to property price appreciation in the vicinity resulting in favourable valuations for FY2010 and FY2011.

Administrative expenses

Our administrative expenses decreased by S\$0.5 million from S\$5.7 million in FY2010 to S\$5.2 million in FY2011 mainly due to a S\$0.4 million reduction in employee compensation arising from the resignation of an executive director in December 2010.

Finance expenses

Finance expenses increased by S\$0.4 million from S\$0.3 million in FY2010 to S\$0.7 million in FY2011. In FY2010, our loans from our Parent Company were on an interest-free basis. Resulting from our Parent Group's review of its interest policy on intercompany loans in FY2011, we were charged interest ranging from 2.44% per annum to 2.78% per annum (based on a rate of 2.25% per annum above the 3-month Swap Offer Rate at the relevant time) on the loans from our Parent Company, thereby leading to an increase in our finance expenses. For further details on the intercompany loans, please refer to the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Past Interested Person Transactions – Advances and Loans from Soilbuild Group Holdings and its Subsidiaries" of this Prospectus for further details on such intercompany loans.

Other expenses

There were no significant fluctuations in our other expenses between FY2010 and FY2011.

Share of profit of joint ventures

Our share of profit of joint ventures increased from S\$12,000 in FY2010 to S\$0.3 million in FY2011 as Forte Builder commenced significant recognition of construction revenue, as a main contractor, from the Angullia Park Project in FY2011.

Income tax expense

Our effective tax rate decreased from 19.9% FY2010 to 10.9% in FY2011. The decrease arose mainly from tax deductions on our purchases and rentals of concrete pumps claimed in FY2011. As our claim for enhanced tax deductions for our purchases and rentals of concrete pumps under the Productivity and Innovation Credit Scheme in FY2010 was only submitted in FY2011, we overprovided for our tax expense in FY2010. We claimed for such enhanced tax deductions in FY2011, resulting in our lower effective tax rate in FY2011 as compared to FY2010.

FY2012 COMPARED TO FY2011

Revenue

Revenue from construction contracts

Our revenue from construction activities increased by 83.1% from S\$116.3 million in FY2011 to S\$212.9 million in FY2012. The main contributors to the increase in revenue were the Northspring Bizhub Project, the Lavender Project, the Tampines HDB Project, the Angullia Park Project, the Solstice Project and the Clementi Project. These projects contributed S\$169.9 million in revenue in FY2012 compared to nil in FY2011.

The increased contributions from the new projects were offset by the S\$73.2 million year-on-year decline in revenue mainly attributed to the following projects:

- (a) the Meier Suites Project and the Mezzo Project, which a major portion of the construction works for these projects was already completed by FY2011; and
- (b) the West Park BizCentral Project, West Point BizHub Project and the Woodlands BizHub Project which received their TOP in FY2011.

Revenue from rendering of project management services

Our management fee declined by S\$0.5 million from S\$1.1 million in FY2011 to S\$0.6 million in FY2012, as a significant portion of the services rendered under the construction management services projects was performed during FY2011 and obtained TOP by FY2012. Further, we did not secure any new projects with management fees in FY2012.

Cost of sales

Our cost of sales increased by 82.3% from S\$101.7 million in FY2011 to S\$185.4 million in FY2012, which is largely in line with the 81.9% year-on-year increase in revenue.

Gross profit and gross profit margin

Our gross profit and gross profit margin are dependent on various factors, including the nature of the projects that were undertaken by our Group and the progress of such projects during the relevant financial year. Also during the course of a construction project, variation orders may be carried out and such variation orders may affect our profitability and profit margins. As such, our gross profit margin achieved in a financial year is not an accurate indicator of our gross profit margin that may be achieved in a subsequent financial year.

Our gross profit for business space projects was S\$13.1 million and S\$23.7 million in FY2011 and FY2012 respectively. These represent a gross profit margin of 14.5% and 16.1% in FY2011 and FY2012 respectively. The higher gross profit and gross profit margin in FY2012 as compared to FY2011 were mainly due to the higher contributions from the completion of the Toh Guan Road Project in FY2012, the Lavender Project, a design and build project and recognition of variation orders for the West Park BizCentral Project following finalisation of this project account with the customer.

We recognised S\$1.5 million and S\$3.8 million in gross profit from our residential projects in FY2011 and FY2012 respectively. The gross profit margin for our residential projects was maintained at 5.7% in both FY2011 and FY2012. The gross profit contributions in FY2012 arose mainly from the Tampines HDB Project, a public sector project, and the Angullia Park Project.

Other income

There was no material fluctuation in other income of S\$0.7 million and S\$0.8 million in FY2011 and FY2012 respectively.

Other gains – net

We recognised other gains of S\$1.6 million in FY2012, which is an increase of S\$1.5 million over the other gains of S\$0.1 million in FY2011. The increase in other gains is largely due to the fair value gain on our investment property at Jalan Lokam (which has been sold pursuant to a collective sale in April 2013).

Administrative expenses

Our administrative expenses decreased by 13.5% from S\$5.2 million in FY2011 to S\$4.5 million in FY2012, largely due to the S\$0.7 million decrease in rental paid for our lease space at SB Building, resulting from the renegotiations of the rental rates in FY2012 and a S\$1.1 million decrease in staff bonus due to the re-classification of bonus paid to staff working on existing projects to the cost of sales in FY2012. The decrease was partially off-set by S\$0.7 million in expenses incurred in connection with the Invitation and a S\$0.4 million increase in directors' remuneration.

Finance expenses

Our finance expenses decreased by 71.4% from S\$0.7 million in FY2011 to S\$0.2 million in FY2012. This was mainly due to the S\$0.5 million decrease in interest payments on our intercompany loans, as we substantially paid-down our intercompany loans by FY2011.

Other expenses

There was no significant fluctuation in our other expenses between FY2011 and FY2012.

Share of profit of joint ventures

Our share of profit of joint ventures increased by S\$139,000 from S\$275,000 in FY2011 to S\$414,000 in FY2012 largely due to our joint venture Forte Builder recognising further construction profits from its role as the main contractor for the Angullia Park Project.

Income tax expense

Our effective tax rate increased from 10.9% in FY2011 to 14.2% in FY2012. The increase in effective tax rate due to an under provision of prior year's taxes being charged in FY2012. Our effective tax rate is lower than the statutory tax rate mainly due to non-taxable gains on our investment property, enhanced tax deductions under the Productivity and Innovation Credit Scheme and statutory stepped income exemption.

REVIEW OF FINANCIAL POSITION

As at 31 December 2012

A review of our financial position based on the combined balance sheet of our Group as at 31 December 2012 is set out below:

Current assets

Our current assets as at 31 December 2012 comprised the following:

- (a) cash and cash equivalents of S\$5.3 million comprising wholly of cash at bank and on hand;
- (b) trade and other receivables amounting to S\$47.8 million, represented by net trade receivables of S\$16.5 million, construction contract sums due from counterparties of S\$12.0 million, retention money of S\$10.5 million, and accrued revenue and other receivables of S\$8.8 million;
- (c) other current assets of S\$852,000 comprising deposits of S\$809,000 and prepayments of S\$43,000; and
- (d) investment property classified as held-for-sale of S\$2.5 million.

Non-current assets

Our non-current assets as at 31 December 2012 consisted the following:

- (a) trade and other receivables of S\$9.1 million, wholly represented by the non-current portion of retention money;

- (b) investments in joint ventures of S\$1.2 million, representing our cost of investment and equity accounting for our joint ventures Forte Builder and Solstice Development;
- (c) plant, property and equipment of S\$4.7 million, made up mainly of the net book values of plant and equipment of S\$4.5 million and other fixed assets of S\$0.2 million; and
- (d) intangible assets of acquired computer software licenses with a net book value of S\$41,000.

Current liabilities

Our current liabilities as at 31 December 2012 comprised the following:

- (a) trade and other payables of S\$49.0 million mainly made up of trade payables of S\$32.7 million, construction contract sums due to counterparties of S\$4.7 million and other accrued costs and expenses of S\$11.6 million;
- (b) current income tax liabilities of S\$3.9 million;
- (c) current portion of our borrowings of S\$1.2 million, comprising bank loans of S\$1.0 million and finance lease liabilities of S\$0.2 million; and
- (d) provision for other liabilities of S\$1.0 million.

Non-current liabilities

Our non-current liabilities as at 31 December 2012 comprised the following:

- (a) non-current portion of our borrowings, comprising bank borrowings and finance lease liabilities of S\$0.4 million; and
- (b) deferred income tax liabilities of S\$0.5 million.

Equity

Our equity as at 31 December 2012 comprised issued and fully-paid share capital of S\$15.5 million.

LIQUIDITY AND CAPITAL RESOURCES

For the Period Under Review, our growth and operations have been funded through a combination of shareholders' equity and loans, internal funds generated from operations, bank borrowings and other credit facilities. As at 31 December 2012, all of the shareholders' loans have been fully repaid and as at the Latest Practicable Date, our growth and operations have been funded through a combination of shareholders' equity, internal funds generated from operations, bank borrowings and other credit facilities.

Our principal uses of cash have mainly been for the payment of the direct costs of our construction projects, operating expenses, repayment of bank borrowings, interest expenses, working capital and capital expenditures.

In FY2010, our Group recorded net cash used in operating activities despite recording S\$5.7 million in operating cash flows before working capital changes and net profits of S\$3.7 million. This was mainly because in FY2010, we recorded a S\$26.1 million increase in trade and other receivables. As these trade and other receivables arose mainly from the projects which were awarded to us by our Parent Group, we did not enforce such intercompany payments according

to the credit terms. Notwithstanding such non-enforcement, in FY2010, we had access to sufficient cash flows through intercompany borrowings and repayments from our Parent Group to fund our operational requirements. Taking into account all sources of cash flows, our Group generated a net increase of S\$1.3 million in our cash position in FY2010. Upon our listing on the Main Board of the SGX-ST, we will cease such intercompany borrowings and repayments arrangements and we will enforce the payment of receivables from our Parent Group according to the agreed terms. For further details of the construction contracts we undertake for our Parent Group and intercompany borrowings, please refer to the section entitled “Interested Person Transactions and Potential Conflicts of Interests” of this Prospectus. For further details of the agreed terms for the payment of trade receivables from our Parent Group, please refer to the section entitled “General Information on our Group – Credit Policy” of this Prospectus.

Generally we bill our customers on a monthly basis according to the proportion of work completed with respect to the contract value of the project as recommended by our customer’s quantity surveyor and as stated in the architect’s certificate issued to us. Such progress payments will be received over the course of the project, which may take between one to three years to complete. Most of our customers withhold up to 10.0% of each progress payment due to us for work completed as retention monies, until the accumulated retention monies reach the cap which is typically 5.0% of the total contract value. The retention monies will be held by our customer for the duration of the maintenance period, which is typically in the range of 12 months to 18 months after the date of obtaining the TOP for the relevant project. The relevant contract may, however, provide for the early release of half of the retention monies upon obtaining the TOP for the relevant project.

Based on our equity of S\$15.5 million and our borrowings of S\$1.6 million as at 31 December 2012, our gearing ratio was 0.1 times. After accounting for the net proceeds to be raised from the issuance of New Shares of S\$39.5 million, our gearing level will decrease to 0.03 times. Please refer to the section entitled “Capitalisation and Indebtedness” of this Prospectus for further details on our bank borrowings.

Our Directors are of the reasonable opinion that, after taking into account our existing credit facilities, cash and cash equivalents, the cash flows generated from our operations and the payment of the Interim Dividend, our Group has, as at the date of lodgment of this Prospectus, sufficient working capital for our present requirements.

CASH-FLOW ANALYSIS

Cash Flow Summary

S\$'million	FY2010	FY2011	FY2012
Net cash (used in)/from operating activities	(23.0)	8.6	10.5
Net cash from/(used in) investing activities	16.8	(0.1)	(6.6)
Net cash from/(used in) financing activities	7.5	(9.5)	(2.5)
Net increase/(decrease) in cash and cash equivalents	1.3	(1.0)	1.4
Cash and cash equivalents at the beginning of the financial year	3.5	4.8	3.8
Cash and cash equivalents at the end of the financial year	4.8	3.8	5.2

FY2010

Net cash used in operating activities

In FY2010, we recorded a net cash outflow from operating activities of S\$23.0 million which comprised operating cash inflows before working capital changes of S\$5.7 million offset by net working capital outflow of S\$27.8 million and income tax payment of S\$1.0 million.

The net working capital outflow was mainly due to:

- (a) a year-on-year increase in trade and other receivables by S\$26.1 million in FY2010. These trade and other receivables relate mainly to the internal projects we undertook for our Parent Group which were fully repaid as at 31 December 2012; and
- (b) a year-on-year decrease in trade and other payables by S\$1.6 million in FY2010. The decrease was due to a S\$7.0 million decrease in accruals for bonuses, subcontractor costs and purchases in FY2010 as compared to FY2009, a S\$5.8 million decrease in trade and non-trade amounts due to related companies in FY2010 as compared to FY2009. This was offset by a S\$9.2 million cost accruals for the Solaris Project in FY2010 and an increase of S\$2.0 million trade payables to external parties in FY2010 as compared to FY2009.

Net cash from investing activities

In FY2010, we recorded a net cash inflow from investing activities of S\$16.8 million, arising mainly from repayment of loans by our Parent Group of S\$20.1 million, offset by loans to and equity investments in Forte Builder and Solstice Development of a total of S\$2.8 million and purchases of plant and equipment of S\$0.5 million.

The loans to our Parent Group were unsecured, interest-free and repayable upon demand in FY2010. For further information on the intercompany loans, please refer to the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Past Interested Person Transactions – Advances and Loans to Soilbuild Group Holdings and its Subsidiaries" of this Prospectus.

The loans and equity investments were provided to Forte Builder and Solstice Development for their working capital requirements in the construction of the Angullia Park Project and the Solstice Project respectively. These loans were unsecured, interest-free and repayable upon demand in FY2010.

Net cash from financing activities

In FY2010, we recorded net cash from financing activities of S\$7.5 million, comprising inflows from loans from Soilbuild Group Holdings of S\$6.9 million, bank borrowings of S\$8.6 million and proceeds from share issuance of S\$0.5 million, offset by repayment of bank borrowings of S\$3.2 million, repayment of loans to SB (Raintree) Development Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, of S\$3.0 million, interest payments of S\$0.3 million, repayment of finance lease liabilities and trust receipts of S\$1.9 million. The borrowings were utilised mainly for our working capital purposes in our construction projects.

The loans from Soilbuild Group Holdings were unsecured, interest-free and repayable upon demand in FY2010. The loans from SB (Raintree) Development Pte. Ltd. were unsecured, bore an interest of 1.5% per annum above the 3-month Singapore Interbank Offered Rate, and were repayable upon demand. For further information on the intercompany loans, please refer to the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Past Interested Person Transactions – Advances and Loans from Soilbuild Group Holdings and its Subsidiaries" of this Prospectus.

FY2011

Net cash from operating activities

We recorded cash inflow from operating activities of S\$8.6 million in FY2011, comprising operating cash inflows before working capital changes of S\$11.5 million, offset by working capital outflows of S\$2.4 million and income tax payment of S\$0.5 million.

The working capital outflow was mainly due to the net cashflow impact of:

- (a) the decrease in trade and other payables of S\$11.6 million, due to a S\$9.4 million decrease in trade and other payables to third parties and S\$2.2 million decrease in trade and other payables to related parties. The decrease in trade and other payables to third parties was due to our improvement in payments to suppliers and subcontractors in order to foster better working relationships; and
- (b) the decrease in trade and other receivable of S\$9.2 million in FY2011 as compared to FY2010, arising mainly from the S\$27.9 million decrease in trade and other receivables from our Parent Group and our related parties, which is partially offset by the increase in trade and other receivables from third parties of S\$18.6 million in FY2011 as compared to FY2010.

Net cash used in investing activities

In FY2011, we recorded net cash outflow from investing activities of S\$0.1 million. This was mainly due to the loans to our Parent Group of S\$0.9 million and S\$0.4 million used in the purchases of plant and equipment and computer software which is offset by repayment of S\$1.3 million of loans by our joint ventures.

The loans to our Parent Group were unsecured, repayable upon demand and bore interest ranging from 2.44% per annum to 2.78% per annum (based on a rate of 2.25% per annum above the 3-month Swap Offer Rate at the relevant time) in FY2011. For further information on the intercompany loans, please refer to the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Past Interested Person Transactions – Advances and Loans to Soilbuild Group Holdings and its Subsidiaries" of this Prospectus.

Net cash used in financing activities

In FY2011, we utilised net cash of S\$9.5 million for our financing activities as inflows from bank borrowings of S\$2.9 million was more than offset by repayment of loans to our Parent Group of S\$6.1 million, interest payment of S\$0.7 million, repayment of S\$4.8 million of bank borrowings and settlement of S\$0.7 million in finance lease liabilities.

The repayments of the bank borrowings and settlement of finance lease liabilities were in line with the terms of the loan and finance lease arrangements respectively.

The loans from our Parent Group were unsecured, repayable upon demand and bore interest ranging from 2.44% per annum to 2.78% per annum (based on a rate of 2.25% per annum above the 3-month Swap Offer Rate at the relevant time) in FY2011. For further information on the intercompany loans, please refer to the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Past Interested Person Transactions – Advances and Loans from Soilbuild Group Holdings and its Subsidiaries" of this Prospectus.

FY2012

Net cash from operating activities

In FY2012, we recorded net cash from operating activities of S\$10.5 million, comprising operating cash inflows of S\$24.9 million, partially offset by working capital outflow of S\$13.5 million and income tax payment of S\$0.9 million.

The working capital outflow was mainly due to the net impact of:

- (a) working capital outflow of S\$12.6 million, arising from the decrease in trade and other payables; and
- (b) working capital outflow of S\$0.6 million arising from the increase in deposits.

Net cash from investing activities

In FY2012, we recorded S\$6.6 million net cash outflow from investing activities, mainly due to our loan of S\$25.1 million to our Parent Group, S\$0.6 million purchases of plant and equipment, computers and containers, partially offset by S\$18.1 million repayment of loan by our Parent Group and S\$1.0 million repayment of loan by Solstice Development.

The loans to our Parent Group were unsecured, repayable upon demand and bore interest ranging from 2.10% per annum to 2.63% per annum (based on a rate ranging from 1.75% to 2.25% per annum above the 3-month Swap Offer Rate at the relevant time). For further information on the intercompany loans, please refer to the section entitled “Interested Person Transactions and Potential Conflicts of Interests – Past Interested Person Transactions – Advances and Loans to Soilbuild Group Holdings and its Subsidiaries” of this Prospectus.

Net cash used in financing activities

In FY2012, we utilised S\$2.5 million in financing activities, mainly due to S\$2.5 million of repayment of bank loans and finance leases, repayment by us of S\$16.4 million of loans from our Parent Group and S\$0.2 million of interest expenses, which is partially offset by cash inflows from proceeds from loans from our Parent Group of S\$16.6 million.

The loans from our Parent Group were unsecured, repayable upon demand and bore interest at 2.63% per annum (based on a rate of 2.25% per annum above the 3-month Swap Offer Rate at the relevant time). For further information on the intercompany loans, please refer to the section entitled “Interested Person Transactions and Potential Conflicts of Interests – Past Interested Person Transactions – Advances and Loans from Soilbuild Group Holdings and its Subsidiaries” of this Prospectus.

As at the Latest Practicable Date, we have total unutilised facilities of S\$31.1 million from financial institutions, and we have no long-term borrowings.

CAPITAL EXPENDITURES AND DIVESTMENTS

During the Period Under Review and up to the Latest Practicable Date, our capital expenditures and divestments in Singapore were as follows:

S\$'000	FY2010	FY2011	FY2012	1 January 2013 to the Latest Practicable Date
Capital expenditure				
Plant and equipment	588	221	469	778
Motor vehicles	51	–	–	–
Renovation, furniture and equipment	–	–	–	–
Computers	62	95	89	49
Containers	48	34	58	31
Total	749	350	616	858
Divestments				
Plant and equipment	–	177	39	–
Motor vehicles	–	–	24	–
Renovation, furniture and equipment	–	–	–	–
Computers	–	88	45	–
Containers	–	8	–	–
Total	–	273	108	–

Our capital expenditures on and divestments of plant and equipment for the Period Under Review and up to the Latest Practicable Date were mainly to acquire or renew our plant and equipment to support the increase in our projects. The capital expenditures and divestments on motor vehicles, computers and containers for the Period Under Review and up to the Latest Practicable Date were part of our equipment renewal process.

Our capital expenditures for the Period Under Review and up to the Latest Practicable Date were funded by cash generated from our operations and bank borrowings.

FOREIGN EXCHANGE EXPOSURE

For the Period Under Review, we operate principally in Singapore and our revenue, costs and expenses are largely transacted in Singapore dollars. Our Group presents our financial statements in the Singapore dollars. As such, our Directors believe that our Group has limited foreign exchange risk.

Currently, we do not have any formal policy for hedging against foreign exchange exposure. We have not in the past used any financial hedging instruments to manage foreign exchange risks. We will continue to monitor our foreign exchange exposures and may employ hedging instruments to manage our foreign exchange exposure should the need arise.

Please also see the section entitled “Risk Factors – Risks relating to our Group in General – We would be subject to local legal and regulatory conditions and may be affected by the economic, social and political situations (including risks relating to foreign currency exchange rate fluctuations) in other countries where we may carry out construction and/or project management operations” for further details on the risks relating to foreign currency exchange rate fluctuations in the event of our expansion outside Singapore.

SEASONALITY

We generally do not experience any significant seasonality patterns in our operations and business.

SIGNIFICANT ACCOUNTING POLICY CHANGES

There has been no change in our accounting policies for the last three financial years from FY2010 to FY2012. Please refer to the Combined Financial Statements of Our Group for the Period Under Review as set out in Appendix I of this Prospectus for details of our Group’s accounting policies.

GENERAL INFORMATION ON OUR GROUP

HISTORY

Our Group's history can be traced back to 1976 with the incorporation of Soil-Build on 11 May 1976. Soil-Build manages and delivers building construction projects and provides services such as project management, procurement and mechanical and electrical installation. Soil-Build's first project was the construction of a factory at Gul Avenue in 1976 with a contract value of S\$0.7 million. Since then, we have handled a wide range of construction projects, in the private and public sectors, including the following:

- *high rise apartments* such as the Montbleu Project, an award-winning project as further described in the section entitled "General Information on our Group – Awards and Accreditations" of this Prospectus
- *conservation houses* such as the Heritage 9 Project
- *town houses* such as Fernhill Cottage (erection of 14 units of part 2-/part 3-storey townhouses with attic and basement at Fernhill Road which was completed in 2001 for a total contract value of S\$5.8 million)
- *educational buildings* such as Tanglin Trust School (erection of 2 blocks of 3-storey and a block of 5-storey classrooms and ancillary works at Portsdown Road which was completed in 2001 for a contract value of S\$9.4 million)
- *church/institutional developments* such as Church of St Mary of the Angels, a church located at Bukit Batok East Avenue 2 (erection of a 1-storey church hall, a 4-storey ancillary block and a 1-storey columbarium, additions and alterations to the existing 20-storey parish centre and additions and alterations to the existing 4-storey friary with 2 levels of common basement car parks which were completed in 2003 for a contract value of S\$15.2 million)
- *industrial buildings* such as the West Park BizCentral Project, an award-winning project as further described in the section entitled "General Information on our Group – Awards and Accreditations" of this Prospectus
- *business parks* such as the Solaris Project, an award-winning project as further described in the section entitled "General Information on our Group – Awards and Accreditations" of this Prospectus

In addition, our Group was also involved in numerous upgrading and/or additions and alternations construction works, such as the following:

- *industrial buildings* such as the Toh Guan Road Project
- *educational buildings* such as the Kuo Chuan Presbyterian Secondary School in 2004 for a contract value of S\$14.9 million
- *public food and amenities buildings* such as the market and hawker centre at Block 347 Jurong East Avenue 1 in 2002 for a contract value of S\$3.4 million

In order to provide better support and value added services, we have expanded our scope of services through the years to include design and build contract services, turnkey construction project services and project management services. With multi-disciplinary capabilities spanning the full cycle of construction, we were able to deliver a more comprehensive suite of construction services.

Our experience as a construction company and expertise in the various complementary construction activities have enabled us to provide cost effective and efficient design construction solutions to our customers which can be completed in a timely manner, thereby providing both time and costs savings. In particular, through value engineering, we review the construction design, specifications and drawings to derive cost savings through improvements in construction methods, sequence and/or material use.

In 2010, we were able to secure the Solstice Project (a turnkey construction project) and in 2011, we secured the Tampines HDB Project, our first construction project for BTO flats from HDB. Subsequently, in 2012, we also secured the Lavender Project (a design and build construction project).

Please refer to the section entitled “General Information on our Group – Business Overview” of this Prospectus for a list of selected significant construction projects undertaken by our Group during the Period Under Review and up to the Latest Practicable Date.

Since our inception in 1976, we have handled a wide range of construction projects in support of the property development business and/or property investment business of the Controlling Shareholder Group, as well as parties other than the Controlling Shareholder Group, in the private and public sectors. During the Period under Review, a significant part of our construction business was in support of the Controlling Shareholder Group’s property development business and/or property investment business. As part of our Group’s expansion, we began to tender for more construction projects from parties other than the Controlling Shareholder Group from 2010 and for FY2012, the portion of our revenue derived from construction projects awarded to us by parties other than the Controlling Shareholder Group is 41.5% of our revenue.

In connection with the proposed expansion of our construction business into Myanmar, as at the Latest Practicable, we have secured two contracts in Myanmar, as further described below, and are intending to further strengthen our presence in Myanmar:

- in March 2013, a consulting services agreement with a third party (a company incorporated in Myanmar) in relation to the provision of professional consultancy and project management services for a proposed hotel development by that third party in Myanmar (“CS Agreement”). Such services include preliminary assessments and project organisation, contract administration and management, architectural design, structural and mechanical and engineering consultancy, construction management and quantity surveying; and
- in April 2013, acceptance in-principle by another third party (a company incorporated in Myanmar) of our offer to provide project management consultancy services for three residential and/or commercial developments in Myanmar, such acceptance in-principle being subject to the execution of a formal letter of award. It is envisaged that such services will include preliminary assessments and project organisation, contract administration and management, and construction management.

As at the Latest Practicable Date, Soilbuild Construction International, our Subsidiary in Singapore, is providing certain services with respect to our Myanmar business and our Group is in the process of registering a Myanmar Subsidiary and applying for a Permit to Trade with the CRO under the Myanmar Companies Act. In particular, a significant portion of the services under the CS Agreement, apart from the actual site assessment/supervision, can be provided in Singapore where the architectural, structural and mechanical and engineering teams of our Group are based. In the event that our Group is unable to register a Myanmar Subsidiary or obtain the Permit to Trade, our Group will not assign the CS Agreement to any Myanmar Subsidiary as originally intended but will perform the services under the CS Agreement through our Subsidiary in Singapore, and appoint local Myanmar consultants to assist with the actual site assessment/supervision. The CS Agreement also provides for acts of government as a force

majeure event which allows our Group to terminate the CS Agreement without any liability to our Group. For further details, please see the sections entitled “Risk Factors – Risks Relating to the Proposed Expansion of our Construction Business into Myanmar” and “Government Regulations – Myanmar” of this Prospectus for further details.

In the ordinary course of business, depending on the relevant project specifications and/or our customers’ requests, we may acquire shareholding interests in construction joint ventures or minority shareholding interests in development joint ventures for projects in which we are involved in order to align the interests of the relevant parties involved in the projects. In 2010, we entered into joint ventures for the Solstice Project and the Angullia Park Project.

In January 2005, Soilbuild Group Holdings was successfully admitted to the Official List of the SGX-ST. Soil-Build was already a wholly-owned Subsidiary of Soilbuild Group Holdings while SB Procurement and SB Project Services were subsequently incorporated as wholly-owned Subsidiaries of Soilbuild Group Holdings in 2009 and 2010 respectively. In December 2010, Soilbuild Group Holdings was delisted from the Official List of the SGX-ST following a successful privatisation by way of a voluntary delisting.

Pursuant to the Restructuring Exercise, our Company has acquired the entire issued share capital of Soil-Build, SB Procurement and SB Project Services from Soilbuild Group Holdings. For further details on the Restructuring Exercise and our Group structure, please refer to the sections entitled “Restructuring Exercise” and “Group Structure” of this Prospectus.

The term “contract value” used in this sub-section refers to the relevant contractual value, including any variation orders confirmed or expected as at the Latest Practicable Date.

AWARDS AND ACCREDITATIONS

The following projects in which Soil-Build was the main contractor have won the following awards recently:

Award	Year
<u>Solaris Project</u>	
BCA Green Mark (New Buildings) 2009 Award Platinum ⁽¹⁾	2009
First Prize (Unbuilt Category) in Skyrise Greenery Award ⁽²⁾	2009
The Green Good Design 2010 – Architecture ⁽³⁾	2010
Pertubuhan Akitek Malaysia Award – Gold (Overseas) ⁽⁴⁾	2011
Royal Institute of British Architects International Award 2012 ⁽⁵⁾	2012
<u>Montbleu Project</u>	
International Property Award – Highly Commended High-rise Architecture, Singapore ⁽⁶⁾	2011
<u>West Park BizCentral Project</u>	
BCA Green Mark (New Buildings) 2010 Award Gold ⁽¹⁾	2009

Notes:

- (1) The BCA Green Mark Scheme is a programme that evaluates buildings for their environmental impact and performance.
- (2) The Skyrise Greenery Awards aim to promote and reward greening efforts in urban developments.
- (3) Awarded by the Chicago Athenaeum: Museum of Architecture and Design, and the European Centre for Architecture Art Design and Urban Studies.

- (4) The Pertubuhan Akitek Malaysia Awards recognise the contribution made by architects in terms of design quality and that of the built environment.
- (5) The Royal Institute of British Architects (“RIBA”) International Awards reward the work being done by members of RIBA around the world.
- (6) The International Property Awards recognise achievement by companies operating in the property and real estate industry.

As an endorsement of our workplace safety and health system, Soil-Build has obtained the BS OHSAS 18001:2007 certification and has also been certified by the Workspace Safety and Health Council to have fulfilled the requirements to attain bizSAFE Level Star. Having such certifications support our Group’s tendering for projects. As an endorsement of our quality management system, our environmental management system and our occupational health and safety system, we have also obtained ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001:2007 certifications, respectively, for our business operations.

BUSINESS OVERVIEW

We are involved in general construction and our Subsidiary, Soil-Build, is graded A1 by the BCA under the registration category CW01 for General Building, which allows us to tender for public sector projects in Singapore of an unlimited contract value. We are principally engaged in building works in Singapore in which we act as the main contractor. In addition, we are also engaged in architectural works in Singapore in which we act as a direct contractor, and in project management services in Singapore in which we act as the project manager. In connection with the proposed expansion of our construction business into Myanmar, as at the Latest Practicable Date, we have secured two contracts in Myanmar, as further described in the section entitled “General Information on our Group – History” of this Prospectus, and are intending to further strengthen our presence in Myanmar.

Depending on the project requirements, we are also able to provide design and build or turnkey construction services as part of our project scope.

In the ordinary course of business, depending on the relevant project specifications and/or our customers’ requests, we may acquire shareholding interests in construction joint ventures or minority shareholding interests in development joint ventures for projects in which we are involved in order to align the interests of the relevant parties involved in the projects. As at the Latest Practicable Date, we hold a 50% shareholding interest and a 19% shareholding interest in our joint ventures, Forte Builder and Solstice Development, respectively. Forte Builder is the main contractor for the construction of the Angullia Park Project and has subcontracted the construction work (together with the ensuing responsibilities and liabilities) to our Group. Solstice Development is the developer of the Solstice Project for which Soil-Build is the main contractor.

The following is a list of selected significant construction projects undertaken by our Group during the Period Under Review and up to the Latest Practicable Date:

(I) Residential	Completion/Expected Completion Date⁽¹⁾	Contract Value (in million)⁽²⁾
<i>Completed Projects</i>		
1 Montbleu Project	1 June 2010	S\$40.1
2 Mezzo Project	22 February 2012	S\$18.5
3 Meier Suites Project	6 March 2012	S\$23.8

(I) Residential	Completion/Expected Completion Date⁽¹⁾	Contract Value (in million)⁽²⁾	
<i>On-going Projects</i>			
4	Angullia Park Project	September 2013**	S\$77.4
5	Tampines HDB Project	February 2014**	S\$130.6
7	Bukit Batok HDB Project	March 2015**	S\$24.5
6	Ang Mo Kio HDB Project	October 2017**	S\$101.4
(II) Business Space	Completion/Expected Completion Date⁽¹⁾	Contract Value (in million)⁽²⁾	
<i>Completed Projects</i>			
1	Tuas Lot Project	18 March 2010	S\$34.9
2	Solaris Project	12 October 2010	S\$63.8
3	Woodlands BizHub Project	8 April 2011	S\$21.7
4	West Point BizHub Project	25 August 2011	S\$20.8
5	West Park BizCentral Project	29 December 2011	S\$84.3
6	Toh Guan Road Project	13 December 2011 (Phase 1) and 14 August 2012 (Phase 2)	S\$29.0
7	North Point Bizhub Project	17 September 2012	S\$35.7
8	Solstice Project	5 April 2013	S\$11.5
<i>On-going Projects</i>			
9	Northspring BizHub Project	September 2013**	S\$84.9
10	Changi Business Park Vista Project	October 2013**	S\$27.9
11	Lavender Project	February 2014**	S\$193.2
12	Bukit Batok BizHub Project	April 2015**	S\$29.6
13	Northview Bizhub Project	December 2014**	S\$25.1
14	Mandai Connection Project	May 2015**	S\$44.8

Notes:

(1) Completion date refers to the TOP date.

(2) Contract value refers to the contract value of building works, architectural works and/or project management services, as applicable, and includes any variation orders confirmed or expected as at the Latest Practicable Date.

** Expected Completion Date

Please refer to the section entitled "Glossary of Projects" of this Prospectus for the brief description of the selected significant construction projects undertaken by our Group during the Period Under Review and up to the Latest Practicable Date.

Chronological Process

The chronological process of a typical construction project includes the following:

1. Solicitation of Tenders

We secure projects either through open or invited tenders. Open tenders are generally sourced from newspapers and the Internet while invited tenders are attained through invitations by project owners or referrals by appointed consultants or our Group's business associates.

2. Pre-tender Costing and Budgetary Evaluation

Prior to the submission of a tender, our Director of Operations together with the relevant project director and the relevant quantity surveyor(s), perform the following:

- (a) review of the tender documents to establish the requirements, specifications and schedule of the project;
- (b) evaluation on the sufficiency and availability of resources especially in the areas of machinery, equipment and manpower to complete the project within the contractual period;
- (c) clarification of ambiguities in tender documents with the project consultants;
- (d) internal costing and budgetary evaluations on costs such as labour costs and material costs to determine the pricing of the tender; and
- (e) assessment of credit risk by checking on the credit worthiness of the customer before a decision is made to submit the tender.

In respect of construction projects with parties other than the Controlling Shareholder Group, the above procedures are subject to final review by our Executive Chairman and Executive Director.

3. Awards of Contracts

Notification of successful tenders generally occurs within two to four months after the close of tender.

4. Appointment of Subcontractors and Suppliers

We typically tender as the main contractor for the entire construction project and subcontract specific parts of the projects which require specialist works.

We generally procure our raw materials for our construction business directly from the suppliers rather than through subcontractors. By making our procurements directly from the suppliers, our risks of project delay due to subcontractor failure are minimised. In addition, we are able to obtain better terms from both subcontractors and suppliers since we typically purchase our raw materials in bulk for various projects. Dealing with our suppliers directly also allows us to forge closer working relationships with our suppliers.

We typically subcontract out specialised works such as bored-piling, structural works, excavation, M&E works, plumbing, soil-testing and surveying, architectural works, interior fitting out works and carpentry to external parties.

We assess the creditworthiness and track record of our potential suppliers and subcontractors. Where it is necessary for us to control the delivery timing of the subcontracted works or where the size of the subcontracted works is substantial, we may also require our subcontractors and suppliers to furnish performance bonds.

5. Construction

The two main stages of building construction are sub-structure works and super-structure works. The first stage includes piling, construction of pile caps, ground beams and slabs. The latter generally comprises the installation of upper-storey beams, columns, floor slabs and walls, using cast-in-situ method or pre-cast method or a combination of both. This is subsequently accompanied by the finishing architectural works such as tiling, plastering, painting and cladding. In tandem with the construction of structural and architectural works, mechanical and electrical installation is carried out concurrently. At the appropriate time, the construction of external works and landscaping works is incorporated into the project.

6. Variation Orders and Hand-over of Projects

During the construction process, there might either be additional works, which lie outside the scope of the original contract or variations to the specifications stipulated in the original contract. Upon successful completion of the project and variation works, if any, we will officially hand over the project to the project owner.

In addition, Mandated Transactions with the Mandated Interested Persons are subject to the review procedures for Mandated Transactions with Mandated Interested Persons, each as defined in and as further described in the section entitled “Interested Person Transactions and Potential Conflicts of Interests – Shareholders’ Mandate for Interested Person Transactions” of this Prospectus.

CORPORATE SOCIAL RESPONSIBILITY

We are committed to being an environmentally-sustainable enterprise. We believe in building a greener future by minimising our carbon footprint in our operations, and helping to protect the environment to our best endeavours. We have embarked on environmental sustainability efforts through a multi-pronged approach. We have implemented an environmental management system to identify and manage environmental aspects, including energy and water usage and conservation, and paper usage. These aspects are managed by setting reduction targets and implementing programs to achieve these targets. Please refer to the section entitled “General Information on our Group – Quality Assurance” of this Prospectus for more information on our ISO 14001:2004 certification.

Energy and water usage in construction sites for all projects under construction are monitored and analysed for any abnormality for immediate rectification. We have also been implementing various energy conservation measures to reduce energy consumption and also considers energy efficient equipment with the Energy Star¹ logo when purchasing new office equipment. The use of rainwater or recycled water to wash vehicles before they leave the construction sites, and the use of recycled water for washing before casting are some of the water conservation measures we implemented in all our construction sites. Water-saving devices like thimbles in taps are also installed wherever possible in our project sites and our corporate office. We also embarked on a paper usage reduction drive by providing our staff with tips on paper conservation such as reducing printing unless necessary, and reusing and recycling used paper by printing on both sides of a page. Construction waste is separated and placed into the appropriate recycling bins at our project sites.

¹ Energy Star is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy and is a voluntary labeling program to identify and promote energy-efficient products, new homes, commercial and industrial buildings, and design projects for commercial buildings.

We support BCA's efforts in promoting sustainability, environmental protection and considerate practices. Some of the key features adopted include: (i) use of recycled aggregates for non-structural applications like drains, road kerbs and wheel stoppers; (ii) use of recycled aggregates and green cement for structural components where possible; (iii) use of energy efficient lightings and green label photocopiers in the site office; and (iv) providing covered walkways around the site where there is heavy usage by the general public. Please refer to the section entitled "General Information on our Group – Awards and Accreditations" of this Prospectus for more information and details of the projects in which Soil-Build was the main contractor which have won awards in recognition of the above.

Appropriate procedures and policies to prevent and mitigate the spread of communicable diseases have been implemented for the corporate office and all construction sites. Furthermore, we are committed in managing occupational health and safety issues, and preference is given to engaging OHSAS 18000-certified or bizSAFE-certified vendors/contractors for our projects. Soil-Build has also been certified by the Workspace Safety and Health Council to have fulfilled the requirements to attain bizSAFE Level Star and obtained the BS OHSAS 18001:2007 certification.

We acknowledge the obligations we have towards our investors, employees, customers, suppliers and the community as a whole. Our employees are encouraged to report any potentially improper and/or unethical conduct that they become aware of at their workplace or in connection with their work. We believe we have an environment that enables our employees to raise both legitimate and genuine concerns internally.

We also support BCA's efforts to develop human capital and industry talent in the built environment (which the BCA defines as buildings, structures and infrastructure that provide the setting for the community's activities) through its scholarship programmes. Soil-Build is one of the 2013 industry sponsors of the BCA-Industry Built Environment Undergraduate Scholarship which represents the efforts of BCA and industry players to offer opportunities to potential awardees to take up a career in the built environment.

We also work with the BCA and certain local academic institutions to offer internship opportunities to students. In addition, we also offer skill upgrading opportunities through our sponsorship scheme to our eligible employees whereby part of the skill upgrading costs is subsidised by us.

QUALITY ASSURANCE

We take pride and place great emphasis on the quality aspects of all projects.

To ensure the quality of our construction projects, our Group ensures that our subcontractors, architects and other building professionals have the relevant experience and proven track records. For our construction projects, at each stage of the construction up to the handing over of the completed building, we conduct regular inspections to ensure that each stage is constructed according to the building specifications and the prescribed procedures and methods.

In order to ensure that we maintain high standards of quality and as part of our efforts to monitor quality and service levels, we have established the following quality objectives and aim to achieve these objectives:

- to comply and continually improve the effectiveness of the quality management system which satisfies all requirements of ISO 9001:2008 standard requirements, or any relevant statutory and regulatory, customer or other obligations to which the organisation subscribes;
- to provide total customer satisfaction and repeat patronage by consistently exceeding customer expectations with reliable quality works;
- to deliver projects on time and operate within an allocated budget; and

- to constantly provide training to all staff, and upgrading of work processes to improve our work quality procedure so as to improve efficiency and reduce wastage of resources.

As an endorsement of our quality management system, we have also obtained ISO 9001:2008 certification for our business operations. Please refer to the section entitled “General Information on our Group – Awards and Accreditations” of this Prospectus for more information and details of our ISO 9001:2008 certification.

The attainment of the above certification will strengthen our customers’ confidence in the quality of our products and services and differentiate us from our competitors who have not attained such certification.

STAFF TRAINING

We recognise that our employees are an invaluable asset to the success of our Group. To assist employees in achieving a higher level of competency and higher safety standards to deliver our products with better quality, we offer training with the aim of building a well-motivated, stable workforce with a high level of customer awareness and team work.

A key objective of training is to develop key competencies which would enable our employees to perform current or future jobs successfully. All training programs are geared towards the following objectives:

- strengthening the job skills/knowledge of employees;
- improving operational efficiency and productivity; and/or
- developing the potential of employees for maximising mutual benefit to both individuals and our Group.

We engage a majority of skilled workers with the relevant levels of experience. All workers are required to attend the Construction Safety Orientation Course (“CSOC”) conducted by various training centres accredited by the MOM.

We continuously upgrade the skills of our employees in order to increase their knowledge and efficiency by enrolling our employees for external training courses and seminars on operations supervision, management development and various external courses such as signalman and rigger safety courses, construction safety courses and quality seminars.

Our annual expenditure on staff training, including training expenses for foreign workers, for each of FY2010, FY2011 and FY2012 is approximately S\$36,000, S\$48,000 and S\$98,000 respectively.

MAJOR CUSTOMERS

Since our inception in 1976, we have handled a wide range of construction projects in support of the property development business and/or property investment business of the Controlling Shareholder Group, as well as parties other than the Controlling Shareholder Group, in the private and public sectors. During the Period under Review, a significant part of our construction business was in support of the Controlling Shareholder Group’s property development business and/or property investment business. As part of our Group’s expansion, we began to tender for more construction projects from parties other than the Controlling Shareholder Group from 2010.

The following table sets forth our customers accounting for 5% or more of our total revenue for any of the past three financial years:

Major Customers	As a percentage of total revenue (%)		
	FY2010	FY2011	FY2012
Parent Group	100.0	83.7	41.6
PLC 8 Development Pte. Ltd. ⁽¹⁾	–	–	16.9
Forte Builder	–	–	12.0
HDB	–	–	16.6
HSBC Institutional Trust Services (Singapore) Limited, as trustee of Ascendas Real Estate Investment Trust	–	16.3	4.6

Note:

(1) Wholly-owned company of Mr Lim Chap Huat and which is the developer for the Lavender Project.

Our construction business is generally secured on a one-off project basis with a duration spreading across several financial years. This has resulted in revenue being recognised on the same project across different financial years depending on the work progress in that financial year. This invariably affects the ranking of major customers in relation to the size of other projects secured in each financial year. Due to our revenue being derived on a project-by-project basis, a customer that accounts for a significant proportion of our Group's revenue in a particular financial year may not generate a similar amount of revenue in other financial years.

Save as disclosed above, as at the Latest Practicable Date, our business and profitability are not materially dependent on any industrial, commercial or financial contract (including a contract with a customer).

As at the Latest Practicable Date, save as disclosed above and in the sections entitled "Shareholders" and "Interested Person Transactions and Potential Conflicts of Interests" of this Prospectus and their interests in quoted or listed securities which do not exceed 5% of the total amount of issued securities in that class, none of our Directors, Substantial Shareholders or their Associates of our Directors and Substantial Shareholders has any interest, direct or indirect, in any of our major customers listed above.

CREDIT POLICY

Trade Receivables

Generally we bill our customers on a monthly basis according to the proportion of work completed with respect to the contract value of the project as recommended by our customer's quantity surveyor and as stated in the architect's certificate issued to us. Such progress payments will be received over the course of the project, which may take between one to three years to complete.

Our Chief Financial Officer manages and administers our credit policies, as well as monitors collection of payments for our Group on a regular basis. The credit terms granted to our customers are typically either 35 days from the receipt of payment response from our customers or 30 to 35 days from the invoice date. The credit terms are stipulated in our contracts. A payment response is a response to a payment claim, which states, amongst others, the response amount (if any) and where the response amount is less than the claimed amount, the reason for the difference and the reason for any amount withheld. Generally, we will submit monthly progress claims to our customers based on the proportion of work completed. Upon receipt of the payment response from the relevant customer, in response to the payment claim, we will proceed to raise the invoice. The amount billed in the invoice is based on the amount stated in the payment response.

The specific credit terms extended to our customers are dependent on the prevailing business relationship, their creditworthiness, payments record and terms of the contract.

Trade Receivables' Turnover Days

The trade receivables' turnover days for our Group for the Period Under Review were as follows:

	FY2010	FY2011	FY2012
Trade receivables' turnover days ⁽¹⁾	135	143	51

Note:

(1) Trade receivables' turnover days is computed using the formula:

$$\frac{(\text{Opening balance} + \text{closing balance of trade receivables}) / 2}{\text{Revenue}} \times 365 \text{ days}$$

The trade receivables' turnover days increased from 135 days in FY2010 to 143 days in FY2011 due to our issuance of significant invoices for the aggregated sum of S\$9.8 million towards the end of FY2011. The trade receivables' turnover days decreased from 143 days in FY2011 to 51 days in FY2012 due to timely payment of trade receivables from our Parent Group according to the credit terms by 31 December 2012.

For the Period Under Review, we did not enforce the payment of trade receivables from our Parent Group according to the credit terms as we have been operating as a wholly-owned Subsidiary of our Parent Company during the Period Under Review. As a result, we experienced high trade receivables turnover days during the Period Under Review in excess of our credit terms granted to customers. Going forward, upon our listing on the SGX-ST, we will enforce the payment of trade receivables from our Parent Group according to the credit terms.

Our net trade receivables as at 31 December 2012 amounted to S\$16.5 million, comprising trade receivables from third parties of S\$10.5 million, trade receivables from related companies of S\$6.1 million and allowance for impairment of third parties trade receivables of S\$0.1 million.

Ageing Schedule of Trade Receivables

The ageing schedule of our trade receivables in relation to third parties are set out below:

S\$'000	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012
Current	78	13,451	8,384
Past due for less than 30 days	10	354	1,849
Past due for 31 days to 90 days	278	692	6
Past due for more than 90 days	224	387	301
Total	590	14,884	10,540

Our aged trade receivables in relation to third parties arose mainly from back-charges to or claims from our suppliers and subcontractors, and withholding of payment by our customers due to project matters. Withheld trade receivables are usually paid upon settlement of the project matters. Back-charges to and claims from our suppliers and subcontractors will be netted against the trade payables due to such suppliers and subcontractors as and when payment to them is due.

As our suppliers and subcontractors generally accord us with an average of 35 to 90 days of credit from the invoice date or receipt of payment response, as a result, the netting off of such back-charges to and claims from our suppliers and subcontractors may not occur on a timely basis and will result in aged trade receivables from third parties.

The ageing schedule of our trade receivables in relation to our Parent Group are set out below:

S\$'000	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012
Current	15,178	12,417	6,111
Past due for less than 30 days	4,683	2,164	–
Past due for 31 days to 90 days	6,022	1,729	–
Past due for more than 90 days	22,024	12,203	–
Total	47,907	28,513	6,111

For the Period Under Review, we did not enforce the payment of trade receivables from our Parent Group according to the credit terms as we have been operating as a wholly-owned Subsidiary of our Parent Company during the Period Under Review. Going forward, upon our listing on the SGX-ST, we will enforce the payment of trade receivables from our Parent Group according to the credit terms.

As at the Latest Practicable Date, the trade receivables in relation to our Parent Group which were outstanding as at 31 December 2012 have been collected.

Impairment of Trade Receivables

Our Company assesses at each financial year end whether there is objective evidence that our trade receivables are impaired (such as significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, default or significant delay in payments) and recognises an allowance for impairment when such evidence exists.

Allowance for impairment of trade receivables are written off as bad debts when such debts are deemed not recoverable especially after legal proceedings have been instituted.

The allowance for impairment of trade receivables for the Period Under Review are set out below:

S\$'000	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012
Allowance for impairment of trade receivables	133	106	129

The allowance for impairment of trade receivables for the Period Under Review was primarily due to specific impairment for third party trade receivables which we deem doubtful of collection.

As at the Latest Practicable Date, approximately 97.8% of the trade receivables outstanding as at 31 December 2012 has been collected. The remaining 2.2% of the trade receivables outstanding as at 31 December 2012 and which has not been collected relate to back-charges to or claims from our suppliers and subcontractors. Back-charges to and claims from our suppliers and subcontractors will be netted against the trade payables due to such suppliers and subcontractors as and when payment to them is due. As our suppliers and subcontractors generally accord us with an average of 35 to 90 days of credit from the invoice date or receipt of payment response, as a result, the netting off of such back-charges to and claims from our suppliers and subcontractors may not occur on a timely basis and will result in aged trade receivables from third parties.

Due to the time lag between when an expenditure is incurred and receipt of payment from our customers, we face liquidity and non-payment risks. Please refer to “Risk Factors – Risks Relating to our Construction Business – We may face liquidity and non-payment risks and are exposed to credit risks of our customers” of this Prospectus.

Trade Payables

Our suppliers and subcontractors generally accord us with an average of 35 to 90 days of credit from the invoice date or receipt of payment response and our payments are normally made within the credit terms granted.

The trade payables’ turnover days for our Group for the Period Under Review were as follows:

	FY2010	FY2011	FY2012
Trade payables’ turnover days ⁽¹⁾	88	93	57

Note:

(1) Trade payables’ turnover days is computed using the formula:

$$\frac{(\text{Opening balance} + \text{closing balance of trade payables to third parties}) / 2}{\text{Cost of sales}} \times 365 \text{ days}$$

The trade payables’ turnover days increased from 88 days in FY2010 to 93 days in FY2011 due to the receipt of more trade payables towards the end of FY2011. The trade payables’ turnover days decreased from 93 days in FY2011 to 57 days in FY2012 due to prompt payment to suppliers and subcontractors in order to foster better working relationships and to motivate them to supply materials and complete their scope of work in a timely manner.

As we adopt the percentage-of-completion method to recognise our revenue and costs under the Singapore Financial Reporting Standards, the cost of construction to be recognised will be affected by many factors, including but not limited to the progress of the projects, contract sums and their profitabilities. Any changes in these factors will affect the cost of construction and correspondingly, the trade payables turnover days. Accordingly, the trade payable turnover days may not be reflective of the actual credit terms.

MAJOR SUPPLIERS AND SUBCONTRACTORS

The following table sets forth our suppliers and subcontractors accounting for 5% or more of our total purchases and subcontracting costs for any of the past three financial years:

Major Suppliers	Type of Purchases/Services	As a percentage of our total purchases and subcontracting costs (%)		
		FY2010	FY2011	FY2012
Alliance Concrete Singapore Pte Ltd	Ready mixed concrete	2.3	5.3	2.3
BRC Asia Ltd	Steel reinforcement bars and steel welded mesh	14.3	15.7	13.0
Soon Thong Construction Pte Ltd	Labour and materials	–	0.8	7.1
Consis Engineering Pte Ltd	Labour	3.5	5.1	1.9
Island Concrete (Pte) Ltd	Ready mixed concrete	8.1	4.9	2.4
Lee Welded Mesh Singapore Pte Ltd	Steel reinforcement bars and steel welded mesh	8.5	1.6	2.8

We make our purchases and engage our subcontractors at the beginning of the projects based on the needs and requirements of each individual project. The fluctuations during the Period Under Review were largely dependent on the date of commencement of a construction project because different materials were used at different stages of construction.

Our Directors are of the opinion that our Group does not depend on a single supplier or subcontractor as our Group generally procures commonly used construction materials from at least two different suppliers and obtains services for subcontracting works from at least two different subcontractors.

As at the Latest Practicable Date, save for their interests in quoted or listed securities which do not exceed 5% of the total amount of issued securities in that class, none of our Directors, Substantial Shareholders or their Associates has any interest, direct or indirect, in any of our major suppliers set out above.

INVENTORY MANAGEMENT

In the construction business, we do not in the ordinary course maintain an ongoing inventory of raw materials. When a contract is signed with our customers, we will assign a budget costing for the project specifying all the raw materials requirements in terms of quantities and specifications. Raw materials are typically only purchased as and when required and we generally do not purchase or store raw materials in advance.

Where feasible, we have entered into long-term fixed-price contracts for steel reinforcement bars and steel welded mesh with suppliers to secure the supply of and to stabilise the prices of such raw materials over the duration of our projects.

MARKETING

Our marketing strategy is developed by our Executive Chairman together with our Executive Director and selected Executive Officers who are selected to cover specific geographical markets or business segments. Once the strategy is developed, our Executive Director and the selected Executive Officers will execute such strategy for their selected geographical market or business segment.

With 36 years of operations, our Group has established and maintained business relationships with consultants and professionals who would be in a position to refer projects to us. Additionally, our Group has also established business relationships with the owners or developers of our construction projects (which may also include owners or developers who are clients of our Parent Group) from whom we could also directly source for new construction or project management projects. Where a new potential development project has been identified, we may also pitch to potential property developers or owners with the intention of securing this development project with such property developer or owner as the developer or owner and ourselves as the construction company of the development project.

We also source for new construction contracts and project management contracts through open and invited tenders, as well as referrals and recommendations from our customers and consultants from existing and past projects or the project owner of the project. Contracts for our construction business are generally awarded through open tenders for public sector projects and invited tenders for private sector projects. We are informed of open tenders by way of notices through the Internet and newspapers.

INSURANCE

In relation to the construction projects which we undertake as the main contractor, we have taken up workmen's compensation under the WICA, public liability insurance, foreign workers medical insurance and contractors' all risks insurance in connection with our projects in Singapore and based on contract requirements. In addition, we have also taken up equipment all risk insurance policies in respect of certain equipment and machinery, such as tower cranes, which we require to operate our business.

Our Directors are of the view that our Group's business and operations are sufficiently covered by the current insurance policies taken up. Our Directors will review the adequacy of our insurance coverage in relation to our business annually.

INTELLECTUAL PROPERTY

We do not have any trademark or intellectual property rights save that we have been granted a trade mark licence to use the Licensed Trade Marks by Soilbuild Group Holdings. See the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Present and On-going Interested Person Transactions – Trade Mark Licence Agreement" of this Prospectus for details.

Save as disclosed above, the business of our Group is not significantly dependent on any patent or trademark.

RESEARCH AND DEVELOPMENT

We do not generally undertake any research and development activities.

COMPETITION

We operate in a highly competitive environment and we are subject to competition from existing competitors and new entrants in the future.

According to the BCA's website¹, as at the Latest Practicable Date, 64 general building contractors are registered under the BCA registration category CW01 for General Building, including Soil-Build. These general building contractors are classified by the BCA according to a grading scale which is linked to the size of public sector contracts that they qualify to tender for. As at the Latest Practicable Date, the number of contractors registered with the BCA under the BCA registration category CW01 for General Building may be broken down as follows:

BCA Registration Grade	Tender Capacity (S\$ million) (1 July 2012 to 30 June 2013)	Number of Contractors
A1	Unlimited	64
A2	85.00	37
B1	40.00	79
B2	13.00	108
C1	4.00	293
C2	1.30	98
C3	0.65	1,199

Soil-Build has been graded A1 by the BCA under the registration category CW01 for General Building, which grading is valid up to 1 July 2015. Contractors which are graded A1 by the BCA may compete directly with us for public and private sector projects that specify a minimum of A1 grading. Conversely, where we tender for a project that specifies a minimum grading that is lower than A1, our competitors would also include those contractors having a corresponding minimum grading.

Our main competitors which have been graded A1 by the BCA under the registration category CW01 for General Building are Boustead Projects Pte Ltd, China Construction (South Pacific) Development Co. Pte. Ltd., China Jingye Engineering Corporation Limited (Singapore Branch), Chiu Teng Construction Co. Pte. Ltd., Expand Construction Pte Ltd, Ho Lee Construction Pte Ltd, Jian Huang Construction Co Pte Ltd, Kay Lim Construction & Trading Pte Ltd, Kienta Engineering Construction Pte. Ltd., LC&T Builder (1971) Pte. Ltd., Lian Beng Construction (1988) Pte Ltd, Penta-Ocean Construction Company Limited, Progressive Builders Private Limited, Sembawang Engineers and Constructors Pte. Ltd., Singapore Piling & Civil Engineering Pte Ltd, Sunhuan Construction Pte Ltd, Teambuild Engineering & Construction Pte. Ltd., Welltech Construction Pte Ltd and Yau Lee Construction (Singapore) Pte. Ltd.

Save for the foregoing, to the best of our Directors' knowledge, there are no published statistics that can be used to accurately measure the market share of our Group in the construction sector in Singapore.

1 Source: BCA (<http://www.bcadirectory.sg>). BCA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

As at the Latest Practicable Date, save for their interests in quoted or listed equity securities which do not exceed 5% of the total amount of the issued securities in that class for the time, none of our Directors, Substantial Shareholders or their associates has any interest, direct or indirect, in any of the above competitors.

COMPETITIVE STRENGTHS

We believe our competitive strengths are as follows:

Delivery of a more comprehensive suite of construction services, such as through our design and build delivery model

Our Directors believe that our comprehensive suite of construction services allows us to provide attractive and effective solutions, such as a one-stop delivery of end-to-end construction services and project management solutions under the design and build delivery model, for our customers.

In order to provide better support and value added services, we have expanded our scope of services through the years to include design and build contract services, turnkey construction project services and project management services. With multi-disciplinary capabilities spanning the full cycle of construction, we are able to deliver a more comprehensive suite of construction services.

In particular, under the one-stop design and build delivery model, we will, based on a customer's concept plan, develop a detailed design for authority approvals before moving on to the full construction spectrum to hand-over to the customer. We possess the ability to provide such one-stop delivery solution due to our multi-disciplinary capabilities spanning the full building cycle of construction. Further, our team of project managers comprises trained architects and engineers, who are able to examine architectural, structural, mechanical, electrical and plumbing designs thus ensuring seamless transition from design to delivery.

Our Directors believe that our track record in the one-stop design and build delivery model will put us in a strong position in our project tenders, as demonstrated by the recent awards of the design and build contracts for the Solstice Project and the Lavender Project to our Group.

Being part of an integrated platform with the Controlling Shareholder Group ensures better earnings visibility

For the Period Under Review, we derived a significant portion of our revenue from construction projects awarded to us by the Controlling Shareholder Group. The portion of our revenue derived from construction projects awarded to us by the Controlling Shareholder Group is 100.0%, 83.7% and 58.4% of our revenue in FY2010, FY2011 and FY2012 respectively. The portion of our gross profit derived from construction projects awarded to us by the Controlling Shareholder Group is 100.0%, 80.5% and 83.3% of our gross profit in FY2010, FY2011 and FY2012 respectively. As at the Latest Practicable Date, approximately 49.1% of our order books are in relation to the Controlling Shareholder Group's property development business and/or property investment business. We anticipate that we would after listing on the SGX-ST, in the ordinary course of business, continue to solicit for the award of construction contracts from the Controlling Shareholder Group. For example, we recently secured the award of the Mandai Connection Project, the Northview Bizhub Project and the Bukit Batok BizHub Project from our Parent Group following their successful tender for the relevant land sites under the Government Land Sales Programme.

Multi-property sector approach to construction protects our Group from any potential slowdown in any particular sector of the property market

Due to our multi-property sector approach to construction projects, our Group is capable of executing business space and both public and private residential property construction projects. Should there be a slowdown in any particular sector of the property market, our Group is able to shift its focus onto other property sectors.

For instance, the recent series of measures implemented since 2010 to cool the residential property prices and potential policy interventions have moderated the growth in residential property prices in Singapore as demonstrated by the 2.8% increase in the URA All Residential Price Index between the fourth quarter of 2011¹ and the fourth quarter of 2012². Notwithstanding that the BCA expects the public sector construction demand to strengthen in 2013, contributing about S\$14 billion to S\$17 billion of the construction demand, driven by public housing and infrastructure construction works³, should the demand for construction of private residential projects slow down as a result of the moderated price rise, our Group would be able to weather the slow down by increasing its tenders for business space and/or public housing construction projects. Based on our order books as at the Latest Practicable Date, approximately 53.7% of our order books relate to the business space sector while approximately 46.3% of our order books relate to the residential sector.

Significant barriers to entry given our entrenched position in the local construction industry, and the A1 BCA grading of our Subsidiary, Soil-Build, allow us to benefit from the current construction trends

Our Directors believe that it would be difficult for new entrants to the construction industry to compete against our Group in the local construction industry because it would be difficult to replicate our Group's knowledge and understanding of the construction industry and the relationship network we have established in Singapore.

1 Source: URA news release dated 27 January 2012 and entitled "Private Housing Price Increase Continues to Slow Down in 4Q2011" on its website: <http://www.ura.gov.sg/pr/text/2012/pr12-08.html>. URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

2 Source: URA news release dated 2 January 2013 and entitled "URA Releases Flash 4th Quarter 2012 Private Residential Property Price Index" on its website: <http://www.ura.gov.sg/pr/text/2013/pr13-01.html>. URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

3 Source: BCA news release dated 16 January 2013 and entitled "Public Sector Projects to Boost Construction Demand in 2013" on its website: http://www.bca.gov.sg/Newsroom/pr16012013_CP.html. BCA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

Being one of the local construction companies that is graded A1 under the BCA registration category CW01 for General Building, Soil-Build is allowed to tender for public sector projects in Singapore of an unlimited contract value. This allows us to benefit from the current increase in construction tenders awarded by HDB. For instance, we have recently been awarded the contracts for the S\$130.6 million Tampines HDB Project, the S\$101.4 million Ang Mo Kio HDB Project and the S\$24.5 million Bukit Batok HDB Project, and our Directors believe that our track record in public sector projects will be advantageous in competing for any future tenders by HDB and other public agencies.

Strong management team with significant intellectual capital

Our team of Executive Officers involved in our construction activities has significant industry experience as further described in the section entitled “Directors, Management and Staff – Executive Officers” of this Prospectus and is able to meld both property development as well as construction industry experience to find the optimal cost-effective solutions. This enables us to secure not only construction management contracts but also design and build contracts and also to deliver the projects in the shortest possible time frame.

We are also able to leverage on the financial knowledge and experience of our management in securing construction contracts through our ability and flexibility in structuring contracts and/or partnerships with potential customers. For instance, depending on the relevant project specifications and/or our customers’ requests, we may acquire shareholding interests in construction joint ventures or minority shareholding interests in development joint ventures for projects in which we are involved in order to align the interests of the relevant parties involved in the projects. In 2010, we entered into joint ventures for the Solstice Project and the Angullia Park Project.

Our effective cost control and operational efficiency keeps us competitive

Our Directors believe that our Group remains competitive in tenders versus its peers as we manage our costs efficiently despite the recent general inflationary concerns. For instance, our designs for our design and build projects are developed with constructability in mind, and such increased constructability translates to savings in construction costs and time without compromising on functionality of the final product. We also adopt a structured approach in reviewing construction design, specifications and drawings to derive cost savings through improvements in construction methods, sequence and/or material use. Further, we have been increasing the use of pre-cast concrete work in our projects, which enables us to reduce our reliance on labour and shorten the construction time when compared against conventional construction methods, thus improving efficiency and margins.

We will continuously explore and adopt more techniques, systems and technologies such as the procurement of automated pre-casting technology, as set out in the section entitled “Prospects, Trends, Business Strategies and Future Plans” of this Prospectus, to enhance our cost efficiencies.

We have a proven track record

We have over 36 years of experience in the construction business. For the Period Under Review, 12 construction projects in which we have been involved have obtained TOP and projects in which we were the main contractors have won numerous awards as further described in the section entitled “General Information on our Group – Awards and Accreditations” of this Prospectus. We believe that our track record has earned the confidence of our customers as well as architects and consultants who have collaborated with us in the past. Our Directors believe that our track record will also put our Group in good stead when we tender for new construction projects.

PROPERTIES AND FIXED ASSETS

We currently sub-lease the following property:

Location	Tenure	Gross leased area (sqm)	Use of Property	Lessor
Part of space on the basement and the 2nd and 3rd floors of SB Building at 25 Changi South Street 1 Singapore 486059	Period commencing from 17 May 2013 and expiring on 24 November 2016	3,731	Production area for minor works, warehouse, workers' accommodation and office	Soilbuild Group Holdings

For further information of this sub-lease, please refer to the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Interested Person Transactions – Present and On-going Interested Person Transactions" of this Prospectus.

Our fixed assets consisting of plant and equipment used in our projects and at our corporate headquarters, motor vehicles, renovation works, furniture, computers and containers had a net book value of approximately S\$4.7 million as at 31 December 2012.

As at the Latest Practicable Date, none of our fixed assets is subject to any mortgage, pledge or any other encumbrances or otherwise used as security for any bank financing.

To the best of our knowledge and belief, save as disclosed in the section entitled "Government Regulations" of this Prospectus, there are no regulatory requirements or environmental issues that may materially affect our utilisation of the above properties and fixed assets.

OUR ORDER BOOKS

As at the Latest Practicable Date, our order books based on letter of intents, secured contracts and variation orders confirmed or expected as at the Latest Practicable Date amounted to approximately S\$511.2 million, out of which our order books in relation to the Controlling Shareholder Group's property development business and/or property investment business amounted to approximately S\$251.0 million. Barring unforeseen circumstances, we expect the orders to be fulfilled during the period from September 2013 to October 2017. These figures exclude progress payments billed to our customers and accrued revenue and other revenue recognised up to the Latest Practicable Date, based on the percentage of completion method. Our order books may not be an accurate indicator of our future performance as we have not taken into account any potential renegotiations, cancellations or deferrals of orders in calculating our order books.

WHERE YOU CAN FIND US

Our registered office and principal place of business is located at SB Building, 25 Changi South Street 1 Singapore 486059. Our telephone number is (65) 6542 2882 and our facsimile number is (65) 6543 1818.

PROSPECTS, TRENDS, BUSINESS STRATEGIES AND FUTURE PLANS

PROSPECTS AND TRENDS

Prospects

Our Directors have observed that the growth of the Singapore construction industry is generally linked to Singapore's economic growth. Barring any unforeseen circumstances, our Directors believe that the mid-term to long-term prospects of our Group will be conducive to our growth. On 22 February 2013, the MTI maintained the Singapore gross domestic product growth forecast for 2013 at 1.0% to 3.0%¹. Based on advanced estimates, for the first quarter of 2013, although the Singapore economy contracted by an annualised rate of 1.4% on a quarter-on-quarter basis, the construction sector grew by an annualised rate of 15.1% on a quarter-on-quarter basis mainly due to a recovery in private sector building activities².

The BCA projected a total construction demand from private and public sectors (including public housing and infrastructure construction works) of between S\$26 billion to S\$32 billion for 2013, anchored by public sector projects. This comes on the heels of the construction sector's performance in 2012, where total construction demand from private and public sectors (including public housing and infrastructure construction works) was sustained at S\$28 billion. The BCA expects the private sector construction demand to moderate, between S\$12 billion and S\$15 billion, in 2013. For 2014 to 2015, the average construction demand from private and public sectors (including public housing and infrastructure construction works) is projected to be S\$20 billion to S\$28 billion per annum. Barring any unforeseen circumstances, the BCA expects the projection to be plausible in view of the pipeline of housing and infrastructure construction projects planned by the Government to meet the needs of the population³. Our Directors believe that such demand for housing construction projects reflects a continued and sustained level of demand for construction services workload for the next few years.

1 Source: MTI news release dated 22 February 2013 and entitled "MTI Maintains its 2013 GDP Growth Forecast at 1.0 to 3.0 Per Cent" on its website: http://www.mti.gov.sg/ResearchRoom/SiteAssets/Pages/Economic-Survey-of-Singapore-2012/PR_4Q2012.pdf. MTI has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

2 Source: MTI news release dated 12 April 2013 and entitled "Singapore's Economy Contracted in the First Quarter of 2013" on its website: <http://www.mti.gov.sg/NewsRoom/Pages/Singapore's-Economy-Contracted-in-the-First-Quarter-of-2013.aspx>. MTI has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

3 Source: BCA news release dated 16 January 2013 and entitled "Public Sector Projects to Boost Construction Demand in 2013" on its website: http://www.bca.gov.sg/Newsroom/pr16012013_CP.html. BCA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

Further, based on tender notifications issued for various construction projects by URA, JTC and HDB, the building infrastructure demands from an increased population base of 5.3 million people in 2012¹ and the ramping up of supply of HDB flats since late 2011, our Directors believe that barring unforeseen circumstances, there will be a healthy supply of construction projects in the coming years, which our Group is well-positioned to benefit from.

In January 2013, the MND released the Land Use Plan² in tandem with the Population White Paper³, outlining the strategies to ensure that Singaporeans will continue to enjoy a high quality living environment and for Singapore to remain as one of the best cities in the world to live in. The salient points of the Land Use Plan and Population White Paper are as follows:

- Singapore's total population could be between 5.8 million and 6.0 million in 2020, and between 6.5 million and 6.9 million by 2030;
- Infrastructure and facilities development will be ramped up to meet the needs of the larger population. More public housing will be provided in mature estates and in towns such as Bukit Batok, Bukit Merah, Choa Chu Kang, Clementi, Hougang, Queenstown, Sembawang, Tampines, Woodlands and Yishun;
- Sufficient land will be set aside for an additional 700,000 homes and more in the longer term if needed, with the opening up of new towns and estates in Bidadari, Tampines North and Tengah; and
- Land has been catered for modern industrial parks near residential areas. There will be new manufacturing areas at Woodlands, Sengkang West, Seletar, Lorong Halus, Pasir Ris and newly reclaimed areas at Tuas.

1 Source: The Singapore Department of Statistics' information table last updated on 28 September 2012 and entitled "Time Series on Population (Mid-Year Estimates)" on its website: http://www.singstat.gov.sg/statistics/latest_data.html#12. The Singapore Department of Statistics has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

2 Source: MND publication on 31 January 2013 and entitled "Land Use Plan to Support Singapore's Future Population – A High Quality Living Environment for All Singaporeans" on its website: <http://www.mnd.gov.sg/landuseplan/e-book/>. MND has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

3 Source: National Population and Talent Division publication on 29 January 2013 and entitled "Population White Paper – A Sustainable Population for a Dynamic Singapore" on its website: <http://202.157.171.46/whitepaper/downloads/population-white-paper.pdf>. The National Population and Talent Division has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

Business space construction projects

In 2010, JTC announced that it will continue to support Singapore's economic needs by developing innovative infrastructure solutions for businesses and will be launching several new industry-level infrastructure projects such as the Offshore Marine Centre, General Aviation Centre, MedTech Centre and the Surface Finishing Complex¹. JTC reported that in 2011, Singapore attracted S\$13.7 billion of fixed asset investments from both foreign and local companies. Some of the investments include projects such as those by GMR Energy (Singapore) Pte Ltd, Chang Chun Dairen Singapore Pte Ltd, Zeon Chemicals Singapore and Asahi Kensei on Jurong Island, Hoya Electronics at Tampines Wafer Fab Park, Halliburton's manufacturing and testing plant in Tuas and Google Asia Pacific Pte Ltd's data centre at Wenya². More recently, in July 2012, Mead Johnson Nutrition announced that it has broke ground in Singapore on a US\$325 million facility which includes a manufacturing plant, a research and development technology centre and a regional office³.

In December 2012, the MND announced the first half 2013 Government Land Sales GLS Programme ("GLS Programme"), which has a potential yield of 315,000 sqm gross floor area of commercial space to provide opportunities for the market to initiate more office space, over and above the 1,173,000 sqm gross floor area of office space in the pipeline⁴. In the same month, the MTI launched the Industrial Government Land Sales Programme ("IGLS Programme") for the first half of 2013 to meet the potential demand for industrial land. There will be 13 sites in the

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- 1 Source: JTC news release dated 6 September 2010 and entitled "JTC Breaks New Ground With Innovative Industrial Solutions" on its website: [http://www.jtc.gov.sg/News/Press-Releases/Pages/20100906\(PR\).aspx](http://www.jtc.gov.sg/News/Press-Releases/Pages/20100906(PR).aspx). JTC has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.
 - 2 Source: JTC news release dated 18 September 2012 and entitled "JTC Reports Robust Performance in Financial Year 2011" on its website: [http://www.jtc.gov.sg/News/Press-Releases/Pages/20120918\(PR\).aspx](http://www.jtc.gov.sg/News/Press-Releases/Pages/20120918(PR).aspx). JTC has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.
 - 3 Source: Mead Johnson Nutrition news release dated 20 July 2012 and entitled "Mead Johnson Nutrition Breaks Ground on US\$325 Million Investment in Singapore" on its website: <http://www.meadjohnsonasia.com.sg/highlights/news/mead-johnson-nutrition-breaks-ground-in-singapore.aspx>. Mead Johnson Nutrition has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.
 - 4 Source: URA news release dated 14 December 2012 entitled "First Half 2013 Government Land Sales Programme" on its website: <http://www.ura.gov.sg/pr/text/2012/pr12-136.html>. URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

confirmed list and 9 sites in the reserve list, with a total site area of 24.84 hectares in this IGLS Programme to meet the needs of industrialists¹. Such increased supplies of commercial land and industrial space will lead to an increased volume of business space projects available for tender.

Our Directors believe that our track record in business space properties, in particular, our comprehensive suite of construction services, allows us to provide attractive and effective solutions, for our customers and our Group is thus well-positioned to tender for the construction works of the business space projects to be delivered by JTC and/or other corporates. Such construction works may be awarded either by the Controlling Shareholder Group or third parties. Please also refer to the section entitled “General Information on our Group – Competitive Strengths – Being part of an integrated platform with the Controlling Shareholder Group ensures better earnings visibility” on our working relationship with the Controlling Shareholder Group.

Further, based on URA’s All Industrial Property Price Index, tracking factory and warehouse space, industrial property prices have rose 22.5% in the one-year period between the first quarter of 2012² and the first quarter of 2013³, which our Directors believe signal a strong demand for business space properties in tandem with Singapore’s ongoing positioning as a global city.

1 Source: MTI news release dated 19 December 2012 and entitled “Launch of First Half 2013 Industrial Government Land Sales (GLS) Programme” on its website: <http://www.mti.gov.sg/NewsRoom/Documents/MTI%20Press%20Release%20on%20IGLS%2019%20Dec%202012.pdf>. MTI has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.

2 Source: URA news release dated 27 April 2012 and entitled “Prices of Private Residential Properties Register Marginal Decline in 1st Quarter 2012” on its website: <http://www.ura.gov.sg/pr/text/2012/pr12-44.html>. URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.

3 Source: URA news release dated 26 April 2013 and entitled “Release of 1st Quarter 2013 Real Estate Statistics” on its website: <http://www.ura.gov.sg/pr/text/2013/pr13-24.html>. URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.

Residential construction projects

In December 2012, the MND¹ announced that the first half 2013 GLS Programme will comprise sites which can yield about 14,000 private residential units, including 3,100 executive condominium units. Most of the private residential sites are located in Outside Central Region or in locations in Rest of Central Region. Further, in the same news release, the MND noted that as at the third quarter of 2012, about 93,800 private housing units will be constructed over the next few years. Our Directors are of the view that other than the GLS Programme, the Government also makes available other supply of land and properties through its various agencies to meet economic or development objectives. We will continue to explore tenders for the construction works for sites released by the Government (and its various agencies) and also development projects of the Controlling Shareholder Group in the near to medium term. Please also refer to the section entitled “General Information on our Group – Competitive Strengths – Being part of an integrated platform with the Controlling Shareholder Group ensures better earnings visibility” on our working relationship with the Controlling Shareholder Group.

For the public housing market, since HDB’s² announcement to increase the supply of HDB flats to help first-time homebuyers in August 2011, as at the Latest Practicable Date, the HDB has launched 25,200 BTO flats in 2011³ and 27,084 BTO flats in 2012⁴ and is targeting to launch at

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- 1 Source: URA news release dated 14 December 2012 and entitled “First Half 2013 Government Land Sales Programme” on its website: <http://www.ura.gov.sg/pr/text/2012/pr12-136.html>. URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.
 - 2 Source: HDB news release dated 15 August 2011 and entitled “Good Affordable Homes for All Singaporeans” on its website: <http://www.hdb.gov.sg/fi10/fi10296p.nsf/PressReleases/3F7F3B2BDD45CE64482578ED0009B240?OpenDocument>. HDB has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.
 - 3 Source: HDB news release dated 24 November 2011 and entitled “Another 4,200 New Flats Launched; 25,000 More to Come Next Year” on its website: <http://www.hdb.gov.sg/fi10/fi10296p.nsf/PressReleases/8D08706EB3498F78482579520005EAA4?OpenDocument>. HDB has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.
 - 4 Source: HDB news release dated 21 November 2012 and entitled “2012 Record Year of New Flats – November BTO Exercise” on its website: <http://www.hdb.gov.sg/fi10/fi10296p.nsf/PressReleases/073889C114DCCD4C48257ABC0030957E?OpenDocument>. HDB has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.

least 25,000 BTO flats in 2013¹. Our Group has positioned ourselves in the public housing construction sector through the Tampines HDB Project, the Ang Mo Kio HDB Project and the Bukit Batok HDB Project, and our Directors believe our Group will benefit from the sustained construction demand from HDB.

Trend Information

Property supply

Our Directors believe that the supply under the GLS Programme in addition to the projects in the pipeline will provide opportunities for developers to initiate additional construction demand for our Group.

The private residential and industrial space, both under construction and planned, have increased between 2012 and 2013. In particular, the supply pipeline of private residential units (including executive condominium) and industrial space (comprising factory space and warehouse space) has risen 17.3% and 21.1% respectively between the end of first quarter 2012 and the end of first quarter 2013. Furthermore, the number of BTO flats launched by HDB increased by 7.5% between 2011 and 2012, with another 25,000 BTO flats planned in 2013.

	Supply Pipeline		Percentage change
	As at end first quarter 2012²	As at end first quarter 2013³	
Private residential units – under construction	57,017	70,605	23.8%
Private residential units – planned	28,694	29,956	4.4%
Private residential units – total	85,711	100,561	17.3%

1 Source: HDB news release dated 26 April 2013 and entitled “Release of 1st Quarter 2013 Public Housing Data” on its website: <http://www.hdb.gov.sg/fi10/fi10296p.nsf/PressReleases/FDEE8F191C4A7DF248257B590002D915?OpenDocument>. HDB has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.

2 Source: URA news release dated 27 April 2012 and entitled “Prices of Private Residential Properties Register Marginal Decline in 1st Quarter 2012” on its website: <http://www.ura.gov.sg/pr/text/2012/pr12-44.html>. URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.

3 Source: URA news release dated 26 April 2013 and entitled “Release of 1st Quarter 2013 Real Estate Statistics” on its website: <http://www.ura.gov.sg/pr/text/2013/pr13-24.html>. URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.

	Supply Pipeline		
	As at end first quarter 2012 ²	As at end first quarter 2013 ³	Percentage change
Industrial space ('000 sqm) – under construction	3,861	4,664	20.8%
Industrial space ('000 sqm) – planned	1,027	1,254	22.1%
Industrial space ('000 sqm) – total	4,888	5,918	21.1%

	2011	2012	Percentage change
HDB BTO flats launched	25,200	27,084	7.5%

In December 2012, the MND has announced the first half 2013 GLS Programme to provide an adequate supply of private housing and commercial space to meet the needs of Singapore's economy. To provide adequate supply to meet demand, the confirmed list under the GLS Programme for the first half of 2013 will comprise 12 private residential sites and a commercial and residential site. These sites can yield about 6,900 private residential units and 33,000 sqm gross floor area of commercial space. In addition, the 19 sites in the reserve list for the first half of 2013 include 11 private residential sites, one commercial and residential site, two commercial sites, one white site and four hotel sites. These sites can yield about 7,100 private residential units, 281,000 sqm gross floor area of commercial space and 1,740 hotel rooms. The above is over and above the 1,173,000 sqm gross floor area of office space and the 93,800 units of private residential units in the pipeline as at the third quarter of 2012.

Property prices

Industrial property prices, as tracked by the URA's All Industrial Property Price Index has risen 22.5% between the first quarter of 2012 and the first quarter of 2013. The resale prices of public residential properties, based on HDB's Resale Price Index, gained 7.3% over the same period. In comparison, for private residential property, office property and shop space property, as monitored by the URA All Residential Property Price Index, the URA All Office Property Price Index and the URA All Shop Property Index respectively, prices largely stabilised.

	Price Index		
	First quarter 2012	First quarter 2013	Percentage change
URA All Industrial Property Price Index	155.3	190.3	22.5%
URA All Residential Property Price Index	206.0	213.2	3.5%
URA All Office Property Price Index	124.5	128.9	3.5%
URA All Shop Property Price Index	121.1	125.8	3.9%

	Price Index		
	First quarter 2012	First quarter 2013	Percentage change
HDB Resale Price Index¹	191.6	205.5	7.3%

Occupancy rates

Occupancy rates for private residential units (including executive condominium) and industrial space (comprising factory space and warehouse space) have remained stable between the end of first quarter of 2012 and the end of first quarter of 2013. Due to the nature of building HDB flats according to the housing demand under the BTO mode of sales, occupancy rate statistics are not relevant to BTO flats to be launched by the HDB.

	Occupancy Rate		
	As at end first quarter 2012 ²	As at end first quarter 2013 ³	Percentage change
Private residential units	94.2%	95.0%	0.8%
Industrial space	93.5%	93.0%	(0.5%)

1 Sources: HDB news release dated 27 April 2012 and entitled "Release of 1st Quarter 2012 Public Housing Data" on its website: <http://www.hdb.gov.sg/fi10/fi10296p.nsf/PressReleases/2BAEFDA1C6667F29482579ED00055705?OpenDocument>, and the HDB release dated 26 April 2013 and entitled "Release of 1st Quarter 2013 Public Housing Data on its website: <http://www.hdb.gov.sg/fi10/fi10296p.nsf/PressReleases/FDEE8F191C4A7DF248257B590002D915?OpenDocument>. HDB has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

2 Source: URA news release dated 27 April 2012 and entitled "Prices of Private Residential Properties Register Marginal Decline in 1st Quarter 2012" on its website: <http://www.ura.gov.sg/pr/text/2012/pr12-44.html>. URA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

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Based on the above property price, supply and occupancy trends, our Directors expect the following:

- (a) interest in industrial properties may moderate in the short term, due to the seller's stamp duty on industrial properties, as announced by the Singapore government on 11 January 2013. However, our Directors are of the view that the current low interest rate environment and stable rental yields for industrial properties underpin a sustainable medium term demand for industrial properties by both developers and end-users, which represents a stable medium term demand for our construction services;
- (b) the moderating price trend for residential properties will continue, on the back of increased supply of public housing through construction projects awarded by the HDB. The 17.3% increase in private residential property supply pipeline between the first quarter of 2012 and the first quarter of 2013, and the 7.5% increase between 2011 and 2012 in the number of BTO flats launched represents a healthy demand for construction services which our Group is capable of providing; and
- (c) the occupancy rates for private residential and industrial properties will continue to be high and stable. This trend, together with the continuous increased supply of BTO flats by the HDB is evident of a resilient Singapore real estate market further supported in context of the increasing population of Singapore. A healthy real estate market will flow down the supply chain resulting in a healthy construction industry which will be beneficial for our Group.

Government initiatives

Our Directors believe that the following recent Government initiatives will be beneficial to the construction industry in the coming years:

- (a) BCA's enhancement of the prevailing Green Mark Incentive Scheme for Existing Buildings ("GMIS-EB") in July 2012¹. Under the enhanced GMIS-EB, building owners which retrofit their buildings to attain the Platinum, Gold^{Plus} and Gold BCA Green Mark rating will be co-funded up to S\$3 million (or 50%), S\$2.25 million and S\$1.5 million respectively;
- (b) A S\$250 million Construction Productivity and Capability Fund ("CPCF") was launched in June 2010 as part of the Singapore government's efforts to improve productivity and build the capability of the construction industry². The CPCF comprises schemes that incentivise workforce development, technology adoption and capability building. In May 2012, the BCA supported a construction company's initiative to build an integrated construction and prefab hub producing pre-cast components with a S\$1 million funding. Our Group has similar plans to procure automated pre-casting technology as further described under the section entitled "Prospects, Trends, Business Strategies and Future Plans – Business Strategies and Future Plans – Our Group intends to invest in productivity improvements"; and

1 Source: BCA news release dated 26 July 2012 and entitled "Reduce Green Building Retrofitting Cost with Up to \$3 Million" on its website: http://www.bca.gov.sg/Newsroom/pr26072012_GM.html. BCA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

2 Source: BCA news release dated 16 May 2012 and entitled "BCA's Latest Initiatives to Help Improve Construction Productivity" on its website: http://www.bca.gov.sg/Newsroom/pr16052012_SCPW.html. BCA has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

- (c) In the Singapore government's Budget 2010, the Inland Revenue Authority of Singapore ("IRAS") introduced the Productivity and Innovation Credit scheme ("PIC") to encourage investments in innovation and productivity improvements. The PIC is available for the Years of Assessment 2011 to 2015. The PIC grants businesses tax benefits for investments in innovation and productivity improvements on investments in qualifying activities. We have adopted innovative productivity enhancing technologies such as the use of concrete pumps and accordingly claimed for enhanced tax deductions under the PIC during the Period Under Review.

Direct labour

Our Directors believe that the recent measures below are expected to increase our direct labour costs:

- (a) In July 2010, the Singapore government's initiative to increase foreign workers' levy came into effect, and the levy will continue to increase gradually for the next two years. In addition, the Singapore government recently announced further increases in foreign workers' levy for Budget 2011, which will be phased in at six-monthly intervals from 1 January 2012 to 1 July 2013. As announced in the Singapore government's Budget 2013, there will be further increases in such levies in addition to the increase in the levies which was previously announced in the Singapore government's Budget 2010, Budget 2011 and Budget 2012. The changes to the levies are being phased in from July 2013 till July 2015. Furthermore, employers' contribution to CPF has also been increased by 0.5% and the CPF salary ceiling has been adjusted upwards from S\$4,500 to S\$5,000 with effect from 1 September 2011.
- (b) In the Singapore government's Budget 2012, the MOM announced a further 5% cut in the MYE quota for new projects with effect from July 2012. This is in addition to the 15% cut in the MYE quota for new projects with effect from July 2013 as announced in the Singapore government's Budget 2011 and the reduction in the MYE quota by 25% over three years for the construction sector as announced in the Singapore government's Budget 2010. As such, we are entitled to employ fewer foreign workers. In view of the reduction in the MYE quota, our Group has proactively invested in value engineering to increase our efficiency in construction and reduce our reliance on foreign workers. In particular, we review the construction design, specifications and drawings to derive improvements in construction methods, sequence and/or material use.

Other trends

Save as disclosed above and under the section entitled "Risk Factors" of this Prospectus, and barring any unforeseen circumstances, our Directors are not aware of any significant recent trends or any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Prospectus.

BUSINESS STRATEGIES AND FUTURE PLANS

Our Group intends to invest in productivity improvements

We believe that the recent wage inflation reinforces the critical need for construction companies in Singapore to employ the latest technologies to enhance cost efficiencies and productivity going forward. In this regard, our Group intends to invest in productivity improvement measures, increase the use of automation and improved technologies, and improve the efficiency of our construction process.

For instance, through value engineering, we will review the construction design, specifications and drawings to derive cost savings through improvements in construction methods, sequence and/or material use. We have also invested in biometrics security systems to improve the security measures at our worksites, and thus reduce time and human resources required to record staff working hours and staff-in and staff-out processing.

Lastly, our Group intends to procure automated pre-casting technology that will enable us to reduce our reliance on labour and is expected to shorten the construction time when compared against conventional construction methods, thus driving up labour efficiency and reducing labour costs.

Our Group will continue to focus on the business space sector which continues to have healthy demand

Our Group will continue to focus on the business space sector which continues to have healthy demand. Our Directors believe that interest in business space will continue to increase on the back of an upswing in industrial property prices between the first quarter of 2012 and the first quarter of 2013. Our Directors believe that our and the Controlling Shareholder Group's track record in the business space sector will allow us to take advantage of the positive outlook for business space projects.

In addition to targeting the conventional corporate customers (such as property developers), we also intend to reach out to direct end-users (such as anchor occupants) to provide our comprehensive suite of construction services in the construction of their required business space. We are currently constructing the Changi Business Park Vista Project for a direct end-user.

Our Group intends to further develop its position in the public housing construction sector which has sustained construction demand

We have recently been awarded the contract for the Tampines HDB Project, the Ang Mo Kio HDB Project and the Bukit Batok HDB Project, and our Group believes that this has positioned our Group in the public housing construction sector which has sustained construction demand. Our Directors believe that our track record in public sector projects will be advantageous in competing for any future tenders by HDB and other public agencies.

Our Group intends to expand our construction and/or project management operations to certain countries in Asia such as Myanmar and other South East Asian countries

Our Group intends to expand our construction and/or project management operations to certain countries in Asia such as Myanmar and other South East Asian countries. We have in 2012 set up an initial team to undertake preliminary studies and analysis to explore the potential and feasibility of expanding our construction and/or project management activities in Myanmar. Spearheaded by our Executive Officer, Mr William Koh Hock Ann, as at the Latest Practicable Date, we have secured two contracts in Myanmar, as further described in the section entitled "General Information on our Group – History" of this Prospectus, and are intending to further strengthen our presence in Myanmar. Apart from Myanmar, our management is also undertaking preliminary studies to explore the feasibility and the possibility of expanding our business into other parts of Asia where such services can be easily replicated and the risk of such expansion contained. Please also see the risk factors "We may not be able to successfully implement our future plans" and "We would be subject to local legal and regulatory conditions and may be affected by the economic, social and political situations (including risks relating to foreign currency exchange rate fluctuations) in other countries where we may carry out construction and/or project management operations" in the section entitled "Risk Factors – Risks Relating to Our Group in General" of this Prospectus for further details on the risk of such expansion. When our management decides that the terms and the time are right for such expansions, we will further expand our business and operations into other parts of Asia.

GOVERNMENT REGULATIONS

SINGAPORE

Our Directors confirm that as at the Latest Practicable Date, we have obtained all necessary licences, permits and approvals for our business operations in Singapore and have complied with all relevant laws and regulations that would materially affect our business operations.

The following is a summary of the relevant laws and regulations of Singapore that our businesses are subject to.

Contractors Registration System

The construction industry in Singapore is regulated by the BCA, whose primary role is to develop and regulate Singapore's building and construction industry. Although business entities which are not registered with the BCA are not precluded from conducting business as contractors or suppliers outside the public sector, registration in the Contractors Registration System maintained by the BCA is a pre-requisite to tendering for projects in the Singapore public sector. At present, there are seven major categories of registration which may be further sub-classified into six to seven grades, depending on the category of registration. Registration of a contractor with the BCA is dependent on the contractor fulfilling certain requirements such as personnel qualification and the value of previously completed projects. The grade assigned to each contractor is dependent on, amongst others, its minimum net worth and paid-up capital.

Soil-Build has been graded A1 by the BCA under the registration category CW01 for General Building, allowing us to tender for public sector projects in Singapore of an unlimited contract value.

To maintain Soil-Build's BCA grading status of A1 (under the category CW01 for General Building), amongst others, (a) Soil-Build has to secure projects with an aggregate value of at least S\$150 million over a five year period, of which S\$75 million is in respect of projects in Singapore, S\$112.5 million is in respect of projects where Soil-Build is the main contractor or nominated contractor and there is at least one project with a contract value of at least S\$37.5 million; (b) Soil-Build must have a minimum paid up capital and net worth of S\$15 million; (c) Soil-Build must have in its employment at least 24 holders of approved professional qualifications; and (d) Soil-Build must possess ISO 9001:2008 (SAC), ISO14000 and OHSAS18000/SS506 Part1 certifications.

For the Period Under Review, the proportion of our revenue and gross profit attributable to projects that specify a minimum of A1 grading is as follows:

As a proportion of	FY2010	FY2011	FY2012
	(%)	(%)	(%)
Revenue	–	–	16.6
Gross profit	–	–	1.0

In addition, our Subsidiary, SB Procurement, and our Associated Company, Forte Builder, have been graded C3 by the BCA under the registration category CW01 for General Building, allowing us to tender for public sector projects in Singapore of a contract value of up to S\$0.65 million.

Employment of Foreign Workers in Singapore

The employment of foreign workers in Singapore is governed by the Employment of Foreign Manpower Act, Chapter 91A of Singapore (the “EFMA”) and regulated by the MOM.

In Singapore, under Section 5(1) of the EFMA, no person shall employ a foreign employee unless the foreign employee has a valid work pass. Any person who contravenes Section 5(1) of the EFMA shall be guilty of an offence and shall:

- (a) be liable on conviction to a fine of not less than S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and
- (b) on a second or subsequent conviction:
 - (i) in the case of an individual, be punished with a fine of not less than S\$10,000 and not more than S\$30,000 and with imprisonment for a term of not less than one month and not more than 12 months; and
 - (ii) in any other case, be punished with a fine not less than S\$20,000 and not more than S\$60,000.

The availability of the foreign workers to the construction industry is also regulated by the MOM through the following policy instruments:

- (a) approved source countries;
- (b) the imposition of security bonds and levies;
- (c) dependency ceilings based on the ratio of local to foreign workers; and
- (d) quotas based on the MYE in respect of workers from Non-Traditional Sources (“NTS”) and the PRC.

Approved source countries

The approved source countries for construction workers are Malaysia, the PRC, NTS and North Asian Sources (“NAS”). NTS countries include countries such as India, Sri Lanka, Thailand, Bangladesh, Myanmar and the Philippines. NAS countries include Hong Kong, Macau, South Korea and Taiwan.

Construction companies must have Prior Approval (“PA”) from the MOM to employ foreign workers from NTS countries and the PRC. The PA indicates the number of foreign workers a company is allowed to bring in from NTS countries and the PRC. It also determines the number of workers who can have their work permits renewed, or who can be transferred from another company in Singapore. PAs are given based on: (i) the duration of the work permits applied for; (ii) the number of full-time local workers employed by the company over the past three months as reflected in the company’s CPF contribution statements; (iii) the number of man-years allocated to the company (for main contractors) or the man-years directly allocated from the company’s main contractor (for subcontractors); and (iv) the remaining number of company’s quota available.

The MOM requires all new workers in the construction sector from NTS countries and the PRC recruited under the PA scheme to possess either the SEC or the SEC(K) before they are allowed to work in Singapore. The SEC and SEC(K) schemes are initiated by the BCA to raise the skill levels of the construction workforce, thus improving productivity and enhancing safety in the construction sector. All workers from NAS countries must possess either the SEC or SEC(K) and

all Malaysian workers must possess either Secondary Four education or its equivalent, the SEC or the SEC(K) before they are allowed to work in Singapore. All SEC and SEC(K) must be issued or accepted by the BCA.

From 1 July 2012, with respect to NTS and PRC construction workers, basic skilled workers would be allowed to work up to a maximum of 10 years, while higher skilled workers would be allowed to work up to 18 years. As a transitional measure for existing basic skilled workers, MOM will grant an extension to the period of employment of all affected workers. Generally, employers will have at least two years to upgrade their workers from basic skilled to higher skilled. NAS and Malaysian work permit workers may work in Singapore up to 60 years of age.

In addition, for each individual's work permit, in-principle approvals have to be sought. Upon receipt of approval, the foreign construction worker is required to undergo a medical examination by a doctor registered in Singapore and must pass such medical examination before a work permit can be issued to him.

All foreign workers in the construction sector must attend the CSOC, a full-day course conducted by various training centres accredited by MOM's Occupational Safety & Health Division ("OSHD") and obtain a valid CSOC Pass. The CSOC is to (i) ensure that construction workers are familiar with common safety requirements and health hazards in the industry, (ii) educate them on the required measures to safeguard themselves against accidents and diseases, and (iii) ensure that they are aware of their rights and responsibilities under employment law. Employers must ensure that the foreign workers take the course within two weeks of their arrival in Singapore before their work permits can be issued. Foreign workers who have failed the CSOC must retake the CSOC as soon as possible. Employers who fail to ensure that their workers take and pass the CSOC will be barred from applying for any new work permits for three months, while the affected workers will have their work permits revoked.

Security bonds and levies

For each NAS, NTS or PRC construction worker whom we were successfully granted with a work permit, a security bond of S\$5,000 in the form of a banker's guarantee or insurance guarantee is required to be furnished by us to the Controller of Work Passes. The security bond must be furnished prior to the foreign worker's arrival in Singapore, failing which entry into Singapore will not be allowed.

The employment of foreign workers is also subject to the payment of monthly levies. As at the Latest Practicable Date, a levy of S\$400 will apply to basic skilled workers (including workers who possess the SEC or SEC(K), and a levy of S\$280 will apply to higher skilled workers (including workers who are registered under the CoreTrade or issued with trade certifications recognised by the BCA with at least four years of construction experience in Singapore or who are under the Multi-Skilled Scheme¹). As at the Latest Practicable Date, for workers excluded from the requirement for prior authorisation before applying for a work permit (including foreign workers with at least two years' working experience in the construction sector and who are exempt from MYE requirements), a levy of S\$650 will apply to basic skilled workers and a levy of S\$550 will apply to higher skilled workers.

1 The Multi-Skilled Scheme is a multi-skilling scheme by BCA to provide an alternative pathway for the industry to upgrade their experienced workers. The Multi-Skilled Scheme complements CoreTrade, which caters to workers specialised in key construction trades. It aims to build up a pool of workers who are competent in multiple construction trades to carry out more than one type of work tasks on-site. Employers will have greater flexibility in deploying multi-skilled workers on-site, hence reducing the downtime and improving their productivity.

Dependency ceilings

The dependency ceiling for the construction industry is currently set at a ratio of one full-time local worker to seven foreign workers. This means that for every full-time Singapore Citizen or Singapore Permanent Resident employed by a company in the construction sector with regular full month CPF contributions made by the employer, the company can employ seven foreign workers.

MYE

The MYE allocation system is a work permit allocation system pertaining to the employment of construction workers from NTS and the PRC (“Restricted Foreign Workers”). MYEs represent the total number of Restricted Foreign Workers that each main contractor is entitled to employ based on the value of the projects or contracts awarded by the developers or owners. NTS or PRC construction workers who have worked with any employer for a cumulative period of two or more years in the construction industry, may be hired by main contractors without the need for MYE.

At the time of the MYE application, amongst others, the balance duration of the project must be at least one month and the total remaining contract value of the project must be at least S\$500,000. The allocation of MYE is in the form of the number of “man-years” required to complete a project and only main contractors may apply for MYE. One man-year is equivalent to one year’s employment under a work permit. All levels of subcontractors are required to obtain their MYE allocation from their main contractors. A main contractor’s MYE will expire on the completion date of the relevant project.

Employers are required to comply with the conditions of the work permits, such as the requirement to provide acceptable accommodation for their foreign workers. Such accommodation must meet the statutory requirements set by various government agencies, including the NEA, the PUB, the Singapore Civil Defence Force and the BCA. A list of approved off-site housing is provided by the relevant approving agencies, namely the URA, Singapore Land Authority, JTC, the HDB and the Agri-Food and Veterinary Authority of Singapore.

Other conditions of the work permits which employers of foreign construction workers are also required to comply with include the following:

- that the foreign worker performs only those construction activities specified in the conditions;
- ensuring that the foreign worker is not sent to work for any other person, except as provided for in the conditions;
- providing safe working conditions for their foreign workers; and
- purchasing and maintaining medical insurance with coverage of at least S\$15,000 per 12-month period of the foreign worker’s employment (or for such shorter period where the worker’s period of employment is less than 12 months) for the foreign worker’s inpatient care and day surgery except as the Controller of Work Passes may otherwise provide by notification in writing.

Apart from the EFMA, an employer of foreign workers is also subject to, amongst others, the provisions set out in:

- the Employment Act, Chapter 91 of Singapore (the “Employment Act”). The Employment Act sets out requirements with respect to, amongst others, the terms of contracts of service, the payment of salary, rest days, hours of work and other conditions of service (including overtime limits) which are applicable to an employer of foreign and local workers; and
- the Immigration Act, Chapter 133 of Singapore (“Immigration Act”) and the regulations issued pursuant to the Immigration Act.

Licensing of Builders

The Building Control Act and the Building Control (Licensing of Builders) Regulations 2008 set out the requirements for licensing of builders. Licensing requirements will apply to builders who undertake all building works where plans are required to be approved by the CBC (including those who undertake works in specialist areas which have a high impact on public safety and require specific expertise, skill or resources for their proper execution). The requirements apply to both public and private construction projects.

There are two types of licences: the General Builder licence and the Specialist Builder licence. Under the General Builder licence, there are two classes: (i) Class 1 General Builder licence, which will allow the builder to undertake general building works of unlimited value, and (ii) Class 2 General Builder licence, which will allow the builder to undertake general building works of contract value of S\$6 million or less.

Main contractors registered under Class 1 General Builder will need to comply with requirements on CoreTrade on construction personnel. CoreTrade is a registration scheme administered by the BCA for skilled and experienced construction personnel in the various key construction trades. The objective of CoreTrade is to build up a core group of local and experienced foreign workers in key construction trades to anchor and lead the workforce. Licensed Class 1 General Builders undertaking general building works of contract value of S\$20 million or more are required to lodge a manpower programme with the CBC. The programme will set out the number and proportion of registered construction personnel to be deployed for the project. In the event that the CBC is satisfied that such requirements are not met, the Class 1 General Builder licence of Soil-Build, SB Procurement or Forte Builder may be revoked.

If a builder does not hold a valid general or specialist builder’s licence, he is unauthorised to carry out general building works or specialist building works, respectively. A builder will be committing a criminal offence and liable on conviction to an imposition of a fine or imprisonment or to both if he carries out such works without a valid licence.

The CBC may by order revoke the builder licence if he is satisfied of the occurrence of certain events as set out in the Building Control Act, including, among others, (i) the cessation of the business of the licensed builder as a general builder or specialist builder, as the case may be, in Singapore, (ii) the licensed builder has been declared bankrupt or has gone into compulsory or voluntary liquidation other than for the purpose of amalgamation or reconstruction, or (iii) the licensed builder has been convicted of an offence under the Building Control Act. In other cases whether the CBC considers that there is no cause of sufficient gravity for revocation of the builder licence, the CBC may by order suspend the licence, impose a financial penalty on the licensed builder, censure the builder concerned or impose such other direction or restriction as the CBC considers appropriate on the builder’s business as a general builder or specialist builder, as the case may be.

Each of Soil-Build, SB Procurement and Forte Builder is currently licensed with the BCA under the following categories:

Name	Issuing Body	Name of Certification	Expiry Date
Soil-Build	BCA	General Builder (GB1)	16 June 2015
SB Procurement	BCA	General Builder (GB1)	21 February 2014
Forte Builder	BCA	General Builder (GB1)	2 January 2014

The scope of work that Soil-Build, SB Procurement and Forte Builder may carry out with the above Class 1 General Builder licences includes general building works.

Approval and Execution of Plans of Building Works

Under the Building Control Act, no person shall commence or carry out, or permit or authorise the commencement or carrying out of, any building works unless the plans of the building works have been approved by the CBC and in the case of structural works, there is in force a permit granted by the CBC to carry out the structural works. Before an application to the CBC for the approval of the plans of the building works is made, every person for whom or on whose behalf any relevant building works are carried out, or the builder of such building works, shall appoint either a registered architect or professional engineer (“Qualified Person”) to prepare the said plans in accordance with the Building Control Regulations 2003, and to supervise the building works. All building works shall be carried out under the supervision of a Qualified Person. The structural elements of all large building works (as referred to in the Building Control Act) shall be carried out under the full-time supervision of a site supervisor, or a team of site supervisors, working under a Qualified Person’s control and direction. Concreting, piling, prestressing, tightening of high-friction grip bolts, the construction of earth retaining and stabilising structures or other critical structural works of small-scale building works (as referred to in the Building Control Act) would also require the supervision of a Qualified Person or the supervision of a site supervisor, or a team of site supervisors, working under a Qualified Person’s control and direction. Under the Building Control Act, a builder undertaking any building works shall, among others, (i) ensure that the building works are carried out in accordance with the plans of the building works supplied to it by the Qualified Person and with any terms or conditions imposed by the CBC in accordance with the Building Control Act and the building regulations, (ii) notify the CBC of any contravention of the provisions of the Building Control Act or the building regulations relating to those building works of which the builder knows or ought reasonably to know and (iii) within seven days from the completion of the building works, certify that the new building has been erected or the building works have been carried out in accordance with the Building Control Act and the building regulations and deliver such certificate to the CBC.

If the CBC is of the opinion that any building works are carried out in such a manner as (i) will cause, or will be likely to cause, a risk of injury to any person or damage to any property; (ii) will cause, or will be likely to cause, or may have caused a total or partial collapse of the building in respect of which building works are or have been carried out or any building, street or natural formation opposite, parallel, adjacent or in otherwise close proximity to those building works, or any part of such building, street, slope or land; or (iii) will render, or will be likely to render, or may have rendered the building in respect of which building works are or have been carried out or any building, street, slope or natural formation opposite, parallel, adjacent or in otherwise close proximity to those building works, or any part of such building, street or land, so unstable or dangerous that it will collapse or be likely to collapse either totally or partially, he may, amongst others, by order, direct the person for whom or on whose behalf those building works are carried out to immediately stop the building works and to execute or caused to be executed such measures as he may specify to prevent the abovementioned situations from happening.

The Building Control Regulations 2003 sets out certain requirements relating to, amongst others, design and construction and the installation of exterior features. For example, (i) no person shall, without the permission of the CBC, install any lift in any building; and (ii) in installing an air-conditioning unit on the exterior of any building or which projects outwards from any building, a trained air-conditioning unit installer would have to be engaged to carry out the installation works relating to the air-conditioning unit.

Under the Fire Safety Act, Chapter 109A of Singapore (the “Fire Safety Act”), the person for whom any proposed fire safety works are to be commenced or carried out in any building shall apply to the Commissioner of Civil Defence (“CCD”) for approval of the plans of the fire safety works in accordance with the regulations made under the Fire Safety Act and such person shall appoint an appropriate qualified person to prepare those plans. No person shall commence or carry out or permit or authorise the commencement or carrying out of any fire safety works in any building unless the CCD has approved all the plans of the fire safety works. Upon completion of any fire safety works, the person for whom the fire safety works had been carried out shall apply for a fire safety certificate from the CCD in respect of the completed fire safety works.

Where, in the opinion of the CCD, any fire safety works are carried out or have been carried out in contravention of the Fire Code (as defined in the Fire Safety Act), the Fire Safety Act or any regulations made thereunder, he may by order in writing require (i) the cessation of the unauthorised fire safety works until such order is withdrawn, (ii) such work or alteration to be carried out to the unauthorised fire safety works or the building or part thereof to which the unauthorised fire safety works relate as may be necessary to cause the unauthorised fire safety works to comply with the Fire Code, the Fire Safety Act and any regulations made thereunder, or (iii) the demolition of the building or part thereof to which the unauthorised fire safety works relate.

Under the Fire Safety Act, no person shall store or keep, or cause to be stored or kept, any class of petroleum or flammable material except, among others, under the authority of and in accordance with the provisions of a licence from the CCD and every condition specified therein.

Environmental laws and regulations

The Environmental Public Health Act, Chapter 95 of Singapore (“EPHA”) requires, among others, a person, during the erection, alteration, construction or demolition of any building or at any time, to take reasonable precautions to prevent danger to the life, health or well-being of persons using any public places from flying dust or falling fragments or from any other material, thing or substance. The EPHA also regulates, among others, the disposal and treatment of industrial waste and public nuisances. Under the EPHA, the Director-General of Public Health may, on receipt of any information respecting the existence of a nuisance liable to be dealt with summarily under the EPHA and if satisfied of the existence of a nuisance, serve a nuisance order on the person by whose act, default or sufferance the nuisance arises or continues, or if the person cannot be found, on the owner or occupier of the premises on which the nuisance arises. Some of the nuisances which are liable to be dealt with summarily under the EPHA include any factory or workplace which is not kept in a clean state, any place where there exists or is likely to exist any condition giving rise, or capable of giving rise to the breeding of flies or mosquitoes, any place where there occurs, or from which there emanates noise or vibration as to amount to a nuisance and any machinery, plant or any method or process used in any premises which causes a nuisance or is dangerous to public health and safety. The EPHA also requires the occupier of any construction site the contract sum in relation to which exceeds S\$10 million to employ a competent person to act as an environmental control officer in the construction site for the purpose of exercising general supervision within the construction site of the observance of the provisions of, amongst others, the EPHA.

The Environmental Protection and Management Act, Chapter 94A of Singapore seeks to provide for the protection and management of the environment and resources conservation and regulates, amongst others, air pollution, water pollution, land pollution and noise control. Under the Environmental Protection and Management (Control of Noise at Construction Sites) Regulations, the owner or occupier of any construction site shall ensure that the level of noise emitted from his construction site shall not exceed the maximum permissible noise levels prescribed in such regulations.

The Control of Vectors & Pesticides Act, Chapter 59 of Singapore (“CVPA”) consolidates and amends the law relating to the destruction of vectors and the control of vector-borne diseases. The CVPA provides for the control of the sale and use of pesticides and vector repellents, and also provides for the registration, licensing and certification of persons engaged in vector control work and related matters.

Workmen’s Compensation

The WICA applies to employees in respect of injury suffered by them in the course of their employment and sets out, amongst others, the amount of compensation they are entitled to and the method(s) of calculating such compensation. The WICA provides that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to an employee, the employer shall be liable to pay compensation in accordance with the provisions of the WICA.

The WICA provides, amongst others, that, where any person (referred to as the principal) in the course of or for the purpose of his trade or business contracts with any other person (referred to as the employer) for the execution by the employer of the whole or any part of any work, or for the supply of labour to carry out any work, undertaken by the principal, the principal shall be liable to pay to any employee employed in the execution of the work any compensation which he would have been liable to pay if that employee had been immediately employed by the principal.

Building and Construction Industry Security of Payment Act

Under the BCISPA, any person who has carried out any construction work or supplied any goods or services under a contract is entitled to a progress payment. The BCISPA also contains provisions relating to, amongst others, the amount of the progress payment to which a person is entitled under a contract, the valuation of the construction work carried out under a contract and the date on which a progress payment becomes due and payable. In addition, the BCISPA, amongst others, endorses the following rights:

- (i) the right of a claimant (being the person who is or claims to be entitled to a progress payment) who, in relation to a construction contract, fails to receive payment by the due date of an amount that is proposed to be paid by the respondent (being the person who is or may be liable to make a progress payment under a contract to a claimant) and accepted by the claimant, to make an adjudication application in relation to the payment claim. The BCISPA has established an adjudication process by which a person may claim payments due under a contract and enforce payment of the adjudicated amount;
- (ii) the right of a claimant to suspend the carrying out of construction work or supply of goods or services, and to exercise a lien over goods supplied by the claimant to the respondent that are unfixed and which have not been paid for, or to enforce the adjudication determination as if it were a judgment debt, if, amongst others, such claimant is not paid after the adjudicator has determined that the respondent shall pay an adjudicated amount to the claimant; and

- (iii) where the respondent fails to pay the whole or any part of the adjudicated amount to a claimant, the right of a principal of the respondent (being the person who is liable to make payment to the respondent for or in relation to the whole or part of the construction work that is the subject of the contract between the respondent and the claimant) to make direct payment of the outstanding amount of the adjudicated amount to the claimant, together with the right for such principal to recover such payment from the respondent.

Workplace Safety and Health Safety Measures

Under the WSHA, every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the employees a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, developing and implementing procedures for dealing with emergencies that may arise while those persons are at work and ensuring that the person at work has adequate instruction, information, training and supervision as is necessary for that person to perform his work.

Workplace Safety and Health (General Provisions) Regulations (“WSHR”)

More specific duties imposed on employers are laid out in the WSHR. Some of these duties include taking effective measures to protect persons at work from the harmful effects of any exposure to any bio-hazardous material which may constitute a risk to their health.

Pursuant to the WSHR, the following equipment are required to, amongst others, be tested and examined by an authorised examiner (“Authorised Examiner”) before they can be used and thereafter, at specified intervals:

- hoists or lifts
- lifting gears
- lifting appliances and lifting machines

Upon examination, the Authorised Examiner will issue and sign a certificate of test and examination, specifying the safe working load of the equipment. Such certificate of test and examination shall be kept available for inspection. Under the WSHR, it is the duty of the occupier of a workspace in which the equipment is used to comply with the foregoing provisions of the WSHR, and to keep a register containing the requisite particulars with respect to the lifting gears, lifting appliances and lifting machines.

In addition to the above, under the WSHA, inspectors appointed by the CWSH may, among others, enter, inspect and examine any workplace, to inspect and examine any machinery, equipment, plant, installation or article at any workplace, to make such examination and inquiry as may be necessary to ascertain whether the provisions of the WSHA are complied with, to take samples of any material or substance found in a workplace or being discharged from any workplace for the purpose of analysis or test, to assess the levels of noise, illumination, heat or harmful or hazardous substances in any workplace and the exposure levels of persons at work therein and to take into custody any article in the workplace which is relevant to an investigation or inquiry under the WSHA.

Under the WSHA, the CWSH may issue a stop-work order in respect of a workplace if he is satisfied that (i) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work; (ii) any person has contravened any duty imposed by the WSHA; or (iii) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work. The stop-work order shall, amongst others, direct the person served with the order to immediately cease to carry on any work indefinitely or until such measures as are required by the CWSH have been taken, to the satisfaction of the CWSH, to remedy any danger so as to enable the work in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

The MOM has also implemented a demerit points system for the construction sector. All main contractors and subcontractors in the construction sector will be issued with demerit points for breaches under the WSHA and relevant subsidiary legislation. The number of demerit points awarded depends on the severity of the infringement. A contractor that has received more than 18 demerit points within a 12-month period will receive a formal warning from the MOM, while the continued accumulation of demerit points will result in more stringent corrective actions. If a contractor continues to commit workplace safety and health offences, applications from the company for new and renewal of all types of work passes for all foreign employees will be rejected by MOM. MOM escalates warnings and penalties to main contractors as they commit repeated offences and accumulate demerit points, as follows:

First Stage: A warning letter will be issued to the main contractor if the total points accumulated by the company exceed 18 demerit points within a 12-month rolling period.

Second Stage: The following will apply to an individual worksite if the total points accumulated by the worksite exceed 18 demerit points:

- Six-month MYE freeze for first occurrence;
- 12-month MYE freeze for second occurrence (within 12 months of the first occurrence); and
- 24-month MYE freeze for third or subsequent occurrences (within 12 months of the previous occurrence).

A main contractor will have its records cleared when all its worksites do not accumulate any demerit points for a rolling period of 12 months.

Third Stage: A 24-month MYE freeze will be extended to all worksites under the company if three of its worksites have each accumulated more than 18 demerit points within any 12-month period i.e. the company's MYE has been frozen three times within a year.

Applications from the company for new and renewal of all types of work passes for all foreign employees will also be rejected.

Workplace Safety and Health (Safety and Health Management System and Auditing) Regulations 2009 (“WSHSR”) and Workplace Safety and Health (Construction) Regulations 2007 (“WSHCR”)

We are also subject to WSHSR and WSHCR. Under WSHSR, every occupier of a worksite shall implement a safety and health management system for the purpose of ensuring the safety and protecting the health of persons at work in the workplace. Under WSHCR, a workplace safety and health co-ordinator shall be appointed by the occupier in respect of every worksite where the contract sum of the building operation or works of engineering construction carried out therein is

less than S\$10 million. Any occupier of a worksite who contravenes this shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$10,000 and, in the case of continuing offence, to a further fine not exceeding S\$1,000 for every day or part thereof during which the offence continues after conviction. Under Regulation 7(1) of the WSHCR, the workplace safety and health co-ordinator's duty, in respect of a worksite, is to:

- (a) assist the occupier of the worksite to identify any unsafe condition in the worksite or unsafe work practice which is carried out in the worksite;
- (b) recommend to the occupier of the worksite to implement such reasonably practicable measures to remedy the unsafe condition or unsafe work practice; and
- (c) assist the occupier of the worksite to implement such reasonably practicable measures referred to in sub-paragraph (b) above.

Any workplace safety and health co-ordinator who, without reasonable excuse, contravenes Regulation 7(1) of the WSHCR shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$1,000 and, in the case of a second and subsequent offence, to a further fine not exceeding S\$5,000.

With respect to any worksite with a contract sum of S\$30 million or more, it shall be the duty of the occupier of the worksite to appoint a workplace safety and health auditor to audit the safety and health management system of the worksite at least once every six months. With respect to any worksite with a contract sum of less than S\$30 million, it shall be the duty of the occupier of the worksite to (a) conduct an interval review of the safety and health management system of the worksite at least once every six months; and (b) if directed by the CWSH, appoint a workplace safety and health auditor to audit the safety and health management system of the worksite.

Workplace Safety and Health (Registration of Factories) Regulations 2008 (“WSH Factories Regulations”)

Any person who wishes to occupy or use any premises where any building operation or works of engineering construction is or are being carried out by way of trade or for the purposes of gain is required to register the premises (or worksite) as a “factory” with the CWSH pursuant to the WSH Factories Regulations. The application to register the premise as a factory must be made at least one month before the factory starts operation. A certificate of registration that is issued in respect of such a factory shall remain in force from the date of its issue until such time as it is revoked.

Construction sites registering as new factories are required to: (i) declare that they have implemented risk management at the point of registration, and (ii) conduct a safety and health management system (“SHMS”) audit within two months from the commencement of work. An SHMS audit/internal review must be conducted and submitted to the MOM within two months of the issuance of the certificate of registration, failing which the certificate of registration may be revoked.

Workplace Safety and Health (Scaffolds) Regulations 2011

No person shall construct, erect, install, re-position, alter, maintain, repair or dismantle any scaffold, not being an excluded scaffold, in any workplace unless he is an approved scaffold contractor. Soil-Build is currently an approved scaffold contractor for the purpose of carrying out the erection, alteration and dismantling of metal scaffold.

Business Under Surveillance Programme

The MOM has implemented the BUS programme to regulate poor performing companies to focus on developing and implementing a robust safety and health management system to improve their workplace safety and health performance. This programme is divided into two phases – the assessment phase and the surveillance phase.

In the assessment phase, companies who have had fatal accidents, demonstrated poor workplace safety and health management (such as poor site conditions that result in stop-work orders) or have had accumulate a number of demerit points would typically be considered for entry into the BUS programme. A thorough review of the implementation of the risk assessment and the strength of the management system would be conducted. If the company fails the assessment, they will be subjected to close surveillance.

In the surveillance phase, OSHD requires the company's management to develop and commit to a comprehensive and sustainable action plan. The company is held accountable to their proposed action plan and reports the implementation progress on a regular basis to OSHD. In addition, inspections are carried out frequently by the OSHD's surveillance branch to verify the progress made. The company will exit from the programme upon demonstrating significant improvement in its workplace safety and health performance and management.

Public Sector Standard Conditions of Contract for Construction Works

The Public Sector Standard Conditions of Contract ("PSSCOC") for Construction Works was developed by the BCA to enable a common contract form to be used in all public sector construction projects. The PSSCOC contains terms relating to, among others, the general obligations of the contractor, programme for the works, quality in construction, commencement of works, suspension of works, time for completion, liquidated damages, defects, variations to the works, valuation of variations, procedures for claims, indemnity provisions, insurance, progress payments and final account and settlement of disputes.

Fines and Penalties

We and/or Forte Builder have, from time to time in the ordinary course of our operations, incurred fines imposed by the NEA in relation to, *inter alia*, the propagation of vector or noise pollution (such as exceeding the noise limits at worksites). Each of these fines are typically between S\$1,000 to S\$15,000 and the aggregate of such fines paid by us and/or Forte Builder for FY2010, FY2011, FY2012 and the period from 1 January 2013 until the Latest Practicable Date are S\$18,000, S\$50,000, S\$111,000 and S\$48,000 respectively. In addition, we have received notices on 29 April 2013 from the NEA regarding the propagation of vectors in our Northspring BizHub Project worksite; however, enforcement action has yet to be taken as at the Latest Practicable Date. Under the CVPA, the maximum penalty that we may be subject to for propagation of vectors is a fine not exceeding S\$5,000 or S\$10,000 in the case of a second or subsequent conviction. Further, the maximum fine for non-compliance with an order made by the Director-General of Public Health is S\$20,000 or S\$50,000 in the case of a second or subsequent conviction. Further, Forte Builder has on 18 April 2013 received a summons for attendance at the Subordinate Courts of Singapore on 28 May 2013 in respect of one day of non-compliance (which occurred in February 2013) with a notice by the Director-General of Environmental Protection to restrict all construction work at the Angullia Park Project worksite to be carried out within a prescribed daily timeframe of between 7.00 a.m. and 10.00 p.m. Under the Environmental Protection and Management Act, Chapter 94A of Singapore, the maximum fine for non-compliance with such notice is S\$10,000 for every day during which the notice is not complied with. The aggregate of such fines paid by us and/or Forte Builder increased from S\$18,000 in FY2010 to S\$111,000 in FY2012 due to progressive tightening of regulations by the NEA, and an increase in the number of projects and number of workers, including foreign workers who require more time to familiarise

themselves and comply with the stricter regulations. In addition, the additional workers employed also require more time to familiarise themselves and comply with and carry out the measures implemented by our Group to minimise future breaches of environmental regulations.

For the Period Under Review and up to the Latest Practicable Date, we have been issued with one stop-work order by the NEA. On 30 March 2013, the NEA issued a stop-work order with respect to the Northspring BizHub Project worksite to stop all construction works. The stop-work order was issued as the worksite was found to be favourable to the propagation and harbouring of vectors, and was lifted on 10 April 2013 upon rectification (such as the removal of debris and stagnant water).

As and when a breach of environmental regulations has been notified to our Group, corrective actions were then taken by our Group to address such breaches. Prior to the Period Under Review, we have implemented vector control measures such as larviciding and thermal fogging at our worksites. To minimise future breaches of environmental regulations, we have also, since the end of 2011, instructed our project managers to conduct daily and regular housekeeping and upkeep of our worksites (such as the removal of debris) and to report any unresolved issues to our corporate headquarters for prompt direction and execution. In addition, we have, since the second half of 2012, implemented a public relations programme, involving the engagement of a liaison manager to handle feedback from external parties who may be affected by the carrying out of construction work at our worksites (such as noise). Further, we have, since April 2013, implemented measures to enhance the water-tightness of buildings (such as minimising any gap in the construction sequence whereby walls and windows are not installed, leading to water leakage into buildings). Any breaches of the applicable laws and regulations are reported to the relevant project director and project manager for follow-up. The reporting of any unresolved issues (such as unclosed inspection findings by the various subcontractors and solutions which may require budget approval) to our corporate headquarters is done on a monthly basis and as and when it is necessary. The report is distributed to our Director, Operations and the relevant project director for resolution within five days. In this regard, our Director, Operations is responsible for providing directions for the resolution of unresolved issues. Upon the direction of our Director, Operations, the relevant project manager is responsible for providing advice on and oversight of the execution and resolution of unresolved issues. Non-conformity reports are raised and the parties in-charge are responsible for execution within a committed timeline and following up with a re-verification of the issues. Compliance with the foregoing procedures is subject to review by our Group's safety manager. We have also, since April 2013, enhanced our monitoring of compliance by instructing our project managers to submit photographic evidence of compliance (such as photographs of designated storage areas and site drainage). Our project managers are also subject to a yearly performance appraisal which takes into account, amongst others, the environmental performance of their projects which is in turn judged on factors such as the number of quarterly safety awards awarded to the relevant project by management.

We and/or Forte Builder have, from time to time in the ordinary course of our operations, incurred fines imposed by the MOM in relation to miscellaneous breaches of workplace safety and health regulations on worksites, such as the accumulation of debris on worksites. Each of these fines are typically between S\$500 to S\$3,500 and the aggregate of such fines paid by us and/or Forte Builder for FY2010, FY2011 and FY2012 are S\$7,000, S\$12,500 and S\$4,500 respectively. We and Forte Builder did not incur any fine imposed by the MOM for the period from 1 January 2013 until the Latest Practicable Date.

Save for one worksite accident in 2011 which resulted in one fatality from a fall from height, for the Period Under Review and up to the Latest Practicable Date, we have not experienced any fatal accidents at our worksites. In 2011, certain staff members (such as the safety staff, the project manager and the relevant supervisors) and the relevant subcontractor were interviewed by the MOM in connection with the aforesaid worksite accident. Following such interviews, to the best of the Company's knowledge, as at the Latest Practicable Date, they have not been required to provide any further assistance and no legal proceedings have been instituted against us. Save for

the foregoing, as the Latest Practicable Date, we have not incurred any material financial or legal liabilities in respect of the aforesaid worksite accident. In addition, a partial stop-work order was issued in respect of the relevant worksite for approximately two weeks and we also received five demerit points.

For the Period Under Review and up to the Latest Practicable Date, we have been issued with two partial stop-work orders by the MOM. On 23 February 2011, the MOM issued a partial stop-work order with respect to the West Park BizCentral Project worksite to cease the carrying on of any process or work where any person would be liable to fall more than two metres. The stop-work order was in relation to the lack of or inadequacy of safety measures put in place for working at heights and falling hazards and was lifted on 9 March 2011 upon rectification (such as the barricading of all open sides and the effective covering of all floor openings where workers are liable to fall more than two metres in height). On 24 August 2012, the MOM issued a partial stop-work order with respect to the Tampines HDB Project worksite to cease the carrying on of any works carried out on formwork and its related activities. The stop-work order was in relation to the lack of or inadequacy of safety measures put in place for formworks activities and was lifted on 4 September 2012 upon rectification (such as the provision of means of fall protection for workers working at the formworks).

According to the MOM's website¹, as at 22 April 2013, we have accumulated five demerit points for breaches in August 2012 under the WSHA and relevant subsidiary legislation in relation to works carried out on formwork and its related activities at the Tampines HDB Project worksite. In addition, we were placed into the BUS programme with effect from 28 July 2011 arising from the MOM's assessment/inspection which found systemic lapses in the management of workplace safety and health. These systemic lapses were found in areas relating to (a) the implementation of risk management for hazardous operations, (b) the analysis of past accidents and non-compliances with the applicable regulations, and (c) inadequacies of the workplace safety and health management system. We subsequently exited the BUS programme with effect from 17 September 2012 after the implementation of the following steps and procedures to address the systemic lapses:

- (i) the implementation of risk management for hazardous operations through measures and procedures such as or relating to gondola safe work procedures and evaluation of permit-to-work and formwork inspection checklist report;
- (ii) analysis of past accidents and non-compliances, and recommendation of preventive measures such as an emergency response system, and implementation of procedures such as house-keeping and those relating to fall prevention/protection, including formwork and scaffold; and
- (iii) setting-up or updating of the workplace safety and health management system through measures such as or relating to training for the management, inspection frequency and internal review of workplace safety and health management system.

1 Source: MOM (<http://www.mom.gov.sg/Documents/safety-health/reports-stats/List%20of%20Contractors%20with%20Demerit%20Points.pdf>). MOM has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

As and when a breach of workplace safety and health regulations has been notified to our Group, corrective actions were then taken by our Group to address such breaches. To minimise future breaches of such workplace safety and health regulations, we have, since September 2011, instructed our project managers to work more closely with our workplace safety and health personnel in work planning as part of the action plan to exit the BUS programme. In addition, we have, since 2009, stepped up our training on workplace safety and health matters and our internal policies by engaging additional workplace safety and health specialists to put in place a routine surveillance and follow up program and we have, since December 2012, initiated an additional corporate inspectorate program, with direct reporting to our corporate headquarters, to supplement the foregoing surveillance and follow up program. Compliance with the foregoing procedures is subject to review by our Group's safety manager. With effect from FY2013, the workplace safety and health performance of projects has been identified as one of the key performance indicators in the yearly performance appraisal of project managers.

Our Director, Operations oversees our workplace safety and health system, with support from our project management team and our safety and health team. These teams have improved compliance on workplace safety and health matters through (1) keeping abreast of regulatory updates on workplace safety and health matters, (2) continuous and relevant safety training, and (3) enhanced surveillance systems while implementing the safety and health management system.

In addition to the foregoing, we have, from time to time in the ordinary course of our operations, incurred fines imposed by other regulatory authorities, including the PUB, the Singapore Civil Defence Force and the National Parks Board. In FY2011, we were fined S\$2,500 by PUB in relation to the carrying out of water service work without a licence at a worksite in FY2010. In FY2011, we were fined S\$500 by the Singapore Civil Defence Force for fire safety violations at a worksite. In FY2012, we were fined S\$7,500 by the National Parks Board for causing damage to a tree at a worksite. As and when a relevant breach has been notified to our Group, corrective actions were then taken by our Group to address such breaches. For the period from 1 January 2013 until the Latest Practicable Date, we were fined S\$1,000 by PUB for the discharge of silty water into the storm water drainage system at a worksite.

In addition, in December 2011, Soil-Build received a warning issued by the MOM in relation to a foreign employee who was not deployed in accordance with the conditions of his work pass. Other than the warning to Soil-Build, no further action was taken by the MOM.

MYANMAR

The following sets out a summary of relevant aspects of applicable laws and regulations of Myanmar with respect to foreign investment, the construction industry and foreign currency regulations, and is not intended to be and does not constitute legal advice. The following does not purport to contain all conditions, qualifications and exceptions nor is the following a complete and exhaustive review of all laws and regulations of Myanmar with respect to the stated matters. The summary is based on laws, regulations and interpretations in effect and available as at the Latest Practicable Date. The laws, regulations and interpretations, however, may change at any time, and any change could be retroactive. While this discussion is considered to be a correct interpretation of existing laws and regulations in force, no assurance can be given that the courts or government authorities responsible for the enforcement and administration of such laws or regulations will agree with this interpretation or that changes in such laws or regulations will not occur.

Foreign Investment and the Construction Industry in Myanmar

Foreign investors who wish to conduct construction or construction-related activities in Myanmar may rely on the foreign investment framework available under the Myanmar Companies Act and the Myanmar Foreign Investment Law (promulgated on 2 November 2012).

Investment under the Myanmar Companies Act

In order to engage in business activities in Myanmar, foreign entities generally establish branch offices or private limited companies with the CRO which is administered by the DICA under the Myanmar Companies Act.

Subject to certain exceptions, there is no concept of a “representative-office” in Myanmar. Nevertheless, foreign entities that wish to establish such offices may register non-revenue generating branch offices with business activities that are limited to representative-office type activities. As branch offices are not separate legal entities from the companies they represent, they would not have their own shareholders or directors, but instead, are required to appoint a resident representative who is authorised to accept any service, process or notice on behalf of the company.

Foreign investors may also establish private limited companies in Myanmar, which may be wholly owned or registered as a joint venture company with Myanmar nationals. Under the Myanmar Companies Act, these private limited companies may be established either as “limited by shares,” where the liability of its members is limited to the amount subscribed on the shares held by them in the company or “limited by guarantee,” where the liability of its members is limited to such amount as they may undertake to contribute in the event that the company is wound up.

Branch offices and limited liability companies established by foreign entities are required, under Section 27A of the Myanmar Companies Act, to secure a Permit to Trade, as a precondition to their commencement of business, in addition to applying for their respective registrations with the CRO. This Permit to Trade, which is also issued by the DICA, enumerates the business scope that the branch or company is permitted to conduct in Myanmar and is considered to be the general business license of the branch or company.

Registration of construction or construction-related activities under the Myanmar Companies Act

When a foreign entity intends to establish a company in Myanmar to carry out construction or construction-related services via a branch office or a private limited company, upon its submission of a registration application with the CRO, the CRO will, in turn, confirm with the Ministry of Construction that it has no objections to such application. The DICA acting through the CRO will proceed with the registration of the branch or private limited company only if a no objection letter is received from the Ministry of Construction.

Private limited companies that have been issued a certificate of registration and Permit to Trade by the DICA must also secure a separate construction licence from the YCDC under Notification Order No. 9/1999 issued by the Ministry of Construction. Companies contracted to provide construction services must further secure certain construction permits from the relevant regional government or city development committee for each construction project in which they are engaged.

Construction and construction-related activities under the Myanmar Foreign Investment Law

Apart from registering as a branch office or a private limited company under the Myanmar Companies Act, foreign investors may apply for an investment permit through the Myanmar Foreign Investment Law and its Implementing Rules and Regulations (Notification Order No. 11/2013 issued by the Ministry of National Planning and Development on 13 January 2013) (“Implementing Rules”). The application is made to the MIC which is the licensing authority established, and tasked with issuing investment permits, under the Myanmar Foreign Investment Law.

The grant of an investment permit under the Myanmar Foreign Investment Law will allow foreign investors to enjoy certain benefits not otherwise extended to foreign companies merely registered with the CRO under the DICA. These benefits include exemption from income tax for up to five (5) consecutive years from the grant of the investment permit; exemption from customs duties or other internal taxes on machinery equipment, instruments, machinery components, spare parts and materials used during the period of construction; exemption from customs duties or other internal taxes on raw materials imported for the first three (3) years of commercial operations; other tax benefits; investment assurances and guarantees; a mechanism for repatriation of capital and profits; and further, the opportunity to lease and develop land for a period not exceeding fifty (50) years (renewable for two terms of ten (10) years each).

However, not all foreign investors seeking an investment permit will be granted one as a matter of right. The Implementing Rules, reflecting similar provisions under the Myanmar Foreign Investment Law, prescribe specific factors that will be taken into account for each investment permit application (the “Key Factors”). These include, *inter alia*, a significant level of domestic labour necessary to conduct the economic activity, the importation and use of heavy equipment or advanced technology for the intended investment, the value that the economic activity will add to the domestic economy and the degree to which the economic activity will uplift the living standards of domestic citizens. Investment permit applications that do not sufficiently meet these Key Factors will not likely be granted, although an applicant which intends to carry out general construction services, having been denied an investment permit, may nonetheless establish a private limited company through the submission of a separate application with the CRO (without, however, enjoying the benefits extended by the Myanmar Foreign Investment Law).

Foreign construction companies intending to provide general construction services in Myanmar, therefore, may apply for an investment permit from the MIC if they satisfy the Key Factors and other conditions required by the Myanmar Foreign Investment Law and the Implementing Rules. Such general construction services companies may be wholly owned by foreign investors. However, construction services in certain specially designated sectors set forth in Notification Order No. 1/2013 (issued on 31 January 2013 by the MIC) may be subjected to compulsory joint ventures or other conditions as prescribed by the Myanmar Foreign Investment Law, the Implementing Rules and Notification Order No. 1/2013. Some of these specifically designated sectors are set forth below.

Type of Construction Activity	Conditions/Restrictions
Inland port services through construction of inland container depot and warehouse services	Must be undertaken only through a joint-venture with Myanmar nationals
Building design and construction and other related consultancy services	Construction company must operate in accordance with norms and standards of the ASEAN Mutual Recognition Agreement ¹ and the Myanmar National Building Codes, Rules and Regulations ²
Construction of factories, installation of machinery and equipment	Construction company must operate in accordance with norms and standards of the ASEAN Mutual Recognition Agreement and the Myanmar National Building Codes, Rules and Regulations
Construction of large-scale housing	Foreign investment shall be allowed depending on the Environmental Impact Assessments ³ and Social Impact Assessments ⁴ , and will require the submission of a Preliminary Environmental Study ⁵
Construction of large-scale hotel, recreation places and resorts	Foreign investment shall be allowed depending on the Environmental Impact Assessments and Social Impact Assessments, and require the submission of a Preliminary Environmental Study

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- 1 The ASEAN Mutual Recognition Agreement, of which Myanmar is a party, aims to facilitate the recognition, by the Myanmar government, of educational qualifications, and professional qualifications and experience of foreign nationals when working or undertaking projects in Myanmar. In this regard, qualifications of engineers, architects and service providers recognised in another ASEAN country will be recognised in Myanmar. It should be underscored, however, that the mechanisms and limits of this recognition are not clearly delineated under existing Myanmar law, rules and regulations.
 - 2 Taken together, the Myanmar National Building Code, Rules and Regulations make up the minimum standards required to be observed by all building owners and contractors in the construction of buildings and other structures in Myanmar. These include structural requirements, electrical requirements, and other related restrictions. Among these include the Myanmar National Building Code Development and Construction Guidelines for High-rise Buildings, which are enforced by the Committee for Quality Control of High-rise Building Projects of the Ministry of Construction. As at the Latest Practicable Date, the updating of these existing building code rules and regulations is subject to debate by the Myanmar Parliament.
 - 3 An Environmental Impact Assessment is a report required for certain foreign investment activities or projects specified under MIC Notification No. 1/2013 that have been determined to have a likely effect on the project's physical environment (air, water, land and etc.). Upon submission by the proponent, the Environmental Impact Assessment is forwarded by the MIC to the Environmental Conservation Department under the Ministry of Environmental Conservation and Forestry for review.
 - 4 A Social Impact Assessment is a report required for certain foreign investment activities or projects specified under MIC Notification No. 1/2013 that have been determined to have a likely effect on the society or community where the activity or project is to be undertaken. The Social Impact Assessment will be evaluated by the MIC, which will consider the recommendations of the regional or local governments that may be directly affected by the activity or project.
 - 5 A Preliminary Environmental Study is a report required for certain foreign investment activities or projects specified under MIC Notification No. 1/2013 that is meant to identify environmental risks so as to avoid or minimise adverse environmental impact.

Procedures for securing an MIC investment permit

In order to secure an investment permit from the MIC under the Myanmar Foreign Investment Law, the foreign investor must (a) apply for registration as a private limited company with the CRO under the Myanmar Companies Act and (b) apply for a separate investment permit with the MIC. Under the Implementing Rules, foreign investors seeking an investment permit from the MIC may simultaneously submit both the applications for the registration of a private limited company and the investment permit to the CRO and the MIC respectively, but the certificate of registration of the private limited company will not be issued by DICA until the corresponding investment permit is approved by the MIC.

In the application for the investment permit, the Myanmar Foreign Investment Law requires the applicant to provide, among other relevant information, details on the applicant's financial standing including commercial and financial references, a suitable economic justification for the intended construction services, the estimated annual value of the services to be conducted, as well as the drafts of the land lease and joint venture agreements relating to the project. The purpose for the disclosure of this information is for the MIC to evaluate the applicant's compliance with the Key Factors required of all foreign investments under the Myanmar Foreign Investment Law and its Implementing Rules, as well as all other conditions specifically applicable to the investment at hand.

Where the project has or is likely to have an environmental or social impact, the MIC may require the submission of the Environmental Impact Assessment and Social Impact Assessment. In addition, economic activities that require the support of the Ministry of Environmental Conservation and Forestry (such as the construction of large-scale housing, and construction of large-scale hotel, recreation places and resorts, etc.) also require the submission of a Preliminary Environmental Study.

The evaluation of the investment permit application will be conducted by the MIC's Proposal Scrutinizing Panel, which includes senior officials representing various ministries and departments of the government, including the DICA, the Customs Department, the Internal Revenue Department, the Director of Trade and the Department of Environmental Conservation. Should the panel initially accept the proposal, recommendations from the ministries concerned (e.g. the Ministry of Construction or the Ministry of Hotel and Tourism), as well as the regional or state governments where the services or construction project is to be conducted, will be sought and considered before the final issuance of the investment permit.

It should be underscored, in any event, that the grant of an MIC investment permit is issued by the MIC in the exercise of its administration authority after satisfactory evaluation, and there is no guarantee that an MIC investment permit will be issued to every foreign investment applicant.

Post-permit requirements

The Implementing Rules also provide for post-permit requirements that must be observed by grantees of MIC investment permits. Among these include completing the construction project within a specific period as prescribed by the MIC, securing of appropriate fire, machinery, personal accident, natural disaster and life insurance coverage from local insurance providers, and submitting quarterly operation reports to the MIC for the entire term of the investment. Furthermore, the company which is incorporated in Myanmar further to the issue of the MIC investment permit is annually required to submit a list of directors and shareholders, as well as their corresponding shareholdings in the company, to the CRO in accordance with the provisions of the Myanmar Companies Act.

Manpower and Employment Requirements

Companies granted MIC investment permits are required by the Myanmar Foreign Investment Law to employ only Myanmar nationals for unskilled labour. On the other hand, positions that require skilled labour must be filled according to a specific allocation: at least 25% of the total skilled workforce must be made up of Myanmar nationals for the first two (2) years from the grant of the MIC investment permit, at least 50% for the next two (2) years, and at least 75% for the next two (2) years. These two-year intervals may be extended by the MIC upon an appropriate application being made for such extension. The balance of the skilled workforce may be filled by foreign nationals, but companies engaging such foreigners must first secure corresponding work permits approved by the MIC and the Ministry of Labour, Employment and Social Security.

In any event, all workers, whether local or foreign, are covered by the Myanmar Minimum Wage Law 1949 (which will be replaced by the Myanmar Minimum Wage Law 2013 which has been passed by the Myanmar Parliament but which will only take effect upon implementing regulations issued by the Office of the President) and must also be registered under the Myanmar Social Security Law 1954. Meanwhile, all manual labourers (who must be Myanmar nationals) and those otherwise engaged in non-labour related tasks but whose wages do not exceed Kyats 40,000 per month (whether Myanmar or foreign nationals) are covered by the Myanmar Workmen's Compensation Act 1923, as amended.

Transfer of Funds and Foreign Exchange Controls in Myanmar

Dealings with Foreign Currency in Myanmar

With the repeal of the Foreign Exchange Regulation Act 1947, and the promulgation of the Myanmar Foreign Exchange Management Law 2012 ("Myanmar Foreign Exchange Management Law" on 10 August 2012, residents, including Myanmar companies, have a greater degree of freedom to legally transact foreign currency through foreign exchange dealers licensed by the CBM. Thus, foreign investors applying for registration with the MIC or the CRO are able to open foreign currency bank accounts with licensed domestic banks into which the minimum capital required for their intended investment is to be deposited, and through which foreign exchange transactions in connection with their business operations may be conducted.

Remittance of Foreign Currency by Companies with an MIC investment permit

Under the Myanmar Foreign Investment Law and its Implementing Rules, foreign investors granted MIC investment permits may, as a general rule, and following approval from the MIC, transfer or remit abroad foreign currency brought into Myanmar for purposes of the foreign investment. These amounts include the company's net profits (following deduction of various taxes), dividends received by the shareholder who had brought foreign capital into Myanmar, and the amount receivable upon liquidation of the company.

Applications for remittance must be submitted to the MIC together with the corresponding bank statement relating to the account in which the foreign currency is deposited and an audit report relating to the relevant investment activity. The MIC has the discretion to approve the remittance application in full, or in an amount less than that applied for. All remittances must be transacted through a domestic bank in Myanmar that has been authorised to deal in foreign currency.

Remittance of Foreign Currency by Companies without an MIC investment permit

Foreign investors registered merely as a private limited company under the CRO do not enjoy similar rights of remittance, as they do not come within the ambit of the Myanmar Foreign Investment Law. However, the Myanmar Foreign Exchange Management Law allows the unrestricted transfer of foreign currency defined as “ordinary transferred payments” by both branch offices and private limited companies under the Myanmar Foreign Exchange Management Law. These “ordinary transferred payments” include the following specific transactions:

- Trading and services, and payments for short-term bank loans
- Interests payable on loan, and net profit accrued from investments
- Repayments of loan in installments, or depreciations for direct investments
- Remittance of money from local or abroad for family living

On the other hand, the Myanmar Foreign Exchange Management Law also provides that “transferred payments for capital” require the prior scrutiny and approval of the CBM. In this regard, Section 26 of the Myanmar Foreign Exchange Management Law (which is found under the general heading of “Capital Transfer and Payment Related to Capital”) provides that “principal, interests, profits and other receipts” must be reviewed by the CBM to determine whether or not the funds sought to be remitted were, at the outset, actually brought into Myanmar by the foreign investor. The CBM is thereby empowered to refuse remittance should insufficient proof be presented of the initial investment.

By the language of the Myanmar Foreign Exchange Management Law, therefore, it would appear that companies merely registered under the CRO (and operating without an MIC investment permit) may be required to submit any intended remittance of principal, interest, profits and other receipts to the CBM for specific approval. This is notwithstanding that “net profit accrued from investments” is considered an “ordinary transferred payment” under certain provisions of the Myanmar Foreign Exchange Management Law.

Remittance of Foreign Currency under Directive No. 15/2012

Following from the enactment of the Myanmar Foreign Exchange Management Law, the CBM issued Directive No. 15/2012 (the “Directive”). The Directive enumerates specific foreign exchange activities permitted to licensed domestic banks and the documentary requirements that must be submitted by the applicant to complete the foreign currency transfer. The practical effect of the Directive is to identify specific (although non-exhaustive) foreign currency transactions that may be undertaken without the further scrutiny of the CBM or the MIC, where certain supporting documentation is submitted to the licensed domestic banks. For example, under Item 25 of Annexure A to the Directive, money transfers for services provided from abroad only requires the submission of supporting evidence of the deposit and of the amount required to be paid by foreign currency.

The same Directive clearly provides that the transfer of foreign currency acquired by businesses operating under an investment permit from the MIC, including the repayment of foreign currency loans, interests and expenses and the transfer of dividends, would only be allowed when accompanied by a corresponding permit for remittance issued by the MIC (the “MIC Remittance Permit”). No provision however is made for such remittances by a company that is not operating under a MIC permit.

In any event, the Directive mandates licensed local banks to closely scrutinise each purported ordinary transferred payment in order to avoid the transfer of funds that may be considered as “transferred payments for capital”.

Investment of funds through loans or advances

Because of the lack of clarity on whether loans and advances benefit from investment guarantees and assurances in the same way as equity investments do, as well as the lack of certainty that loans may be repaid without encountering foreign exchange issues, the generally accepted mode for raising capital for foreign investment has been through a subscription for equity.

While the Myanmar Foreign Exchange Management Law now allows residents (including corporations) to open foreign currency accounts in foreign countries for the purpose of, *inter alia*, the repayment of foreign loans, there continues to be no guidance as to whether such repayments will be considered “transferred payments for capital” requiring CBM approval. There is some comfort to be found under the Directive by companies with an MIC investment permit, which states that the repayments of loans and interest by companies granted investment permits by the MIC require a MIC Remittance Permit. This seems to suggest that the further approval of the CBM is not required for the repayment of loans and interest by a company operating under an investment permit granted by the MIC, so long as the approval of the MIC has been obtained for such transactions. However, there remains some suggestion in the Myanmar Foreign Exchange Management Law and the Directive that loans and interest could be regarded as “transferred payments for capital” requiring additional and separate scrutiny by the CBM. The procedures for obtaining the approval of the MIC for the repayment of loans and interests have also not been expressly addressed in the Myanmar Foreign Investment Law and its Implementing Rules.

Finally, it ought to be noted that companies that are merely registered with the CRO do not operate under the framework of the Myanmar Foreign Investment Law and accordingly, are not in a position to meet the Directive’s requirement to obtain the permission of the MIC for the repayment of loans and interest. It is unknown whether the CBM provides a separate mechanism for the approval of repayment of loans and interest by such companies, and whether it will readily render its approval.

INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTERESTS

INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group (when used in this section, our “Group” refers to our Company, our Subsidiaries and, where applicable, our Associated Companies, if any), and any of our interested persons (namely, our Directors, Chief Executive Officer or Controlling Shareholders or the Associates of such Directors, Chief Executive Officer or Controlling Shareholders) would constitute interested person transactions.

Certain terms such as “Associate”, “control”, “Controlling Shareholder”, “entity at risk” and “interested person” used in this section have the meanings ascribed to them in the Listing Manual and/or the SFR as the context so requires.

In line with the rules set out in Chapter 9 of the Listing Manual, a transaction which value is less than S\$100,000 is not considered material in the context of the Invitation and is not taken into account for the purposes of aggregation in this section.

The following represents transactions undertaken by us with our interested persons and their respective Associates within the Period Under Review and for the period from 1 January 2013 up to the Latest Practicable Date. We have entered into certain other transactions with our interested persons which are material in the context of the Invitation, as further disclosed in the sections entitled “Restructuring Exercise” and “Interested Person Transactions and Potential Conflicts of Interests – Potential Conflicts of Interests – Non-Competition Deeds”.

Save as disclosed below and in the sections entitled “Restructuring Exercise” and “Interested Person Transactions and Potential Conflicts of Interests – Potential Conflicts of Interests – Non-Competition Deeds”, our Group does not have any other material transactions with any of its interested persons within the Period Under Review and for the period from 1 January 2013 up to the Latest Practicable Date. Investors, upon subscription of the New Shares, are deemed to have specifically approved these transactions with our interested persons and as such these transactions are not subject to Rules 905 and 906 of the Listing Manual to the extent that there are no subsequent changes to the terms of the relevant agreements.

Past Interested Person Transactions

Details of the past transactions between our Group and interested persons are as follows:

Construction contracts

We have been appointed as the main contractor, the contractor for architectural works and/or the project manager for certain of the Controlling Shareholder Group’s property development projects as described below. The aggregate value of such contracts (including any variation orders confirmed or expected as at the Latest Practicable Date) is S\$363.4 million. The aggregate revenue arising from such contracts (including any variation orders confirmed or expected as at the Latest Practicable Date) during FY2010, FY2011 and FY2012 and for the period from 1 January 2013 until the Latest Practicable date is S\$116.0 million, S\$97.9 million, S\$33.5 million and S\$0.1 million respectively. Such contracts were on normal commercial terms that were similar to terms offered to third parties and had been negotiated on a non-arm’s length basis as we were a wholly-owned Subsidiary of Soilbuild Group Holdings at the relevant time, and such terms are not prejudicial to the interests of our Group and/or minority Shareholders. The key terms of such contracts are similar to those we adopt for our construction projects with unrelated third parties, save for (a) the provision of performance guarantee which is waived as we are part of the Controlling Shareholder Group and (b) the monetary value of the relevant project. Such key terms

include retention sums, warranties, liquidated damages, credit terms, defects liability period and progress claims schedules. The monetary value of the relevant project (whether such project is awarded by the Controlling Shareholder Group or by unrelated third parties) is arrived at based on our internal costs and budgetary evaluations which take into account, *inter alia*, the specifications, resource availability and schedule of the relevant project.

SB (Bluetek) Development Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the Monteleu Project in 2007. The value of the contract (which was arrived at based on internal cost and budgetary evaluations on costs) was approximately S\$40.1 million (including any variation orders confirmed or expected as at the Latest Practicable Date). TOP was obtained in 2010.

SB (Westcove) Investment Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the Tuas Lot Project in 2008. The value of the contract (which was arrived at based on internal cost and budgetary evaluations on costs) was approximately S\$34.9 million (including any variation orders confirmed or expected as at the Latest Practicable Date). TOP was obtained in 2010.

SB (Eastwin) Investment Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the Goodvine Annex Project in 2008. The value of the contract (which was arrived at based on internal cost and budgetary evaluations on costs) was approximately S\$8.8 million (including any variation orders confirmed or expected as at the Latest Practicable Date). The certificate of statutory completion for the project was obtained in 2010.

SB (Bluecrest) Development Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the Heritage 9 Project in 2008. The value of the contract (which was arrived at based on internal cost and budgetary evaluations on costs) was approximately S\$6.9 million (including any variation orders confirmed or expected as at the Latest Practicable Date). TOP was obtained in 2010.

SB (Solaris) Investment Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the Solaris Project in 2008. In this connection, Soil-Build was also appointed as the project manager in 2009. The aggregate value of the contracts (which was arrived at based on internal cost and budgetary evaluations on costs) was approximately S\$63.8 million (including any variation orders confirmed or expected as at the Latest Practicable Date). TOP was obtained in 2010.

SB (Woodlands) Investment Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the Woodlands BizHub Project in 2009. In this connection, SB Procurement was appointed as the contractor for architectural works in 2009 while SB Project Services was appointed as the project manager in 2010. The aggregate value of the contracts (which was arrived at based on internal cost and budgetary evaluations on costs) was approximately S\$21.7 million (including any variation orders confirmed or expected as at the Latest Practicable Date). TOP was obtained in 2011.

SB (Westpark) Investment Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the West Park BizCentral Project in 2009. In this connection, SB Procurement was appointed as the contractor for architectural works in 2009 while SB Project Services was appointed as the project manager in 2010. The aggregate value of the contracts (which was arrived at based on internal cost and budgetary evaluations on costs) was approximately S\$84.3 million (including any variation orders confirmed or expected as at the Latest Practicable Date). TOP was obtained in 2011.

SB (Ruby) Development Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the Mezzo Project in 2009. In this connection, SB Procurement was appointed as the contractor for architectural works in 2009 while SB Project Services was appointed as the project manager in 2010. The aggregate value of the contracts (which was arrived at based on internal cost and budgetary evaluations on costs) was approximately S\$18.5 million (including any variation orders confirmed or expected as at the Latest Practicable Date). TOP was obtained in 2012.

SB (Meyer) Development Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the Meier Suites Project in 2009. In this connection, SB Procurement was appointed as the contractor for architectural works in 2010 while SB Project Services was appointed as the project manager in 2010. The aggregate value of the contracts (which was arrived at based on internal cost and budgetary evaluations on costs) was approximately \$23.8 million (including any variation orders confirmed or expected as at the Latest Practicable Date). TOP was obtained in 2012.

SB (Northpoint) Investment Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the North Point Bizhub Project in 2010. In this connection, SB Procurement was appointed as the contractor for architectural works in 2011 while SB Project Services was appointed as the project manager in 2010. The aggregate value of the contracts (which was arrived at based on internal cost and budgetary evaluations on costs) was approximately S\$35.7 million (including any variation orders confirmed or expected as at the Latest Practicable Date). TOP was obtained in 2012.

SB (Westpoint) Investment Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the West Point BizHub Project in 2010. In this connection, SB Procurement was appointed as the contractor for architectural works in 2010 while SB Project Services was appointed as the project manager in 2010. The aggregate value of the contracts (which was arrived at based on internal cost and budgetary evaluations on costs) was approximately \$20.8 million (including any variation orders confirmed or expected as at the Latest Practicable Date). TOP was obtained in 2011.

SB (Riverview) Investment Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the B-Central Project in 2012. The aggregate value of the contract (which was arrived at based on internal cost and budgetary evaluations on costs) was approximately S\$4.0 million (including any variation orders confirmed or expected as at the Latest Practicable Date). The completion certificate issued by the architect was obtained in 2013.

Provision of corporate guarantees

Soilbuild Group Holdings had from time to time provided corporate guarantees in respect of facilities extended by financial institutions to us as follows:

Lender	Amount of Facility (in millions)⁽¹⁾	Largest amount guaranteed for the Period Under Review and for the period from 1 January 2013 until the Latest Practicable Date (in millions)⁽²⁾	Type of Facilities
UOB	S\$12.1	S\$5.6 ⁽³⁾	Money market loan, overdraft, letters of credit, trust receipts financing and performance guarantee
The Hongkong and Shanghai Banking Corporation Limited	S\$7.0	S\$4.0 ⁽⁴⁾	Guarantee, trade facilities, import line, documentary credit line, loan against import with trust receipt line, clean import loan and overdraft
Malayan Banking Berhad	S\$16.6	S\$11.6	Banker's guarantee
DBS	S\$24.2	S\$24.2	Fixed advance and long-term letters of guarantee
DBS	S\$5.0	S\$1.0	Fixed advance, trade facilities comprising letters of credit, trust receipts, bills receivable purchase, shipping guarantees and air waybill guarantees
RHB Bank Berhad	S\$7.5	S\$5.8	Banker's guarantee
The Bank of East Asia Limited	S\$2.5	S\$1.4	Letters of credit, trust receipts, documents against acceptance, documents against payment, purchase of export bills, overdraft and banker's guarantee ⁽⁵⁾
Orix Leasing Singapore Limited	S\$2.6	S\$2.0	Hire purchase
Malayan Banking Berhad	The lower of S\$0.6 million or 80% of the net purchase price	S\$0.6	Machinery hire purchase
Malayan Banking Berhad	The lower of S\$0.2 million or 70% of the purchase price or market valuation	S\$0.2	Machinery hire purchase

Notes:

- (1) The amount of the facility granted by the relevant financial institution varies from time to time. This represents the largest amount available under the relevant facility for the Period Under Review and for the period from 1 January 2013 until the Latest Practicable Date.
- (2) Based on amounts outstanding as at the end of each calendar month.
- (3) The corporate guarantee is for an amount of approximately S\$12.1 million.
- (4) The corporate guarantee is for an amount of S\$7.0 million.
- (5) As at the Latest Practicable Date, all of the facilities have been cancelled save for the banker's guarantee facility of S\$0.8 million.

As of the date of lodgment of this Prospectus, we have obtained a release and discharge of all the corporate guarantees, which is subject to our listing on the SGX-ST. Subsequent to our listing on the SGX-ST, we do not envisage that there will be similar transactions. However, should we enter into such similar transactions, it will be subject to the requirements of Chapter 9 of the Listing Manual. As no fees were paid to Soilbuild Group Holdings for the provision of the corporate guarantees, the provision of such corporate guarantees had been negotiated on a non-arm's length basis as we were a wholly-owned Subsidiary of Soilbuild Group Holdings at the relevant time, and such terms are not prejudicial to the interests of our Group and/or minority Shareholders.

Advances and Loans from Soilbuild Group Holdings and its Subsidiaries

Soilbuild Group Holdings and its Subsidiaries have in the past provided advances and loans to us for various purposes as described below. Such loans are accounted for as loans due to Soilbuild Group Holdings and its Subsidiaries while such advances are accounted for as non-trade payables due to Soilbuild Group Holdings and its Subsidiaries.

Advances

From time to time, Soilbuild Group Holdings and its Subsidiaries as set out below, have provided advances to us, which relate to common expenses (including staff and staff-related costs, rental and utilities), payments to third parties on behalf of us and intercompany loan interest.

- SB (Bluecrest) Development Pte. Ltd.;
- SB (Blueteak) Development Pte. Ltd.;
- SB (Cashew) Development Pte. Ltd.;
- SB Development Pte. Ltd.;
- SB (Eightrium) Investment Pte. Ltd.;
- SB Facade Pte Ltd;
- SB (Grange) Development Pte. Ltd.;
- SB (Kranji) Development Pte. Ltd.;
- SB (Meyer) Development Pte. Ltd.;
- SB (Ruby) Development Pte. Ltd.;
- SB (Orchard) Development Pte. Ltd.;
- SB (Raintree) Development Pte. Ltd.;
- SB (Solaris) Investment Pte. Ltd.;
- SB (Tuaslinc) Investment Pte. Ltd.;
- SB (Westcove) Investment Pte. Ltd.;
- SB (Westpark) Investment Pte. Ltd.;

- SB (Westpoint) Investment Pte. Ltd.; and
- SB (Woodlands) Investment Pte. Ltd.

The advances have been fully repaid. As the advances were charged to us on a cost-recovery basis with no mark-up as there were no other costs involved in such advances and were provided on the basis that we were wholly-owned by Soilbuild Group Holdings at the relevant time, the advances had been negotiated on a non-arm's length basis.

The largest amount outstanding under such advances for the Period Under Review and for the period from 1 January 2013 until the Latest Practicable Date (based on amounts outstanding as at the end of each calendar month) was S\$4.3 million.

The amounts outstanding under advances at the end of the past three financial years ended 31 December 2010, 2011 and 2012 and the Latest Practicable Date were S\$1.1 million, S\$3.2 million, S\$0.9 million and S\$0.8 million respectively.

Loans

In addition, Soilbuild Group Holdings and its Subsidiary, SB (Raintree) Development Pte. Ltd., has in the past provided loans to us for various purposes as described below.

Soilbuild Group Holdings had from time to time extended unsecured loans to Soil-Build for working capital purposes. The largest amount outstanding for the Period Under Review and for the period from 1 January 2013 until the Latest Practicable Date (based on amounts outstanding as at the end of each calendar month) was S\$28.7 million. For FY2010, the loans were interest-free. For FY2011 and for the period from 1 January 2012 until 30 June 2012, the loans bore an interest of 2.25% per annum above the 3-month Swap Offer Rate at the relevant time. The loans have been fully repaid as at 30 June 2012. For FY2010, as the loans were unsecured and did not bear any interest, the loans had been negotiated at a non-arm's length basis. For FY2011 and FY2012, as the loans were unsecured, the loans had been negotiated at a non-arm's length basis.

Soilbuild Group Holdings had from time to time extended unsecured loans to SB Procurement for working capital purposes. The largest amount outstanding for the Period Under Review and for the period from 1 January 2013 until the Latest Practicable Date (based on amounts outstanding as at the end of each calendar month) was S\$1.7 million. For FY2010 and for the period from 1 January 2011 until 17 April 2011, the loans were interest-free. For the period from 18 April 2011 until 31 December 2011 and for the period from 1 January 2012 until 30 June 2012, the loans bore an interest of 2.25% per annum above the 3-month Swap Offer Rate at the relevant time. The loans have been fully repaid as at 30 June 2012. For FY2010 and for the period from 1 January 2011 until 17 April 2011, as the loans were unsecured and did not bear any interest, the loans had been negotiated at a non-arm's length basis. For the period from 18 April 2011 until 31 December 2011 and FY2012, as the loans were unsecured, the loans had been negotiated at a non-arm's length basis.

Soilbuild Group Holdings had in FY2010 extended an unsecured, interest-free loan of S\$10,000 to SB Project Services for opening of bank account purposes. The largest amount outstanding for the Period Under Review and for the period from 1 January 2013 until the Latest Practicable Date (based on amounts outstanding as at the end of each calendar month) was S\$10,000. The loan has been fully repaid as at the end of FY2010. As the loan was unsecured and did not bear any interest, the loan had been negotiated at a non-arm's length basis.

SB (Raintree) Development Pte. Ltd. had prior to 1 January 2010 extended unsecured loans to Soil-Build for working capital purposes. The largest amount outstanding for the Period Under Review and for the period from 1 January 2013 until the Latest Practicable Date (based on amounts outstanding as at the end of each calendar month) was S\$3.04 million. For FY2010, the loans bore an interest of 1.5% per annum above the 3-month Singapore Interbank Offered Rate. The loans have been fully repaid as at the end of FY2010. As the loans were unsecured and did not bear any interest, the loans had been negotiated at a non-arm's length basis.

The amounts outstanding under the loans at the end of the past three financial years ended 31 December 2010, 2011 and 2012 and the Latest Practicable Date were as follows:

	As at the end of			Latest Practicable Date (S\$'000)⁽⁵⁾
	FY2010 (S\$'000)	FY2011 (S\$'000)	FY2012 (S\$'000)	
Loans from Soilbuild Group Holdings to Soil-Build	6,890	812	_(1)	—
Loans from Soilbuild Group Holdings to SB Procurement	_(2)	_(2)	_(2)	—
Loans from Soilbuild Group Holdings to SB Project Services	_(3)	_(3)	_(3)	—
Loans from SB (Raintree) Development Pte. Ltd. to Soil-Build	_(4)	_(4)	_(4)	—
Total	6,890	812	—	—

Notes:

- (1) Loans were provided by Soilbuild Group Holdings to Soil-Build during FY2012. The loans extended during FY2012 were fully repaid as at the end of FY2012.
- (2) Loans were provided by Soilbuild Group Holdings to SB Procurement during each of FY2010, FY2011 and FY2012. The loans extended during the relevant financial year were fully repaid as at the end of the relevant financial year.
- (3) A loan was provided by Soilbuild Group Holdings to SB Project Services during FY2010. The loan extended during FY2010 was fully repaid as at the end of FY2010. No loans were provided by Soilbuild Group Holdings to SB Project Services in FY2011 and FY2012.
- (4) Loans were provided by SB (Raintree) Development Pte. Ltd. to Soil-Build during FY2010. The loans extended during FY2010 were fully repaid as at the end of FY2010. No loans were provided by SB (Raintree) Development Pte. Ltd. to Soil-Build in FY2011 and FY2012.
- (5) No loans were provided by Soilbuild Group Holdings to Soil-Build and SB Procurement, and by SB (Raintree) Development Pte. Ltd. to Soil-Build, for the period from 1 January 2013 until the Latest Practicable Date.

The aggregate amount of interest expense incurred for such loans are set out below:

	FY2010 (S\$'000)	FY2011 (S\$'000)	FY2012 (S\$'000)	1 January 2013 up to the Latest Practicable Date (S\$'000)
Interest expense	16	500	41	—

Subsequent to our listing on the SGX-ST, we do not envisage that there will be similar loans.

Advances and Loans to Soilbuild Group Holdings and its Subsidiaries

We have also in the past provided advances and loans to Soilbuild Group Holdings and its Subsidiaries for various purposes as described below. Such loans are accounted for as loans due from Soilbuild Group Holdings and its Subsidiaries while such advances are accounted for as non-trade receivables due from Soilbuild Group Holdings and its Subsidiaries.

Advances

From time to time, we have provided advances to Soilbuild Group Holdings and its Subsidiaries as set out below, which relate to common expenses (including staff costs, upkeep of motor vehicles and recruitment expenses), payments to third parties on behalf of Soilbuild Group Holdings and/or its Subsidiaries (including payments to subcontractors and payment of utilities) and intercompany loan interest.

- SB (Bluecrest) Development Pte. Ltd.;
- SB (Blueteak) Development Pte. Ltd.;
- SB (Cashew) Development Pte. Ltd.;
- SB Development Pte. Ltd.;
- SB (Eastwin) Investment Pte. Ltd.;
- SB (Eightrium) Investment Pte. Ltd.;
- SB (Grange) Development Pte. Ltd.;
- SB (IPark) Investment Pte. Ltd.;
- SB (Kranji) Development Pte. Ltd.;
- SB (Lakeside) Investment Pte. Ltd.;
- SB (Meyer) Development Pte. Ltd.;
- SB (Northpoint) Investment Pte. Ltd.;
- SB (Northspring) Investment Pte. Ltd.;
- SB (Orchard) Development Pte. Ltd.;
- SB Property Services Pte. Ltd.;
- SB (Raintree) Development Pte. Ltd.;
- SB (Riverview) Investment Pte. Ltd.;
- SB (Ruby) Development Pte. Ltd.;
- SB (Senoko) Investment Pte. Ltd.;
- SB (Solaris) Investment Pte. Ltd.;

- SB Trust Management Pte. Ltd.;
- SB (Tuaslinco) Investment Pte. Ltd.;
- SB (Waterfront) Investment Pte. Ltd.;
- SB (Waterview) Investment Pte. Ltd.;
- SB (Westcove) Investment Pte. Ltd.;
- SB (Westpark) Investment Pte. Ltd.;
- SB (Westpoint) Investment Pte. Ltd.; and
- SB (Woodlands) Investment Pte. Ltd.

The advances have been fully repaid. As the advances were charged to the Soilbuild Group Holdings and its Subsidiaries on a cost-recovery basis with no mark-up as there were no other costs involved in such advances and were provided on the basis that we were wholly-owned by Soilbuild Group Holdings at the relevant time, the advances had been negotiated at a non-arm's length basis.

The largest amount outstanding under such advances for the Period Under Review and for the period from 1 January 2013 until the Latest Practicable Date (based on amounts outstanding as at the end of each calendar month) was S\$18.1 million.

The amounts outstanding under advances at the end of the past three financial years ended 31 December 2010, 2011 and 2012 and the Latest Practicable Date were S\$17.4 million, S\$5.6 million, S\$0.4 million and S\$0.03 million respectively.

Loans

In addition, Soil-Build had from time to time extended unsecured loans to Soilbuild Group Holdings for working capital purposes. The largest amount outstanding for the Period Under Review and for the period from 1 January 2013 until the Latest Practicable Date (based on amounts outstanding as at the end of each calendar month) was S\$19.0 million. The loans have been fully repaid. For FY2010 and FY2011, the loans were interest-free. For the period from 1 January 2012 until 30 June 2012, the loans bore an interest of 2.25% per annum above the 3-month Swap Offer Rate at the relevant time. For the period from 1 July 2012 until 31 December 2012, the loans bore an interest of 1.75% per annum above the 3-month Swap Offer Rate at the relevant time. The loans had been negotiated at a non-arm's length basis but were not prejudicial to the interests of our Group and/or minority Shareholders.

SB Procurement had from time to time extended unsecured loans to Soilbuild Group Holdings for working capital purposes. The largest amount outstanding for the Period Under Review and for the period from 1 January 2013 until the Latest Practicable Date (based on amounts outstanding as at the end of each calendar month) was S\$4.7 million. The loans have been fully repaid. For FY2010 and for the period from 1 January 2011 until 9 October 2011, the loans were interest-free. For the period from 10 October 2011 until 31 December 2011 and for the period from 1 January 2012 until 30 June 2012, the loans bore an interest of 2.25% per annum above the 3-month Swap Offer Rate at the relevant time. For the period from 1 July 2012 until 31 December 2012, the loans bore an interest of 1.75% per annum above the 3-month Swap Offer Rate at the relevant time. The loans had been negotiated at a non-arm's length basis but were not prejudicial to the interests of our Group and/or minority Shareholders.

SB Project Services had from time to time extended unsecured loans to Soilbuild Group Holdings for treasury and working capital purposes. The largest amount outstanding for the Period Under Review and for the period from 1 January 2013 until the Latest Practicable Date (based on amounts outstanding as at the end of each calendar month) was S\$2.3 million. The loans have been fully repaid. The loans were interest-free. The loans had been negotiated at a non-arm's length basis but were not prejudicial to the interests of our Group and/or minority Shareholders.

The amounts outstanding under such loans at the end of the past three financial years ended 31 December 2010, 2011 and 2012 and the Latest Practicable Date were as follows:

	As at the end of			
	FY2010 (S\$'000)	FY2011 (S\$'000)	FY2012 (S\$'000)	Latest Practicable Date (S\$'000)⁽⁴⁾
Loans from Soil-Build to Soilbuild Group Holdings	_(1)	_(1)	_(1)	—
Loans from SB Procurement to Soilbuild Group Holdings	50	649	_(2)	—
Loans from SB Project Services to Soilbuild Group Holdings	909	1,259	_(3)	—
Total	959	1,908	—	—

Notes:

- (1) Loans were provided to Soilbuild Group Holdings by Soil-Build during each of FY2010, FY2011 and FY2012. The loans extended during the relevant financial year were fully repaid as at the end of the relevant financial year.
- (2) Loans were provided to Soilbuild Group Holdings by SB Procurement during FY2012. The loans extended during FY2012 were fully repaid as at the end of FY2012.
- (3) Loans were provided to Soilbuild Group Holdings by SB Project Services during FY2012. The loans extended during FY2012 were fully repaid as at the end of FY2012.
- (4) No loans were provided to Soilbuild Group Holdings by Soil-Build, SB Procurement or SB Project Services for the period from 1 January 2013 until the Latest Practicable Date.

The aggregate amount of interest income earned for such loans are set out below:

	FY2010 (S\$'000)	FY2011 (S\$'000)	FY2012 (S\$'000)	1 January 2013 up to the Latest Practicable Date (S\$'000)
Interest income	—	5	157	—

Subsequent to our listing on the SGX-ST, we do not envisage that there will be similar loans.

Transfer of tax reliefs

Under the Group Relief for Singapore Companies as provided for under Section 37C of the Income Tax Act, Chapter 134 of Singapore ("Group Relief System"), a company belonging to a group may transfer its current year unabsorbed capital allowances, current year unabsorbed trade losses and current year unabsorbed donations (collectively referred to herein as "current year tax losses") to another company belonging to the same group. For this purpose, a group must consist of

Singapore-incorporated companies and any holdings by or through companies that are not incorporated in Singapore would be disregarded. Two Singapore-incorporated companies are members of the same group if (a) at least 75 per cent. of the total number of issued ordinary shares in one company are beneficially held, directly or indirectly, by the other; or (b) at least 75 per cent. of the total number of issued ordinary shares in each of the two companies are beneficially held, directly or indirectly, by a third Singapore-incorporated company. There are other conditions and requirements to be met in order to come within the Group Relief System.

SB Procurement transferred (subject to the agreement of the Comptroller of Income Tax) its FY2010 tax losses of S\$0.6 million to SB (Westcove) Investment Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, for the year of assessment 2011 pursuant to the Group Relief System. SB Procurement was not compensated for the transfer of such tax losses to SB (Westcove) Investment Pte. Ltd.

The requisite application form relating to the above transfer of such tax losses under the Group Relief System has been filed with the Comptroller of Income Tax in Singapore and is being reviewed by the Comptroller of Income Tax. The amount of such tax losses may be adjusted pending finalisation of tax assessment by the Comptroller of Income Tax.

The above transfer had been negotiated at a non-arm's length basis as the transfer was carried out on the basis that SB Procurement was not compensated for the transfer of such tax losses to SB (Westcove) Investment Pte. Ltd. Such transactions will not occur after our listing on the Main Board of the SGX-ST.

Subsequent to our listing on the SGX-ST, we do not envisage that there will be similar transactions. However, should we enter into such similar transactions, it will be subject to the requirements of Chapter 9 of the Listing Manual.

Present and On-going Interested Person Transactions

Details of the present and ongoing transactions between our Group and interested persons are as follows:

Construction Contracts

We have been appointed as the main contractor, the contractor for architectural works and/or the project manager for certain of the Controlling Shareholder Group's property development projects as described below. The aggregate value of such contracts (including any variation orders confirmed or expected as at the Latest Practicable Date) is approximately S\$377.6 million. The aggregate revenue arising from such contracts (including any variation orders confirmed or expected as at the Latest Practicable Date) during FY2010, FY2011 and FY2012 and for the period from 1 January 2013 until the Latest Practicable date is nil, S\$0.3 million, S\$91.2 million and S\$34.7 million respectively.

SB (Northspring) Investment Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the Northspring BizHub Project in 2011. In this connection, SB Procurement was appointed as the contractor for architectural works in 2011 while SB Project Services was appointed as the project manager in 2011. The aggregate value of the contracts (which was arrived at based on internal cost and budgetary evaluations on costs) is approximately S\$84.9 million (including any variation orders confirmed or expected as at the Latest Practicable Date). The project is in progress. The contract was on normal commercial terms that were similar to terms offered to third parties and had been negotiated on a non-arm's length basis as we were a wholly-owned Subsidiary of Soilbuild Group Holdings at the relevant time, and such terms are not prejudicial to the interests of our Group and/or minority Shareholders.

SB (Mandai) Investment Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the Mandai Connection Project in 2012. The aggregate value of the contract (which was arrived at based on internal cost and budgetary evaluations on costs) is approximately S\$44.8 million (including any variation orders confirmed or expected as at the Latest Practicable Date). The project is in progress. The contract was on normal commercial terms that were similar to terms offered to third parties and had been negotiated on a non-arm's length basis as we were a wholly-owned Subsidiary of Soilbuild Group Holdings at the relevant time, and such terms are not prejudicial to the interests of our Group and/or minority Shareholders.

SB (Westview) Investment Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the Bukit Batok BizHub Project in 2012. The aggregate value of the contract (which was arrived at based on internal cost and budgetary evaluations on costs) is approximately S\$29.6 million (including any variation orders confirmed or expected as at the Latest Practicable Date). The project is in progress. The contract was on normal commercial terms that were similar to terms offered to third parties and had been negotiated on a non-arm's length basis as we were a wholly-owned Subsidiary of Soilbuild Group Holdings at the relevant time, and such terms are not prejudicial to the interests of our Group and/or minority Shareholders.

SB (Northview) Investment Pte. Ltd., a Subsidiary of Soilbuild Group Holdings, appointed Soil-Build as the main contractor for the Northview Bizhub Project in 2012. The aggregate value of the contract (which was arrived at based on internal cost and budgetary evaluations on costs) is approximately S\$25.1 million (including any variation orders confirmed or expected as at the Latest Practicable Date). The project is in progress. The contract was on normal commercial terms that were similar to terms offered to third parties and had been negotiated on a non-arm's length basis as we were a wholly-owned Subsidiary of Soilbuild Group Holdings at the relevant time, and such terms are not prejudicial to the interests of our Group and/or minority Shareholders.

The key terms of the foregoing contracts are similar to those we adopt for our construction projects with unrelated third parties, save for (a) the provision of performance guarantee which is waived as we are part of the Controlling Shareholder Group and (b) the monetary value of the relevant project. Such key terms include retention sums, warranties, liquidated damages, credit terms, defects liability period and progress claims schedules. The monetary value of the relevant project (whether such project is awarded by the Controlling Shareholder Group or unrelated third parties) is arrived at based on our internal costs and budgetary evaluations which take into account, *inter alia*, the specifications, resource availability and schedule of the relevant project.

PLC 8 Development Pte. Ltd., a Subsidiary of PLC 8 Holdings Pte. Ltd. which is in turn wholly-owned by Mr Lim Chap Huat, appointed Soil-Build as the main contractor for the Lavender Project in 2012. PLC 8 Development Pte. Ltd. has issued convertible bonds to Ascendas Real Estate Investment Trust (the "Trust"). Such convertible bonds are due June 2015 and are convertible into shares of PLC 8 Development Pte. Ltd. at any time upon issuance of TOP for the Lavender Project. The aggregate value of the contract (including any variation orders confirmed or expected as at the Latest Practicable Date) is approximately S\$193.2 million. The project is in progress. The contract had been negotiated on an arm's length basis whereby (a) the terms were on normal commercial terms that were similar to terms offered to third parties, and (b) the amounts charged to PLC 8 Development Pte. Ltd. were comparable to or not less favourable than amounts that would have been charged on an arm's length basis to third parties for projects of a similar nature and size. In addition, a third party financial institution has provided a performance bond for 10% of the value of the contract in favour of PLC 8 Development Pte. Ltd. at the request of Soil-Build.

We intend to continue to enter into similar transactions with Soilbuild Group Holdings and its Associates under our Shareholders' Mandate (as defined herein) following the admission of our Company to the Official List of the SGX-ST. Such arrangements will be subject to the review procedures under our Shareholders' Mandate and the requirements of Chapter 9 of the Listing Manual.

Trade Mark Licence Agreement

On 10 May 2013, our Company entered into the Trade Mark Licence Agreement with Soilbuild Group Holdings pursuant to which Soilbuild Group Holdings has granted us the licence to use the Licensed Trade Marks in our business for a nominal one-off consideration of S\$1.00. However, in the event that Soilbuild Group Holdings is no longer an interested person of our Company for purposes of Chapter 9 of the Listing Manual for six consecutive months, our Company will be required to pay such fee as may be agreed by the parties at the relevant time. The licence may be terminated forthwith, *inter alia*, by Soilbuild Group Holdings or our Company when Soilbuild Group Holdings is no longer an interested person of our Company for purposes of Chapter 9 of the Listing Manual for six consecutive months or if we, our Subsidiaries and our Associated Companies over which we have control have effected a change of their respective names such that each of them no longer incorporates any of the words "SOILBUILD", "SB" or "SOIL-BUILD" or the Chinese characters "速美" as part of their names. The terms of the Trade Mark Licence Agreement had been negotiated on a non-arm's length basis as we were a wholly-owned Subsidiary of Soilbuild Group Holdings at the relevant time, and such terms are not prejudicial to the interests of our Group and/or minority Shareholders.

Sub-Lease Agreement

On 17 May 2013, our Subsidiary, Soil-Build, entered into the Sub-Lease Agreement with Soilbuild Group Holdings to lease space at SB Building, 25 Changi South Street 1 Singapore 486059, for a period commencing on 17 May 2013 and expiring on 24 November 2016 and the monthly rental is S\$60,236 (inclusive of a service charge).

Pursuant to the Sub-Lease Agreement, we shall bear all charges and taxes in respect of all telecommunication facilities supplied to and consumed at SB Building and Soilbuild Group Holdings shall reimburse us a portion of such charges and taxes on a cost-recovery basis, based on an allocation formula which will take into account the area of the space at SB Building occupied by Soilbuild Group Holdings and the area of the space at SB Building sub-leased by us. In addition, Soilbuild Group Holdings will pay us a mark-up of 5.0% to cover administrative costs unless varied by both parties in compliance with statutory requirements. Pursuant to the Sub-Lease Agreement, Soilbuild Group Holdings shall bear all charges and taxes in respect of all utilities supplied to and consumed at SB Building and we shall reimburse Soilbuild Group Holdings a portion of such charges and taxes on a cost-recovery basis, based on an allocation formula which will take into account the amount recovered from Soilbuild Group Holdings' external tenants, the area of the space at SB Building occupied by Soilbuild Group Holdings and the area of the space at SB Building sub-leased by us. In addition, we will pay Soilbuild Group Holdings a mark-up of 5.0% to cover administrative costs unless varied by both parties in compliance with statutory requirements. In arriving at the mark-up of 5.0%, our Company took into account the IRAS Transfer Pricing Guidelines which provides that to facilitate the relevant taxpayers' compliance with the arm's length standard while maintaining a high level of adherence to the arm's length principle, and based on industry norms, IRAS is prepared to accept a mark-up of 5.0% for certain routine support activities as a reasonable arm's length charge for such services, provided that these routine support activities that the service provider offers to its related party are not also provided to an unrelated party.

The Sub-Lease Agreement may be terminated, *inter alia*, by Soilbuild Group Holdings when Soilbuild Group Holdings and Soil-Build cease to be related companies for purposes of the Companies Act, provided that Soilbuild Group Holdings shall allow us a reasonable period to procure alternative premises for relocation.

Save for the monthly rental for the sub-lease which was on normal commercial terms that were similar to terms offered in leases with third parties, the terms of the sub-lease had been negotiated on a non-arm's length basis as Soil-Build was a wholly-owned Subsidiary of Soilbuild Group Holdings at the relevant time, and such terms are not prejudicial to the interests of our Group and/or minority Shareholders.

Please also see the section entitled "Risk Factors – Risks relating to our Group in General – We are reliant on the Controlling Shareholder Group" of this Prospectus.

We intend to continue to enter into similar transactions with Soilbuild Group Holdings and its Associates under our Shareholders' Mandate following the admission of our Company to the Official List of the SGX-ST. Such arrangements will be subject to the review procedures under our Shareholders' Mandate.

SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

We anticipate that we would, on and after the Listing Date, in the ordinary course of business, continue to enter into certain transactions with our interested persons (as such term is defined in the Listing Manual), including but not limited to those categories of transactions described below. In view of the time-sensitive and recurrent nature of commercial transactions, it would be advantageous for us to obtain a Shareholders' mandate to enter into certain interested person transactions in our normal course of business, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of our Company and our minority Shareholders. As we are principally engaged in general construction services, such services would fall under the scope of recurrent transactions of a revenue nature, thereby allowing us to obtain a Shareholders' mandate pursuant to Rule 920(1) of the Listing Manual.

Chapter 9 of the Listing Manual allows a listed company to obtain a mandate from its shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of our day-to-day operations.

Pursuant to Rule 920(2) of the Listing Manual, our Company may treat a general mandate as having been obtained from our Shareholders ("Shareholders' Mandate") for us to enter into interested person transactions with our interested persons, if the information required under Rule 920(1)(b) of the Listing Manual is included in this Prospectus. In relation to us, the information required by Rule 920(1)(b) is as follows:

- (i) the class of interested persons with which the Entity At Risk (as defined below) will be transacting;
- (ii) the nature of the transactions contemplated under the mandate;
- (iii) the rationale for, and benefit to, the Entity At Risk;
- (iv) the methods or procedures for determining transaction prices;
- (v) the independent financial adviser's opinion on whether the methods or procedures in (iv) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and the interests of our minority Shareholders;

- (vi) an opinion from our Audit Committee if it takes a different view to the independent financial adviser;
- (vii) a statement from us that we will obtain a fresh mandate from our Shareholders if the methods or procedures in (iv) above become inappropriate; and
- (viii) a statement that the interested person will abstain, and has undertaken to ensure that its Associates will abstain, from voting on the resolution approving the transaction.

The Shareholders' Mandate will be effective until the earlier of the following: (i) the conclusion of our first annual general meeting following our admission to the Official List of the SGX-ST; or (ii) the first anniversary of the date of our admission to the Official List of the SGX-ST. Thereafter, we will seek the approval of our Shareholders for a renewal of the Shareholders' Mandate at each subsequent annual general meeting.

Entities At Risk

For the purposes of the Shareholders' Mandate, an "Entity At Risk" means:

- our Company;
- a Subsidiary of our Company that is not listed on the SGX-ST or an approved exchange; or
- an Associated Company of our Company that is not listed on the SGX-ST or an approved exchange, provided that we and our interested person(s), have control over the Associated Company.

Classes of Mandated Interested Persons

The Shareholders' Mandate will apply to the transactions that are carried out with Soilbuild Group Holdings, our Directors and their respective Associates (the "Mandated Interested Persons").

Categories of Mandated Interested Person Transactions

The types of transactions to which the Shareholders' Mandate will apply (the "Mandated Transactions"), and the benefits to be derived therefrom, are set out below.

(a) Construction Transactions

This category of transactions pertains to the construction business of our Group ("Construction Transactions"). The transactions within this category comprise:

- (i) the tender by our Group for (whether by way of public tender, invitation or otherwise) and/or obtaining by our Group of the award of contracts from the Mandated Interested Persons as main contractors, subcontractors, suppliers and/or consultants for construction, building, engineering, architectural, retro-fitting and/or alteration and addition works for residential, commercial, industrial, institutional, recreational, infrastructural and other projects, turnkey projects and design and build projects ("Construction Services");
- (ii) the provision of renovation services (such as fitting-out, upgrading and tenancy works) ("Renovation Services") by our Group to the Mandated Interested Persons;

- (iii) the provision and/or obtaining of property-linked services (such as project management, property marketing, property and rental valuation services, building maintenance services and security services) (“Property-linked Services”) by our Group to and/or from the Mandated Interested Persons; and
- (iv) the provision and/or obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and services in sub-paragraphs (i) to (iii) above, by our Group to and/or from the Mandated Interested Persons.

(b) General Transactions

This category of transactions pertains to the general business transactions for services and products arising in the day-to-day operations of various companies in our Group (“General Transactions”). The transactions within this category comprise:

- (i) the leasing and/or rental of properties, other than as envisaged in any lease agreement in force between our Group and the Mandated Interested Persons. Please also see the section entitled “Risk Factors – Risks relating to our Group in General – We are reliant on the Controlling Shareholder Group” of this Prospectus; and
- (ii) the provision or obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and services in sub-paragraph (i) above.

Rationale for and Benefits of the Shareholders’ Mandate

Our Group will benefit from transacting with Mandated Interested Persons, in addition to non-Mandated Interested Persons, in an expeditious manner. The Shareholders’ Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders’ approval as and when potential interested person transactions with a specific class of Mandated Interested Persons arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to us.

The Shareholders’ Mandate is intended to facilitate transactions in the normal course of our business which are transacted from time to time with the specified classes of Mandated Interested Persons, provided that they are carried out in accordance with the procedures outlined in the Shareholders’ Mandate and on normal commercial terms and are not prejudicial to our Company and our minority Shareholders.

In accordance with the requirements of Chapter 9 of the Listing Manual, we will: (a) disclose in our Company’s annual report the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the Shareholders’ Mandate during the financial year (as well as in the annual reports for subsequent financial years that the Shareholders’ Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the Shareholders’ Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to quarterly reporting by listed companies) within the time required for the announcement of such report.

Review Procedures for Mandated Transactions with Mandated Interested Persons

We will have an internal control system in place to ensure that Mandated Transactions with the Mandated Interested Persons are made on normal commercial terms and consistent with our Group’s usual policies and practices.

- (a) The internal control system includes the following procedures:

Provision of Construction Services, Renovation Services and Property-linked Services

In relation to the provision of Construction Services, Renovation Services or Property-linked Services, the payments made by the Mandated Interested Person will be based on the higher tender price determined by the following approaches:

- (i) Comparable third party contracts approach: At least two recent contracts, for the same or substantially the same nature of Construction Services, Renovation Services or Property-linked Services, entered into by our Group with third parties will be used as a basis of comparing and determining the tender price and commercial terms (including the credit terms) to be offered to the Mandated Interested Person, after taking into account, *inter alia*, if applicable, factors such as but not limited to, the complexity of the services rendered, the Mandated Interested Person's project specifications, the delivery schedule, the sufficiency and availability of resources, creditworthiness of the Mandated Interested Person, engineering and technical expertise requirements, soil conditions, and prevailing estimated project costs determined by quantity surveyor(s). We will compare and determine the tender price in the following manner:
- (1) as the main drivers affecting construction costs are floor area and installations required, the contracts of a similar nature will be analysed on a cost per square feet or cost per installation basis. After analysing the costs in specific detail, we will then derive a meaningful contract sum for the Mandated Interested Person. For example in the construction of flatted factories, it is envisaged that the core materials and services required, as well as the construction method will generally be similar, hence, the detailed costing methodology will also be similar;
 - (2) for all projects, we will perform the internal costing and budgetary evaluations according to the design and specifications in the technical drawings. This process includes, *inter alia*, quantification and costing of materials, equipment, labour and services requirements, and where necessary, obtaining quotations from external suppliers and/or service providers to justify the costing; and
 - (3) adjustments to the contract sum will be made based on the assessment by us to account for differences between the comparable third party contracts and the transaction with the Mandated Interested Person, as described above.
- (ii) Appropriate gross profit margins approach: Where it is impractical or impossible to compare against recent contracts entered into by our Group with third parties, the tender price will be determined based on internal costing and budgetary evaluations of the arm's length project costs determined by a project director and quantity surveyor(s) marked up with an appropriate gross profit margin which will not be more favourable to the Mandated Interested Person than those extended to third parties, in line with our usual business and pricing policies (including our gross profit margin policies for contracting with third parties). For instance, it is impractical to adopt the comparable third party contracts approach when there are projects of a unique nature to be awarded by the Mandated Interested Person. In such situations, we may not have executed projects of a similar nature with third parties. For example, we have not been involved in the construction of major infrastructure projects and there are no meaningful comparable third party contracts available. In such instances, we will have to rely on the appropriate gross margins approach which utilises a bottom up methodology to derive a reasonable tender price based on costing and budgetary fundamental factors and market up with an acceptable gross profit margin.

In determining the appropriate gross profit margin, we will take into account, *inter alia*, if applicable, factors such as but not limited to, the complexity of the services rendered, the Mandated Interested Person's specifications, the delivery schedule, the sufficiency and availability of resources, creditworthiness of the Mandated Interested Person, engineering and technical expertise requirements, and soil conditions. In addition, our Audit Committee or such other senior executive(s) of our Company designated by our Audit Committee from time to time for such purpose will check that the appropriate gross profit margin is in line with those reported by certain construction companies deemed relevant for the purposes of comparison based on the nature of business, business segments and geographical segments of such companies.

Others

Except for the provision of Construction Services, Renovation Services or Property-linked Services, in relation to Construction Transactions and General Transactions, any transaction proposed to be carried out with a Mandated Interested Person for the obtaining or provision of the services or products described above shall be made at the prevailing rates/prices of the service or product provider which (in relation to services or products to be provided to a Mandated Interested Person) are no more favourable to the Mandated Interested Person than those extended to third parties, or (in relation to services or products to be obtained from a Mandated Interested Person) are no less favourable than those extended by the Mandated Interested Person to third parties, and on the service or product provider's usual commercial terms or otherwise in accordance (where applicable) with industry norms.

For the above purposes, market rates will be reviewed where applicable. As a basis for comparison to determine whether the price and terms offered to the Mandated Interested Person are no more favourable than those extended to third parties, at least two recent contracts for the same or substantially the same types of transactions entered into by our Group with third parties will be used. As a basis for comparison to determine whether the terms offered by the Mandated Interested Person are fair and reasonable (taking into account, where relevant, factors such as pricing, delivery schedule, rebates or discounts accorded for bulk purchases), quotes will be obtained wherever possible from at least two third party suppliers, for the same or substantially similar quantities and quality of products and/or services. Where it is impractical or not possible for such contracts or (as the case may be) quotes to be obtained:

- (i) in relation to the sale of goods or services to the Mandated Interested Person, the terms of supply will be determined in accordance with our Group's usual business practice and consistent with the margins obtained by our Group in its business operations; and
- (ii) in relation to the purchase of goods or services from the Mandated Interested Person, the terms of supply will be compared to those for the same or substantially the same types of transactions entered into between the Mandated Interested Persons and third parties. The review procedures in such cases may include, where applicable, reviewing the standard price lists provided by the Mandated Interested Person to its customers for such services or products and be based on the commercial merits of the transaction. Where it is impractical or not possible to compare the terms of supply with those for the same or substantially the same types of transactions entered into between the Mandated Interested Persons and third parties, the Relevant Authorised Persons (as referred to in paragraph (b) below) will determine whether the terms of supply are fair and reasonable. This would include taking into account, where known, among other matters as may be necessary, the nature and duration of the transaction, the cost and margins of the relevant project (if any) and the quality of the items or services to be purchased.

(b) The following review and approval procedures will apply to the Mandated Transactions:

- (i) Transactions equal to or exceeding S\$100,000 each in value but below the Financial Limit (as defined below) each in value, will be reviewed and approved by either our Executive Chairman or our Executive Director, together with our Audit Committee or such other senior executive(s) of our Company designated by our Audit Committee from time to time for such purpose (collectively, the “Relevant Authorised Persons”), and tabled for review by our Audit Committee on a quarterly basis.
- (ii) Transactions equal to or exceeding the Financial Limit each in value will be reviewed and approved by our Audit Committee.
- (iii) Any of the Relevant Authorised Persons, and our Audit Committee, may, as he/it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including requesting for an independent financial adviser’s opinion and/or the obtaining of valuations from independent professional valuers.

For the purposes of sub-paragraphs (i) and (ii) above, the Financial Limit shall be the amount equivalent to 5% of our Group’s audited consolidated net tangible assets for the time being, as determined by reference to our Group’s latest announced audited consolidated financial statements.

(c) The following will apply to the review and approval process for all categories of Mandated Transactions:

- (i) If any of the Relevant Authorised Persons has an interest in the transaction or is a nominee for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by the remaining Relevant Authorised Persons who do not have an interest in the transaction or is a nominee for the time being of the Mandated Interested Person, save that if both of our Executive Chairman or our Executive Director has an interest in the transaction or is a nominee for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by our Audit Committee or such other senior executive(s) of our Company designated by our Audit Committee from time to time for such purpose.
- (ii) If all of the Relevant Authorised Persons have an interest in the transaction or are nominees for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by the Chairman of our Audit Committee or another member of our Audit Committee (who is not a nominee of the Mandated Interested Person and has no interest in the transaction) designated by the Chairman of our Audit Committee from time to time for such purpose.
- (iii) If a member of our Audit Committee has an interest in a transaction or is a nominee for the time being of the Mandated Interested Person, he shall abstain from participating in the review and approval process of our Audit Committee in relation to that transaction.
- (iv) If a member of our Audit Committee (who is not a nominee of the Mandated Interested Person and has no interest in the transaction) also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he participates in the review and approval process of our Audit Committee in relation

to a transaction with that Mandated Interested Person, he will abstain from participating on any decision before the board or committee of that Mandated Interested Person with respect to such transaction.

- (d) We will maintain a register of Mandated Transactions carried out with Mandated Interested Persons (recording the basis, including the quotations obtained to support such basis, on which they are entered into), and our Company's annual internal audit plan will incorporate a review of all Mandated Transactions entered into in the relevant financial year pursuant to the Shareholders' Mandate.

Our Audit Committee will review the internal audit reports on Mandated Transactions to ascertain that the internal control procedures and review procedures for Mandated Transactions have been complied with.

- (e) If during any of the reviews by our Audit Committee, our Audit Committee is of the view that the internal control procedures and review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of our Group or the Mandated Interested Persons are conducted, we will revert to Shareholders for a fresh general mandate based on new internal control procedures and review procedures so that Mandated Transactions will be carried out at arm's length, on commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

Review of Non-Mandated Interested Person Transactions and Review by Audit Committee

All other existing and future interested person transactions not subject to the Shareholders' Mandate will be reviewed and approved in accordance with the threshold limits as set out in "Shareholders' Mandate for Interested Person Transactions" above and the requirements under Chapter 9 of the Listing Manual, to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of our Company and our minority Shareholders. In the event that such interested person transactions require the approval of our Board of Directors and our Audit Committee, relevant information will be submitted to our Board of Directors and our Audit Committee for review. In the event that such interested person transactions require the approval of our Shareholders, additional information may be required to be presented to Shareholders and an independent financial adviser may be appointed for an opinion.

Our Audit Committee will also review all interested person transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Listing Manual) are complied with.

Opinion of the Independent Financial Adviser

HL Bank has been appointed as our independent financial adviser pursuant to Rule 920(1)(b)(v) of the Listing Manual, to opine on whether the methods and review procedures, as set out above, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

Based on the analysis undertaken and subject to the qualification and assumptions made in the letter from HL Bank set out in Appendix II of this Prospectus, HL Bank is of the opinion that the methods and review procedures, if adhered to, are sufficient to ensure that the Mandated Transactions carried out thereunder will be on normal commercial terms, and will not be prejudicial to the interests of our Company and our minority Shareholders. Please refer to Appendix II of this Prospectus for more details.

POTENTIAL CONFLICTS OF INTERESTS

We summarise below the potential conflicts of interests which may arise between us and our Controlling Shareholder, our Directors, our Executive Officers and their respective Associates.

Soilbuild Group Holdings

Soilbuild Group Holdings is a company incorporated under the laws of Singapore. Soilbuild Group Holdings is engaged in property development, property asset management and leasing. For the Period Under Review, we derived a significant portion of our revenue from construction projects awarded to us by the Controlling Shareholder Group.

Mr Lim Chap Huat (our Executive Chairman) and Ms Lim Cheng Hwa (our Non-Executive Director) are also executive directors of Soilbuild Group Holdings. Each of Mr Lim and Ms Lim also holds directorships in certain of Soilbuild Group Holdings' Subsidiaries. Please also see the section entitled "Shareholders" of this Prospectus for further details on the shareholders of Soilbuild Group Holdings.

Non-Competition Deeds

To mitigate the potential conflicts of interest arising from Mr Lim's executive roles in both Soilbuild Group Holdings and our Company as well as Ms Lim's directorships in both Soilbuild Group Holdings and our Company, Soilbuild Group Holdings has on 10 May 2013 entered into the Parent Non-Competition Deed with our Company whereby Soilbuild Group Holdings has undertaken to and with our Company that, from the Listing Date and for the duration of the Parent Non-Competition Deed, Soilbuild Group Holdings shall not, and shall procure its Subsidiaries and to the extent that it has knowledge, shall use its best endeavours to procure its Associated Companies not to, whether directly or indirectly, engage in, carry on (whether alone or in partnership or joint venture with anyone else) or otherwise be interested in (whether as trustee, principal, agent, shareholder, unitholder or in any other capacity) any construction business (which, for the avoidance of doubt, shall exclude the property development business, the property investment business, Soilbuild Group Holdings' shareholding interest in our Company, the provision of renovation and/or minor construction services by a listed real estate investment trust or business trust in support of its own portfolio, the engagement by a listed real estate investment trust or business trust of our Group or other third parties to carry out construction services and construction projects undertaken by a Relevant REIT/BT (as defined below)), save that the Parent Non-Competition Deed shall not be construed as prohibiting our Parent Group from entering into a joint venture with not more than 20 per cent. equity stake with other third parties which may also be involved in construction activities for the purposes of undertaking a property development or investment project together with such third parties.

For purposes of the Parent Non-Competition Deed, a Relevant REIT/BT means any listed real estate investment trust or business trust, where the manager or the trustee-manager of such real estate investment trust or business trust, as the case may be, is not a Subsidiary of Soilbuild Group Holdings.

Where the manager or the trustee-manager of a listed real estate investment trust or business trust, as the case may be, is a Subsidiary of Soilbuild Group Holdings, the manager or the trustee-manager of such listed real estate investment trust or business trust will not form its own team to engage in any construction business. In addition, our Parent Group (excluding our Group) will not form its own team to engage in any construction business, including the provision of construction services to any Relevant REIT/BT, listed real estate investment trust or business trust of our Group or other third parties following our Listing. For the avoidance of doubt, our Parent Group (excluding our Group) will not retain any construction capability following our listing.

The Parent Non-Competition Deed shall commence on the Listing Date and be effective for so long as (i) our Company remains listed on the SGX-ST; and (ii) either of the following applies: (a) Soilbuild Group Holdings remains an interested person of our Company for purposes of Chapter 9 of the Listing Manual; or (b) Soilbuild Group Holdings has a nominee with an executive role on our Board of Directors.

In addition to the Parent Non-Competition Deed, Mr Lim has a non-competition provision in his Service Agreement which is similar to the scope of the Parent Non-Competition Deed. Please see the section entitled “Directors, Management and Staff – Service Agreements” of this Prospectus for further details. Mr Lim has also provided the Personal Non-Competition Deed, with the same terms and substance as the non-competition provision in his Service Agreement, which shall be in force for so long as he is a Director or Controlling Shareholder.

Mitigation of Potential Conflicts of Interests

In addition to the Parent Non-Competition Deed, the non-competition provision in Mr Lim’s Service Agreement and the Personal Non-Competition Deed described above, we also believe that any potential conflicts of interests, whether with our Parent Group or otherwise (including those arising from the Mandated Transactions mentioned above), are mitigated as follows:

- (a) our Directors have a duty to disclose their interests in respect of any contract, proposal, transaction or any other matter whatsoever in which they have any personal material interest, directly or indirectly, or any actual or potential conflicts of interest (including conflicts of interest that arise from their directorship(s) or executive position(s) or personal investments in any other corporation(s)) that may involve them. Upon such disclosure, such Directors shall not participate in any proceedings of our Board of Directors, and shall in any event abstain from voting in respect of any such contract, arrangement, proposal, transaction or matter in which the conflict of interest arises, unless and until our Audit Committee has determined that no such conflict of interest exists. Hence, each of Mr Lim Chap Huat and Ms Lim Cheng Hwa will abstain from participating in any proceedings involving transactions with our Parent Group;
- (b) our Audit Committee is required to examine the internal control procedures and review procedures put in place by our Company to determine if such procedures put in place are sufficient to ensure that interested person transactions are conducted on normal commercial terms and will not be prejudicial to our Company and our minority Shareholders;
- (c) our Audit Committee will review any actual or potential conflicts of interest that may involve our Directors as disclosed by them to our Board and the exercise of Directors’ fiduciary duties in this respect. Upon disclosure of an actual or potential conflict of interests by a Director, our Audit Committee will consider whether a conflict of interests does in fact exist. A Director who is a member of our Audit Committee will not participate in any proceedings of our Audit Committee in relation to the review of a conflict of interests relating to him. The review will include an examination of the nature of the conflict and such relevant supporting data, as our Audit Committee may deem reasonably necessary;
- (d) upon our listing on the SGX-ST, we will be subject to Chapter 9 of the Listing Manual in relation to interested person transactions. The objective of these rules is to ensure that our interested person transactions do not prejudice the interests of our Shareholders as a whole. These rules require us to make prompt announcements, disclosures in our annual report and/or seek Shareholders’ approval for certain material interested person transactions. Our Audit Committee may also have to appoint independent financial advisers to review such interested person transactions and opine on whether such transactions are fair and reasonable to us, not prejudicial to our interests and the interests of our minority Shareholders. Under the Listing Manual, our Shareholders’ Mandate is required to be

renewed at each annual general meeting and disclosure must be made in our annual report of the aggregate value of interested person transactions conducted pursuant to such mandate during each financial year, and in the annual reports for the subsequent years during which such mandate is in force. We must also adopt a new mandate if for any reason the review policies and procedures under our current Shareholders' Mandate are inappropriate;

- (e) notwithstanding the appointment of certain of our Directors by our Controlling Shareholder, our Directors owe fiduciary duties to us, including the duty to act in good faith and in our best interests. In addition, a Director may only disclose information (not otherwise available to him) which he has obtained in his capacity as a director, to the Controlling Shareholder whose interests he represents, when certain conditions stipulated in Section 158 of the Companies Act are met. These conditions are that: the relevant director declares at a meeting of the Directors the person to whom such information is to be disclosed and particulars of such information; our Board authorises him to make such disclosure; and the disclosure will not be likely to prejudice us. In addition, the relevant director shall abstain from voting in respect of any decision of our Board to authorise him to make such disclosure. Therefore, any non-public information regarding us that any of our Directors wishes to disclose to the Controlling Shareholder whose interests he represents can only be so disclosed if our Board authorises such disclosure and our Board is satisfied that such disclosure will not be likely to prejudice us. Our Directors are also subject to a duty of confidentiality that precludes a Director from disclosing to any third party (including any of our Shareholders or their Associates) information that is confidential; and
- (f) Our Audit Committee will, following the listing of our Company on the SGX-ST, undertake the following additional responsibilities:
 - (i) review on a periodic basis the framework and processes established above for the implementation of the terms of the Parent Non-Competition Deed, the non-competition provision in Mr Lim's Service Agreement and the Personal Non-Competition Deed in order to ensure that such framework and processes remain appropriate;
 - (ii) review and assess from time to time whether additional processes are required to be put in place to manage any material conflicts of interest with our Parent Group and propose, where appropriate, the relevant measures for the management of such conflicts; and
 - (iii) review and propose, where appropriate, the relevant measures for the management of all conflicts of interest matters referred to it.

Interests in Similar Business

Mr Poon Hon Thang, our Lead Independent Director, is an independent director of J.P. Nelson Holdings Ltd. which is one of our suppliers. J.P. Nelson Holdings Ltd. provides sales and leasing of equipment for the engineering, construction, shipyard, ship building, oil and gas, and offshore industries. Such equipment include power generators, hydraulic vibratory hammers, cranes, air compressors, welding generators, excavators and lifts.¹ During the Period Under Review, our Group rented generator sets from J.P. Nelson Holdings Ltd. for a consideration of less than S\$10,000 in each of FY2010, FY2011 and FY2012.

1 Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled "General and Statutory Information – Sources" of this Prospectus.

Mr Teo Chee Seng, our Independent Director, is an independent director of United Overseas Australia Limited, which is a Malaysia based company principally involved in property development, construction, property investment and building management in Australia and Malaysia.

In addition, certain of our Directors hold, whether directly or by way of deemed interest, not more than 5% interest in quoted or listed securities of companies that are in similar business as our Group.

We believe that there does not exist any conflict of interest between our Group and Mr Poon or, as the case may be, Mr Teo for the following reasons:

- (a) Mr Poon is not involved in the day-to-day management or operations of J.P. Nelson Holdings Ltd. Similarly, Mr Teo is not involved in the day-to-day management or operations of United Overseas Australia Limited;
- (b) each of Mr Poon and Mr Teo has a duty to disclose his interests in respect of any contract, proposal, transaction or any other matter whatsoever in which he has any personal material interest, directly or indirectly, or any actual or potential conflicts of interest (including conflicts of interest that arise from his directorship(s) or executive position(s) or personal investments in any other corporation(s)) that may involve him. Upon such disclosure, he shall not participate in any proceedings of our Board of Directors, and shall in any event abstain from voting in respect of any such contract, arrangement, proposal, transaction or matter in which the conflict of interest arises, unless and until our Audit Committee has determined that no such conflict of interest exists. Hence, Mr Poon will abstain from participating in any proceedings involving transactions with J.P. Nelson Holdings Ltd. Similarly, Mr Teo will abstain from participating in any proceedings involving transactions with United Overseas Australia Limited; and
- (c) each of Mr Poon and Mr Teo owes fiduciary duties to us, including the duty to act in good faith and in our best interests. Each of Mr Poon and Mr Teo is also subject to a duty of confidentiality that precludes a Director from disclosing to any third party (including J.P. Nelson Holdings Ltd., United Overseas Australia Limited or their Associates) information that is confidential.

Save as disclosed above and in the section entitled “Interested Person Transactions and Potential Conflicts of Interests” of this Prospectus:

- (a) None of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has had any interest, direct or indirect, in any transactions to which our Company was or is to be a party;
- (b) None of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has any interest, direct or indirect, in any company carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group save for their interests in quoted or listed securities which do not exceed 5% of the total amount of issued securities in that class; and
- (c) None of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has any interest, direct or indirect, in any company that is our customer or supplier of goods and services save for their interests in quoted or listed securities which do not exceed 5% of the total amount of issued securities in that class.

Interests of Experts

No expert is engaged on a contingent basis by our Company or any of our Subsidiaries, or has a material interest, whether direct or indirect, in our Shares or the shares of our Subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.

Interests of Underwriters or Financial Advisers

In the reasonable opinion of our Directors, the Joint Underwriters, UOB and OCBC, do not have a material relationship with our Company save as below:

- (a) the Invitation is underwritten by UOB and OCBC;
- (b) UOB is the Issue Manager of the Invitation;
- (c) UOB and OCBC are the Joint Placement Agents of the Invitation;
- (d) UOB is the Receiving Bank of the Invitation;
- (e) each of UOB and OCBC is one of our principal bankers; and
- (f) UOB, its Subsidiaries, Associated Companies and/or its affiliates (including UOB Kay Hian Holdings Limited) (“UOB Group of Companies”) and the OCBC Group may, in the ordinary course of business, extend credit facilities or engage in commercial banking, investment banking, private banking, securities trading, asset and funds management, research, insurance and/or advisory services with any member of our Group, their respective affiliates and/or our Shareholders, and may receive a fee in respect thereof. In addition, in the ordinary course of its business, any member of the UOB Group of Companies and/or OCBC Group may at any time offer or provide services to or engage in any transactions (on its own account or otherwise) with any member of our Group, their respective affiliates, our Shareholders, or any other entity or person, and may receive a fee in respect thereof. This may include but is not limited to, holding long or short positions in securities issued by any member of our Group and their respective affiliates, and trading or otherwise effecting transactions, for its own account or the accounts of its customers, in debt or equity (or related derivative instruments) of any member of our Group and their respective affiliates.

DIRECTORS, MANAGEMENT AND STAFF

DIRECTORS

Our board of Directors is entrusted with the responsibility for the overall management of our Group. Our Directors' particulars are listed below:

Name	Age	Address	Position	Country of Principal Residence
Mr Lim Chap Huat	58	SB Building 25 Changi South Street 1 Singapore 486059	Executive Chairman	Singapore
Mr Ho Toon Bah	49	SB Building 25 Changi South Street 1 Singapore 486059	Executive Director	Singapore
Ms Lim Cheng Hwa	39	SB Building 25 Changi South Street 1 Singapore 486059	Non-Executive Director	Singapore
Mr Poon Hon Thang	63	SB Building 25 Changi South Street 1 Singapore 486059	Lead Independent Director	Singapore
Mr Tan Jee Ming	53	SB Building 25 Changi South Street 1 Singapore 486059	Independent Director	Singapore
Mr Teo Chee Seng	58	SB Building 25 Changi South Street 1 Singapore 486059	Independent Director	Singapore

The working, business experience and areas of responsibility of our Directors are set out below:

Mr Lim Chap Huat is our Executive Chairman, and was appointed to our Board on 14 January 2013. Mr Lim charts our Group's strategic direction, and business planning and development. He also oversees our Group's operations and management of projects. Apart from long-term planning of our Group's business strategy and overall direction, he oversees our Group's succession planning. He also provides introduction to business contacts and contributes his experience and provides guidance in project management and tender submission for our Group's various construction projects.

Mr Lim is a co-founder of Soilbuild Group Holdings (including our Group) with more than 35 years of experience in the construction and property development business. Apart from his role in strategic planning and development of corporate policies, Mr Lim has been involved in all key aspects of the operations and business of Soilbuild Group Holdings Group (including our Group) to ensure quality at both planning, design and implementation levels, including the oversight of the tendering and management processes of construction and development projects. He has also established a network of relationships with developers, customers, consultants and architects within the real estate industry.

Mr Lim has been the Group Managing Director of Soilbuild Group Holdings since 2001, and also serves on the board of all Subsidiaries of Soilbuild Group Holdings, including SB Trust Management Pte. Ltd., the manager of Soilbuild Business Space Trust. Following the listing of our Company on the SGX-ST, Mr Lim will continue to hold these positions in our Parent Group concurrently with his position as Executive Chairman of our Company.

In this regard, our Company is of the view that Mr Lim's continuing appointment as Executive Chairman of our Company is necessary and in the best interests of our Group for the following reasons:

- our Group will benefit from leveraging on Mr Lim's significant construction industry experience and extensive network of contacts within the real estate industry; and
- Mr Lim is a co-founder of our Group which history can be traced back to 1976 with the incorporation of Soil-Build on 11 May 1976. He has more than 35 years of construction industry experience as described above and has also established a network of relationships with developers, customers, consultants and architects within the real estate industry. As such, he is able to provide introduction to business contacts and contribute his experience and provide guidance in project management and tender submissions for our Group's various construction projects.

Notwithstanding such multiple directorships of Mr Lim in our Parent Group and in our Company, our Directors (save for Mr Lim) believe that Mr Lim is able to devote sufficient time and resources to discharge his duties as Executive Chairman of our Company. In this regard, our Directors (save for Mr Lim) considered and discussed with Mr Lim the scope of services to be provided by Mr Lim under his Service Agreement, as well as the frequency of the meetings of our Board. Mr Lim is fully aware of the commitment required of him in his role as our Executive Chairman and has confirmed that he is able to devote sufficient time and resources to discharge his duties as our Executive Chairman. In addition, our Directors (save for Mr Lim) is of the view that the potential conflicts of interests arising from Mr Lim's executive roles in both Soilbuild Group Holdings and our Company are satisfactorily mitigated, taking into consideration the following:

- potential conflicts of interests arising from competition between Soilbuild Group Holdings Group and our Company are mitigated through the entry into of the Parent Non-Competition Deed as further described in the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Potential Conflicts of Interests" of this Prospectus;
- in addition to the Parent Non-Competition Deed, Mr Lim is also, in his personal capacity, subject to a non-competition restriction under his Service Agreement which is similar to the scope of the Parent Non-Competition Deed, as further described in the section entitled "Directors, Management and Staff – Service Agreements" of this Prospectus, as well as the Personal Non-Competition Deed, which has the same terms and substance as the non-competition provision in his Service Agreement, and which shall be in force for so long as he is a Director or Controlling Shareholder, as further described in the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Potential Conflicts of Interests" of this Prospectus; and

- in addition to the foregoing, future potential conflicts of interests are also mitigated by way of the reasons and the review procedures as further described in the section entitled “Interested Person Transactions and Potential Conflicts of Interests – Potential Conflicts of Interests – Mitigation of Potential Conflicts of Interests” of this Prospectus.

Moving forward, our Nominating Committee will conduct an annual review of the performance of Mr Lim, including whether Mr Lim is able to and has been adequately carrying out his duties as Executive Chairman of our Company, and make such recommendations to our Board of Directors as appropriate.

Mr Lim holds a Technician Diploma (Civil Engineering) from the Singapore Polytechnic. He is active in community service and currently serves as the Chairman of the Chong Pang Community Club Management Committee. In recognition of his contributions to the community, Mr Lim was conferred the Pingat Bakti Masyarakat (Public Service Medal) and the Bintang Bakti Masyarakat (Public Service Star) by the President of the Republic of Singapore in 2003 and 2009 respectively.

Mr Ho Toon Bah is our Executive Director, and was appointed to our Board on 14 January 2013. Mr Ho, leveraging on the complementary expertise and experience of Mr Lim Chap Huat, supports the strategic growth of our Group’s operations, and drives the development and execution of its business strategies, including securing construction contracts through structuring contracts and/or partnerships with potential customers. His responsibilities also include capital management, human resources and investor relations of our Group.

Mr Ho also served as an executive director of Soilbuild Group Holdings from 2009 to 2013, supporting the strategic growth of our Parent Group’s operations. Before joining Soilbuild Group Holdings, Mr Ho held various management positions in the banking industry, including Standard Chartered Bank from 2000 to 2009. At Standard Chartered Bank, Mr Ho served as Senior Manager for Branch Banking and Direct Sales from 2000 to 2001, General Manager for Mortgages and Auto from 2001 to 2002, General Manager for Wealth Management from 2002 to 2003, General Manager of SME Banking from 2004 to 2005 and as Head of Consumer Banking in Indonesia from 2006 to 2008, in each case, overseeing the operations of the respective divisions. His last appointment was as Head of Consumer Banking in Malaysia with Standard Chartered Bank from 2008 to 2009. Mr Ho is also an independent director of Europtronic Group Ltd which is listed on the SGX-ST and a non-executive director of SB Trust Management Pte. Ltd., the manager of Soilbuild Business Space Trust.

Mr Ho holds a Bachelor of Business Administration from the National University of Singapore. He is also a Chartered Financial Analyst.

Ms Lim Cheng Hwa is our Non-Executive Director, and was appointed to our Board on 8 May 2013.

Ms Lim joined Soilbuild Group Holdings as the Group Financial Controller in 2007 and was promoted to Director of Capital and Investment Management in 2010. She oversees the Capital and Investment Management Division handling all financial, accounting, tax and treasury matters, business and investment development, corporate communications, human resources and administration of the Parent Group. Ms Lim has been an executive director of Soilbuild Group Holdings since 2011, and also serves on the board of certain Subsidiaries of Soilbuild Group Holdings. Ms Lim has more than 17 years of experience, having served in finance departments of various listed companies. Prior to joining Soilbuild Group Holdings, she served as an accountant and senior accountant in L&M Group Investments Limited from 1995 to 1999 and was responsible for, amongst others, preparing the consolidated accounts of the group and statutory reports, including for purposes of SGX-ST reporting. She served as a financial controller in MTQ Corporation Limited from 1999 to 2007 and was responsible for, amongst others, oversight of the finance team and treasury matters of the group.

Ms Lim holds a Bachelor of Accountancy (Honours) from the Nanyang Technological University.

Mr Poon Hon Thang is our Lead Independent Director, and was appointed to our Board on 8 May 2013. As our Lead Independent Director, Mr Poon's scope of work will include being available to Shareholders where they have concerns and for which contact through the normal channels of our Executive Chairman or our Chief Financial Officer has failed to resolve or is inappropriate.

Mr Poon has more than three decades of experience in the financial industry. From 1979 to 1988, he served at Citibank N.A. and was responsible for areas that included credit, marketing, remedial management and structured finance. He was also with UOB from 1988, where he was involved in areas such as consumer banking, corporate banking, commercial banking, corporate finance and international banking. Mr Poon retired as a Senior Executive Vice President from UOB in 2006. In addition, Mr Poon has been an independent director of a SGX-ST listed company, Enviro-Hub Holdings Ltd., since 2007 and is currently also an independent director of J.P. Nelson Holdings Ltd. which is listed on the Taiwan Greta Securities Market.

Mr Poon holds a Bachelor of Commerce (Honours) from the Nanyang University.

Mr Tan Jee Ming is our Independent Director, and was appointed to our Board on 8 May 2013. Mr Tan is currently a director in Straits Law Practice LLC where he practises general civil and criminal law. Mr Tan has been in practice for over 25 years and commenced his legal practice in RCH Lim & Co in 1986. He practiced at various law firms before he became a partner in Derrick Jeffrey & Ravi in 1989. He subsequently set up his own sole proprietorship law firm under the name of Tan Jee Ming & Partners in 1996 before ceasing business to join Straits Law Practice LLC in 2010.

Mr Tan holds a Bachelor of Laws (Honours) from the National University of Singapore and is a member of the Singapore Academy of Law, the Law Society of Singapore Compensation Fund Committee, the Law Society of Singapore Inquiry Panel and the Singapore Institute of Directors.

Mr Tan Jee Ming, our Independent Director, is a director of Straits Law Practice LLC, who are the solicitors to Soil-Build in connection with a non-material matter relating to our investment property at Jalan Lokam (which has been sold pursuant to a collective sale in April 2013). The estimated fees incurred and/or accrued by Soil-Build in connection with the foregoing are less than S\$100,000. Our Directors are of the view that the provision of the legal services by Straits Law Practice LLC to Soil-Build will not interfere or be reasonably perceived to interfere with the independent judgment of Mr Tan Jee Ming in his role as an Independent Director of our Company and as Chairman of our Nominating Committee given the following reasons:

- (a) the total amount of fees paid to Straits Law Practice LLC did not exceed S\$200,000 in FY2012 and has not exceeded S\$200,000 in respect of the current financial year up to the Latest Practicable Date;
- (b) Mr Tan is not the partner-in-charge of the matter which was handled by another director of Straits Law Practice LLC; and
- (c) Mr Tan does not have any equity interest in Straits Law Practice LLC.

Mr Teo Chee Seng is our Independent Director, and was appointed to our Board on 8 May 2013. He is the Managing Director of Able Law Practice LLC and has been a lawyer in private practice in Singapore for more than 30 years. Mr Teo has been with Able Law Practice LLC since 2006. Prior to that, he started his legal career in 1981 and was with Chee Hee & Teo from 1981 to 1986 and Chee & Teo from 1986 to 2006. In addition, Mr Teo is an independent director of Etika International Holdings Limited and Lasseters International Holdings Limited which are listed on the SGX-ST. He is also an independent director of United Overseas Australia Limited, which is listed on both the Australian Securities Exchange and the SGX-ST.

Mr Teo holds a Bachelor of Laws (Honours) from the University of Singapore.

Notwithstanding such directorships of Mr Poon and Mr Teo, our Nominating Committee believes that each of Mr Poon and Mr Teo is able to devote sufficient time to discharge his duties as our Independent Director. In this regard, our Nominating Committee has discussed with Mr Poon and Mr Teo on the frequency of the meetings of our Board, as well as the meetings of our Board committees of which Mr Poon or, as the case may be, Mr Teo is a member. Mr Poon is fully aware of the commitment required of him in his role as our Independent Director, including his duties as the Chairman of our Audit Committee. Mr Teo is also fully aware of the commitment required of him in his role as our Independent Director, including his duties as the Chairman of our Remuneration Committee. Each of Mr Poon and Mr Teo has also confirmed that he is able to devote sufficient time to discharge his duties as our Independent Director. In addition, our Nominating Committee values the contribution of corporate experience from Mr Poon and Mr Teo. For the reasons set out above, our Nominating Committee is of the opinion that each of Mr Poon and Mr Teo will be able to devote sufficient time to discharge his duties as our Independent Director.

As evidenced by their respective business and working experience set out above, our Directors possess the appropriate expertise to act as directors of our Company. In accordance with the requirements under the Listing Manual, we have made arrangements for our Directors to be briefed on the role and responsibilities of a director of a public listed company in Singapore. Each of Mr Ho Toon Bah, Ms Lim Cheng Hwa and Mr Tan Jee Ming has also undergone relevant training in Singapore to familiarise himself with the rules and responsibilities of a director of a public listed company in Singapore.

Mr Lim Chap Huat (our Executive Chairman) and Ms Lim Cheng Hwa (our Non-Executive Director) are also executive directors of Soilbuild Group Holdings. Mr Lim Chap Huat also holds the entire issued share capital of Dolphin Acquisitions which in turn holds the entire issued share capital of Soilbuild Group Holdings, our Controlling Shareholder. Save as disclosed for the foregoing, none of our Directors are related to each other or the Substantial Shareholders.

The list of present and past directorships of each Director over the last five years excluding, those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
Mr Lim Chap Huat	<p><i>Group corporations</i></p> <p>SB Procurement</p> <p>SB Project Services</p> <p>Soil-Build</p> <p>Soilbuild Construction Engineering</p> <p>Soilbuild Construction International</p> <p>Soilbuild E&C</p> <p><i>Other corporations</i></p> <p>Dolphin Acquisitions</p> <p>Soilbuild Group Holdings</p> <p>CHL Holdings Pte. Ltd.</p> <p>Forte Builder</p> <p>PLC 8 Development Pte. Ltd.</p> <p>PLC 8 Holdings Pte. Ltd.</p> <p>SB (Bluecrest) Development Pte. Ltd.</p> <p>SB (Blueteak) Development Pte. Ltd.</p> <p>SB (Cashew) Development Pte. Ltd.</p>	<p><i>Group corporations</i></p> <p><i>Other corporations</i></p> <p>HV Properties Pte. Ltd.</p> <p>(<i>Struck Off</i>)</p> <p>SB (Cliften) Development Pte. Ltd. (<i>Struck Off</i>)</p> <p>SB (Novena) Development Pte. Ltd. (<i>Struck Off</i>)</p>

Name	Present Directorships	Past Directorships
	SB Contracts (1993) Pte. Ltd.	
	SB Development Pte. Ltd.	
	SB (Eastwin) Investment Pte. Ltd.	
	SB (Eightrium) Investment Pte. Ltd.	
	SB Facade Pte Ltd	
	SB (Grange) Development Pte. Ltd.	
	SB (IPark) Investment Pte. Ltd.	
	SB (Kranji) Development Pte. Ltd.	
	SB (Lakeside) Investment Pte. Ltd.	
	SB (Mandai) Investment Pte. Ltd.	
	SB (Meyer) Development Pte. Ltd.	
	SB (Northpoint) Investment Pte. Ltd.	
	SB (Northspring) Investment Pte. Ltd.	
	SB (Northview) Investment Pte. Ltd.	
	SB (Orchard) Development Pte. Ltd.	
	SB (Pioneer) Investment Pte. Ltd.	
	SB Property Services Pte. Ltd.	
	SB (Raintree) Development Pte. Ltd.	
	SB (Riverview) Investment Pte. Ltd.	
	SB (Ruby) Development Pte. Ltd.	
	SB (Senoko) Investment Pte. Ltd.	
	SB Storage Pte. Ltd.	
	SB (Solaris) Investment Pte. Ltd.	
	SB Trust Management Pte. Ltd.	
	SB (Tuaslinc) Investment Pte. Ltd.	
	SB (Waterfront) Investment Pte. Ltd.	
	SB (Waterview) Investment Pte. Ltd.	
	SB (Westcove) Investment Pte. Ltd.	

Name	Present Directorships	Past Directorships
	SB (Westpark) Investment Pte. Ltd. SB (Westpoint) Investment Pte. Ltd. SB (Westview) Investment Pte. Ltd. SB (Woodlands) Investment Pte. Ltd.	
Mr Ho Toon Bah	<i>Group corporations</i> SB Procurement SB Project Services Soil-Build Soilbuild Construction Engineering Soilbuild Construction International Soilbuild E&C <i>Other corporations</i> Europtronic Group Ltd Forte Builder SB Trust Management Pte. Ltd. Solstice Development	<i>Group corporations</i> – <i>Other corporations</i> Soilbuild Group Holdings Cartaban (Malaya) Nominees Sdn Bhd House Network Sdn Bhd Memylife Sdn Bhd (<i>Wound Up</i>) Price Solutions Sdn Bhd PLC 8 Development Pte. Ltd. PLC 8 Holdings Pte. Ltd. SB Development Pte. Ltd. SB (Northpoint) Investment Pte. Ltd. SB (Northspring) Investment Pte. Ltd. SB (Westpoint) Investment Pte. Ltd. Trilliant Development Pte. Ltd. (now known as T Land Investment Pte. Ltd.)
Ms Lim Cheng Hwa	<i>Group corporations</i> – <i>Other corporations</i> Soilbuild Group Holdings PLC 8 Development Pte. Ltd. SB Development Pte. Ltd. Solstice Development (as alternate director)	<i>Group corporations</i> – <i>Other corporations</i> –
Mr Poon Hon Thang	<i>Group corporations</i> – <i>Other corporations</i> E3 Energy Solutions Pte. Ltd.	<i>Group corporations</i> – <i>Other corporations</i> Beijing Xinya Yanxiu Xueyan

Name	Present Directorships	Past Directorships
	E3 Holdings Ltd. E3 Investments Pte. Ltd. Englo Energy Pte. Ltd. Englo Real Estate Development Pte. Ltd. Enviro-Hub Holdings Ltd. Irodori Japanese Restaurant Pte. Ltd. J.P. Nelson Holdings Ltd. TP Solutions Pte. Ltd.	Pte. Ltd. (<i>Struck Off</i>) Ei-Learning Technology Pte. Ltd. (<i>Struck Off</i>) HG Metal Manufacturing Limited Lu Bisong Hanyu Language (Zuhe Hanyu) Research Institute Pte. Ltd. (<i>Struck Off</i>)
Mr Tan Jee Ming	<i>Group corporations</i> –	<i>Group corporations</i> –
	<i>Other corporations</i> Straits Law Practice LLC	<i>Other corporations</i> –
Mr Teo Chee Seng	<i>Group corporations</i> –	<i>Group corporations</i> –
	<i>Other corporations</i> Able Law Practice LLC Etika Brands Pte. Ltd. Etika Foods (Singapore) Pte. Ltd. Etika International Holdings Limited Lasseters International Holdings Limited Lasseters International Pte. Ltd. Modern Entertainment Pte Ltd United Overseas Australia Limited	<i>Other corporations</i> The Lexicon Group Limited (now known as Elektromotive Group Limited)

EXECUTIVE OFFICERS

The day-to-day operations are entrusted to our Executive Chairman and Executive Director who is assisted by an experienced and qualified team of Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Address	Position
Mr Loh Chye Aik	54	SB Building 25 Changi South Street 1 Singapore 486059	Director, Operations
Ms Lim Hui Hua	31	SB Building 25 Changi South Street 1 Singapore 486059	Chief Financial Officer
Mr Chooi Yue Chiong	50	SB Building 25 Changi South Street 1 Singapore 486059	Head of Special Projects

Name	Age	Address	Position
Mr William Koh Hock Ann	39	SB Building 25 Changi South Street 1 Singapore 486059	Director, Design and Build/International Business
Mr Ho Chan Teck Patrick	49	SB Building 25 Changi South Street 1 Singapore 486059	Project Director
Ms Chua Poh Lin, Merina	45	SB Building 25 Changi South Street 1 Singapore 486059	Human Resource and Administration Manager

The working, business experience and areas of responsibility of our Executive Officers are set out below:

Mr Loh Chye Aik is our Director of Operations, and his responsibilities include strategising operations, managing resources, monitoring of costs, as well as safety matters. Prior to this, he was appointed as our Project Director in charge of construction management in 2012 and was responsible for, amongst others, the overall management of projects to ensure that the relevant project is on time, within budget and adhere to the safety and health standard with acceptable quality, planning and implementing of project work schedules and formulation of construction budgets. Prior to joining our Group, he was a project director in charge of construction management at ACP Construction Pte Ltd from 2011 to 2012, the general manager of Ryobi Kiso Holdings Ltd. from 2008 to 2011, the business development manager of Lai Yew Seng Pte Ltd from 2007 to 2008 and was responsible for new products development and providing technical and managerial support, a senior project manager with Greatearth Construction Pte Ltd from 1997 to 2007, a general manager with Kamikaya Sdn Bhd from 1995 to 1996 where he was responsible for overseeing the sourcing of development funds, design and planning, liaison, market research and marketing functions, and an operations manager with Khian Heng Construction Pte Ltd from 1984 to 1995. In all, Mr Loh Chye Aik has more than 25 years of experience in the area of construction management in the construction industry.

Mr Loh Chye Aik graduated from the National University of Singapore with a Bachelor of Engineering (Civil) (First Class Honours) in 1984 and obtained his Master of Business Administration from the National University of Singapore in 1997.

Ms Lim Hui Hua is our Chief Financial Officer, and joined our Group in December 2009 as a Finance Manager. She oversees the financial, accounting and tax-related matters, as well as corporate affairs. Prior to joining our Group, Ms Lim worked with PricewaterhouseCoopers LLP from 2003 to 2009 in various positions, the last being as an Audit Manager.

Ms Lim graduated in 2003 and holds a Bachelor of Accountancy from the Nanyang Technological University and is a member of the Institute of Certified Public Accountants of Singapore, as well as a certified internal auditor under the Institute of Internal Auditors.

In considering the suitability of Ms Lim for her role as our Chief Financial Officer, our Audit Committee has considered several factors, including her qualifications and experience, the accounting reporting structure, the team that supports and reports to her and the interactions our Audit Committee had with Ms Lim. Our Audit Committee noted that Ms Lim has more than 9 years of experience in the area of finance and accounting. Ms Lim has been with our Group since 2009 and plays a key role in the overall financial and accounting function of our Group. She also participates and supports the executive management team in strategic business development initiatives of our Group. Prior to joining our Group, she was an Audit Manager with

PricewaterhouseCoopers LLP and was responsible for managing a portfolio of clients, overseeing the execution of audit engagements and reviewing the financial statements of companies in various industries, including entities listed on the SGX-ST. Ms Lim has been instrumental in assisting in the preparation of our Company's listing on the SGX-ST and has demonstrated her knowledge and experience in accounting and financial reporting, as well as the operations and business drivers of our Group.

Our Audit Committee has opined that after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to their attention to cause them to believe that Ms Lim does not have the experience, competence, character or integrity expected of the Chief Financial Officer of our Group.

Mr Chooi Yue Chiong is our Head of Special Projects, and is also involved in the construction design, specifications and drawings in our construction projects to derive cost savings through improvements in construction methods, sequence and/or material use. Mr Chooi has more than 23 years of related experience in the construction industry, having worked in various engineering and construction companies. He served previously in Soil-Build from 1992 to 2000 as a project manager and in a Subsidiary of our Parent Group from 2001 to 2003 as a senior project manager, heading the projects and quantity survey departments. Subsequently, Mr Chooi also served in Sanchoon Builder Pte Ltd from 2003 to 2005 as a senior project manager. In 2006, Mr Chooi held the position of project manager in Sunhuan Construction Pte Ltd. Mr Chooi subsequently re-joined our Group and was a general manager in Soil-Build from 2007 to 2011 and was responsible for the day-to-day operations of the projects and construction management. He also oversaw the quantity survey department and the deployment of key staff and project training. In early 2011, Mr Chooi was transferred to SB Procurement and was responsible for driving our Group's procurement planning and spearheading improvements in construction methodologies. He was designated as our Head of Special Projects with effect from January 2013.

Mr Chooi holds a Diploma in Civil Engineering from Singapore Polytechnic and a Bachelor of Applied Science (Construction Management) with Honours (First Class) from the Royal Melbourne Institute of Technology.

Mr William Koh Hock Ann is our Director, Design and Build/International Business and is responsible for spearheading our Group's expansion beyond Singapore. Mr Koh has been involved in the construction industry and in project management for more than 16 years. He first started his career as a senior supervisor in Weltech Construction Pte Ltd from 1995 to 2000, and was later appointed as an assistant project manager at First Green Engineering Pte Ltd from 2000 to 2002. Subsequently, Mr Koh held positions of deputy construction manager in Dragages Singapore Pte Ltd from 2002 to 2006 and senior project manager in Boustead Singapore Limited from 2006 to 2012.

Mr Koh holds a Bachelor of Science in Construction Management from Heriot-Watt University, an Advanced Diploma in Building from Portman Management Centre and a Diploma in Construction Management from MMC Professional Development Centre and Asia Pacific International Institutes.

Mr Ho Chan Teck Patrick is our Project Director and his role includes the overall management of projects to ensure that the relevant project is on time, within budget and adhere to the safety and health standard with acceptable quality, planning and implementing of project work schedules and formulation of construction budgets. Prior to this, Mr Ho was a Deputy General Manager with Soilbuild Group Holdings and Head of Soilbuild Group Holdings' Development Management Division from 2004 to 2012 and a Site Manager/Project Manager with Soil-Build from 1997 to 2004. Prior to joining Soil-Build in 1997, Mr Ho had worked in various roles such as a Site

Foreman and a Site Manager in various construction companies, cumulating in more than 25 years of experience in the construction industry. Mr Ho obtained a Technician Diploma in Building from Singapore Polytechnic in 1984.

Ms Chua Poh Lin, Merina is our Human Resource and Administration Manager, and is responsible for our administration and human resource management. Ms Chua has over 12 years of experience in administration and human resource matters. Prior to joining our Group in 2011, Ms Chua worked with Bank of Tokyo-Mitsubishi, Ltd as a bank officer in charge of office administration, human resource and financial control from 1989 to 1999 and worked with BBR Holding (S) Ltd as a human resource and administration manager in charge of administrative, corporate administrative and human resource duties from 2000 to 2011.

Ms Chua holds a Diploma in Business Efficiency and Productivity (Business Administration) from the National Productivity Board – Institute for Productivity Training, a Diploma in Compensation and Benefits Management from the Singapore Human Resources Institute and a Bachelor of Commerce (Management and Human Resource Management) from Curtin University of Technology.

None of our Executive Officers are related to each other or to any of our Directors or the Substantial Shareholders.

The list of present and past directorships of each Executive Officer over the last five years, excluding those held in our Company, is set out below:

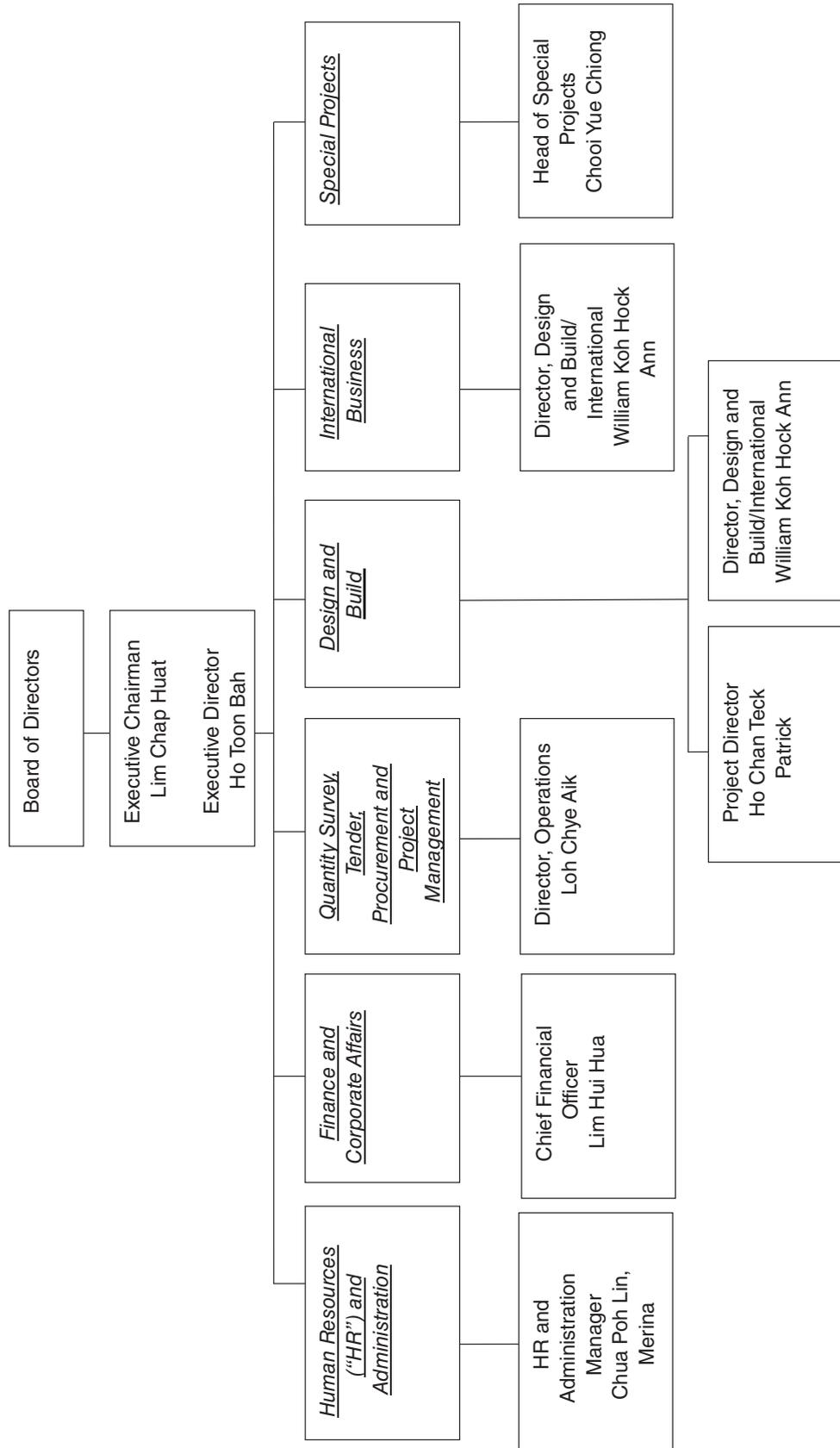
Name	Present Directorships	Past Directorships
Mr Loh Chye Aik	<i>Group corporations</i>	<i>Group corporations</i>
	–	–
	<i>Other corporations</i>	<i>Other corporations</i>
Ms Lim Hui Hua	<i>Group corporations</i>	<i>Group corporations</i>
	–	–
	<i>Other corporations</i>	<i>Other corporations</i>
Mr Chooi Yue Chiong	<i>Group corporations</i>	<i>Group corporations</i>
	–	–
	<i>Other corporations</i>	<i>Other corporations</i>
Mr William Koh Hock Ann	<i>Group corporations</i>	<i>Group corporations</i>
	–	–
	<i>Other corporations</i>	<i>Other corporations</i>

Name	Present Directorships	Past Directorships
Mr Ho Chan Teck Patrick	<i>Group corporations</i>	<i>Group corporations</i>
	–	–
	<i>Other corporations</i>	<i>Other corporations</i>
Ms Chua Poh Lin, Merina	–	–
	<i>Group corporations</i>	<i>Group corporations</i>
	<i>Other corporations</i>	<i>Other corporations</i>
	–	–

There is no arrangement, or understanding with a Substantial Shareholder, customer or supplier of our Company or other person, pursuant to which any of our Directors or Executive Officers was selected as a Director or Executive Officer of our Company. However, our Directors, Mr Lim Chap Huat and Ms Lim Cheng Hwa are nominees of Soilbuild Group Holdings.

MANAGEMENT REPORTING STRUCTURE

The following chart shows our management reporting structure as at the Latest Practicable Date.



DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

The remuneration (including salary, bonus, contributions to CPF, directors' fees and benefits-in-kind and any deferred compensation accrued for the relevant financial year and payable at a later date) in respect of services to our Group paid or payable to our Directors and our top five Executive Officers and in remuneration bands for FY2011 and FY2012, and the estimated remuneration payable to them in remuneration bands for FY2013 are as follows:

	FY2011	FY2012	Estimated for FY2013 ⁽²⁾
Directors			
Mr Lim Chap Huat	A	B	B
Mr Ho Toon Bah	A	B	B
Ms Lim Cheng Hwa	A	–	A
Mr Poon Hon Thang	–	–	A
Mr Tan Jee Ming	–	–	A
Mr Teo Chee Seng	–	–	A
Executive Officers			
Mr Loh Chye Aik	–	A	A
Ms Lim Hui Hua	A	A	A
Mr Chooi Yue Chiong	A	A	A
Mr William Koh Hock Ann	–	A	A
Mr Ho Chan Teck Patrick	A	A	A

Notes:

- (1) Remuneration bands:
 - “Band A” refers to remuneration of up to and including S\$250,000.
 - “Band B” refers to remuneration from S\$250,001 and S\$500,000.
 - “Band C” refers to remuneration from S\$500,001 to S\$750,000.
- (2) The estimated remuneration for FY2013 does not include any performance bonus payable under the Service Agreements of our Executive Chairman and Executive Director.
- (3) The remuneration excludes advances to Soilbuild Group Holdings and its Subsidiaries which relate to staff costs as further described in the section entitled “Interested Person Transactions and Potential Conflicts of Interests – Past Interested Person Transactions” of this Prospectus.

Save as described in the section entitled “Directors, Management and Staff – Service Agreements” of this Prospectus, as at the date of this Prospectus, we do not have in place any formal bonus or profit-sharing plan or any other profit-linked agreement or arrangement with any of our employees, and bonus is expected to be paid on a discretionary basis.

Other than amounts set aside or accrued as required for compliance with the applicable laws of Singapore, no amounts have been set aside or accrued by our Group to provide for pension, retirement or similar benefits for any of our employees.

SERVICE AGREEMENTS

We had, on 10 May 2013, entered into a service agreement with each of Mr Lim Chap Huat, our Executive Chairman and Mr Ho Toon Bah, our Executive Director. Details of the Service Agreements are set out below:

Service Agreement with Mr Lim Chap Huat

Our Service Agreement with Mr Lim Chap Huat is for an initial term of three years commencing on the Listing Date and may be terminated by either party giving not less than six months' notice in writing to the other party or at our option, in lieu of such notice, an amount equivalent to six months salary based on the last drawn salary. We may also terminate the Service Agreement with Mr Lim immediately without any notice or payment in lieu of notice if he commits certain acts of default described in the Service Agreement.

Mr Lim Chap Huat shall receive during the continuance of his employment a basic salary at the rate of S\$252,000 per annum (or such other rate as may from time to time be agreed or determined upon and notified by us to him). The foregoing rate was determined, taking into consideration, the results of a benchmarking exercise conducted by an independent management consultant engaged by us. Our Board, upon the recommendation of our Remuneration Committee, shall review the remuneration package set out above at the end of each financial year of our Company, after taking into account, amongst others, the time spent and contributions made. Any adjustment to the rate of the basic salary shall be approved by our Board of Directors upon the recommendation of our Remuneration Committee. As an interested party, Mr Lim Chap Huat will abstain from voting on any such resolution. Our Board of Directors may also, at its discretion, engage management consultants to advise on such adjustment.

He shall be entitled to such other benefits, including insurance coverage, health and medical benefits and transport allowances, generally accorded to employees holding a similar position, as may be determined by our Board of Directors upon the recommendation of our Remuneration Committee.

In addition, subject to Mr Lim Chap Huat being in the employment of our Company, he will also be paid a performance bonus of up to S\$655,200, the actual amount of which shall be determined in the discretion of our Remuneration Committee and endorsed by our Board of Directors, taking into account the performance of our Company and his performance against the performance targets set for him by our Board of Directors upon the recommendations of our Remuneration Committee. The performance targets are intended to be based on both near and medium-term corporate objectives covering, amongst others, profitability measures, productivity and process improvements and achievements of corporate strategies.

Mr Lim Chap Huat shall also not (except as a representative or nominee of any group company) be directly or indirectly engaged, concerned or interested in any business (save for any interest in quoted or listed securities which do not exceed 5% of the total amount of issued securities in that class which are disclosed to our Audit Committee) which:

- (a) is wholly or partly in competition with any construction business (which, for the avoidance of doubt, shall exclude the property development business, the property investment business, Soilbuild Group Holdings' shareholding interest in our Company, the provision of renovation and/or minor construction services by a listed real estate investment trust or business trust in support of its own portfolio, the engagement by a listed real estate investment trust or business trust of our Group or other third parties to carry out construction services and construction projects undertaken by a Relevant REIT/BT) carried on by any group company by itself or themselves or in partnership, common ownership or as a joint venture with any third party; or

- (b) as regards any goods or services is a supplier to or customer of any group company (save for the property development business, the property investment business or a Relevant REIT/BT).

In this regard, the Company has acknowledged that Mr Lim is a member of the board of directors of, *inter alia*, Soilbuild Group Holdings and its related corporations (excluding our Group) and PLC 8 Holdings Pte. Ltd. and its related corporations, and that Mr Lim is the beneficial shareholder of, *inter alia*, Soilbuild Group Holdings and PLC 8 Holdings Pte. Ltd.

Service Agreement with Mr Ho Toon Bah

Our Service Agreement with Mr Ho Toon Bah is for an initial term of three years commencing on the Listing Date and may be terminated by either party giving not less than six months' notice in writing to the other party or at our option, in lieu of such notice, an amount equivalent to six months salary based on the last drawn salary. We may also terminate the Service Agreement with Mr Ho immediately without any notice or payment in lieu of notice if he commits certain acts of default described in the Service Agreement.

Mr Ho Toon Bah shall receive during the continuance of his employment a basic salary at the rate of S\$432,000 per annum (or such other rate as may from time to time be agreed or determined upon and notified by us to him). The foregoing rate was determined, taking into consideration, the results of a benchmarking exercise conducted by an independent management consultant engaged by us. Our Board, upon the recommendation of our Remuneration Committee, shall review the remuneration package set out above at the end of each financial year of our Company, after taking into account, amongst others, the time spent and contributions made. Any adjustment to the rate of the basic salary shall be approved by our Board of Directors upon the recommendation of our Remuneration Committee. As an interested party, Mr Ho Toon Bah will abstain from voting on any such resolution. Our Board of Directors may also, at its discretion, engage management consultants to advise on such adjustment.

He shall be entitled to a car allowance of S\$48,000 per annum and such other benefits, including insurance coverage, health and medical benefits and transport allowances, generally accorded to employees holding a similar position, as may be determined by our Board of Directors upon the recommendation of our Remuneration Committee.

In addition, subject to Mr Ho Toon Bah being in the employment of our Company, he will also be paid a performance bonus of up to S\$672,000, the actual amount of which shall be determined in the discretion of our Remuneration Committee and endorsed by our Board of Directors, taking into account the performance of our Company and his performance against the performance targets set for him by our Board of Directors upon the recommendations of our Remuneration Committee. The performance targets are intended to be based on both near and medium-term corporate objectives covering, amongst others, profitability measures, productivity and process improvements and achievements of corporate strategies.

Mr Ho Toon Bah shall also not (except as a representative or nominee of any group company) be directly or indirectly engaged, concerned or interested in any business (save for any interest in quoted or listed securities which do not exceed 5% of the total amount of issued securities in that class which are disclosed to our Audit Committee) which:

- (a) is wholly or partly in competition with any construction business (which, for the avoidance of doubt, shall exclude the provision of renovation and/or minor construction services by a listed real estate investment trust or business trust in support of its own portfolio, the engagement by a listed real estate investment trust or business trust of our Group or other third parties to carry

out construction services and construction projects undertaken by a Relevant REIT/BT) carried on by any group company by itself or themselves or in partnership, common ownership or as a joint venture with any third party; or

- (b) as regards any goods or services is a supplier to or customer of any group company (save for a Relevant REIT/BT).

In this regard, the Company has acknowledged that Mr Ho is a member of the board of directors of SB Trust Management Pte. Ltd., the manager of Soilbuild Business Space Trust.

Had the Service Agreements mentioned above been in place for FY2012, the aggregate remuneration (including salary, contributions to CPF, directors' fees and other benefits if any) paid to or provided for our Executive Chairman and Executive Director would have been approximately S\$0.8 million (excluding any performance bonus payable under the Service Agreements) instead of approximately S\$0.7 million and the combined profit before income tax and minority interest would be approximately S\$25.6 million (excluding any performance bonus payable under the Service Agreement) instead of S\$25.7 million.

Save as disclosed above, there are no other existing or proposed service contracts entered into or to be entered into between our Company and our Subsidiaries with any of our Directors or Executive Officers.

EMPLOYEES

The functional distribution of our employees as at the end of each of the past three financial years is as follows:

	Number of Employees		
	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012
Segmented by Job Function			
Management	5	3	5
Administration and Human Resources	7	8	12
Finance	5	6	6
Logistics	5	6	6
Quantity Survey and Purchasing	21	23	28
Safety	14	17	18
Architectural, Design and M&E	16	22	27
Site Staff and Defects Team	95	94	106
Construction	364	375	589
Others	2	2	3
Total	534	556	800

The number of construction employees increased from 375 as at 31 December 2011 to 589 as at 31 December 2012 due to an increase in the number of construction projects undertaken by us in FY2012 as compared to FY2011.

The geographical distribution of our employees as at the end of each of the past three financial years is as follows:

	Number of Employees		
	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012
Segmented by Location			
Singapore	534	556	796
Myanmar	–	–	4
Total	534	556	800

We do not employ a significant number of temporary employees.

Save that certain of our employees are members of the Building Construction and Timber Industries Employees' Union, our employees are not covered by any collective bargaining agreements and are not unionised.

The relationship and co-operation between the management and staff have been good and are expected to continue to remain so in the future. There has not been any incidence of material labour disputes or work stoppages in relation thereof which affect our operations.

SHARE-BASED INCENTIVE PLANS

Our Group has in place two share-based incentive plans, namely, the Soilbuild Construction Employee Share Option Scheme and the Soilbuild Construction Performance Share Plan, details of which are set out below.

SOILBUILD CONSTRUCTION EMPLOYEE SHARE OPTION SCHEME

On 9 May 2013, our Shareholders approved a share option scheme known as the Soilbuild Construction Employee Share Option Scheme (the "ESOS"), the rules of which are set out in Appendix IV of this Prospectus. The ESOS complies with the relevant rules as set out in Chapter 8 of the Listing Manual. The ESOS will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The ESOS, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain executive directors, non-executive directors and employees whose services are vital to our well being and success. As at the Latest Practicable Date, no options have been granted under the ESOS.

Objectives of the ESOS

The objectives of ESOS are as follows:

- (a) to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and profitability of our Group;
- (c) to instill loyalty to, and a stronger identification by participants with the long-term prosperity of, our Group;

- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
- (e) to align the interests of participants with the interests of our Shareholders.

Summary of the ESOS

A summary of the rules of the ESOS is set out as follows:

1. Participants

Under the rules of the ESOS, executive directors and employees of our Group and our associated companies (“Group Employees”) and non-executive directors (including our Independent Directors) of our Group, are eligible to participate in the ESOS. For this purpose, a company is our “associated company” if we and/or our Subsidiaries hold at least 20% but not more than 50% of the issued shares in that company and provided our Company has control (as defined in the Listing Manual) over the associated company.

Controlling Shareholders of our Company or Associates of such Controlling Shareholders are eligible to participate in the ESOS if their participation and grants of options are approved by independent Shareholders in separate resolutions for each such person and for each such grant of options.

2. Scheme administration

The ESOS shall be administered by our Remuneration Committee (Please refer to the section entitled “Corporate Governance” of this Prospectus) with powers to determine, *inter alia*, the following:

- (a) persons to be granted options;
- (b) number of options to be granted; and
- (c) recommendations for modifications to the ESOS.

Our Remuneration Committee may consist of Directors (including Directors or persons who may be participants of the ESOS). A member of our Remuneration Committee who is also a participant of the ESOS must not be involved in its deliberation in respect of options granted or to be granted to him.

3. Size of the ESOS

The aggregate number of shares over which our Remuneration Committee may grant options on any date, when added to the number of Shares issued and issuable or transferred and to be transferred in respect of all options granted under the ESOS and the number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of our Company, shall not exceed 15% of the total number of issued Shares (excluding Shares held by our Company as treasury shares) on the day immediately preceding the date on which an offer to grant an option is made.

Our Company believes that this 15% limit set by the SGX-ST gives our Company sufficient flexibility to decide the number of Option Shares to offer to its existing and new employees. The number of eligible participants is expected to grow over the years. Our Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and

considering the expansion of its talent pool which may involve employing new employees. The employee base, and thus the number of eligible participants, will increase as a result. If the number of options available under the ESOS is limited, our Company may only be able to grant a small number of options to each eligible participant which may not be a sufficiently attractive incentive. Our Company is of the opinion that it should have sufficient number of options to offer to new employees as well as to existing ones. The number of options offered must also be significant enough to serve as a meaningful reward for contributions to our Group. However, it does not necessarily mean that our Remuneration Committee will definitely issue Option Shares up to the prescribed limit. Our Remuneration Committee shall exercise its discretion in deciding the number of Option Shares to be granted to each employee which will depend on the performance and value of the employee to our Group.

4. ***Maximum entitlements***

The aggregate number of Shares comprised in any options to be offered to a grantee shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account (where applicable) criteria such as rank, past performance, years of service and potential for future development of that grantee.

5. ***Options, exercise period and exercise price***

The options that are granted under the ESOS may have exercise prices that are, at our Remuneration Committee's discretion, set at a price (the "Market Price") equal to the average of the last dealt prices for a Share on the Official List of the SGX-ST for the five consecutive market days immediately preceding the date on which an offer to grant an option is made or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price ("Market Price Option") may be exercised after the first anniversary of the date on which an offer to grant that option is made while options exercisable at a discount to the Market Price may be exercised after the second anniversary from the date on which an offer to grant that option is made ("Incentive Option"). Options granted under the ESOS will have a life span of 10 years for options granted to Group Employees (other than non-executive directors and/or employees of associated companies) and five years for options granted to non-executive directors and/or employees of associated companies.

6. ***Grant of options***

Under the rules of the ESOS, there are no fixed periods for the grant of options. As such, offers of the grant of options may be made at any time from time to time at the discretion of our Remuneration Committee. However, no option shall be granted during the period of 30 days immediately preceding the date of announcement of our Company's interim or final results (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made on or after the third market day from the date on which the aforesaid announcement is made.

7. ***Termination of options***

Special provisions in the rules of the ESOS deal with the lapse or earlier exercise of options in circumstances which include the termination of the participant's employment in our Group, the bankruptcy of the participant, the death of the participant, a take-over of our Company, and the winding-up of our Company.

8. **Acceptance of options**

The grant of options shall be accepted within 30 days from the date of the offer. Offers of options made to grantees, if not accepted before the closing date, will lapse. Upon acceptance of the offer, the grantee must pay our Company a consideration of S\$1.00.

9. **Rights of shares arising**

Subject to the prevailing legislation, our Company will deliver Shares to participants upon exercise of their options by way of either (i) an issue of new Shares; or (ii) a transfer of Shares then held by our Company in treasury.

In determining whether to issue new Shares to participants upon exercise of their options, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

The financial effects of the above methods are discussed below.

Shares arising from the exercise of options are subject to the provisions of the Memorandum of Association and Articles of our Company. Shares allotted and issued, and existing Shares procured by our Company for transfer, upon the exercise of an option shall rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or distributions, the record date ("Record Date") for which is prior to the relevant exercise date of the option. "Record Date" means the date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be).

10. **Duration of the ESOS**

The ESOS shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

11. **Abstention from voting**

Shareholders who are eligible to participate in the ESOS are to abstain from voting on any shareholders' resolution relating to the ESOS and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

Grant of options with a discounted exercise price

The ability to offer options to participants of the ESOS with exercise prices set at a discount to the prevailing market prices of the Shares will operate as a means to recognise the performance of participants as well as to motivate them to continue to excel while encouraging them to focus more on improving the profitability and return of our Group above a certain level which will benefit all Shareholders when these are eventually reflected through share price appreciation. The ESOS will also serve to recruit new group employees whose contributions are important to the long-term growth and profitability of our Group. Discounted options would be perceived in a more positive light by the participants, inspiring them to work hard and produce results in order to be offered options at a discount as only employees who have made outstanding contributions to the success and development of our Group would be granted options at a discount.

At present, our Company foresees that options may be granted with a discount principally in the following circumstances:

- (a) Firstly, where it is considered more effective to reward and retain talented employees by way of a discounted price option rather than a market price option. This is to reward the outstanding performers who have contributed significantly to our Group's performance and the discounted price option serves as additional incentives to such group employees. Options granted by our Company on the basis of market price may not be attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence, during such period, the ability to offer such options at a discount would allow our Company to grant options on a more realistic and economically feasible basis. Furthermore, options granted at a discount will give an opportunity to group employees to realise some tangible benefits even if external events cause the share price to remain largely static.
- (b) Secondly, where it is more meaningful and attractive to acknowledge a participant's achievements through a discounted price option rather than paying him a cash bonus. For example, options granted at a discount may be used to compensate employees and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of market price options or discounted price options, as part of eligible employees' compensation packages. The ESOS will provide group employees with an incentive to focus more on improving the profitability of our Group thereby enhancing shareholder value when these are eventually reflected through the price appreciation of the Shares after the vesting period.
- (c) Thirdly, where due to speculative forces and having regard to the historical performance of the Share price, the market price of the Shares at the time of the grant of the options may not be reflective of financial performance indicators such as return on equity and/or earnings growth.

Our Remuneration Committee will have the absolute discretion to grant options where the exercise price is discounted, to determine the level of discount (subject to a maximum discount of 20% of the Market Price) and the grantees to whom, and the options to which, such discount in the exercise price will apply provided that our Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of options under the ESOS at a discount not exceeding the maximum discount as aforesaid.

In deciding whether to give a discount and the quantum of such discount (subject to the aforesaid limit), our Remuneration Committee will have regard to the financial and other performance of our Company and our Group, the years of service and individual performance of the grantee, the contribution of the grantee to the success and development of our Group and the prevailing market conditions.

Our Company may also grant options without any discount to the market price. Additionally, our Company may, if it deems fit, impose conditions on the exercise of the options (whether such options are granted at the market price or at a discount to the market price), such as restricting the number of Shares for which the option may be exercised during the initial years following its vesting.

Rationale for participation of executive directors and employees of our associated companies and non-executive directors (including our Independent Directors) of our Group in the ESOS

The extension of the ESOS to executive directors and employees of our associated companies and non-executive directors (including our Independent Directors) of our Group allows our Group to have a fair and equitable system to reward directors and employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the ESOS will also enable us to attract, retain and provide incentives to its participants to achieve higher standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

Although the non-executive directors are not involved in the day-to-day running of our Group's business, they nonetheless play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by the non-executive directors in the ESOS will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

In order to minimise any potential conflict of interests and not to compromise the independence of the non-executive directors, our Company intends to grant only a nominal number of options under the ESOS to such non-executive directors.

Financial Effects of the ESOS

The ESOS will increase our issued share capital to the extent of the new Shares that will be issued and allotted pursuant to the exercise of options. Under the Financial Reporting Standard 102 on Share-based Payment ("FRS 102"), the fair value of employee services received in exchange for the grant of the options would be recognised as an expense. For equity-settled share-based payment transactions, the total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each options granted at the grant date and the number of options vested by vesting date, with a corresponding increase in equity.

Before the end of the vesting period, at each balance sheet date, the entity revises its estimates of the number of options that are expected to vest by the vesting date and recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement would be made. The proceeds net of any directly attributable transaction costs are credited to the share capital when the options are exercised.

During the vesting period, the consolidated earnings per share would be reduced by both the expenses recognised and the potential ordinary shares to be issued under the share option scheme. When the options are exercised, the consolidated NTA will be increased by the amount of cash received for exercise of the options. On a per share basis, the effect is accretive if the exercise price is above the net tangible assets per share but dilutive otherwise.

There will be no cash outlay expended by us at the time of grant of such options as compared to the payment of cash bonuses. However, as Shareholders may be aware, any options granted to subscribe for new shares (whether the exercise price is set at the market price of the shares at the date of grant or otherwise) have a fair value at the time of grant. The fair value of an option is an estimate of the amount that a willing buyer would pay a willing seller for the option on the grant date. Options are granted to participants at a nominal consideration of S\$1.00. Insofar as such options are granted at a consideration that is less than their fair value at the time of grant, there will be a cost to our Company in that we will receive from the participant upon the grant of the option a consideration that is less than the fair value of the option.

The following sets out the financial effects of the ESOS.

(a) **Share Capital**

The ESOS will result in an increase in our Company's issued share capital when new Shares are issued to participants. The number of new Shares issued will depend on, *inter alia*, the size of the options granted under the ESOS. Whether and when the options granted under the ESOS will be exercised will depend on the exercise price of the options, when the options will vest as well as the prevailing trading price of the Shares. In any case, the ESOS provides that the number of Shares to be issued or transferred under the ESOS, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of our Company, will be subject to the maximum limit of 15 per cent. of our Company's total number of issued Shares (excluding Shares held by our Company as treasury shares) from time to time. If instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the ESOS will have no impact on our Company's issued share capital.

(b) **NTA**

As described in paragraph (c) below on EPS, the grant of options will be recognised as an expense, the amount of which will be computed in accordance with FRS 102. When new Shares are issued pursuant to the exercise of options, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the NTA would be impacted by the cost of the Shares purchased.

(c) **EPS**

Without taking into account earnings that may be derived by our Company from the use of the proceeds from the issuance of Shares pursuant to the exercise of options granted under the ESOS, any new Shares issued pursuant to any exercise of the options will have a dilutive impact on our Company's EPS.

(d) **Dilutive Impact**

The issuance of new Shares under the ESOS will have a dilutive impact on our consolidated EPS.

We have made an application to the SGX-ST for permission to deal in and for quotation of the Option Shares which may be issued upon the exercise of the options to be granted under the ESOS. The approval of the SGX-ST is not to be taken as an indication of the merits of our Company, our Subsidiaries, our Shares, the New Shares, the Option Shares or the Performance Shares.

SOILBUILD CONSTRUCTION PERFORMANCE SHARE PLAN

On 9 May 2013, our Shareholders approved a share scheme known as the Soilbuild Construction Performance Share Plan (the “PSP”), the rules of which are set out in Appendix V of this Prospectus. The PSP complies with the relevant rules as set out in Chapter 8 of the Listing Manual.

Rationale for the PSP

Our Directors have implemented the PSP to increase our Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees and non-executive directors to achieve increased performance. Our Directors believe that, in addition to the ESOS, the plan will further strengthen our Company’s competitiveness in attracting and retaining superior local and foreign talent.

The PSP allows our Company to target specific performance objectives and to provide an incentive for participants to achieve these targets. Our Directors believe that the plan will provide our Company with a flexible approach to provide performance incentives to our staff and non-executive directors and, consequently, to improve performance and achieve sustainable growth for our Company in the changing business environment, and to foster a greater ownership culture amongst key senior management, senior executives and non-executive directors.

Operation of the PSP

Awards granted under the PSP will be principally performance-based, incorporating an element of stretched targets for senior executives and significantly stretched targets for key senior management and non-executive directors aimed at delivering long-term shareholder value.

The PSP uses methods fairly common among major local and multinational companies to incentivise and motivate senior executives and key senior management to achieve pre-determined targets which create and enhance economic value for Shareholders. Our Company believes that the PSP will be an effective tool in motivating senior executives, key senior management and non-executive directors to work towards stretched goals.

The PSP contemplates the award of fully paid Shares, when and after pre-determined performance or service conditions are accomplished.

A participant’s award under the PSP will be determined at the sole discretion of our Remuneration Committee. In considering an award to be granted to a participant who is an employee, our Remuneration Committee may take into account, *inter alia*, the participant’s capability, creativity, entrepreneurship, innovativeness, scope of responsibility and skills set. In considering an award to be granted to a participant who is a non-executive director, our Remuneration Committee may take into account, *inter alia*, the services and contributions made to the growth of our Group, attendance and participation in meetings and the years of service.

Awards granted under the PSP are principally performance-based with performance targets to be set over a performance period and may vary from one performance period to another performance period and from one grant to another grant. Performance targets set by our Remuneration Committee are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. Such performance targets and performance periods will be set according to the specific roles of each participant, and may differ from participant to participant. The performance targets are stretched targets aimed at sustaining long-term growth. These targets will be tied in with our Company’s corporate key performance indicators.

Currently, it is envisaged that only key Executive Directors and Executive Officers may be granted Awards under the PSP which will have certain of their performance targets that are market conditions, such as performance of our Company's share price during the performance period. This is because key Executive Directors and Executive Officers are responsible in formulating, driving and executing our Group's strategy which is one of the factors affecting a company's market valuation.

Examples of non-market performance targets which may be included as a performance target for a grant of Award include, *inter alia*, profitability of a particular construction project of our Group, safety record of a construction project of our Group and completion of construction projects in accordance with the project schedule.

Under the PSP, participants are encouraged to continue serving our Group beyond the achievement date of the pre-determined performance targets. Our Remuneration Committee has the discretion to impose a further vesting period after the performance period to encourage the participant to continue serving our Group for a further period of time.

Maximum Limits on Shares

In order to reduce the dilutive impact of the PSP, the maximum number of Shares issuable or to be transferred by our Company under the PSP, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of our Company, will be 15 per cent. of our Company's total number of issued Shares (excluding Shares held by our Company as treasury shares) from time to time.

Summary of PSP

A summary of the rules of the PSP is set out as follows:

1. Eligibility

Executive directors and employees of our Group and our associated companies who have attained the age of twenty-one (21) years and hold such rank as may be designated by our Remuneration Committee from time to time, and non-executive directors (including our Independent Directors) of our Group, shall be eligible to participate in the PSP. For this purpose, a company is our "associated company" if we and/or our Subsidiaries hold at least 20% but not more than 50% of the issued shares in that company and provided our Company has control (as defined in the Listing Manual) over the associated company.

Controlling Shareholders of our Company or Associates of such Controlling Shareholders are eligible to participate in the PSP if their participation and awards are approved by independent Shareholders in separate resolutions for each such person and for each such award.

2. Awards

Awards represent the right of a participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

Shares which are allotted and issued or transferred to a participant pursuant to the release of an award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during a specified period (as prescribed by our Remuneration Committee in the award letter), except to the extent approved by our Remuneration Committee.

3. **Participants**

The selection of a participant and the number of Shares which are the subject of each award to be granted to a participant in accordance with the PSP shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account criteria such as his rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, his contribution to the success and development of our Group and, if applicable, the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period.

4. **Details of Awards**

Our Remuneration Committee shall decide, in relation to each award to be granted to a participant:

- (a) the date on which the award is to be granted;
- (b) the number of Shares which are the subject of the award;
- (c) the performance target(s) and the performance period during which such performance target(s) are to be satisfied, if any;
- (d) the extent to which Shares, which are the subject of that award, shall be released on each prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period; and
- (e) any other condition which our Remuneration Committee may determine in relation to that award.

5. **Timing**

While our Remuneration Committee has the discretion to grant awards at any time in the year, it is currently anticipated that awards would in general be made once a year. An award letter confirming the award and specifying (*inter alia*) the number of Shares which are the subject of the award, the prescribed performance target(s), the performance period during which the prescribed performance target(s) are to be attained or fulfilled and the schedule setting out the extent to which Shares will be released on satisfaction of the prescribed performance target(s), will be sent to each participant as soon as reasonably practicable after the making of an award.

6. **Events Prior to Vesting**

Special provisions for the vesting and lapsing of awards apply in certain circumstances including the following:

- (i) the misconduct on the part of a participant as determined by our Remuneration Committee in its discretion;
- (ii) the participant ceasing to be in the employment of our Group for any reason whatsoever (other than as specified in paragraph (v) below);
- (iii) an order being made or a resolution passed for the winding-up of our Company on the basis, or by reason, of its insolvency;

- (iv) the bankruptcy of a participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the award;
- (v) the participant ceases to be in the employment of our Group by reason of:
 - (1) ill health, injury or disability (in each case, evidenced to the satisfaction of our Remuneration Committee);
 - (2) redundancy;
 - (3) retirement at or after the legal retirement age;
 - (4) retirement before the legal retirement age with the consent of our Remuneration Committee;
 - (5) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within our Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within our Group, as the case may be;
 - (6) any other event approved by our Remuneration Committee;
- (vi) any other event approved by our Remuneration Committee; or
- (vii) a take-over, reconstruction or amalgamation of our Company or an order being made or a resolution passed for the winding-up of our Company (other than as provided in paragraph (iii) above or for amalgamation or reconstruction).

Upon the occurrence of any of the events specified in paragraphs (i), (ii) and (iii), an award then held by a participant shall, subject as provided in the rules of the PSP and to the extent not yet released, immediately lapse without any claim whatsoever against our Company.

Upon the occurrence of any of the events specified in paragraphs (iv), (v) and (vi) above, our Remuneration Committee may, in its absolute discretion, preserve all or any part of any award and decide either to vest some or all of the Shares which are the subject of the award or to preserve all or part of any award until the end of the relevant performance period. In exercising its discretion, our Remuneration Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that participant and, in the case of performance-related awards, the extent to which the applicable performance conditions and targets have been satisfied.

Upon the occurrence of the event specified in paragraph (vii) above, our Remuneration Committee will consider, at its discretion, whether or not to release any award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that participant. If our Remuneration Committee decides to release any award, then in determining the number of Shares to be vested in respect of such award, our Remuneration Committee will have regard to the proportion of the performance period which has elapsed and the extent to which the applicable performance conditions and targets have been satisfied.

7. ***Size and Duration of the PSP***

The total number of Shares which may be issued or transferred pursuant to awards granted under the PSP, when aggregated with the aggregate number of Shares over which options are granted under any other share option schemes of our Company, shall not exceed 15 per cent. of the total number issued Shares (excluding Shares held by our Company as treasury shares) from time to time.

The PSP shall continue in force at the discretion of our Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the PSP is adopted by our Company in general meeting, provided always that the PSP may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the PSP, any awards made to participants prior to such expiry or termination will continue to remain valid.

8. ***Operation of the PSP***

Subject to the prevailing legislation, our Company will deliver Shares to participants upon vesting of their awards by way of either (i) an issue of new Shares; or (ii) a transfer of Shares then held by our Company in treasury.

In determining whether to issue new Shares to participants upon vesting of their awards, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

The financial effects of the above methods are discussed below.

New Shares allotted and issued and existing Shares procured by our Company for transfer on the release of an award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant date of issue or, as the case may be, delivery, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Our Remuneration Committee shall have the discretion to determine whether the performance condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, our Remuneration Committee shall have the right to make computational adjustments to the audited results of our Company or our Group, to take into account such factors as our Remuneration Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if our Remuneration Committee decides that a changed performance target would be a fairer measure of performance.

9. ***Abstention from voting***

Shareholders who are eligible to participate in the PSP are to abstain from voting on any shareholders' resolution relating to the PSP and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

Adjustments and Alterations under the PSP

The following describes the adjustment events under, and provisions relating to alterations of, the PSP.

1. Adjustment Events

If a variation in the issued ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution, or otherwise) shall take place, then:

- (i) the class and/or number of Shares which are the subject of an award to the extent not yet vested; and/or
- (ii) the class and/or number of Shares over which future awards may be granted under the PSP,

shall be adjusted in such manner as our Remuneration Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the participant receives a benefit that a Shareholder does not receive.

The issue of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force shall not normally be regarded as a circumstance requiring adjustment, unless our Remuneration Committee considers an adjustment to be appropriate.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by our Company's auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

2. Modifications or Alterations to the PSP

The PSP may be modified and/or altered from time to time by a resolution of our Remuneration Committee subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to awards granted prior to such modification or alteration except with the written consent of such number of participants under the PSP who, if their awards were released to them, would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued or transferred in full of all outstanding awards under the PSP.

No alteration shall be made to particular rules of the PSP to the advantage of the holders of the awards except with the prior approval of Shareholders in general meeting.

Rationale for participation of executive directors and employees of our associated companies and non-executive directors (including our Independent Directors) of our Group in the PSP

The extension of the PSP to executive directors and employees of our associated companies and non-executive directors (including our Independent Directors) of our Group allows our Group to have a fair and equitable system to reward directors and employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the PSP will also enable us to attract, retain and provide incentives to its participants to achieve higher standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

Although the non-executive directors are not involved in the day-to-day running of our Group's business, they, nonetheless, play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by the non-executive directors in the PSP will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

In order to minimise any potential conflict of interests and not to compromise the independence of the non-executive directors, our Company intends to grant only a nominal number of options under the PSP to such non-executive directors.

Financial Effects of the PSP

The PSP is considered a share-based payment that falls under FRS 102 where participants will receive Shares and the awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the awards would be recognised as a charge to the income statement over the period between the grant date and the vesting date of an award. The fair value per share of the awards granted will be determined using an option pricing model. The significant inputs into the option pricing model will include, *inter alia*, the share price as at the date of grant of the award, the risk free interest rate, the vesting period, volatility of the share and dividend yield. The total amount of the charge over the vesting period is determined by reference to the fair value of each award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to the reserve account. Before the end of the vesting period, at each accounting year end, the estimate of the number of awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement is made.

The amount charged to the income statement also depends on whether or not the performance target attached to an award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the award granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance target is not a market condition, the fair value per share of the awards granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment by our Chief Financial Officer at that date of whether the non-market conditions would be met to enable the awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative charge to the income statement if the awards do not ultimately vest.

The following sets out the financial effects of the PSP.

(a) **Share capital**

The PSP will result in an increase in our Company's issued share capital when new Shares are issued to participants. The number of new Shares issued will depend on, *inter alia*, the size of the awards granted under the PSP. In any case, the PSP provides that the number of Shares to be issued or transferred under the PSP, when aggregated with the aggregate number of Shares over which options are granted under any other share option schemes of our Company, will be subject to the maximum limit of 15 per cent. of our Company's total number of issued Shares (excluding Shares held by our Company as treasury shares) from time to time. If instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the PSP will have no impact on our Company's issued share capital.

(b) **NTA**

As described in paragraph (c) below on EPS, the PSP is likely to result in a charge to our Company's income statement over the period from the grant date to the vesting date of the awards. The amount of the charge will be computed in accordance with FRS 102. When new Shares are issued under the PSP, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the NTA would be impacted by the cost of the Shares purchased. It should be noted that the delivery of Shares to participants under the PSP will generally be contingent upon the eligible participants meeting prescribed performance targets and conditions.

(c) **EPS**

The PSP is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with FRS 102.

It should again be noted that the delivery of Shares to participants of the PSP will generally be contingent upon the participants meeting the prescribed performance targets and conditions.

(d) **Dilutive Impact**

The issuance of new Shares under the PSP will have a dilutive impact on our consolidated EPS.

We have made an application to the SGX-ST for permission to deal in and for quotation of the Performance Shares which may be issued upon the release of the share awards to be granted under the PSP. The approval of the SGX-ST is not to be taken as an indication of the merits of our Company, our Subsidiaries, our Shares, the New Shares, the Option Shares or the Performance Shares.

Disclosures in Annual Reports

Our Company will make such disclosures in our annual report for so long as the ESOS or PSP continue in operation as from time to time required by the Listing Manual including the following (where applicable):

- (a) the names of the members of our Remuneration Committee administering the ESOS and PSP;

- (b) in respect of the following participants of the ESOS and PSP:
- (i) Directors of our Company;
 - (ii) Controlling Shareholders of our Company and their Associates; and
 - (iii) participants (other than those in paragraph (i) and (ii) above) who have received Shares pursuant to the exercise of options under the ESOS and release of awards granted under the PSP which, in aggregate, represent five per cent. or more of the aggregate of the total number of Shares available under the ESOS or PSP,

the following information:

- (1) in the case of the ESOS, the information required in the table below; and

Name of participant	Options granted during financial year under review (including terms)	Aggregate options granted since commencement of the ESOS to end of financial year under review	Aggregate options exercised since commencement of the ESOS to end of financial year under review	Aggregate options outstanding as at end of financial year under review

- (2) in the case of the PSP, the name of the participant and the number of new Shares issued and the number of existing Shares transferred to such participant during the financial year under review;
- (c) in respect of the ESOS, the number and proportion of options granted at the following discounts to the market price in the financial year under review:
- (i) options granted at up to 10% discount;
 - (ii) options granted at between 10% but not more than 20% discount; and
- (d) in respect of the PSP, the following information:
- (i) the aggregate number of Shares comprised in awards granted since the commencement of the PSP to the end of the financial year under review;
 - (ii) the aggregate number of Shares comprised in awards which have vested during the financial year under review and in respect of such awards, the proportion of new Shares issued and existing Shares transferred (and where existing Shares were purchased for delivery, the range of prices at which such Shares were purchased) upon the release of the vested awards; and
 - (iii) the aggregate number of Shares comprised in awards which have not been released as at the end of the financial year under review.

CORPORATE GOVERNANCE

Corporate governance refers to the processes and structure by which the business and affairs of a company are directed and managed in order to enhance long-term shareholder value through enhancing corporate performance and accountability.

Our Directors recognise the importance of corporate governance and in the offering of high standards of accountability to our Shareholders. Accordingly, our Directors have established an Audit Committee, a Remuneration Committee and a Nominating Committee in accordance with the Code of Corporate Governance 2012, which sets out principles of and recommendations for good corporate governance.

Save as disclosed in the sections entitled “Interested Person Transactions and Potential Conflicts of Interests” and “Directors, Management and Staff” of this Prospectus, our independent Directors do not have any existing business or professional relationship of a material nature with our Group, our Directors or Substantial Shareholders. In particular, none of our independent Directors serves on the board of directors of Soilbuild Group Holdings or any of its Subsidiaries. Moving forward, our Company does not intend to appoint a person who also serves on the board of directors of Soilbuild Group Holdings or any of its Subsidiaries, as an independent Director.

AUDIT COMMITTEE

Our Audit Committee comprises Mr Poon Hon Thang, Mr Tan Jee Ming and Mr Teo Chee Seng. The Chairman of our Audit Committee is Mr Poon Hon Thang.

Responsibilities of our Audit Committee include, among others:

- assisting our Board of Directors in discharging its statutory responsibilities on financing and accounting matters;
- reviewing significant financial reporting issues and judgments to ensure the integrity of the financial statements and any announcements relating to financial performance;
- reviewing the independence and objectivity of the external auditors;
- reviewing the external auditor’s audit plan and audit report, and the external auditor’s evaluation of the system of internal accounting controls, with the external auditor, as well as the assistance given by management to the external auditor;
- reviewing and reporting to our Board, at least annually, the adequacy and effectiveness of our risk management and internal controls systems, including financial, operational, compliance and information technology controls;
- reviewing the statements to be included in the annual report concerning the adequacy and effectiveness of our risk management and internal controls systems, including financial, operational, compliance controls and information technology controls;
- reviewing any interested person transactions as defined in the Listing Manual. Please see the section entitled “Interested Person Transactions and Potential Conflicts of Interests” of this Prospectus;
- monitoring the cessation of intercompany borrowings from our Parent Group and the enforcement of the payment of receivables from our Parent Group according to the agreed terms;

- reviewing the scope and results of the internal audit procedures, and, at least annually, the adequacy and effectiveness of our internal audit function;
- approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;
- appraising and reporting to our Board of Directors on the audits undertaken by the external auditors and internal auditors, and the adequacy of disclosure of information;
- making recommendations to our Board of Directors on the proposals to Shareholders on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- reviewing any actual or potential conflicts of interest that may involve our Directors as disclosed by them to our Board, exercising directors' fiduciary duties in this respect. Upon disclosure of an actual or potential conflict of interests by a Director, our Audit Committee will consider whether a conflict of interests does in fact exist. A Director who is a member of our Audit Committee will not participate in any proceedings of our Audit Committee in relation to the review of a conflict of interests relating to him. The review will include an examination of the nature of the conflict and such relevant supporting data, as our Audit Committee may deem reasonably necessary;
- reviewing any interest in quoted or listed securities with respect to any business which:
 - is wholly or partly in competition with any construction business (which, for the avoidance of doubt, shall exclude the provision of renovation and/or minor construction services by a listed real estate investment trust or business trust in support of its own portfolio, the engagement by a listed real estate investment trust or business trust of our Group or other third parties to carry out construction services and construction projects undertaken by a Relevant REIT/BT) carried on by any group company by itself or themselves or in partnership, common ownership or as a joint venture with any third party; or
 - as regards any goods or services is a supplier to or customer of any group company (save for a Relevant REIT/BT),

which do not exceed 5% of the total amount of issued securities in that class, of our Executive Chairman and Executive Director as disclosed by them to our Audit Committee pursuant to their Service Agreements. Upon disclosure, our Audit Committee will consider whether a conflict of interests does in fact exist and propose, where appropriate, the relevant measures for the management of such conflict of interests (including, without limitation, the disposal of any of such interest);

- review on a periodic basis the framework and processes established for the implementation of the terms of the Parent Non-Competition Deed, the non-competition provision in Mr Lim's Service Agreement and the Personal Non-Competition Deed in order to ensure that such framework and processes remain appropriate;
- review and assess from time to time whether additional processes are required to be put in place to manage any material conflicts of interest with our Parent Group and propose, where appropriate, the relevant measures for the management of such conflicts; and
- review and propose, where appropriate, the relevant measures for the management of all conflicts of interest matters referred to it.

Apart from the duties listed above, our Audit Committee shall review the policy and arrangements for employees and any other persons to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. Our Audit Committee shall ensure that these arrangements allow such concerns to be raised and independently investigated, and appropriate follow up action. Our Audit Committee is also required to discuss matters which may involve any suspected fraud or irregularity, or suspected infringement of any law, rule or regulation which has or is likely to have a material impact on our operating results or financial position with external auditors and report such matters to our Board at an appropriate time.

INTERNAL CONTROLS

We have appointed an independent external process auditor to review the adequacy of the internal controls, addressing financial, operational and compliance risks.

Our Board of Directors, after making all reasonable enquiries and to the best of its knowledge and belief, with the concurrence of our Audit Committee, and based on the report of the independent external process auditor, is of the opinion that the internal controls of our Group are adequate to address operational, financial and compliance risks. In arriving at such adequacy opinion, our Board is of the view that the internal controls of our Group have reasonable assurance about achieving the objectives of the categories (a), (b) and (c) as set out below.

For purpose of the above paragraph and in line with the Singapore Standards on Auditing and the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) Internal Controls-Integrated Framework, “internal controls” is broadly defined as “a process effected by an entity’s board of directors and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (a) effectiveness and efficiency of operations;
- (b) reliability of financial reporting; and
- (c) compliance with applicable laws and regulations.

The first category addresses an entity’s basic business objectives, including performance and profitability goals and safeguarding of assets. The second category relates to the preparation of reliable published financial statements, including interim and condensed financial statements and selected financial data derived from such statements, such as earning releases, reported publicly. The third category deals with complying with those laws and regulations to which the entity is subject¹.

NOMINATING COMMITTEE

Our Nominating Committee comprises Mr Poon Hon Thang, Mr Tan Jee Ming and Mr Teo Chee Seng. The Chairman of our Nominating Committee is Mr Tan Jee Ming.

1 Source: COSO ([http://www.internalcompliance.com/docs/Summary%20of%20COSO %20Internal%20Control%20Framework.pdf](http://www.internalcompliance.com/docs/Summary%20of%20COSO%20Internal%20Control%20Framework.pdf) and <http://www.coso.org/>). COSO has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the above information extracted from its website and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of such information. Please also see the section entitled “General and Statutory Information – Sources” of this Prospectus.

Responsibilities of our Nominating Committee include, among others:

- making recommendations to our Board of Directors on relevant matters relating to:
 - the review of board succession plans for our Directors, in particular, our Chairman;
 - the review of training and professional development programs for our Board; and
 - the appointment and reappointment of our Directors (including alternate Directors, if applicable);
- reviewing the composition of our Board of Directors annually so as to ensure that our Board of Directors and our Board committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, genders and knowledge of our Company and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge;
- reviewing and determining annually, and as and when circumstances require, if a Director is independent, bearing in mind the circumstances set forth in the Code of Corporate Governance 2012 and any other salient factors; and
- where a Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representation and other principal commitments.

In addition, our Nominating Committee will make recommendations to our Board of Directors on the development of a process for evaluation of the performance of our Board of Directors, our Board committees and our Directors. In this regard, our Nominating Committee will decide how our Board of Directors' performance is to be evaluated and propose objective performance criteria which address how our Board of Directors has enhanced long-term shareholder value. Our Nominating Committee will also implement a process for assessing the effectiveness of our Board of Directors as a whole and our Board committees and for assessing the contribution of our Chairman and each individual Director to the effectiveness of our Board of Directors. Our Chairman will act on the results of the performance evaluation of our Board of Directors, and in consultation with our Nominating Committee, propose, where appropriate, new members to be appointed to our Board of Directors or seek the resignation of Directors. Each member of our Nominating Committee shall abstain from voting on any resolutions in respect of any matter in which he has an interest.

REMUNERATION COMMITTEE

Our Remuneration Committee comprises Mr Poon Hon Thang, Mr Tan Jee Ming and Mr Teo Chee Seng. The Chairman of our Remuneration Committee is Mr Teo Chee Seng.

Responsibilities of our Remuneration Committee include, among others:

- reviewing and recommending to our Board of Directors, in consultation with the Chairman of our Board of Directors, for endorsement, a comprehensive remuneration policy framework and guidelines for remuneration of our Directors and other persons having authority and responsibility for planning, directing and controlling the activities of our Company ("Key Management Personnel");
- reviewing and recommending to our Board of Directors, for endorsement, the specific remuneration packages for each of the Directors and Key Management Personnel;

- in the case of service contracts, reviewing our Company's obligations arising in the event of termination of the Executive Director(s) and Key Management Personnel's service contracts, to ensure that such service contracts contain fair and reasonable termination clauses which are not overly generous with a view to be fair and avoid rewarding poor performance; and
- approving performance targets for assessing the performance of each of the key management personnel and recommending such targets for each of such Key Management Personnel, for endorsement by our Board of Directors.

Our Remuneration Committee also periodically considers and reviews remuneration packages in order to maintain their attractiveness, to retain and motivate (a) our Directors to provide good stewardship of our Company and (b) Key Management Personnel to successfully manage our Company, and to align the level and structure of remuneration with the long-term interest and risk policies of our Company.

Our Remuneration Committee is also responsible for administering the ESOS and the PSP, including reviewing whether Executive Directors and Key Management Personnel should be eligible for benefits under the ESOS and the PSP.

If a member of our Remuneration Committee has an interest in a matter being reviewed or considered by our Remuneration Committee, he will abstain from voting on that matter.

BOARD PRACTICES

Our Directors are appointed by our shareholders at a general meeting, and an election of Directors takes place annually. One third (or the number nearest one third) of our Directors are required to retire from office at each annual general meeting. Further all our Directors are required to retire from office at least once in every three years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in Appendix III of this Prospectus.

DESCRIPTION OF OUR ORDINARY SHARES

The following statements are brief summaries of the more important rights and privileges of Shareholders conferred by the laws of Singapore and our Articles of Association. These statements summarise the material provisions of our Company's Articles of Association but are qualified in their entirety by reference to our Company's Articles of Association and the laws of Singapore. Please see the section entitled "Summary of Selected Articles of Association of our Company" as set out in Appendix III of this Prospectus.

SHARES

Our Shares, which have identical rights in all respects, rank equally with one another. Our Articles of Association provide that we may issue shares of a different class with preferential, deferred, qualified or special rights, privileges or conditions as our Board of Directors may think fit, and may issue preference shares which are, or at our option are, redeemable, subject to certain limitations.

All of our Shares are in registered form. We may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase our own Shares. However, we may not, except in the circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

NEW SHARES

We may only issue new Shares with the prior approval of our Shareholders in a general meeting.

SHAREHOLDERS

We only recognise the persons who are registered in our register of members and, in cases in which the person so registered is CDP or its nominee, as the case may be, we recognise the persons named as the Depositors in the Depository Register maintained by CDP for our Shares as holders of our Shares.

We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any of our Shares, or any interest in any fractional part of a Share, or other rights in respect of any Share, other than the absolute right thereto of the person whose name is entered in our register of members as the registered holder thereof, or of the person whose name is entered in the Depository Register maintained by CDP for that Share.

We may close our register of members at any time or times if we provide the SGX-ST with at least five clear Market Days' notice, or such other periods as may be prescribed by the SGX-ST. However, our register of members may not be closed for more than 30 days in aggregate in any calendar year. We typically close our register of members to determine Shareholders' entitlement to receive dividends and other distributions.

TRANSFER OF SHARES

There is no restriction on the transfer of fully paid-up Shares except where required by law or the listing rules of, or bye-laws and rules, governing any securities exchange upon which our Shares are listed or as provided in our Articles of Association. Our Board of Directors may in their discretion decline to register any transfer of Shares on which we have a lien and in the case of Shares not fully paid-up may refuse to register a transfer to a transferee of whom they do not approve. A Shareholder may transfer any Shares registered in its own name by means of a duly signed instrument of transfer in a form approved by any securities exchange upon which our Shares are listed or in any other form acceptable to our Directors. Our Board of Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped

and is presented for registration together with the share certificate and such other evidence of title as they may require. A Shareholder may transfer any Shares held through the SGX-ST book-entry settlement system by way of a book-entry transfer without the need for any instrument of transfer.

We will replace lost or destroyed certificates for Shares provided that the applicant pays a fee which will not exceed S\$2.00, and furnishes such evidence and a letter of indemnity as our Board of Directors may require.

GENERAL MEETINGS OF OUR SHAREHOLDERS

We are required to hold a general meeting of Shareholders every year and not more than 15 months after the holding of the last preceding annual general meeting. Our Board of Directors may convene an extraordinary general meeting whenever they think fit and it must do so upon the written request of Shareholders representing not less than 10.0% of the total voting rights of all Shareholders. In addition, two or more Shareholders holding not less than 10.0% of our total number of issued Shares may call a meeting of our Shareholders.

Unless otherwise required by law or by our Articles of Association, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including:

- voluntary winding-up;
- amendments to our Memorandum of Association and our Articles of Association;
- a change of our corporate name; and
- a reduction in the share capital.

We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. For so long as our Shares are listed on the SGX-ST, at least 14 days' notice of any general meeting shall be given in writing to the SGX-ST and by advertisement in the daily press.

The notice must be given to every Shareholder who has supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

VOTING RIGHTS

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy need not be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP 48 hours before the general meeting.

Except as otherwise provided in our Articles of Association, two or more Shareholders must be present in person or by proxy or attorney, representing one-third or more of our total issued Shares to constitute a quorum at any general meeting. Under our Articles of Association:

- on a show of hands, every Shareholder present in person or by proxy shall have one vote (provided that in the case of a Shareholder who is represented by two proxies, only one of the two proxies as determined by that Shareholder or, failing such determination, by the chairman of the meeting (or by a person authorised by the chairman of the meeting) in his sole discretion shall be entitled to vote on a show of hands); and
- on a poll, every Shareholder present in person or by proxy or attorney shall have one vote for each Share which he holds or represents.

A poll may be demanded in certain circumstances, including:

- by the chairman of the meeting;
- by not less than two Shareholders present in person or by proxy or attorney and entitled to vote at the meeting;
- by any Shareholder present in person or by proxy or attorney and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; and
- by any Shareholder present in person or by proxy or attorney and holding not less than 10.0% of the total number of paid-up Shares (excluding treasury shares).

In the case of a tie vote, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.

LIMITATIONS ON RIGHTS TO HOLD SHARES

Singapore law and our Articles of Association do not impose any limitations on the right of non-resident or foreign Shareholders to hold or exercise voting rights attached to our Shares.

DIVIDENDS

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. Our Board of Directors may also declare an interim dividend without the approval of our Shareholders.

We must pay all dividends out of our profit(s) available for distribution.

All dividends we pay are *pro rata* in amount to our Shareholders in proportion to the amount paid up or credited as paid on each Shareholder's Shares, unless the rights attaching to an issue of any share or class of shares provide otherwise.

Unless otherwise directed, dividends may be paid by a cheque or warrant sent through the post to each Shareholder at his registered address appearing in our register of members or (as the case may be) the depository register. However, our payment to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

BONUS AND RIGHTS ISSUE

Our Board of Directors may, with the approval from our Shareholders at a general meeting, capitalise any sums standing to the credit of any of our Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account and distribute the same as bonus Shares credited as paid-up to the Shareholders in proportion to their shareholdings.

Our Board of Directors may also issue bonus Shares to participants of any share incentive or option scheme or plan implemented by our Company and approved by our Shareholders in such manner and on such terms as our Board of Directors shall think fit.

Our Board of Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any securities exchange upon which our Shares are listed.

TAKE-OVERS

The Singapore Code on Take-overs and Mergers, the Companies Act and the Securities and Futures Act regulate, among other things, the acquisition of ordinary shares of public companies incorporated in Singapore. Any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares in our Company or, if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of the voting Shares in our Company, and if he (or parties acting in concert with him) acquires additional voting Shares representing more than 1.0% of our voting Shares in any six-month period, must, except with the consent of the Securities Industry Council, extend a mandatory take-over offer for the remaining voting Shares in accordance with the provisions of the Singapore Code on Take-overs and Mergers.

"Parties acting in concert" comprise individuals or companies who, pursuant to an arrangement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They include:

- a company and its related companies, the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- a company and its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- a company and its pension funds and employee share schemes;
- a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis;
- a financial or other professional adviser, including a stockbroker, and its clients in respect of shares held by the adviser and persons controlling, controlled by or under the same control as the adviser and all the funds managed by the adviser on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;

- directors of a company (including their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;
- partners; and
- an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.

Subject to certain exceptions, a mandatory take-over offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror during the offer period and within the six months preceding the acquisition of shares that triggered the mandatory offer obligation.

Under the Singapore Code on Take-overs and Mergers, where effective control of a public company incorporated in Singapore is acquired or combined by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the take-over offer must be given sufficient information, advice and time to consider and decide on the offer.

LIQUIDATION OR OTHER RETURN OF CAPITAL

If we are liquidated or in the event of any other return of capital, holders of our Shares will be entitled to participate in the distribution of any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares in our Company.

INDEMNITY

As permitted by Singapore law, our Articles of Association provide that, subject to the Companies Act, our Board of Directors and officers shall be entitled to be indemnified by us against any liability incurred in defending any proceedings, whether civil or criminal:

- which relate to anything done or omitted or alleged to have been done or omitted by them as an officer, director or employee; and
- in which judgment is given in their favour or in which they are acquitted or in connection with any application under any statute for relief from liability in respect thereof in which relief is granted by the court.

We may not indemnify our Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to us. However, we may purchase and maintain for our Directors and executive officers insurance against any such liability.

SUBSTANTIAL SHAREHOLDINGS

Under the Securities and Futures Act, a person has a substantial shareholding in our Company if he has an interest (or interests) in one or more voting shares (excluding treasury shares) in our Company and the total votes attached to that share or those shares, is not less than 5.0% of the aggregate of the total votes attached to all voting shares (excluding treasury shares) in our Company.

The Securities and Futures Act requires our Substantial Shareholders, or if they cease to be our Substantial Shareholders, to give notice to us of particulars of the voting shares in our Company in which they have or had an interest (or interests) and the nature and extent of that interest or those interests, and of any change in the percentage level of their interest.

In addition, the deadline for a substantial Shareholder to make disclosure to our Company under the Securities and Futures Act is two Singapore business days after he becomes aware:

- that he is or (if he had ceased to be one) had been a substantial Shareholder;
- of any change in the percentage level in his interest; or
- that he had ceased to be a substantial Shareholder,

there being a conclusive presumption of a person being “aware” of a fact or occurrence at the time at which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware.

Following the above, we will in turn announce or otherwise disseminate the information stated in the notice to the SGX-ST as soon as practicable and in any case, no later than the end of the Singapore business day following the day on which we received the notice.

“Percentage level”, in relation to a Substantial Shareholder in our Company, means the percentage figure ascertained by expressing the total votes attached to all the voting shares in our Company in which the Substantial Shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all the voting shares (excluding treasury shares) in our Company, and, if it is not a whole number, rounding that figure down to the next whole number.

While the definition of an “interest” in our voting shares for the purposes of substantial shareholder disclosure requirements under the Securities and Futures Act is similar to that under the Companies Act, the Securities and Futures Act provides that a person who has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, a voting share is regarded as having an interest in such share, even if such authority is, or is capable of being made, subject to restraint or restriction in respect of particular voting shares.

MINORITY RIGHTS

Section 216 of the Companies Act protects the rights of minority shareholders of Singapore incorporated companies by giving the Singapore courts a general power to make any order, upon application by any of our Shareholders, as they think fit to remedy any of the following situations:

- if our affairs are being conducted or the powers of our Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our Shareholders; or

- if we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our Shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

- direct or prohibit any act or cancel or vary any transaction or resolution;
- regulate the conduct of our affairs in the future;
- authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;
- direct us or some of our Shareholders to purchase a minority Shareholder's Shares and, in the case of our purchase of Shares, a corresponding reduction of our share capital;
- direct that our Memorandum of Association and our Articles of Association be amended; and
- direct that we be wound up.

LEGAL FRAMEWORK

The following statements are brief summaries of the laws of Singapore relating to the legal framework in Singapore and our Board of Directors, which are qualified in their entirety by reference to the laws of Singapore.

Singapore has a common law system based on a combination of case law and statutes. The Companies Act is the principal legislation governing companies incorporated under the laws of Singapore and provides for three main forms of corporate vehicles, being the company limited by shares, the company limited by guarantee and the unlimited company.

Companies are incorporated by filing with the Accounting and Corporate Regulatory Authority in Singapore certain electronic forms, including the constitutional documents which comprise its memorandum and articles of association.

The memorandum of association of a Singapore incorporated company may set out the specific objects and powers of the company, or may give the company full power to carry on or undertake any business activity. The articles of association generally contain provisions relating to share capital and variation of rights, transfers and transmissions of shares, meetings of shareholders, directors and directors' meetings, powers and duties of directors, accounts, dividends and reserves, capitalisation of profits, secretary, common seal, winding-up and indemnity of the officers of a company.

EXCHANGE CONTROLS

SINGAPORE

There are no exchange control restrictions in Singapore.

MYANMAR

For exchange control restrictions in Myanmar, please see the section entitled “Government Regulations – Myanmar” of this Prospectus for further details.

TAXATION

The statements made herein regarding taxation are general in nature and based on certain aspects of the current tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as of the date of this Prospectus and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The statements below are not to be regarded as advice on the tax position of any holder of our Shares or of any person acquiring, selling or otherwise dealing with our Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of our Shares. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of our Shares and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective Shareholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of our Shares. The statements below are based on the assumption that our Company is tax resident in Singapore for Singapore income tax purposes. It is emphasised that neither our Company nor any other persons involved in this Prospectus accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of our Shares.

INDIVIDUAL INCOME TAX

An individual is a tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he resides in Singapore.

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller of Income Tax in Singapore ("Comptroller") is satisfied that the tax exemption would be beneficial to the individual.

A Singapore tax resident individual is taxed at progressive rates ranging from 0% to 20%. Non-resident individuals, subject to certain exceptions and conditions, are subject to Singapore income tax on income accruing in or derived from Singapore at the rate of 20%.

CORPORATE INCOME TAX

A corporate taxpayer is regarded as resident in Singapore for Singapore tax purposes if the control and management of its business is exercised in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore. Foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by Singapore tax resident companies on or after 1 June 2003 are exempt from tax if certain prescribed conditions are met, including the following:

- (i) such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received;

- (ii) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%; and
- (iii) the Comptroller is satisfied that the tax exemption would be beneficial to the person resident in Singapore.

Certain concessions and clarifications have also been announced by the IRAS with respect to such conditions.

A non-resident corporate taxpayer is subject to income tax on income that is accrued in or derived from Singapore, and on foreign-sourced income received or deemed received in Singapore, subject to certain exceptions.

The corporate tax rate in Singapore is 17% with effect from the year of assessment 2010. In addition, three-quarters of up to the first S\$10,000, and one-half of up to the next S\$290,000, of a company's chargeable income otherwise subject to normal taxation is exempt from corporate tax. The remaining chargeable income (after the tax exemption) will be fully taxable at the prevailing corporate tax rate. In addition, it was announced during the Singapore Budget 2013 that companies will receive a 30% corporate tax rebate for the years of assessment 2013, 2014 and 2015, subject to a cap of S\$30,000 per year of assessment. New companies will also, subject to certain conditions and exceptions, be eligible for full tax exemption on their normal chargeable income of up to S\$100,000 a year for each of the company's first three years of assessment.

DIVIDEND DISTRIBUTIONS

With effect from 1 January 2008, all Singapore-resident companies are under the one-tier corporate tax system ("one-tier system").

Dividends received in respect of our Shares by either a resident or non-resident of Singapore are not subject to Singapore withholding tax, on the basis that our Company is a tax resident of Singapore and under the one-tier system.

Under the one-tier system, the tax on corporate profits is final and dividends paid by a Singapore-resident company are tax exempt in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

GAINS ON DISPOSAL OF SHARES

Singapore does not impose tax on capital gains. There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. Gains arising from the disposal of our Shares may be construed to be of an income nature and subject to Singapore income tax, especially if they arise from activities which the IRAS regards as the carrying on of a trade or business in Singapore.

Shareholders who apply, or who are required to apply, the Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("FRS 39") for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of our Shares is made.

Shareholders who may be subject to this tax treatment should consult their accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of our Shares.

STAMP DUTY

There is no stamp duty payable on the subscription for our Shares.

Where our Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the instrument of their transfer at the rate of S\$0.20 for every S\$100 or part thereof of the consideration for, or market value of, our Shares, whichever is higher.

Stamp duty is borne by the purchaser unless there is an agreement to the contrary. Where an instrument of transfer is executed outside Singapore or no instrument of transfer is executed, no stamp duty is payable on the acquisition of our Shares. However, stamp duty may be payable if the instrument of transfer is executed outside Singapore and is received in Singapore.

Stamp duty is not applicable however to electronic transfers of our Shares through the scripless trading system operated by CDP.

ESTATE DUTY

Singapore estate duty was abolished with respect to all deaths occurring on or after 15 February 2008.

GOODS AND SERVICES TAX (“GST”)

The sale of our Shares by a GST-registered investor belonging in Singapore for GST purposes to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST incurred by the GST-registered investor in making an exempt supply is generally not recoverable from the Singapore Comptroller of GST.

Where our Shares are sold by a GST-registered investor in the course of or furtherance of a business carried on by such investor contractually to and for the direct benefit of a person belonging outside Singapore, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at 0%. Any input GST incurred by the GST-registered investor in making such a supply in the course of or furtherance of a business may be fully recoverable from the Singapore Comptroller of GST.

Services consisting of arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of our Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor’s purchase, sale or holding of our Shares will be subject to GST at the standard rate of 7%. Similar services rendered by a GST-registered person contractually to and for the direct benefit of an investor belonging outside Singapore should generally, subject to satisfaction of certain conditions, be subject to GST at 0%.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on the SGX-ST, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of the Shares through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, as amended from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and Depository Agents in the Depository Register maintained by CDP, rather than CDP itself, will be treated, under our Articles of Association and the Act, as members of our Company in respect of the number of Shares credited to their respective securities accounts.

Persons holding our Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles of Association. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the SGX-ST must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time.

Transactions in the Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on the SGX-ST is payable at the rate of 0.04 per cent. of the transaction value subject to a maximum of S\$600.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST of 7%.

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct account with CDP or a sub-account with a CDP agent. The CDP agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. Saved as disclosed below, none of our Directors, Executive Officers and Controlling Shareholders:
 - (a) at any time during the last ten years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;
 - (b) at any time during the last ten years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding-up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (c) has any unsatisfied judgment against him;
 - (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty punishable with imprisonment or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware of) for such purpose;
 - (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including pending criminal proceedings of which he is aware) for such breach;
 - (f) at any time during the last ten years, had judgment entered against him in any civil proceedings in Singapore or elsewhere involving the breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
 - (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
 - (i) has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
 - (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

- (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or
- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Our Directors (save for our Independent Directors) and our Executive Officers have been concerned with the management or conduct of affairs of our Group during the Period Under Review and details of investigations concerning breaches of laws or regulatory requirements governing corporations in Singapore are disclosed in the section entitled “Government Regulations – Singapore – Fines and Penalties” of this Prospectus.

Disclosures relating to Mr Lim Chap Huat

In 1984, Mr Lim Chap Huat, acting in his capacity as director of Soil-Build, assisted the IRAS in its investigation into the tax affairs of one of our customers. Following the investigations, Soil-Build was charged in court on 15 July 1986 for abetting one of our customers in evading tax. Soil-Build pleaded guilty to the offence and the court imposed a fine of S\$6,000 on Soil-Build and ordered Soil-Build to pay a penalty of S\$7,874.28 to the IRAS. In relation to the same case, IRAS also imposed a total compounded fine of S\$10,000 on Soil-Build for other similar abetment offences. To the best recollection of Mr Lim, Soil-Build committed the offences while we were acting as the building contractor for the customer concerned. As far as our Directors are aware, the matter closed upon payment of the fines and penalty by Soil-Build. The IRAS did not subsequently investigate into the tax affairs of Soil-Build in relation to this incident. None of the directors of Soil-Build were charged nor fined in a personal capacity in connection with the matter. Mr Lim was about 28 years old at the time the offence took place and was in the initial stages of his career in construction business when he undertook the customer’s project. At that time, Soil-Build had limited resources and did not have the benefit of professional legal or tax advice in relation to the implications of complying with certain requests made by the customer.

In 2003, Mr Lim Chap Huat was fined S\$1,000 by the Controller of Work Permits, Employment Inspectorate, MOM in his capacity as the Managing Director of Soilbuild Group Holdings, for the unauthorised entry by one foreign worker into a worksite not controlled by Soilbuild Group Holdings Group, which constituted a breach of the conditions of the work permit issued to that foreign worker.

In 1980, between 1997 to 1998 and in 2012, Mr Lim has assisted the Corrupt Practices Investigation Bureau (“CPIB”) and the Commercial Affairs Department (“CAD”) in relation to investigations on five separate matters involving alleged bribery, suspected misuse of trading accounts and other suspected breaches of law (which he has no recollection or background knowledge of), by third parties who are unconnected and unrelated to Mr Lim. For the

avoidance of doubt, Mr Lim was not himself the subject of the foregoing investigations. Following interviews with CPIB and CAD, Mr Lim has since not been required by either authority to provide any further assistance in the matters for which he was interviewed.

Disclosures relating to Mr Ho Toon Bah

Mr Ho Toon Bah joined the board of directors of Memylife Sdn Bhd as a non-executive director in 2008 as part of his scope of work in his employment with Standard Chartered Bank. He stepped down in 2009 when he left Standard Chartered Bank to begin his employment with Soilbuild Group Holdings. His resignation from the board of directors of Memylife Sdn Bhd was prior to the winding-up of Memylife Sdn Bhd in 2010. Following his stepping down from Memylife Sdn Bhd, Mr Ho had no further involvement with that company and is not aware of the grounds on which Memylife Sdn Bhd was wound up.

Disclosures relating to Mr Poon Hon Thang

In 1991, Mr Poon Hon Thang was interviewed by the CPIB in connection with CPIB's investigation into an allegation by a customer into the receipt of certain sums by Mr Poon Hon Thang and his colleague at Citibank N.A. Mr Poon believes that the allegations were made by that customer who was unhappy that Mr Poon and his colleague had reported certain fraud cases involving more than 10 banks in Singapore against him, which resulted in him being found guilty of fraud and sentenced to imprisonment. Following his interview, Mr Poon has since not been required by the CPIB to provide any further assistance in the matter.

Disclosures relating to Ms Lim Hui Hua

In 2013, Ms Lim Hui Hua was asked to attend an interview with the Traffic Police Department in connection with a traffic accident in which Ms Lim was involved. Following her interview, Ms Lim has since not been required by the Traffic Police Department to provide any further assistance in the matter.

Disclosures relating to Mr Loh Chye Aik

Mr Loh Chye Aik, while acting as a project manager for his previous employer, was one of three project managers called to court for an alleged breach of the then Factories Act, Chapter 104 of Singapore, by the MOM in relation to a fatal worksite accident in 2006. He was acquitted of all charges on the basis that there was no case to answer.

Disclosures relating to Ms Chua Poh Lin, Merina

In 2011, Ms Chua Poh Lin, Merina had assisted the MOM in connection with a matter involving a foreign employee who was not deployed in accordance with the conditions of his work pass, as further described in the section entitled "Government Regulations – Singapore – Fines and Penalties" of this Prospectus and has since not been required by the MOM to provide any further assistance in the matter.

MATERIAL CONTRACTS

2. The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Company and our Subsidiaries within the two years preceding the date of lodgment of this Prospectus:
 - (a) the Trade Mark Licence Agreement (as described in the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Interested Person Transactions" of this Prospectus);

- (b) the Parent Non-Competition Deed (as described in the section entitled “Interested Person Transactions and Potential Conflicts of Interests – Potential Conflicts of Interests” of this Prospectus);
- (c) the Personal Non-Competition Deed (as described in the section entitled “Interested Person Transactions and Potential Conflicts of Interests – Potential Conflicts of Interests” of this Prospectus);
- (d) the Service Agreements (as described in the section entitled “Directors, Management and Staff – Service Agreements” of this Prospectus); and
- (e) the Share Transfer Agreement (as described in the section entitled “Restructuring Exercise” of this Prospectus).

LITIGATION

3. Save as disclosed below, neither our Company nor any of our Subsidiaries is engaged in any legal or arbitration proceedings as plaintiff or defendant including those which are pending or known to be contemplated which may have or have had in the last 12 months before the date of lodgment of this Prospectus, a material effect on the financial position or the profitability of our Group.

From time to time, we are subject to personal injury claims by workers who were involved in accidents at our worksites during the course of their work. Generally, such claims are settled through our insurers pursuant to the workmen’s compensation scheme where such workers may opt for a claim under the common law. As such, such personal injury claims have not had in the last 12 months before the date of lodgment of this Prospectus, a material effect on the financial position or the profitability of our Group.

In February 2013, we have issued a notice to adjudicate a claim for a sum of approximately S\$1.0 million under the BCISPA to one of our customers in respect of a project. The notice to adjudicate was withdrawn in February 2013 following payment of the outstanding sum by the customer.

In May 2013, we received a notice of intention to apply for adjudication on a payment claim for a sum of approximately S\$3.4 million from one of our suppliers in respect of a project. The notice of intention to apply for adjudication was withdrawn in May 2013 following partial payment as well as an agreement on the release of the balance amounts in accordance with certain supplies delivery milestones.

MISCELLANEOUS

4. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with UOB (the “Receiving Bank”). In the ordinary course of business, the Receiving Bank will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
5. Save as disclosed in this Prospectus, our Directors are not aware of any event which has occurred since 1 January 2013 and up to the Latest Practicable Date which may have a material effect on our financial position and results.

6. Each of Allen & Gledhill LLP, Kelvin Chia Yangon Ltd and Stamford Law Corporation does not make, or purport to make, any statement in this Prospectus or any statement upon which a statement in this Prospectus is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinion in this Prospectus.

CONSENTS

7. PricewaterhouseCoopers LLP, Public Accountants and Certified Public Accountants, the Independent and Reporting Auditor, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of:

- (a) its name and all references thereto; and
- (b) the Independent and Reporting Auditor's Report on the Combined Financial Statements of Soilbuild Construction Group Ltd. for the financial years ended 31 December 2010, 2011 and 2012.

in the form and context in which they are included in this Prospectus and to act in such capacity in relation to this Prospectus. The above report was prepared for the purpose of incorporation in this Prospectus and included as Appendix I of this Prospectus.

8. HL Bank, named as the Independent Financial Adviser to the Independent Directors, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and all references thereto, the letter dated 10 May 2013 entitled "Independent Financial Adviser Opinion in relation to the Proposed Shareholders' Mandate for Interested Person Transactions", and the statement attributed to it in the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Shareholders' Mandate for Interested Person Transactions – Opinion of the Independent Financial Adviser" of this Prospectus, in the form and context in which they are included in this Prospectus and to act in such capacity in relation to this Prospectus. The above letter was prepared for the purpose of incorporation in this Prospectus and included as Appendix II of this Prospectus.
9. OCBC, one of the Joint Underwriters and one of the Joint Placement Agents, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and all references thereto in the form and context in which they are included in this Prospectus and to act in such capacity in relation to this Prospectus.
10. UOB, the Issue Manager, one of the Joint Underwriters and one of the Joint Placement Agents, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and all references thereto in the form and context in which they are included in this Prospectus and to act in such capacity in relation to this Prospectus.

RESPONSIBILITY STATEMENT

11. Our Directors collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Invitation, our Company and our Subsidiaries, and our Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole

responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

DOCUMENTS AVAILABLE FOR INSPECTION

12. The following documents or copies thereof may be inspected at our registered office at SB Building, 25 Changi South Street 1 Singapore 486059 during normal business hours for a period of six months from the date of registration by the Authority of this Prospectus:
 - (a) the Memorandum and Articles of Association of our Company;
 - (b) the Independent and Reporting Auditor's Report on the Combined Financial Statements of Soilbuild Construction Group Ltd. for the financial years ended 31 December 2010, 2011 and 2012 set out in Appendix I of this Prospectus;
 - (c) the audited financial statements (including all notes, reports or information relating thereto which are required to be prepared under the Companies Act, where applicable) of our Company and our Subsidiaries for the Period Under Review;
 - (d) the Combined Financial Statements of Our Group for the Period Under Review set out in Appendix I of this Prospectus;
 - (e) the letter from HL Bank to the Independent Directors set out in Appendix II of this Prospectus;
 - (f) the material contracts referred to in this Prospectus;
 - (g) the letters of consent referred to in this Prospectus; and
 - (h) the Service Agreements referred to in this Prospectus.

SOURCES

13. We have included the information from BCA, Bloomberg L.P., COSO, JTC, Mead Johnson Nutrition, MND, MOM, MTI, National Population and Talent Division, The Singapore Department of Statistics and URA in their proper form and context in this Prospectus. None of BCA, COSO, JTC, Mead Johnson Nutrition, MND, MOM, MTI, National Population and Talent Division, The Singapore Department of Statistics and URA has provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information cited and attributed to it, in this Prospectus and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Issue Manager, the Joint Underwriters and the Joint Placement Agents have taken reasonable actions to ensure that the relevant information from the relevant source has been reproduced in its proper form and context, neither we, the Issue Manager, the Joint Underwriters, the Joint Placement Agents nor any other party has conducted an independent review or verified the accuracy or completeness of the relevant information.

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**APPENDIX I – COMBINED FINANCIAL STATEMENTS OF OUR GROUP
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

SOILBUILD CONSTRUCTION GROUP LTD.
(Incorporated in Singapore. Registration Number: 201301440Z)
AND ITS SUBSIDIARIES

COMBINED FINANCIAL STATEMENTS
For the financial years ended 31 December 2010, 2011 and 2012

SOILBUILD CONSTRUCTION GROUP LTD.
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

COMBINED FINANCIAL STATEMENTS

For the financial years ended 31 December 2010, 2011 and 2012

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**INDEPENDENT AND REPORTING AUDITOR'S REPORT ON THE
COMBINED FINANCIAL STATEMENTS OF SOILBUILD CONSTRUCTION GROUP LTD.
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012**

The Board of Directors
Soilbuild Construction Group Ltd.
25 Changi South Street 1
Singapore 486059

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Soilbuild Construction Group Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages I-5 to I-47, which comprise the combined balance sheets as at 31 December 2010, 2011 and 2012, the combined statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the financial years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation of the combined financial statements that give a true and fair view in accordance with Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of combined financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying combined financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to present fairly, in all material respects, the combined state of affairs of the Group as at 31 December 2010, 2011 and 2012 and of the combined results, changes in equity and cash flows of the Group for the financial years ended on those dates.

Other matter

This Report has been prepared for the inclusion in the Prospectus of Soilbuild Construction Group Ltd. in connection with the invitation in respect of the initial public offering of shares and listing on the Singapore Exchange Securities Trading Limited.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants
Singapore, 10 May 2013
Partner-in-Charge: Lam Hock Choon

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

For the financial years ended 31 December 2010, 2011 and 2012

	Note	2010 \$'000	2011 \$'000	2012 \$'000
Revenue	5	115,952	117,346	213,501
Cost of sales		(106,251)	(101,733)	(185,427)
Gross profit		9,701	15,613	28,074
Other income	8	1,281	671	781
Other gains – net	9	35	99	1,579
Expenses				
– Administrative		(5,691)	(5,219)	(4,508)
– Finance	10	(289)	(731)	(218)
– Others		(443)	(459)	(439)
Share of profit of joint ventures		12	275	414
Profit before income tax		4,606	10,249	25,683
Income tax expense	11	(914)	(1,117)	(3,656)
Net profit		3,692	9,132	22,027
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		3,692	9,132	22,027
Net profit and total comprehensive income attributable to:				
Equity holders of the Company		3,692	9,132	22,027
Earnings per share attributable to equity holders of the Company				
(Cents per share)				
– Basic and Diluted	12	23.8	58.9	142.1

The accompanying notes form an integral part of these combined financial statements.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

COMBINED BALANCE SHEETS

As at 31 December 2010, 2011 and 2012

	Note	2010 \$'000	2011 \$'000	2012 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	13	4,822	3,844	5,267
Trade and other receivables	14	89,817	80,448	47,773
Other current assets	16	299	297	852
		94,938	84,589	53,892
Investment property classified as held-for-sale	20	–	–	2,466
		94,938	84,589	56,358
Non-current assets				
Trade and other receivables	14	9,182	10,255	9,117
Investments in joint ventures	17	531	806	1,220
Property, plant and equipment	19	5,740	5,150	4,724
Investment property	20	735	845	–
Intangible assets	21	3	93	41
Loan to a joint venture	22	2,261	931	–
		18,452	18,080	15,102
Total assets		113,390	102,669	71,460
LIABILITIES				
Current liabilities				
Trade and other payables	23	71,319	59,682	48,974
Current income tax liabilities	11	627	1,010	3,934
Borrowings	24	10,616	3,241	1,242
Provision for other liabilities		1,046	1,002	962
		83,608	64,935	55,112
Non-current liabilities				
Borrowings	24	3,005	1,614	350
Deferred income tax liabilities	26	467	678	498
		3,472	2,292	848
Total liabilities		87,080	67,227	55,960
NET ASSETS		26,310	35,442	15,500
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	27	15,500	15,500	15,500
Retained profits		10,810	19,942	–
TOTAL EQUITY		26,310	35,442	15,500

The accompanying notes form an integral part of these combined financial statements.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

COMBINED STATEMENTS OF CHANGES IN EQUITY

For the financial years ended 31 December 2010, 2011 and 2012

	Note	Attributable to equity holders of the Company		
		Share capital \$'000	Retained profits \$'000	Total Equity \$'000
2010				
Beginning of financial year		15,000	7,118	22,118
Contribution from immediate holding company	27	500	–	500
Total comprehensive income for the year		–	3,692	3,692
End of financial year		15,500	10,810	26,310
2011				
Beginning of financial year		15,500	10,810	26,310
Total comprehensive income for the year		–	9,132	9,132
End of financial year		15,500	19,942	35,442
2012				
Beginning of financial year		15,500	19,942	35,442
Total comprehensive income for the year		–	22,027	22,027
Dividends relating to 2012 paid	28	–	(41,969)	(41,969)
End of financial year		15,500	–	15,500

The accompanying notes form an integral part of these combined financial statements.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

COMBINED STATEMENTS OF CASH FLOWS

For the financial years ended 31 December 2010, 2011 and 2012

	Note	2010 \$'000	2011 \$'000	2012 \$'000
Cash flows from operating activities				
Net profit		3,692	9,132	22,027
Adjustments for:				
Income tax expense		914	1,117	3,656
Amortisation of intangible assets		11	9	20
Depreciation of property, plant and equipment		880	928	953
Fair value gain on investment property		(35)	(110)	(1,621)
Finance expenses		289	731	218
Share of profit of joint ventures		(12)	(275)	(414)
Loss on disposal of property, plant and equipment		–	11	42
Operating cash flows before working capital changes		5,739	11,543	24,881
Changes in working capital:				
Trade and other receivables		(26,058)	9,244	(194)
Provision for other liabilities		(156)	(45)	(40)
Other current assets		(16)	3	(555)
Trade and other payables		(1,573)	(11,623)	(12,641)
Cash (used in)/generated from operations		(22,064)	9,122	11,451
Income tax paid		(980)	(523)	(912)
Net cash (used in)/provided by operating activities		(23,044)	8,599	10,539
Cash flows from investing activities				
Disposal of intangible assets		–	–	47
Disposal of property, plant and equipment		–	1	47
Purchases of property, plant and equipment		(512)	(350)	(616)
Additions of intangible assets		–	(99)	(15)
Incorporation of joint ventures		(519)	–	–
Loans due from immediate holding company		–	(949)	(25,109)
Repayment of loans by immediate holding company		20,127	–	18,138
Repayment of loan by a joint venture		–	1,330	931
Loan to a joint venture		(2,261)	–	–
Net cash provided by/(used in) investing activities		16,835	(67)	(6,577)
Cash flows from financing activities				
Repayment of loans due to a related company		(3,040)	–	–
Proceeds from loans from immediate holding company		6,890	–	16,562
Repayment of loans due to immediate holding company		–	(6,078)	(16,430)
Interest paid		(274)	(745)	(220)
Proceeds from bank loans		8,559	2,859	–
Repayment of bank loans		(3,249)	(4,820)	(2,010)
Repayments of finance lease liabilities		(1,597)	(726)	(441)
Repayment of trust receipts		(267)	–	–
Contribution from immediate holding company		500	–	–
Net cash provided by/(used in) financing activities		7,522	(9,510)	(2,539)
Net increase/(decrease) in cash and cash equivalents		1,313	(978)	1,423
Cash and cash equivalents at beginning of financial year	13	3,509	4,822	3,844
Cash and cash equivalents at end of financial year	13	4,822	3,844	5,267

The accompanying notes form an integral part of these combined financial statements.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the financial years ended 31 December 2010, 2011 and 2012

These notes form an integral part of and should be read in conjunction with the accompanying combined financial statements.

1. GENERAL INFORMATION

Soilbuild Construction Group Ltd. (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is 25 Changi South Street 1, Singapore 486059.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 18.

2. GROUP RESTRUCTURING

For the purpose of the listing of the Company on the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Company was incorporated on 14 January 2013 as a new holding company. Thereafter, the Company entered into a restructuring exercise (the "Restructuring") as set out below:

- (a) On 31 December 2012, Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. declared their retained earnings as interim dividends in respect of the financial year ended 31 December 2012 amounting to \$36,264,000 (\$2.42 per share), \$2,996,000 (\$5.99 per share) and \$2,504,000 (\$2,504,000 per share) respectively to immediate holding company Soilbuild Group Holdings Ltd. ("SBGH") which have been settled via netting of intercompany balances as disclosed in Note 28.
- (b) On 24 April 2013, Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. declared their retained earnings as interim dividends in respect on the financial year ending 31 December 2013 amounting to \$3,595,000 (\$0.24 per share), \$349,000 (\$0.70 per share) and \$56,000 (\$56,000 per share) respectively to SBGH which have been settled via netting of intercompany balances. These financial statements do not reflect these dividends, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2013.
- (c) On 6 May 2013, the Company entered into a sales and purchase agreement with SBGH to acquire the entire equity interest of Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. for purchase consideration of \$15,899,000, \$590,000 and \$81,000 respectively, which is entirely satisfied by the allotment and issuance of shares.

Upon completion of the Restructuring, the Company holds Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. as subsidiaries. The Company and its subsidiaries (the "Group") will form an independent construction group, distinct from the principal property development and investment activities of SBGH and its subsidiaries.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the financial years ended 31 December 2010, 2011 and 2012

2. GROUP RESTRUCTURING (continued)

The acquisition of Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. by the Company has been accounted for as a capital reorganisation as the entities transferred were managed as a single business. Accordingly, the combined financial statements of the Group are presented as follows:

- (i) The combined balance sheets of the Group as at 31 December 2010, 31 December 2011 and 31 December 2012, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for the financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 have been prepared as if the Company had been the holding company of the Group throughout the financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 rather than from the date on which the reorganisation was completed.
- (ii) The assets and liabilities of Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. are brought into the Group's books based on their existing carrying value in the consolidated financial statements of the immediate holding company, SBGH. No adjustments are made to the carrying values of those assets and liabilities, as the financial statements of the Group, Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. have been prepared using consistent accounting policies.
- (iii) The share capital of the Group would reflect the share capital of the Company on the date which the reorganisation was completed and is measured based on the deemed cost of acquiring Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd., being the existing carrying values of the net assets acquired. The retained earnings of the Group will be the combined retained earnings of Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd.. The resulting differences are recognised separately as a component of equity.
- (iv) All significant intra-group transactions and balances have been eliminated on combination.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") effective for periods beginning on or after 1 January 2012. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

All financial information are presented in Singapore dollars unless otherwise stated.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the financial years ended 31 December 2010, 2011 and 2012

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation (continued)

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the combined financial statements, are disclosed in Note 4.

3.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Rendering of services

Revenue from rendering of project management services is recognised over the period in which the services are rendered.

(b) Revenue from construction contracts

Please refer to Note 3.7 for the accounting policy on revenue from construction contracts.

(c) Rental income

Rental income from operating leases on investment properties (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(d) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the financial years ended 31 December 2010, 2011 and 2012

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In preparing the combined financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Acquisition of businesses

Other than the acquisition undertaken through the Restructuring as described in Note 2, the acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the financial years ended 31 December 2010, 2011 and 2012

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals of subsidiaries or businesses

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

(b) Joint ventures

The Group's joint ventures are entities over which the Group has contractual arrangement to jointly share the control over the economic activity of the entities with one or more parties. The Group's interest is accounted for in the combined financial statements using equity accounting.

In applying the equity method of accounting, the Group's share of its joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in the joint ventures equals or exceeds its interest in the joint ventures, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of joint ventures have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Investments in joint ventures are derecognised when the Group loses joint control. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when joint control is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in joint ventures in which joint control is retained are recognised in profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation on items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Plant and machinery	5 – 10 years
Motor vehicles	5 years
Renovation, furniture and equipment	5 years
Computers	3 years
Containers	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each financial year. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment (continued)

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “Other gains – net”.

3.5 Intangible assets

Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as expenses when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses (Note 3.9). These costs are amortised to profit or loss using the straight-line method over the shorter of their estimated economic life of five years and the licence period.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at the end of each financial year. The effects of any revision are recognised in profit or loss when the changes arise.

3.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

3.7 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of each financial year (“percentage-of-completion method”). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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For the financial years ended 31 December 2010, 2011 and 2012

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Construction contracts (continued)

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

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. Costs incurred in connection with future activity on a contract are excluded from costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

At the end of each financial year, the aggregated costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on construction contracts, under "trade and other receivables". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts, under "trade and other payables".

Progress billings not yet paid by customers and retentions are included within "trade and other receivables".

3.8 Investment property

Investment property comprise property that is held for long-term rental yields and/or capital appreciation and are not occupied by the Group. Investment property also include property that are being constructed or developed for future use as investment property.

Investment property is initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Impairment of non-financial assets

Intangible assets

Property, plant and equipment

Investments in joint ventures

Intangible assets, property, plant and equipment and investments in joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

3.10 Loans and receivables

Cash and cash equivalents

Trade and other receivables

Cash and cash equivalents and trade and other receivables are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

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For the financial years ended 31 December 2010, 2011 and 2012

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Loans and receivables (continued)

Cash and cash equivalents

Trade and other receivables (continued)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

3.11 Borrowings

Borrowings are presented as “current liabilities” unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the financial year.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

3.12 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

3.13 Fair value estimation of financial assets and liabilities

The fair values of financial assets and liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Leases

- (a) When the Group is the lessee:

The Group leases motor vehicles and certain plant and machinery under finance leases from non-related parties.

Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as “property, plant and equipment” and “borrowings” respectively, at the inception of the leases based on the lower of the fair values of the leased assets and the present values of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

- (b) When the Group is the lessor:

The Group leases investment property under operating leases to non-related parties.

Operating leases

Leases of investment property where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight line basis over the lease term.

3.15 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the financial year.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the financial year; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

3.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

3.17 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory or contractual basis. The Group has no further payment obligations once the contributions have been paid.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Employee compensation (continued)

(b) Short-term compensated absence

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

(c) Profit-sharing and bonus plans

The Group recognised a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to equity holders of the Company after certain adjustments. The Group recognises a provision where contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

3.18 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Singapore Dollars, which is the Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at each financial year end are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

3.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

3.20 Cash and cash equivalents

For the purpose of presentation in the combined statement of cash flows, cash and cash equivalents include cash on hand, and deposits with financial institutions which are subject to an insignificant risk of change in value.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3.22 Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payments.

3.23 Investment property classified as held-for-sale

Investment property is classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The asset is not depreciated or amortised while it is classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgement is required in determining the estimated total construction costs that will affect the profit margins recognised from these construction contracts. In making the judgement, the Group evaluates by relying on past experience.

If the estimated total construction cost increase/decrease by 10% from management's estimates, the effects on the Group's net profit after tax will be as follows:

	← Increase/(Decrease) →		
	2010	2011	2012
	\$'000	\$'000	\$'000
Estimated total construction cost			
– increased by 10%	(5,784)	(4,972)	(16,017)
– decreased by 10%	4,734	4,511	10,226

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5. REVENUE

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Revenue from rendering of project management services	2,072	1,092	603
Revenue from construction contracts	113,880	116,254	212,898
Total revenue	115,952	117,346	213,501

6. EXPENSES BY NATURE

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Materials, direct labour, sub-contractors and other construction costs	96,117	90,589	170,035
Amortisation of intangible assets (Note 21)	11	9	20
Depreciation of property, plant and equipment (Note 19)	880	928	953
Total depreciation and amortisation	891	937	973
Employee compensation (Note 7)	13,363	13,939	17,042
Professional fees	164	195	800
Rental expense	1,326	1,216	589
Transportation expenses	348	360	282
(Write back of allowance)/allowance for trade receivables, net	(14)	(27)	23
Other expenses	190	202	630
Total cost of sales, administrative and other operating expenses	112,385	107,411	190,374

7. EMPLOYEE COMPENSATION

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Wages and salaries	13,038	13,637	15,970
Employer's contribution to Central Provident Fund	325	302	1,072
Employee compensation recognised in profit or loss (Note 6)	13,363	13,939	17,042

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8. OTHER INCOME

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Income from sale of materials	607	377	190
Interest income	–	5	157
Service income	248	58	146
Rental income from investment property (Note 20)	37	37	39
Supply of labour	11	–	–
Others	378	194	249
	1,281	671	781

9. OTHER GAINS – NET

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Loss on disposal of property, plant and equipment	–	(11)	(42)
Fair value gain on investment property (Note 20)	35	110	1,621
	35	99	1,579

10. FINANCE EXPENSES

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Interest expense			
– bank loans	156	163	128
– bank overdrafts	–	1	–
– finance lease liabilities	116	64	45
– loans due to a related company	16	–	–
– loans due to immediate holding company	–	500	41
– others	1	3	4
Finance expenses recognised in profit or loss	289	731	218

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11. INCOME TAXES

(a) Income tax expense

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Tax expense attributable to profit is made up of:			
Profit from current financial year:			
– Current income tax	699	1,134	3,751
– Deferred income tax (Note 26)	148	190	(176)
	847	1,324	3,575
(Over)/under provision in prior financial years:			
– Current income tax	(98)	(228)	85
– Deferred income tax (Note 26)	165	21	(4)
	914	1,117	3,656

The tax expense on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Profit before tax	4,606	10,249	25,683
Tax calculated at tax rate of 17% (2011: 17%, 2010: 17%)	783	1,742	4,366
Effects of:			
– Singapore statutory stepped income exemption	(52)	(78)	(78)
– income not subject to tax	(29)	(66)	(354)
– expenses not deductible for tax purposes	39	20	69
– Productivity and Innovation Credit	–	(294)	(428)
– Group relief surrendered without payment	106	–	–
Tax charge	847	1,324	3,575

The Productivity and Innovation Credit ("PIC") was introduced in the Singapore Budget 2010. PIC has been enhanced in Budget 2011 to provide tax benefits for investments by businesses in a broad range of activities along the innovation value chain. The tax benefits under PIC will be effective from years of assessments in 2011 to 2015.

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11. INCOME TAXES (continued)

(b) Movements in current income tax liabilities

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Beginning of financial year	1,006	627	1,010
Income tax expense	699	1,134	3,751
Income tax paid	(980)	(523)	(912)
(Over)/under provision in prior financial years	(98)	(228)	85
End of financial year	<u>627</u>	<u>1,010</u>	<u>3,934</u>

12. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2010	2011	2012
Net profit attributable to equity holders of the Company (\$'000)	3,692	9,132	22,027
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	15,500	15,500	15,500
Basic earnings per share (cents per share)	<u>23.8</u>	<u>58.9</u>	<u>142.1</u>

As there were no dilutive potential ordinary shares during the financial years ended 31 December 2010, 2011 and 2012, basic and diluted earnings per share are the same.

13. CASH AND CASH EQUIVALENTS

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Cash at bank and on hand	<u>4,822</u>	<u>3,844</u>	<u>5,267</u>

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14. TRADE AND OTHER RECEIVABLES

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
<u>Current</u>			
Trade receivables			
– third parties	590	14,884	10,540
– related companies	47,907	28,513	6,111
	48,497	43,397	16,651
Less: Allowance for impairment of receivables – third parties [Note 30 (b)]	(133)	(106)	(129)
Trade receivables – net	48,364	43,291	16,522
Construction contract			
– due from customers (Note 15)	261	1,812	9,973
– due from related companies (Note 15)	10,141	6,479	2,003
	10,402	8,291	11,976
Retentions			
– related companies (Note 15)	3,164	7,500	8,557
– third parties (Note 15)	–	–	1,948
	3,164	7,500	10,505
Accrued revenue			
– related companies	9,659	13,670	8,429
– third parties	–	–	21
	9,659	13,670	8,450
Amount due from immediate holding company (non-trade)	177	–	14
Amounts due from related companies (non-trade)	16,967	5,308	4
Loans due from immediate holding Company	959	1,908	–
Other receivables	125	480	302
	89,817	80,448	47,773
<u>Non-current</u>			
Retentions			
– third parties (Note 15)	–	2,393	2,786
– related companies (Note 15)	9,182	7,862	6,331
	9,182	10,255	9,117
Total trade and other receivables	98,999	90,703	56,890

The non-trade amounts due from immediate holding company and related companies are unsecured, interest-free and are repayable on demand, except for an interest bearing loan due from immediate holding company of \$649,000 as at 31 December 2011 which bears interest at an average effective interest rate of 2.78% per annum.

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15. CONSTRUCTION CONTRACTS

	Group		
	2010 \$'000	2011 \$'000	2012 \$'000
Aggregate costs incurred and profits recognised (less losses recognised) to date	85,977	89,595	166,499
Less: Progress billings	(75,575)	(85,430)	(159,176)
	<u>10,402</u>	<u>4,165</u>	<u>7,323</u>
Analysed as:			
Due from customers on construction contracts (Note 14)	261	1,812	9,973
Due from related companies on construction contracts (Note 14)	10,141	6,479	2,003
Due to customers on construction contracts (Note 23)	–	(2,755)	(480)
Due to related companies on construction contracts (Note 23)	–	(1,371)	(4,173)
	<u>10,402</u>	<u>4,165</u>	<u>7,323</u>
Retentions on construction contracts (Note 14)	12,346	17,755	19,622

16. OTHER CURRENT ASSETS

	Group		
	2010 \$'000	2011 \$'000	2012 \$'000
Deposits	256	259	809
Prepayments	43	38	43
	<u>299</u>	<u>297</u>	<u>852</u>

17. INVESTMENTS IN JOINT VENTURES

The Group has 19% and 50% equity interests in Solstice Development Pte. Ltd. and Forte Builder Pte. Ltd. respectively.

	Group		
	2010 \$'000	2011 \$'000	2012 \$'000
Beginning of financial year	–	531	806
Incorporation of joint ventures	519	–	–
Share of profits	12	275	414
End of financial year	<u>531</u>	<u>806</u>	<u>1,220</u>

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17. INVESTMENTS IN JOINT VENTURES (continued)

The summarised financial information of joint ventures, adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
– Assets	1,347	2,066	6,729
– Liabilities	663	1,502	5,455
– Revenue	5	2,501	8,666
– Net profit	1	133	461

Details of the joint ventures are as follows:

Name of joint ventures held by its subsidiary	Principal activities	Country of business/ incorporation	Equity holding		
			2010	2011	2012
			%	%	%
Forte Builder Pte. Ltd.	Construction	Singapore	50	50	50
Solstice Development Pte. Ltd.	Property development	Singapore	19	19	19

18. INVESTMENTS IN SUBSIDIARIES

The subsidiaries in the Group are:

Name of subsidiaries	Principal activities	Country of business/ incorporation	Equity holding		
			2010	2011	2012
			%	%	%
HELD BY THE COMPANY:					
Soil-Build (Pte.) Ltd.	Building contractors	Singapore	100	100	100
SB Procurement Pte. Ltd.	Construction and procurement services	Singapore	100	100	100
SB Project Services Pte. Ltd.	Project and construction management services	Singapore	100	100	100

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19. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment \$'000	Motor vehicles \$'000	Renovation, furniture and equipment \$'000	Computers \$'000	Containers \$'000	Total \$'000
Group						
2010						
<i>Cost</i>						
Beginning of financial year	7,138	91	214	306	78	7,827
Additions	588	51	–	62	48	749
End of financial year	7,726	142	214	368	126	8,576
<i>Accumulated depreciation</i>						
Beginning of financial year	1,439	81	191	205	40	1,956
Depreciation charge (Note 6)	780	5	7	66	22	880
End of financial year	2,219	86	198	271	62	2,836
Net book value						
End of financial year	5,507	56	16	97	64	5,740

	Plant and equipment \$'000	Motor vehicles \$'000	Renovation, furniture and equipment \$'000	Computers \$'000	Containers \$'000	Total \$'000
Group						
2011						
<i>Cost</i>						
Beginning of financial year	7,726	142	214	368	126	8,576
Additions	221	–	–	95	34	350
Disposals	(188)	–	–	(88)	(9)	(285)
End of financial year	7,759	142	214	375	151	8,641
<i>Accumulated depreciation</i>						
Beginning of financial year	2,219	86	198	271	62	2,836
Depreciation charge (Note 6)	815	12	7	67	27	928
Disposals	(177)	–	–	(88)	(8)	(273)
End of financial year	2,857	98	205	250	81	3,491
Net book value						
End of financial year	4,902	44	9	125	70	5,150

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19. PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant and equipment \$'000	Motor vehicles \$'000	Renovation, furniture and equipment \$'000	Computers \$'000	Containers \$'000	Total \$'000
Group						
2012						
<i>Cost</i>						
Beginning of financial year	7,759	142	214	375	151	8,641
Additions	469	–	–	89	58	616
Disposals	(97)	(24)	–	(76)	–	(197)
End of financial year	8,131	118	214	388	209	9,060
<i>Accumulated depreciation</i>						
Beginning of financial year	2,857	98	205	250	81	3,491
Depreciation charge (Note 6)	836	13	6	68	30	953
Disposals	(39)	(24)	–	(45)	–	(108)
End of financial year	3,654	87	211	273	111	4,336
Net book value						
End of financial year	4,477	31	3	115	98	4,724

- (i) Included in additions are plant and machinery and motor vehicles acquired under finance leases amounting to \$237,000, Nil, Nil for the financial years 2010, 2011 and 2012 respectively.
- (ii) The carrying amounts of plant and machinery held under finance leases amounted to \$4,608,000, \$1,635,000, \$1,312,000 for the financial years 2010, 2011 and 2012 respectively.

20. INVESTMENT PROPERTY, INVESTMENT PROPERTY CLASSIFIED AS HELD-FOR-SALE

	Group		
	2010 \$'000	2011 \$'000	2012 \$'000
<i>Investment property</i>			
Beginning of financial year	700	735	845
Change in fair value recognised in profit or loss (Note 9)	35	110	1,621
Reclassified to investment property classified as held-for-sale	–	–	(2,466)
End of financial year	735	845	–
<i>Investment property classified as held-for-sale</i>			
Beginning of financial year	–	–	–
Reclassified from investment property	–	–	2,466
End of financial year	–	–	2,466

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20. INVESTMENT PROPERTY, INVESTMENT PROPERTY CLASSIFIED AS HELD-FOR-SALE (continued)

The investment property pertains to a commercial shop unit in a mixed property development. As at 31 December 2010 and 31 December 2011, the investment property is carried at fair value as determined by independent professional valuers using the Direct Comparison Method.

In 2012, the mixed development property has been identified for collective sale and the sale is expected to take place in April 2013. Accordingly, the investment property has been reclassified to investment property classified as held for sale as at 31 December 2012. As at 31 December 2012, the investment property is carried at fair value based on the apportionment of the expected sales proceeds from the collective sales of the mixed development property as determined by independent professional valuers based on the market value and the strata floor area of the respective units.

The investment property is leased to non-related parties under operating leases (Note 29) and is mortgaged to banks as security for bank borrowings.

The following amounts have been recognised in profit or loss in respect of the investment property:

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Rental income (Note 8)	37	37	39
Direct operating expenses	(6)	(6)	(5)

21. INTANGIBLE ASSETS

Acquired computer software licences

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
<i>Cost</i>			
Beginning of financial year	79	79	178
Additions	–	99	15
Disposals	–	–	(62)
End of financial year	79	178	131
<i>Accumulated amortisation</i>			
Beginning of financial year	65	76	85
Charge for the year	11	9	20
Disposals	–	–	(15)
End of financial year	76	85	90
Net book value	3	93	41

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21. INTANGIBLE ASSETS (continued)

Amortisation of intangible assets of \$11,000, \$9,000, \$20,000 for the financial years 2010, 2011 and 2012 respectively was recognised in the statement of comprehensive income under “Expenses – Others”.

22. LOAN TO A JOINT VENTURE

The loan to a joint venture is unsecured, interest-free and repayment is not expected within the next 12 months. The loan has been fully repaid as at 31 December 2012.

23. TRADE AND OTHER PAYABLES

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Trade payables:			
– third parties	26,637	25,130	32,678
– related companies	20,167	14,734	–
	46,804	39,864	32,678
Due to customers on construction contracts (Note 15)	–	2,755	480
Due to related companies on construction contracts (Note 15)	–	1,371	4,173
Rental deposits	34	38	35
Accrued interest payables	15	1	–
Accrued operating expenses	4,886	911	3,239
Accrued construction costs	17,426	10,481	4,086
Other payables	1,073	1,330	2,603
Amounts due to			
– immediate holding company (non-trade)	1,028	2,826	1,680
– related companies (non-trade)	53	105	–
Total trade and other payables	71,319	59,682	48,974

The non-trade amounts due to immediate holding company and related companies are unsecured, interest-free and repayable on demand.

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24. BORROWINGS

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
<u>Current</u>			
Bank loans	3,000	2,000	1,000
Finance lease liabilities (Note 25)	726	429	242
Loans due to immediate holding company	6,890	812	–
	10,616	3,241	1,242
<u>Non-current</u>			
Bank loans	2,310	1,348	338
Finance lease liabilities (Note 25)	695	266	12
	3,005	1,614	350
Total borrowings	13,621	4,855	1,592

The loans due to immediate holding company are unsecured, interest-free as at 31 December 2010, and bearing interest at 2.78% and 2.10% per annum as at 31 December 2011 and 2012 respectively and is repayable on demand.

(a) Security granted

Included in the borrowings are the following secured liabilities:

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Bank loans	5,310	3,348	1,338
Finance lease liabilities (Note 25)	1,421	695	254

- (i) The bank loans are secured by a corporate guarantee from the immediate holding company.
- (ii) The finance lease liabilities are secured over the leased plant and machinery as well as motor vehicles acquired, as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities (Note 19).

(b) Carrying amounts and fair values

The fair values of bank loans, finance lease liabilities, and loans due to immediate holding company approximate their carrying values.

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25. FINANCE LEASE LIABILITIES

The Group leases certain plant and machinery, and motor vehicles from non-related parties under finance leases.

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Minimum lease payments due:			
– Not later than one year	789	474	268
– Between one and five years	767	293	13
	1,556	767	281
Less: Future finance charges	(135)	(72)	(27)
Present value of finance lease liabilities	1,421	695	254

The present value of finance lease liabilities are analysed as follows:

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Not later than one year (Note 24)	726	429	242
Between one and five years (Note 24)	695	266	12
	1,421	695	254

26. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Deferred income tax liabilities			
– to be settled within one year	–	20	–
– to be settled after one year	467	658	498
	467	678	498

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26. DEFERRED INCOME TAXES (continued)

The movement in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax assets

	Provisions \$'000	Unrealised profits on construction contracts \$'000	Total \$'000
2010			
Beginning of financial year	(128)	–	(128)
Charged/(credited) to profit or loss	111	(133)	(22)
End of financial year	(17)	(133)	(150)
2011			
Beginning of financial year	(17)	(133)	(150)
(Credited)/charged to profit or loss	(14)	122	108
End of financial year	(31)	(11)	(42)
2012			
Beginning of financial year	(31)	(11)	(42)
Charged/(credited) to profit or loss	31	(155)	(124)
End of financial year	–	(166)	(166)

Deferred income tax liabilities

	Accelerated tax depreciation \$'000
2010	
Beginning of financial year	282
Charged to profit or loss	335
End of financial year	617
2011	
Beginning of financial year	617
Charged to profit or loss	103
End of financial year	720
2012	
Beginning of financial year	720
Credited to profit or loss	(56)
End of financial year	664

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27. SHARE CAPITAL

	← Share capital →	
	No. of ordinary shares \$'000	Amount \$'000
Group		
2010		
Beginning of financial year	15,000	15,000
Contribution from immediate holding company	500	500
End of financial year	15,500	15,500
2011		
Beginning and end of financial year	15,500	15,500
2012		
Beginning and end of financial year	15,500	15,500

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Under the Restructuring as disclosed in Note 2, the share capital of the Group will reflect the share capital of the Company on the date which the reorganisation was completed, which is equal to the deemed cost of acquiring Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. at the existing carrying value of their net assets.

During the financial year ended 31 December 2010, SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. issued 500,000 ordinary shares and 1 ordinary share for a total consideration of \$500,000 and \$1 respectively to the immediate holding company, which is deemed as contribution from their immediate holding company.

28. DIVIDENDS

	Group		
	2010 \$'000	2011 \$'000	2012 \$'000
<i>Ordinary dividends paid</i>			
Interim dividends paid in respect of the current financial year			
– Soil-Build (Pte.) Ltd. (\$2.43 per share)	–	–	36,469
– SB Procurement Pte. Ltd. (\$5.99 per share)	–	–	2,996
– SB Project Services Pte. Ltd. (\$2,504,000 per share)	–	–	2,504
	–	–	41,969

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28. DIVIDENDS (continued)

The interim dividends declared in respect of the financial year ended 31 December 2012 have been settled via netting of intercompany balances.

On 24 April 2013, Soil-Build (Pte.) Ltd., SB Procurement Pte. Ltd. and SB Project Services Pte. Ltd. declared their retained earnings as interim dividends in respect of the financial year ending 31 December 2013 amounting to \$3,595,000 (\$0.24 per share), \$349,000 (\$0.70 per share) and \$56,000 (\$56,000 per share) respectively to SBGH which have been settled via netting of intercompany balances. These financial statements do not reflect these dividends, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2013.

29. COMMITMENTS

Operating lease commitments – where the Group is a lessor

The Group leases out a commercial unit under a non-cancellable operating lease agreement. The lease is renewable upon written request on terms to be agreed upon.

The future minimum lease receivables under non-cancellable operating leases contracted for at the end of each financial year but not recognised as receivables, are as follows:

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Not later than one year	38	6	11
Between one and five years	6	–	–
	44	6	11

30. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risks (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise potential adverse effects from the unpredictability of financial markets on the financial performance of the Group.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors. Financial risk management is carried out by the Group's capital management division in accordance with the policies set.

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30. FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

(a) Market risk

(i) Currency risk

The Group is not exposed to currency risk as it currently operates in Singapore and transacts mainly in Singapore Dollars ("SGD").

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Group is not exposed to any significant price risks.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from interest income from short-term bank deposits and interest expenses from current and non-current variable-rate borrowings. The Group's policy is to maintain an effective borrowing combination of both floating as well as fixed rate instruments.

Sensitivity analysis for interest rate risk

For borrowings at floating interest rates

At 31 December 2010, 2011 and 2012, if SGD interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's net finance expenses would decrease/increase by \$27,000, \$18,000 and \$8,000 respectively. This arose mainly from lower/higher interest expense on floating-rate bank borrowings. Accordingly, the Group's overall net profit would increase/decrease by \$22,000, \$15,000 and \$7,000 respectively.

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30. FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from bank deposits and trade receivables.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral or deposits where appropriate to mitigate credit risk. In addition, receivable balances and payment profile of the debtors are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Exposure to credit risk

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Past due 0 to 30 days	10	354	1,849
Past due 31 to 90 days	278	692	6
Past due 91 days	224	387	301
	512	1,433	2,156

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30. FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

Financial assets that are past due and/or impaired (continued)

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Gross amount	142	115	138
Less: Allowance for impairment (Note 14)	(133)	(106)	(129)
	9	9	9
Beginning of financial year	147	133	106
Allowance made	5	12	23
Allowance written back	(19)	(39)	–
End of financial year	133	106	129

Trade receivables that are individually determined to be impaired at the end of the financial year relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group will constantly raise committed funding from financial institutions and prudently balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

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30. FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows. Trade and other payables due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Not later than 1 year \$'000	Between 1 and 5 years \$'000
Group		
At 31 December 2010		
Trade and other payables	(71,319)	–
Borrowings	(10,832)	(3,271)
	<u>(82,151)</u>	<u>(3,271)</u>
Group		
At 31 December 2011		
Trade and other payables	(59,682)	–
Borrowings	(3,416)	(1,686)
	<u>(63,098)</u>	<u>(1,686)</u>
Group		
At 31 December 2012		
Trade and other payables	(48,974)	–
Borrowings	(1,373)	(290)
	<u>(50,347)</u>	<u>(290)</u>

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30. FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholder, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on gearing ratio and reports to the Board of Directors on a quarterly basis. The gearing ratio is calculated as net debt divided by shareholder funds. Net debt is calculated as gross borrowings less cash and cash equivalents. Shareholder funds represent all equity attributable to the equity holders of the Company.

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Net debt	8,798	1,011	(3,674)
Shareholder funds	26,310	35,442	15,500
Gearing ratio	33%	3%	(24%)

The Group's borrowings are lower than its cash and cash equivalents as at 31 December 2012 and it effectively uses no debt financing in its overall capital structure.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2010, 2011 and 2012.

(e) Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	2010	2011	2012
	\$'000	\$'000	\$'000
Loans and receivables	106,338	95,737	62,966
Financial liabilities at amortised cost	84,940	64,537	50,566

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31. RELATED PARTY TRANSACTIONS

- (a) In addition to the related party information shown elsewhere in the financial statements, the following significant transactions took place between the Group and related parties at terms agreed by the parties:

	Group		
	2010 \$'000	2011 \$'000	2012 \$'000
Revenue from construction contracts from related companies	113,880	97,108	88,008
Revenue from construction contracts from joint ventures	–	–	33,111
Revenue from construction contracts from a related party*	–	–	36,069
Revenue from rendering of project management services to related companies	2,072	1,091	603
Rental expense charged by immediate holding company	1,326	1,216	589
Share of common overheads paid/payable to the immediate holding company	42	44	211
Share of common overheads paid/payable to related companies	29	20	–
Share of common overheads received/receivable from the immediate holding company	29	28	178
Share of common overheads received/receivable from related companies	372	523	–

* Related party pertains to a company which is wholly-owned by a director of the Company.

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31. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group		
	2010	2011	2012
	\$'000	\$'000	\$'000
Salaries and other short-term employee benefits	1,178	510	1,476
Contribution to Central Provident Fund	24	12	56
	1,202	522	1,532

Included above is the total compensation to directors of the Company amounting to \$584,000, \$298,000 and \$732,000 for the financial years 2010, 2011 and 2012 respectively.

32. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Executive Chairman and the Executive Director.

The Exco considers the business of the Group from the business segment perspective. The Group derives revenue mainly from the construction segment and there is no other business segregation. There is also no geographical segregation as business operations are wholly centered in Singapore.

As the Group operates only in a single business segment and in a single geographical location, no other segment information is presented.

The Exco assesses the performance of the operating segments based on a measure of profit before income tax.

The amounts reported to the Exco with respect to total assets, total liabilities and profit before tax have been prepared on the same basis as the financial statements; hence, there are no reconciling items to be disclosed.

33. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate holding company is Soilbuild Group Holdings Ltd., incorporated in Singapore. The ultimate holding company is Dolphin Acquisitions Pte. Ltd., incorporated in Singapore.

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34. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 29 January 2013, the Company incorporated Soilbuild Construction International Pte. Ltd. as a wholly owned subsidiary with 1 ordinary share and paid-up share capital of \$1.

On 24 April 2013, the Company incorporated Soilbuild Construction Engineering Pte. Ltd. as a wholly owned subsidiary with 1 ordinary share and paid-up share capital of \$1.

On 26 April 2013, the Company incorporated Soilbuild E&C Pte. Ltd. as a wholly owned subsidiary with 1 ordinary share and paid-up share capital of \$1.

35. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2013 or later periods and which the Group has not early adopted:

- FRS 110 Combined Financial Statements (effective for annual periods beginning on or after 1 January 2014)

FRS 110 replaces all of the guidance on control and consolidation in FRS 27 "Combined and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess. The Group has yet to assess the full impact of FRS 110 and intends to apply the standard from 1 January 2014.

- FRS 111 Joint Arrangements (effective for annual periods beginning on or after 1 January 2014)

FRS 111 introduces a number of changes. The "types" of joint arrangements have been reduced to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated and equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations currently. The Group has yet to assess the full impact of FRS 111 and intends to adopt the standard from 1 January 2014.

- FRS 112 Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2014)

FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities. The Group has yet to assess the full impact of FRS 112 and intends to adopt the standard from 1 January 2014.

**SOILBUILD CONSTRUCTION GROUP LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the financial years ended 31 December 2010, 2011 and 2012

35. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

- FRS 113 *Fair Value Measurement* (effective for annual periods beginning on or after 1 January 2013)

FRS 113 provides consistent guidance across IFRSs on how fair value should be determined and which disclosures should be made in the financial statements. The Group has yet to assess the full impact of FRS 113 and intends to adopt the standard from 1 January 2013.

36. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Soil-Build Construction Group Ltd. on 10 May 2013.

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APPENDIX II – LETTER FROM HL BANK TO THE INDEPENDENT DIRECTORS

10 May 2013

The Independent Directors of
Soilbuild Construction Group Ltd.
SB Building
25 Changi South Street 1
Singapore 486059

Dear Sirs

INDEPENDENT FINANCIAL ADVISER OPINION IN RELATION TO THE PROPOSED SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

For the purpose of this letter, unless otherwise defined or the context otherwise requires, all terms defined in this letter shall have the same meaning as in the Prospectus (as defined below).

1. INTRODUCTION

This letter has been prepared for the use by the Independent Directors of Soilbuild Construction Group Ltd. (the “**Company**”), to be incorporated into the prospectus (“**Prospectus**”) being prepared in connection with the proposed listing of the Company on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

At an extraordinary general meeting held on 9 May 2013, the Company’s Shareholders approved, *inter alia*, the adoption of the Shareholders’ Mandate for Interested Person Transactions (the “**Shareholders’ Mandate**”), details of which are set out in the section entitled “Interested Person Transactions and Potential Conflicts of Interests – Shareholders’ Mandate for Interested Person Transactions” of the Prospectus.

Pursuant to Chapter 9 of the Listing Manual of the SGX-ST, HL Bank (“**HL Bank**”) has been appointed as the independent financial adviser to the Independent Directors, to provide an opinion on whether the methods and procedures for determining transaction prices proposed under the Shareholders’ Mandate are sufficient to ensure that the Mandated Interested Person Transactions carried out thereunder will be on normal commercial terms, and will not be prejudicial to the interests of the Company and the minority Shareholders.

2. TERMS OF REFERENCE

Pursuant to Chapter 9 of the Listing Manual of the SGX-ST, we have been appointed as the independent financial adviser to the Independent Directors, to provide an opinion on whether the methods and procedures for determining transaction prices proposed under the Shareholders’ Mandate are sufficient to ensure that the Interested Person Transactions carried out thereunder will be on normal commercial terms, and will not be prejudicial to the interests of the Company and the minority Shareholders.

We have confined our evaluation to the methods and procedures of the Shareholders’ Mandate. We do not express any opinion on the commercial risks or merits of the Interested Person Transactions or on the future prospects of the Company and its subsidiaries (the “**Group**”) or any of its associated or joint venture companies (whether separately each on a

standalone basis or as a combined entity assuming the completion of the Interested Person Transactions). Such evaluation is the responsibility of the Directors although we may draw upon their views (to the extent we deem necessary or appropriate) in arriving at our opinion.

We were not involved in the Company's decision-making process or negotiations for the Interested Person Transactions. We do not express any opinion on the merits of the Interested Person Transactions relative to any alternative transaction or the methods by which the terms of the Interested Person Transactions were determined.

In the course of our evaluation, we have held discussions with the Directors and management of the Company and have examined and relied on publicly available information collated by us as well as information provided and representations made, both written and oral, by the Directors and the management of the Company. We have not independently verified such information or representations, whether written or oral, and therefore cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. However, we have made reasonable enquiries and exercised our judgment on the reasonable use of such information and found no reason to doubt the accuracy or reliability of such information.

We have relied upon the assurances of the Directors (including those who have delegated detailed supervision of the Prospectus) that they have taken reasonable care to ensure that the information provided to us (whether written or verbal), as well as the facts stated and opinions expressed by them in the Prospectus are fair and accurate in all material respects and have been stated after due care and enquiry. The Directors have confirmed, that to the best of their knowledge and belief, the information provided to us (whether written or verbal), as well as the facts stated and opinions expressed by them in the Prospectus are fair and accurate in all material respects and there is no other information the omission of which would cause the Prospectus to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted such responsibility.

We have not conducted a comprehensive review of the business, operations or financial condition of the Company or the Interested Person Transactions.

We are not required to conduct and have not conducted any review of the historical or current Interested Person Transactions carried out by the Group. Accordingly, we do not express any opinion on whether such Interested Person Transactions were or are in compliance with the review procedures set out under the Shareholders' Mandate. The implementation of such review procedures is the responsibility of the Directors.

We are not required or authorised to obtain, and we have not obtained, any quotations or transaction prices from third parties for products or services similar to those which are to be covered by the Shareholders' Mandate, and therefore are not able to, and did not, compare the Interested Person Transactions to similar transactions with third parties.

Our opinion is delivered to the Independent Directors for their deliberation on the Shareholders' Mandate, and the recommendations made by the Independent Directors shall remain the sole responsibility of the Independent Directors.

In rendering our opinion, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment profiles and objectives, we recommend that any Shareholder who requires specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Our evaluation and opinion in this letter are based upon market, economic, industry, monetary, regulatory, socio-political, and other conditions prevailing on, and the information available to us as at 10 May 2013 (“**Latest Practicable Date**”). Such conditions may change significantly over a short period of time. Accordingly, our evaluation and opinion in this letter do not take into account information, events or conditions arising after the Latest Practicable Date.

The Company has been separately advised by other advisers in the preparation of the Prospectus (other than this letter and information derived from this letter). We were not involved in the preparation and verification of the Prospectus (other than this letter and information derived from this letter). We take no responsibility for, and express no views, express or implied, on the contents of the Prospectus (other than this letter and information derived from this letter).

A copy of this letter may be reproduced in the Prospectus. However, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purposes, and in any manner without the prior written consent of HL Bank in each specific case. Notwithstanding the generality of the proceeding, for the avoidance of doubt, nothing in this letter prevents the Company, its Directors and shareholders from reproducing, disseminating, or quoting this letter for the purpose of any matter relating to the Shareholders’ mandate. Our advice should be considered in the context of the entirety of this letter and the information set out in the Prospectus.

3. SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

Information on the Shareholder’s Mandate is set out in the section entitled “Shareholder’s Mandate for Interested Person Transactions”. **Shareholders are advised to read this section of the Prospectus carefully.**

3.1 Classes of Interested Persons

Information on the classes of Interested Person Transactions is set out in the sub-section “Classes of Mandated Interested Persons” of the Prospectus and an extract is set out below:

“The Shareholders’ Mandate will apply to the transactions that are carried out with Soilbuild Group Holdings, our Directors and their respective Associates (the “Mandated Interested Persons”).”

3.2 Categories of Interested Person Transactions

Information on the categories of Interested Person Transactions is set out in the sub-section “Categories of Mandated Interested Persons” of the Prospectus and an extract is set out below:

“The types of transactions to which the Shareholders’ Mandate will apply (the “Mandated Transactions”), and the benefits to be derived therefrom, are set out below.

(a) Construction Transactions

This category of transactions pertains to the construction business of our Group (“Construction Transactions”). The transactions within this category comprise:

- (i) the tender by our Group (whether by way of public tender, invitation or otherwise) and/or obtaining by our Group of the award of contracts from the Mandated Interested Persons as main contractors, subcontractors, suppliers and/or consultants for construction,*

building, engineering, architectural, retro-fitting and/or alteration and addition works for residential, commercial, industrial, institutional, recreational, infrastructural and other projects, turnkey projects and design and build projects (“Construction Services”);

- (ii) the provision of renovation services (such as fitting-out, upgrading and tenancy works) (“Renovation Services”) by our Group to the Mandated Interested Persons;*
- (iii) the provision and/or obtaining of property-linked services (such as project management, property marketing, property and rental valuation services, building maintenance services and security services) (“Property-linked Services”) by our Group to and/or from the Mandated Interested Persons; and*
- (iv) the provision and/or obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and services in subparagraphs (i) to (iii) above, by our Group to and/or from the Mandated Interested Persons.*

(b) General Transactions

This category of transactions pertains to the general business transactions for services and products arising in the day-to-day operations of various companies in our Group (“General Transactions”). The transactions within this category comprise:

- (i) the leasing and/or rental of properties, other than as envisaged in any lease agreement in force between our Group and the Mandated Interested Persons; and*
- (ii) the provision or obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and services in subparagraph (i) above.”*

3.3 Rationale for and Benefits of the Shareholders’ Mandate

Information on the classes of Interested Person Transactions is set out in the sub-section “Rationale for and Benefits of the Shareholders’ Mandate” of the Prospectus and an extract is set out below:

“Our Group will benefit from transacting with Mandated Interested Persons, in addition to non-Mandated Interested Persons, in an expeditious manner. The Shareholders’ Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders’ approval as and when potential interested person transactions with a specific class of Mandated Interested Persons arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to us.

The Shareholders’ Mandate is intended to facilitate transactions in the normal course of our business which are transacted from time to time with the specified classes of Mandated Interested Persons, provided that they are carried out in accordance with the procedures outlined in the Shareholders’ Mandate and on normal commercial terms and are not prejudicial to our Company and our minority Shareholders.

In accordance with the requirements of Chapter 9 of the Listing Manual, we will: (a) disclose in our Company's annual report the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the Shareholders' Mandate during the financial year (as well as in the annual reports for subsequent financial years that the Shareholders' Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the Shareholders' Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to quarterly reporting by listed companies) within the time required for the announcement of such report."

3.4 Review Procedures for the Shareholders' Mandate

Information on the classes of Interested Person Transactions is set out in the sub-section "Review Procedures for Mandated Transactions with Mandated Interested Persons" of the Prospectus and an extract is set out below:

"We will have an internal control system in place to ensure that Mandated Transactions with the Mandated Interested Persons are made on normal commercial terms and consistent with our Group's usual policies and practices.

(a) *The internal control system includes the following procedures:*

Provision of Construction Services, Renovation Services and Property-linked Services

In relation to the provision of Construction Services, Renovation Services or Property-linked Services, the payments made by the Mandated Interested Person will be based on the higher tender price determined by the following approaches:

- (i) *Comparable third party contracts approach: at least two recent contracts, for the same or substantially the same nature of Construction Services, Renovation Services or Property-linked Services, entered into by our Group with third parties will be used as a basis of comparing and determining the tender price and commercial terms (including the credit terms) to be offered to the Mandated Interested Person, after taking into account, inter alia, if applicable, factors such as but not limited to, the complexity of the services rendered, the Mandated Interested Person's project specifications, the delivery schedule, the sufficiency and availability of resources, creditworthiness of the Mandated Interested Person, engineering and technical expertise requirements, soil conditions, and prevailing estimated project costs determined by quantity surveyor(s). We will compare and determine the tender price in the following manner:*
 - (1) *as the main drivers affecting construction costs are floor area and installations required, the contracts of a similar nature will be analysed on a cost per square feet or cost per installation basis. After analysing the costs in specific detail, we will then derive a meaningful contract sum for the Mandated Interested Person. For example in the construction of flatted factories, it is envisaged that the core materials and services required, as well as the construction method will generally be similar, hence, the detailed costing methodology will also be similar;*

- (2) *for all projects, we will perform the internal costing and budgetary evaluations according to the design and specifications in the technical drawings. This process includes, inter alia, quantification and costing of materials, equipment, labour and services requirements, and where necessary, obtaining quotations from external suppliers and/or service providers to justify the costing; and*
 - (3) *adjustments to the contract sum will be made based on the assessment by us to account for differences between the comparable third party contracts and the transaction with the Mandated Interested Person, as described above.*
- (ii) *Appropriate gross profit margins approach: Where it is impractical or impossible to compare against recent contracts entered into by our Group with third parties, the tender price will be determined based on internal costing and budgetary evaluations of the arm's length project costs determined by a project director and quantity surveyor(s) marked up with an appropriate gross profit margin which will not be more favourable to the Mandated Interested Person than those extended to third parties, in line with our usual business and pricing policies (including our gross profit margin policies for contracting with third parties). For instance, it is impractical to adopt the comparable third party contracts approach when there are projects of a unique nature to be awarded by the Mandated Interested Person. In such situations, we may not have executed projects of a similar nature with third parties. For example, we have not been involved in the construction of major infrastructure projects and there are no meaningful comparable third party contracts available. In such instances, we will have to rely on the appropriate gross margins approach which utilises a bottom up methodology to derive a reasonable tender price based on costing and budgetary fundamental factors and market up with an acceptable gross profit margin.*

In determining the appropriate gross profit margin, we will take into account, inter alia, if applicable, factors such as but not limited to, the complexity of the services rendered, the Mandated Interested Person's specifications, the delivery schedule, the sufficiency and availability of resources, creditworthiness of the Mandated Interested Person, engineering and technical expertise requirements, and soil conditions. In addition, our Audit Committee or such other senior executive(s) of our Company designated by our Audit Committee from time to time for such purpose will check that the appropriate gross profit margin is in line with those reported by certain construction companies deemed relevant for the purposes of comparison based on the nature of business, business segments and geographical segments of such companies.

Others

Except for the provision of Construction Services, Renovation Services or Property-linked Services, in relation to Construction Transactions and General Transactions, any transaction proposed to be carried out with a Mandated Interested Person for the obtaining or provision of the services or products described above shall be made at the prevailing rates/prices of the service or product provider which (in relation to services or products to be provided to a Mandated Interested Person) are no more favourable to the Mandated Interested Person than those extended to third parties, or (in relation to services or products to be obtained from a Mandated Interested Person) are no less favourable than those extended by the Mandated Interested Person to third parties, and on the service or product provider's usual commercial terms or otherwise in accordance (where applicable) with industry norms.

For the above purposes, market rates will be reviewed where applicable. As a basis for comparison to determine whether the price and terms offered to the Mandated Interested Person are no more favourable than those extended to third parties, at least two recent contracts for the same or substantially the same types of transactions entered into by our Group with third parties will be used. As a basis for comparison to determine whether the terms offered by the Mandated Interested Person are fair and reasonable (taking into account, where relevant, factors such as pricing, delivery schedule, rebates or discounts accorded for bulk purchases), quotes will be obtained wherever possible from at least two third party suppliers, for the same or substantially similar quantities and quality of products and/or services. Where it is impractical or not possible for such contracts or (as the case may be) quotes to be obtained:

- (i) in relation to the sale of goods or services to the Mandated Interested Person, the terms of supply will be determined in accordance with our Group's usual business practice and consistent with the margins obtained by our Group in its business operations; and*
 - (ii) in relation to the purchase of goods or services from the Mandated Interested Person, the terms of supply will be compared to those for the same or substantially the same types of transactions entered into between the Mandated Interested Persons and third parties. The review procedures in such cases may include, where applicable, reviewing the standard price lists provided by the Mandated Interested Person to its customers for such services or products and be based on the commercial merits of the transaction. Where it is impractical or not possible to compare the terms of supply with those for the same or substantially the same types of transactions entered into between the Mandated Interested Persons and third parties, the Relevant Authorised Persons (as referred to in paragraph (b) below) will determine whether the terms of supply are fair and reasonable. This would include taking into account, where known, among other matters as may be necessary, the nature and duration of the transaction, the cost and margins of the relevant project (if any) and the quality of the items or services to be purchased.*
- (b) The following review and approval procedures will apply to the Mandated Transactions:*
- (i) Transactions equal to or exceeding S\$100,000 each in value but below the Financial Limit (as defined below) each in value, will be reviewed and approved by either our Executive Chairman or our Executive Director, together with our Audit Committee or such other senior executive(s) of our Company designated by our Audit Committee from time to time for such purpose (collectively, the "Relevant Authorised Persons"), and tabled for review by our Audit Committee on a quarterly basis.*
 - (ii) Transactions equal to or exceeding the Financial Limit each in value will be reviewed and approved by our Audit Committee.*
 - (iii) Any of the Relevant Authorised Persons, and our Audit Committee, may, as he/it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including requesting for an independent financial adviser's opinion and/or the obtaining of valuations from independent professional valuers.*

For the purposes of sub-paragraphs (i) and (ii) above, the Financial Limit shall be the amount equivalent to 5% of our Group's audited consolidated net tangible assets for the time being, as determined by reference to our Group's latest announced audited consolidated financial statements.

- (c) *The following will apply to the review and approval process for all categories of Mandated Transactions:*
- (i) *If any of the Relevant Authorised Persons has an interest in the transaction or is a nominee for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by the remaining Relevant Authorised Persons who do not have an interest in the transaction or is a nominee for the time being of the Mandated Interested Person, save that if both of our Executive Chairman or our Executive Director has an interest in the transaction or is a nominee for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by our Audit Committee or such other senior executive(s) of our Company designated by our Audit Committee from time to time for such purpose.*
 - (ii) *If all of the Relevant Authorised Persons have an interest in the transaction or are nominees for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by the Chairman of our Audit Committee or another member of our Audit Committee (who is not a nominee of the Mandated Interested Person and has no interest in the transaction) designated by the Chairman of our Audit Committee from time to time for such purpose.*
 - (iii) *If a member of our Audit Committee has an interest in a transaction or is a nominee for the time being of the Mandated Interested Person, he shall abstain from participating in the review and approval process of our Audit Committee in relation to that transaction.*
 - (iv) *If a member of our Audit Committee (who is not a nominee of the Mandated Interested Person and has no interest in the transaction) also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he participates in the review and approval process of our Audit Committee in relation to a transaction with that Mandated Interested Person, he will abstain from participating on any decision before the board or committee of that Mandated Interested Person with respect to such transaction.*
- (d) *We will maintain a register of Mandated Transactions carried out with Mandated Interested Persons (recording the basis, including the quotations obtained to support such basis, on which they are entered into), and our Company's annual internal audit plan will incorporate a review of all Mandated Transactions entered into in the relevant financial year pursuant to the Shareholders' Mandate.*

Our Audit Committee will review the internal audit reports on Mandated Transactions to ascertain that the internal control procedures and review procedures for Mandated Transactions have been complied with.

- (e) *If during any of the reviews by our Audit Committee, our Audit Committee is of the view that the internal control procedures and review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of our Group or the Mandated Interested Persons are conducted, we will revert to Shareholders for a fresh general mandate based on new internal control procedures and review procedures so that Mandated Transactions will be carried out at arm's length, on commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.*"

4. EVALUATION OF THE REVIEW PROCEDURES IN RELATION TO THE SHAREHOLDERS' MANDATE

In arriving at our opinion as to whether the methods and procedures for determining transaction prices of the Mandated Interested Person Transactions under the Shareholders' Mandate are sufficient to ensure that the Mandated Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, we have given due consideration to, *inter alia*, the following key factors:

- (a) the Shareholders' Mandate and its details, including the class of Interested Persons and the categories of Interested Person Transactions;
- (b) the rationale for, and benefits accruing to the Group arising from the Shareholders' Mandate; and
- (c) the review procedures under the Shareholders' Mandate, including the role of the Audit Committee in enforcing the Shareholders' Mandate.

5. CONCLUSION

Based on the above considerations and subject to the qualifications and assumptions made herein, we are of the opinion that the current review procedures for determining the transaction prices of the Mandated Interested Person Transactions under the Shareholders' Mandate as set out in the section entitled "Interested Person Transactions and Potential Conflicts of Interests – Shareholders' Mandate for Interested Person Transactions" of the Prospectus, if adhered to and applied properly at all times, are sufficient to ensure that the Mandated Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We have prepared this letter for the use of the Independent Directors in connection with and for the purposes of their consideration of the Shareholders' Mandate. Our opinion should not be relied on as an indication of the merits of the Interested Person Transactions, the Group or the Shares to any potential investor of the Company.

Whilst a copy of this letter may be reproduced in the Prospectus, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of HL Bank in each specific case, other than for the purposes of the Independent Directors' consideration of the Shareholders' Mandate. Notwithstanding the generality of the proceeding, for the avoidance of doubt, nothing in this letter prevents the Company, its Directors and shareholders from reproducing, disseminating, or quoting this letter for the for the purpose of any matter relating to the Shareholders' mandate. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
HL Bank

Gan Hui Tin
Country Head

Tay Von Kian
Team Head
Corporate Finance

APPENDIX III – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

The following summarises certain provisions of our Articles of Association relating to:

- (i) power of a Director to vote on a proposal, arrangement or contract in which he is interested:

Article 102

A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

- (ii) the remuneration of our Directors:

Article 79

The ordinary remuneration of the Directors shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

Article 80

(A) Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

(B) The remuneration (including any remuneration under Article 80(A) above) in the case of a Director other than an Executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on or a percentage of turnover.

Article 82

The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

Article 83

A Director may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which

he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

Article 88

The remuneration of a Chief Executive Officer (or person holding an equivalent position) shall from time to time be fixed by the Directors and may subject to these Articles be by way of salary or commission or participation in profits or by any or all these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.

Article 98(D)

An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as Alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his principal as such principal may by notice in writing to the Company from time to time direct.

There are no specific provisions in our Articles of Association relating to a Director's power to vote on remuneration (including pension or other benefits) for himself or for any other Director, and whether the quorum at a meeting of our Board of Directors to vote on Directors' remuneration may include the Director whose remuneration is the subject of the vote.

- (iii) the borrowing powers exercisable by our Directors:

Article 109

Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Article 109, like any other provision in our Articles of Association, may be amended by a special resolution of our shareholders.

- (iv) the retirement or non-retirement of a Director under an age limit requirement:

There are no specific provisions in our Articles of Association relating to the retirement or nonretirement of a Director under an age limit requirement. Section 153(1) of the Companies Act however, provides that no person of or over the age of 70 years shall be appointed a director of a public company, unless he is appointed or re-appointed as a director of our Company or authorised to continue in office as a Director of our Company by way of an ordinary resolution passed at an annual general meeting of our Company.

- (v) the shareholding qualification of a Director:

Article 78

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings.

- (vi) the rights, preferences and restrictions attaching to each class of shares:

Article 51

Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by 21 days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by 14 days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereinafter mentioned to all members other than such as are not under the provisions of these Articles and the Act entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed by such number or percentage of members and subject to such other conditions, as may be prescribed by the Statutes, Provided also that the accidental omission to give notice to or the non receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. So long as the shares in the Company are listed on any Stock Exchange, at least 14 days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any Stock Exchange upon which shares in the Company may be listed.

Article 65

Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 5, each member entitled to vote may vote in person or by proxy. On a show of hands, every member who is present in person or by proxy shall have one vote (provided that in the case of a member who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands) and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

Article 123

Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:

- (a) all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*
- (b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.*

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

Article 147

If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members of different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(vii) any change in capital:

Article 3

Subject to the Statutes and these Articles, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 8, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that:

- (a) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 8(A) with such adaptations as are necessary shall apply; and*
- (b) any other issue of shares, the aggregate of which would exceed the limits referred to in Article 8(B), shall be subject to the approval of the Company in General Meeting.*

Article 8

- (A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Singapore Exchange Securities Trading Limited, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 8(A).*

(B) *Notwithstanding Article 8(A), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:*

- (a)
 - (i) *issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or*
 - (ii) *make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and*
- (b) *(notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,*

provided that:

- (1) *the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited;*
 - (2) *in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance is waived by the Singapore Exchange Securities Trading Limited) and these Articles; and*
 - (3) *(unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).*
- (C) *Except so far as otherwise provided by the conditions of issue or by these Articles, all new shares shall be subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.*

Article 9

The Company may by Ordinary Resolution:

- *consolidate and divide all or any of its shares;*
- *sub-divide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and*

- *subject to the provisions of the Statutes, convert any class of shares into any other class of shares.*

Article 10

- (A) *The Company may reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Articles, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.*
- (B) *The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.*
- (viii) any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law:

Article 6

Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital, other than redeemable preference capital, may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

Article 7

The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.

The conditions prescribed by Articles 6 and 7 for variation of such rights are not different from those required under the Companies Act.

- (ix) any dividend restriction, the date on which the entitlement to dividends arises, any procedure for our Shareholders to claim dividends, any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement then operates:

Article 121

The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

Article 122

If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

Article 123

Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:

- (a) *all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*
- (b) *all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.*

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

Article 124

No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

Article 128

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date such dividend or other moneys are first payable.

Article 131

Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Article 134

Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

APPENDIX IV – RULES OF THE SOILBUILD CONSTRUCTION EMPLOYEE SHARE OPTION SCHEME

1. DEFINITIONS

In this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
“Associate”	Shall have the meaning assigned to it in the Listing Rules.
“Associated Company”	A company in which at least 20% but not more than 50% of its issued shares are held by the Company or the Group and over which the Company has Control.
“Associated Company Employee”	Any confirmed employee (including directors) of an Associated Company selected by the Committee to participate in the Scheme.
“Auditors”	The auditors of the Company for the time being.
“Board”	The board of Directors of the Company for the time being.
“CDP”	The Central Depository (Pte) Limited.
“Committee”	The Remuneration Committee of the Company.
“Company”	Soilbuild Construction Group Ltd.
“Control”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
“Controlling Shareholder”	A shareholder who: (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding Shares held by the Company as treasury shares) (unless otherwise determined by the SGX-ST that a person who satisfies this subparagraph is not a controlling shareholder); or (b) in fact exercises Control over the Company.
“Date of Grant”	The date on which an Option is granted to a Participant pursuant to Rule 7.

“Director”	A person holding office as a director for the time being of the Company.
“EGM”	Extraordinary General Meeting.
“Executive Director”	A director who is an employee of the Group and who performs an executive function.
“Exercise Price”	The price at which a Participant shall acquire each Share upon the exercise of an Option, as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10.
“Financial Year”	Each period of twelve (12) months or more or less than twelve (12) months, at the end of which the balance of accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company.
“Grantee”	The person to whom an offer of an Option is made.
“Group”	The Company, its Subsidiaries and Associated Companies (as they may exist from time to time).
“Group Employee”	Any confirmed employee of the Group (including an Executive Director) selected by the Committee to participate in the Scheme in accordance with Rule 4.
“Listing Rules”	The rules constituted in the Listing Manual of the SGX-ST.
“Market Day”	A day on which the SGX-ST is open for trading of securities.
“Market Price”	The average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offer Date Provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices.
“Non-executive Director”	A director of the Company and/or its subsidiaries, other than one who performs an executive function.
“Offer Date”	The date on which an offer to grant an Option is made pursuant to the Scheme.

“Option”	The right to acquire Shares granted or to be granted to a Group Employee or a Non-executive Director pursuant to the Scheme and for the time being subsisting.
“Option Period”	Subject as provided in Rules 11 and 15, the period for the exercise of an Option being: <ul style="list-style-type: none"> (a) in the case of an Option granted to a Group Employee (other than Options granted to Non-executive Directors and/or Associated Company Employees), a period commencing after the first anniversary of the Offer Date and expiring on (and including) the date immediately preceding the tenth anniversary of the Offer Date or such other shorter period determined by the Committee; and (b) in the case of an Option granted to Non-executive Directors and/or Associated Company Employees, a period commencing after the first anniversary of the Offer Date and expiring on (and including) the date immediately preceding the fifth anniversary of the Offer Date or such other shorter period determined by the Committee, provided that where the Exercise Price for the Shares comprised in an Option is set at a discount to the Market Price, such Option may not be exercised before the second anniversary of such Offer Date.
“Participant”	The holder of an Option.
“Record Date”	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.
“Scheme”	The Soilbuild Construction Employee Share Option Scheme as modified or amended from time to time.
“S\$”	Singapore dollars.
“SGX-ST”	The Singapore Exchange Securities Trading Limited.
“Shares”	Ordinary shares in the capital of the Company.
“Shareholders”	The registered holders for the time being of the Shares (other than CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register.
“Subsidiary”	A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Act.

The terms “Depositor”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to them respectively by Section 130A of the Act.

Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and neuter gender. References to persons shall include corporations.

Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Scheme shall, where applicable, have the same meaning assigned to it under the Act. Any reference in this Scheme to a time of day shall be a reference to Singapore time unless otherwise stated.

2. NAME OF THE SCHEME

The Scheme shall be called the “Soilbuild Construction Employee Share Option Scheme”.

3. OBJECTIVES OF THE SCHEME

The Scheme will provide an opportunity for Group Employees who have contributed significantly to the growth and performance of the Group and Non-executive Directors and who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.

The Scheme is primarily a share incentive scheme. It recognises the fact that the services of Group Employees and Non-executive Directors are important to the success and continued well-being of the Group. Implementation of the Scheme will enable the Company to give recognition to the contributions made by such Group Employees and Non-executive Directors. At the same time, it will give such Group Employees and Non-executive Directors an opportunity to have a direct interest in the Company at no direct cost to its profitability and will also help to achieve the following positive objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and prosperity of the Group;
- (c) to instill loyalty to, and a stronger identification by Participants with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of Participants with the interests of the Shareholders.

4. ELIGIBILITY

4.1 The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Committee:

- (a) Group Employees (including Executive Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and

who have, as of the Date of Grant, been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the Committee may determine; and

(b) Non-executive Directors.

Directors and employees of the Company's parent company and its Subsidiaries (other than the Company and the Company's Subsidiaries) are not entitled to participate in the Scheme.

There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.

4.2 Controlling Shareholders and their Associates who satisfy the criteria set out in Paragraph 4.1 above shall be eligible to participate in the Scheme provided that:

(a) their participation; and

(b) the actual or maximum number of Shares and terms of any Options to be granted to them,

have been approved by independent shareholders of the Company at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual or maximum number of Shares and terms of any Options to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent shareholders of the Company for the participation in the Scheme of a Controlling Shareholder or his Associate who is, at the relevant time, already a Participant.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for acquisition in accordance with the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as rank, past performance, years of service and potential development of the Grantee.

6. LIMITATION ON SIZE OF THE SCHEME

6.1 The aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable or transferred and to be transferred in respect of all Options granted under the Scheme and the number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day immediately preceding the Offer Date of the Option.

6.2 The aggregate number of Shares which may be issued or transferred pursuant to Options under the Scheme to Participants who are Controlling Shareholders and their Associates shall not exceed twenty-five (25) per cent. of the Shares available under the Scheme.

- 6.3 The number of Shares which may be issued or transferred pursuant to Options under the Scheme to each Participant who is a Controlling Shareholder or his Associate shall not exceed ten (10) per cent. of the Shares available under the Scheme.

7. OFFER DATE

- 7.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that no Options shall be granted during the period of thirty (30) days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers to grant Options may only be made on or after the third Market Day on which such announcement is released.
- 7.2 An offer to grant the Option to a Grantee shall be made by way of a letter (the "Letter of Offer") in the form or substantially in the form set out in Annex 1, subject to such amendments as the Committee may determine from time to time.

8. ACCEPTANCE OF OFFER

- 8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within thirty (30) days after the relevant Offer Date and not later than 5.00 p.m. on the thirtieth (30th) day from such Offer Date (a) by completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Annex 2, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Committee may require and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.
- 8.2 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 8.3 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice (as defined in Rule 12) given pursuant to Rule 12 which does not strictly comply with the terms of the Scheme.
- 8.4 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee.
- 8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares. The Committee shall, within fifteen (15) Market Days of receipt of the Acceptance Form and consideration, acknowledge receipt of the same.
- 8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.

- 8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period; or
 - (b) the Participant dies prior to his acceptance of the Option; or
 - (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
 - (d) the Grantee, being a Group Employee, ceases to be in the employment of the Group or (being an Executive Director) ceases to be a director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and shall be fixed by the Committee at:

- (a) the Market Price; or
- (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price in respect of that Option.

9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:

- (a) the performance of the Company, its Subsidiaries and Associated Companies, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
- (b) the years of service and individual performance of the eligible Group Employee;
- (c) the contribution of the eligible Group Employee to the success and development of the Company and/or the Group; and
- (d) the prevailing market conditions.

10. ALTERATION OF CAPITAL

10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:

- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised; and/or

- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the maximum entitlement in any one Financial Year; and/or
- (d) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate, including retrospective adjustments, where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

- 10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and (b) unless the Committee after considering all relevant circumstances considers it equitable to do so.
- 10.3 The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Rules, undertaken by the Company on the SGX-ST during the period when a share repurchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10.
- 10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued or transferred by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.
- 10.5 Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised and the maximum entitlement in any one Financial Year.

11. OPTION PERIOD

- 11.1 Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by a Participant after the first anniversary of the Offer Date of that Option, provided always that the Options (other than Options granted to Non-executive Directors and/or Associated Company Employees) shall be exercised before the tenth anniversary of the relevant Offer Date and Options granted to Non-executive Directors and/or Associated Company Employees shall be exercised before the fifth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

- 11.2 Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the Offer Date of that Option, provided always that the Options (other than Options granted to Non-executive Directors and/or Associated Company Employees) shall be exercised before the tenth anniversary of the relevant Offer Date and Options granted to Non-executive Directors and/or Associated Company Employees shall be exercised before the fifth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Company:
- (a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or
 - (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
 - (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 11.4 If a Participant ceases to be employed by the Group by reason of his:
- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
 - (b) redundancy;
 - (c) retirement at or after a normal retirement age; or
 - (d) retirement before that age with the consent of the Committee,

or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

- 11.5 If a Participant ceases to be employed by a Subsidiary:
- (a) by reason of the Subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or

(b) for any other reason, provided the Committee gives its consent in writing,

he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.7 If a Participant, who is also an Executive Director or a Non-executive Director (as the case may be), ceases to be a director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

12. EXERCISE OF OPTIONS, ALLOTMENT OR TRANSFER AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Annex 3 (the "Exercise Notice"), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

12.2 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules of the Scheme and the Memorandum and Articles of Association of the Company,

the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares or, as the case may be, procure the transfer of existing Shares (which may include, where desired, any Shares held by the Company as treasury shares), in respect of which such Option has been exercised by the Participant and where required, or as the case may be, within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to CDP for the credit of the securities account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

- 12.3 The Company shall as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.
- 12.4 Shares which are all allotted or transferred on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of, or transferred to, CDP to the credit of the securities account of the Participant maintained with CDP or the Participant's securities sub-account with a Depository Agent.
- 12.5 Shares allotted and issued, and existing Shares procured by the Company for transfer, upon the exercise of an Option shall be subject to all provisions of the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with the then existing issued Shares except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.
- 12.6 Except as set out in Rule 12 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.

13. ALTERATIONS AND AMENDMENTS TO THE SCHEME

- 13.1 Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:
- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration, may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be issued and allotted or transferred upon exercise in full of all outstanding Options;
 - (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

13.3 Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants.

14. DURATION OF THE SCHEME

14.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the Scheme is adopted by Shareholders in the EGM. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

14.2 The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.

14.3 The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

15. TAKE-OVER AND WINDING-UP OF THE COMPANY

15.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
- (b) the date of the expiry of the Option Period relating thereto,

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11, remain exercisable until the expiry of the Option Period.

- 15.2 If, under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, Provided always that the date of exercise of any Option (other than an Option granted to a Non-executive Director or an Associated Company Employee) shall be before the tenth anniversary of the Offer Date.
- 15.3 If an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 15.4 In the event of a members' solvent voluntary winding-up (other than for amalgamation or reconstruction), Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall, subject to Rule 15.5, be entitled within thirty (30) days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto) to exercise in full any unexercised Option, after which such unexercised Option shall lapse and become null and void.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding-up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE SCHEME

- 16.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- 16.3 Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).
- 16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.

17. NOTICES

- 17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.
- 17.2 Any notice or documents given by the Company to a Participant shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

- 18.1 The Scheme or any Option shall not form part of any contract of employment between the Company, any Subsidiary or Associated Company (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 18.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company, any Subsidiary and/or Associated Company directly or indirectly or give rise to any cause of action at law or in equity against the Company, any Subsidiary or Associated Company.

19. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by the Participant.

20. COSTS AND EXPENSES OF THE SCHEME

- 20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's security account with CDP or the Participant's securities sub-account with his Depository Agent and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.
- 20.2 Save for such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs, and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment or transfer of the Shares pursuant to the exercise of any Option shall be borne by the Company.

21. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme including but not limited to the Company's delay or failure in issuing and allotting, or procuring the transfer of, the Shares or in applying for or procuring the listing of and quotation for the Shares on the SGX-ST or any other stock exchanges on which the Shares are quoted or listed.

22. DISPUTES

Any disputes or differences of any nature in connection with the Scheme shall be referred to the Committee and its decision shall be final and binding in all respects.

23. CONDITION OF OPTION

Every Option shall be subject to the condition that no Shares shall be issued or transferred pursuant to the exercise of an Option if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

24. GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Company and the Participants, by accepting the offer of the grant of Options in accordance with the Scheme, shall submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

25. DISCLOSURE IN ANNUAL REPORT

The Company shall make the following disclosure in its annual report:

- (a) The names of the members of the Committee;
- (b) The information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):
 - (i) Participants who are Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who receive 5% or more of the total number of Options available under the Scheme; and

Name of Participant	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of the Scheme to end of financial year under review	Aggregate Options exercised since commencement of the Scheme to end of financial year under review	Aggregate Options outstanding as at end of financial year under review
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- (c) The number and proportion of Options granted at the following discounts to the Market Price in the financial year under review:
 - (i) options granted at up to 10% discount; and
 - (ii) options granted at between 10% but not more than 20% discount.

SOILBUILD CONSTRUCTION EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No: _____

PRIVATE AND CONFIDENTIAL

Date:

To: [Name]
[Designation]
[Address]

Dear Sir/Madam

We are pleased to inform you that you have been nominated by the Remuneration Committee of the Board of Directors of Soilbuild Construction Group Ltd. (the "Company") to participate in the Soilbuild Construction Employee Share Option Scheme (the "Scheme"). Terms as defined in the Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1.00, to acquire _____ ordinary shares in the capital of the Company at the price of S\$ _____ per ordinary share. The Option shall be subject to the terms of this Letter of Offer and the Scheme (as the same may be amended from time to time pursuant to the terms and conditions of the Scheme), a copy of which is enclosed herewith.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than _____ a.m./p.m. on the _____ day of _____ failing which this offer will forthwith lapse.

Yours faithfully
For and on behalf of
Soilbuild Construction Group Ltd.

Name:
Designation:

SOILBUILD CONSTRUCTION EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No: _____

To: The Remuneration Committee
 Soilbuild Construction Employee Share Option Scheme
 c/o The Company Secretary
 Soilbuild Construction Ltd.
 [Address]

Closing Time and Date for Acceptance of Option : _____
 No. of Shares in respect of which Option is offered : _____
 Exercise Price per Share : S\$ _____
 Total Amount Payable on Acceptance of Option (exclusive of
 the relevant CDP charges) : S\$ _____

I have read your Letter of Offer dated _____ (the "Offer Date") and agree to be bound by the terms thereof and of the Soilbuild Construction Employee Share Option Scheme stated therein. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to acquire such shares.

I hereby accept the Option to acquire _____ ordinary shares in the capital of Soilbuild Construction Group Ltd. (the "Shares") at S\$ _____ per Share and enclose cash/banker's draft/cashier's order/postal order no. _____ for S\$1.00 being payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares in CDP's name, the deposit of share certificates with CDP, my securities account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, the "CDP charges").

I confirm that as at the date hereof:

- (a) I am not less than 21 years old, nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors;
- (b) I satisfy the eligibility requirements to participate in the Scheme as defined in Rule 4 of the Scheme; and
- (c) I satisfy the other requirements to participate in the Scheme as set out in the Rules of the Scheme.

I hereby acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

I agree to keep all information pertaining to the grant of the Option to me confidential.

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* Delete as appropriate

Notes:

- 1. Option must be accepted in full or in multiples of 1,000 Shares.
- 2. The Acceptance Form must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".
- 3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

SOILBUILD CONSTRUCTION EMPLOYEE SHARE OPTION SCHEME

EXERCISE NOTICE

To: The Remuneration Committee
 Soilbuild Construction Employee Share Option Scheme
 c/o The Company Secretary
 Soilbuild Construction Group Ltd.
 [Address]

Total Number of ordinary shares (the "Share") at
 S\$_____ per Share under an Option granted
 on _____ (the "Offer Date") : _____

Number of Shares previously allotted and issued or
 transferred thereunder : _____

Outstanding balance of Shares which may be allotted and
 issued or transferred thereunder : _____

Number of Shares now to be acquired (in multiples of 1,000) : _____

1. Pursuant to your Letter of Offer dated _____ (the "Offer Date") and my acceptance thereof, I hereby exercise the Option to acquire Shares in Soilbuild Construction Group Ltd. (the "Company") at S\$_____ per Share.
2. I hereby request the Company to allot and issue or transfer to me the number of Shares specified in paragraph 1 in the name of The Central Depository (Pte) Limited ("CDP") to the credit of my Securities Account with the CDP/Securities Sub-Account with a Depository Agent specified below and to deliver the share certificates relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP (the "CDP charges") and any stamp duties in respect thereof:
 - * (a) Direct Securities Account Number : _____
 - * (b) Securities Sub-Account Number : _____
 - Name of Depository Agent : _____
3. I enclose a cheque/cashier's order/bank draft/postal order no. _____ for S\$_____ in payment for the Exercise Price of S\$_____ for the total number of the said Shares and the CDP charges of S\$_____.
4. I agree to acquire the Shares subject to the terms of the Letter of Offer, the Soilbuild Construction Employee Share Option Scheme (as the same may be amended pursuant to the terms thereof from time to time) and the Memorandum and Articles of Association of the Company.
5. I declare that I am acquiring the Shares for myself and not as a nominee for any other person.

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* Delete as appropriate

Notes:

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.
2. The form entitled "Exercise Notice" must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".

APPENDIX V – RULES OF THE SOILBUILD CONSTRUCTION PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

1.1 The Plan shall be called the “Soilbuild Construction Performance Share Plan”.

2. DEFINITIONS

2.1 In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	The Companies Act, Chapter 50 of Singapore as amended from time to time.
“Adoption Date”	The date on which the Plan is adopted by the Company in general meeting.
“Associate”	Shall have the meaning assigned to it in the Listing Manual.
“Associated Company”	A company in which at least 20% but not more than 50% of its issued shares are held by the Company or the Group and over which the Company has Control.
“Auditors”	The auditors of the Company for the time being.
“Award”	A contingent award of Shares granted under Rule 5.
“Award Date”	In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
“Award Letter”	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
“CDP”	The Central Depository (Pte) Limited.
“Committee”	The Remuneration Committee of the Company.
“Company”	Soilbuild Construction Group Ltd., a company incorporated in Singapore.
“Control”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
“Controlling Shareholder”	A person who holds directly or indirectly fifteen (15) per cent. or more of the total number of issued Shares (excluding Shares held by the Company as treasury shares) (unless otherwise determined by the Singapore Exchange that a person who satisfies this subparagraph is not a controlling shareholder); or in fact exercises Control over the Company.

“Group”	The Company and its subsidiaries and Associated Companies (as they may exist from time to time).
“Group Executive”	Any employee of the Group (including any Group Executive Director who meet the relevant criteria and who shall be regarded as a Group Executive for the purposes of the Plan) selected by the Committee to participate in the Plan in accordance with Rule 4.
“Group Executive Director”	A director of the Company and/or any of its subsidiaries and/or any of its Associated Companies, as the case may be, who performs an executive function.
“Listing Manual”	The Listing Manual of the Singapore Exchange.
“Non-executive Director”	A director of the Company and/or its subsidiaries, other than one who performs an executive function.
“Participant”	A Group Executive or a Non-executive Director who has been granted an Award.
“Performance Condition”	In relation to an Award, the condition specified on the Award Date in relation to that Award.
“Performance Period”	The period, as may be determined by the Committee at its discretion, during which the Performance Condition is to be satisfied.
“Plan”	The Soilbuild Construction Performance Share Plan, as the same may be modified or altered from time to time.
“Release”	In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly.
“Release Schedule”	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period.
“Released Award”	An Award which has been released in accordance with Rule 7.
“Retention Period”	Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant.

“Shares”	Ordinary shares in the capital of the Company.
“Singapore Exchange”	The Singapore Exchange Securities Trading Limited.
“Trading Day”	A day on which the Shares are traded on the Singapore Exchange.
“Vesting”	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly.
“Vesting Date”	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7.

2.2 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

2.3 Any reference to a time of a day in the Plan is a reference to Singapore time.

2.4 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

3. OBJECTIVES OF THE PLAN

The Plan has been proposed in order to:

- (a) foster an ownership culture within the Group which aligns the interests of Group Executives and Non-executive Directors with the interests of shareholders;
- (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units; and
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company’s ambition to become a worldclass company.

4. ELIGIBILITY OF PARTICIPANTS

4.1 (a) Group Executives who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who have, as of the Award Date, been in full time employment of the Group for a period of at least twelve (12) months (or in the case of any Group Executive Director, such shorter period as the Committee may determine); and

(b) Non-executive Directors,

shall be eligible to participate in the Plan at the absolute discretion of the Committee.

4.2 Controlling Shareholders and their Associates who satisfy the criteria set out in Paragraph 4.1 above shall be eligible to participate in the Plan provided that:

- (a) their participation; and
- (b) the actual or maximum number of Shares and terms of any Awards to be granted to them,

have been approved by independent shareholders of the Company at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual or maximum number of Shares and terms of any Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent shareholders of the Company for the participation in the Plan of a Controlling Shareholder or his Associate who is, at the relevant time, already a Participant.

5. GRANT OF AWARDS

5.1 Subject as provided in Rule 8, the Committee may grant Awards to Group Executives and Non-executive Directors as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.

5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance and potential for future development, his contribution to the success and development of the Group and the extent of effort with which the Performance Condition may be achieved within the Performance Period.

5.3 The Committee shall decide in relation to an Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the Performance Period;
- (d) the number of Shares which are the subject of the Award;
- (e) the Performance Condition;
- (f) the Release Schedule; and
- (g) any other condition which the Committee may determine in relation to that Award.

5.4 The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award:

- (a) in the event of a take-over offer being made for the Shares or if under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or

- (b) if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition and/or Release Schedule should be waived,and shall notify the Participants of such change or waiver.

5.5 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Award Date;
- (b) the Performance Period;
- (c) the number of Shares which are the subject of the Award;
- (d) the Performance Condition;
- (e) the Release Schedule; and
- (f) any other condition which the Committee may determine in relation to that Award.

5.6 Participants are not required to pay for the grant of Awards.

5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) subject to Rule 6.2(b), upon the Participant ceasing to be in the employment of the Group for any reason whatsoever; or
- (c) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

6.2 In any of the following events, namely:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (b) where the Participant ceases to be in the employment of the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;
 - (vi) (where applicable) his transfer of employment between companies within the Group;
 - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
 - (viii) any other event approved by the Committee;
- (c) the death of a Participant; or
- (d) any other event approved by the Committee,

the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act; or
- (c) an order being made or a resolution being passed for the winding-up of the Company (other than as provided in Rule 6.1(c) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

7. RELEASE OF AWARDS

7.1 Review of Performance Condition

7.1.1 As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be a Group Executive or a Non-executive Director from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Executive or a Non-executive Director from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

7.1.2 Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1.1 and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.

7.1.3 Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the Singapore Exchange for permission to deal in and for quotation of such Shares.

7.2 Release of Award

Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

7.3 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Memorandum and Articles of Association of the Company; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

For the purposes of this Rule 7.3, "Record Date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

7.4 Moratorium

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

8. LIMITATION ON THE SIZE OF THE PLAN

- 8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen (15) per cent. of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day preceding that date.
- 8.2 The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan to Participants who are Controlling Shareholders and their Associates shall not exceed twenty-five (25) per cent. of the Shares available under the Plan.
- 8.3 The number of Shares which may be issued or transferred pursuant to Awards under the Plan to each Participant who is a Controlling Shareholder or his Associate shall not exceed ten (10) per cent. of the Shares available under the Plan.
- 8.4 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. ADJUSTMENT EVENTS

9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a shareholder of the Company does not receive.

9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Singapore Exchange during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

10. ADMINISTRATION OF THE PLAN

10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the board of directors of the Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.

10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.

- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the Plan; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

11. NOTICES AND COMMUNICATIONS

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

12. MODIFICATIONS TO THE PLAN

- 12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:
- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
 - (b) the definitions of "Associated Company", "Group Executive", "Group Executive Director", "Non-executive Director", "Participant", "Performance Period" and "Release Schedule" and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and

- (c) no modification or alteration shall be made without the prior approval of the Singapore Exchange and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the Singapore Exchange) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the Singapore Exchange).
- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. DURATION OF THE PLAN

- 14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 14.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.
- 14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. COSTS AND EXPENSES OF THE PLAN

- 16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.
- 16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the Singapore Exchange in accordance with Rule 7.1.3.

18. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

- (a) the names of the members of the Committee administering the Plan;
- (b) in respect of the following Participants of the Plan:
- (i) directors of the Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent five (5) per cent. or more of the aggregate of the total number of Shares available under the Plan,

the following information:

- (aa) the name of the Participant;
 - (bb) the number of new Shares issued and the number of existing Shares transferred to such Participant during the financial year under review; and
- (c) in relation to the Plan, the following particulars:
- (i) the aggregate number of Shares comprised in Awards granted under the Plan since the commencement of the Plan to the end of the financial year under review;

- (ii) the aggregate number of Shares comprised in Awards which have Vested under the Plan during the financial year under review and in respect thereof, the proportion of:
 - (1) new Shares issued; and
 - (2) existing Shares transferred and where existing Shares were purchased for delivery, the range of prices at which such Shares were purchased, upon the Release of the Vested Awards granted under the Plan; and
- (iii) the aggregate number of Shares comprised in Awards granted under the Plan which have not been Released, as at the end of the financial year under review.

19. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

20. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

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APPENDIX VI – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply and subscribe for 168,000,000 New Shares at the Invitation Price for each New Share subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 NEW SHARES AND INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**
2. Your application for Offer Shares may be made by way of **WHITE** Offer Shares Application Forms or by way of Electronic Applications through ATMs of the Participating Banks (“ATM Electronic Applications”) or through Internet Banking (“IB”) websites of the relevant Participating Banks (“Internet Electronic Applications”, which together with ATM Electronic Applications, shall be referred to as “Electronic Applications”). Your application for the Placement Shares may only be made by way of printed **BLUE** Placement Shares Application Forms or other such forms of application the Issue Manager, the Joint Underwriters or the Joint Placement Agents deem appropriate. **YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE SHARES.**
3. **You are allowed to submit only one application in your own name for the Offer Shares or the Placement Shares. If you submit an application for Offer Shares by way of an Application Form, you MAY NOT submit another application for Offer Shares by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, except in the case of applications by approved nominees companies, where each application is made on behalf of a different beneficiary.**

If you submit an application for Offer Shares by way of an ATM Electronic Application, you MAY NOT submit another application for Offer Shares by way of an Internet Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company.

If you, being other than an approved nominee company, have submitted an application for Offer Shares in your own name, you should not submit any other application for Offer Shares, whether by way of an Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company.

You are allowed to submit only one application in your own name for the Placement Shares. Any separate application by you for the Placement Shares are be deemed to be multiple applications and the Company has the discretion whether to accept or reject such multiple applications.

If you, being other than an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company.

If you have made an application for Placement Shares, and you have also made a separate application for Offer Shares, either by way of an Application Form or through an Electronic Application, the Company shall have the discretion to either (i) reject both of such separate application or (ii) accept any one (but not the other) out of such separate applications.

Conversely, if you have made an application for Offer Shares either by way of an Application Form or through an Electronic Application, and you have also made a separate application for Placement Shares, the Company shall have the discretion to either (i) reject both of such separate application or (ii) accept any one (but not the other) out of such separate applications.

Joint applications shall be rejected. Multiple applications for New Shares shall be liable to be rejected at the discretion of our Company. If you submit or procure submissions of multiple share applications for Offer Shares, Placement Shares or both Offer Shares and Placement Shares, you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be rejected at the discretion of our Company.

4. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole-proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the SFA with CDP in the name of the deceased at the time of the application.
5. We will not recognise the existence of a trust. An application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 6 below.
6. **WE WILL ONLY ACCEPT APPLICATIONS FROM APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.
7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality and permanent residence status provided in your Application Form or in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.
8. **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**

9. **Our Company reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Prospectus or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Prospectus or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance.**

Our Company further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Prospectus and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

10. Our Company reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment which shall be at our discretion, due consideration will be given to the desirability of allotting the New Shares to a reasonable number of Applicants with a view to establishing an adequate market for the Shares.
11. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Invitation, a statement of account stating that your Securities Account has been credited with the number of New Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounee, any instrument of transfer and/or other documents required for the issue or transfer of the New Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.
12. In the event that a supplementary or replacement prospectus is lodged with the Authority, the Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement prospectus.

Where prior to the lodgment of the supplementary or replacement prospectus, applications have been made under this Prospectus to subscribe for the New Shares and:

- (a) where the New Shares have not been issued to the applicants, our Company shall, either:
- (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgment of the supplementary or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to the applicants if they have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement prospectus;

- (ii) within seven days from the date of lodgment of the supplementary or replacement prospectus, provide the applicants the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) treat the applications as withdrawn or cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and shall, within seven days from the date of lodgment of the supplementary or replacement prospectus, return all monies paid in respect of any application (without interest or any share of revenue or other benefit arising therefrom) at the applicant's own risk and the applicant will not have any claim whatsoever against us, our Directors, the Issue Manager, the Joint Underwriters and the Joint Placement Agents; or
- (b) where the New Shares have been issued to the applicants, our Company shall, either:
 - (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgment of the supplementary or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to return the New Shares which they do not wish to retain title in and take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to the applicants if they have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement prospectus;
 - (ii) within seven days from the date of lodgment of the supplementary or replacement prospectus, provide the applicants the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to return the New Shares which they do not wish to retain title in; or
 - (iii) treat the issue of the New Shares as void, in which case the issue shall be deemed void and shall within seven days from the date of lodgment of the supplementary or replacement prospectus, return all monies paid in respect of any application, without interest or a share of revenue or benefit arising therefrom at the applicant's own risk and the applicant will not have any claims whatsoever against us, our Directors, the Issue Manager, the Joint Underwriters and the Joint Placement Agents.

An applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within 14 days from the date of lodgment of the supplementary or replacement prospectus, notify our Company of this, whereupon our Company shall, within seven days from the receipt of such notification, return to him all monies paid by him on account of his application for those New Shares without interest or a share of revenue or benefit arising therefrom and at his own risk and the applicant shall not have any claims whatsoever against us, our Directors, the Issue Manager, the Joint Underwriters and the Joint Placement Agents.

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the New Shares issued to him shall, within 14 days from the date of lodgment of the supplementary or replacement prospectus, notify our Company of this and return all documents, if any, purporting to be evidence of title to those New Shares, to our Company, whereupon our Company shall, within seven days from the receipt of such notification and documents, if any, return to him all monies paid by him on account of his application for those New Shares without interest or a share of revenue or benefit arising therefrom and at his own risk and the applicant shall not have any claims whatsoever against us, our Directors, the Issue Manager, the Joint Underwriters and the Joint Placement Agents, and the issue of those New Shares shall be deemed to be void.

Additional terms and instructions applicable upon the lodgment of the supplementary or replacement prospectus, including instructions on how you can exercise the option to withdraw your application or return the New Shares allotted to you, may be found in such supplementary or replacement prospectus.

- 13 In the event of an under-subscription for Offer Shares as at the close of the Invitation, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for Placement Shares to the extent that there is an over-subscription for Placement Shares as at the close of the Invitation.

In the event of an over-subscription for Offer Shares as at the close of the Invitation and/or the Placement Shares are fully subscribed or over-subscribed as at the close of the Invitation, the successful applications for Offer Shares will be determined by ballot or otherwise as determined by our Company, after consultation with the Issue Manager, the Joint Underwriters and the Joint Placement Agents, and approved by the SGX-ST, if required.

The New Shares may be re-allocated between the Offer and Placement tranches, at the discretion of the Issue Manager, the Joint Underwriters and the Joint Placement Agents, in the event of an excess of applications in one and a deficit of applications in the other.

In all the above instances, the basis of allotment of the New Shares as may be decided by our Directors in ensuring a reasonable spread of shareholders of our Company, shall be made public, as soon as practicable, through a SGXNET announcement to be posted on the internet at the SGX-ST's website at <http://www.sgx.com> and by advertisement in a local English newspaper.

14. You consent to the disclosure of you name, NRIC/passport number, address, nationality, permanent resident status, Securities Account number, CPF Investment Account number (if applicable) and share application amount from your account with the relevant Participating Bank to the Registrar for the Invitation and Singapore Share Transfer Agent, SCCS, SGX-ST, CDP, our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents. You irrevocably authorise CDP to disclose the outcome of your application, including the number of New Shares allotted to you pursuant to your application, to us, the Issue Manager, the Joint Underwriters, the Joint Placement Agents and any other parties so authorised by the forgoing persons. CDP shall not be liable for any delays, failures or inaccuracies in the recording, storage or transmission or delivery of data relating to Electronic Applications.
15. Any reference to "you" or the "Applicant" in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Offer Shares by way of an Application Form or by way of an Electronic Application and a person applying for the Placement Shares through the Joint Placement Agents.
16. By completing and delivering an Application Form or by making and completing an Electronic Application by (in the case of an ATM Electronic Application) pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application) clicking "Submit" or "Continue" or "Yes" or "Confirm" or any other relevant button on the IB website screen (as the case may be) in accordance with the provisions of this Prospectus, you:
- (a) irrevocably agree and undertake to subscribe for the number of New Shares specified in your application (or such smaller number for which the application is accepted) at the Invitation Price and agree that you will accept such New Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Prospectus and the Memorandum and Articles of Association of our Company;

- (b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and those set out in the ATMs or IB websites of the Participating Banks, the terms and conditions set out in this Prospectus shall prevail;
 - (c) agree that the aggregate Invitation Price for the New Shares applied for is due and payable to our Company upon application; and
 - (d) warrant the truth and accuracy of the information contained, and representations and declarations made in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot any New Shares to you; and
 - (e) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents will infringe any such laws as a result of the acceptance of your application.
17. Our acceptance of applications will be conditional upon, *inter alia*, our Company being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares and the New Shares on the Official List of the Main Board of SGX-ST;
 - (b) the Management Agreement and the Underwriting and Placement Agreement referred to in the section entitled “Plan of Distribution” of this Prospectus have become unconditional and have not been terminated; and
 - (c) the Authority has not served a Stop Order which directs that no or no further shares to which this Prospectus relates be allotted.
18. Where the Authority issued a Stop Order pursuant to Section 242 of the Securities and Futures Act and applications to subscribe for the New Shares to which this Prospectus relates have been made prior to the Stop Order, and:
- (a) where the New Shares have not been issued to the applicants, the applications shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the New Shares; or
 - (b) where the New Shares have been issued to the applicants, the Securities and Futures Act provides that the issue of the New Shares shall be deemed to be void and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the New Shares.

Such monies paid in respect of your application will be returned to you at your own risk, without interest or any share or revenue or other benefit arising therefrom, and you will not have any claim against us, the Issue Manager, the Joint Underwriters and the Joint Placement Agents.

This shall not apply where only an interim Stop Order has been served.

19. In the event that an interim Stop Order in respect of the New Shares is served by the Authority or other competent authority, no New Shares shall be issued to you until the Authority revokes the interim Stop Order.
20. The Authority is not able to serve a Stop Order in respect of the New Shares if the New Shares have been issued and listed on a securities exchange and trading in them has commenced.
21. In the event of any changes in the closure of the Invitation or the time period during which the Invitation is open, we will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST's website (<http://www.sgx.com>) and through a paid advertisement in a local newspaper.
22. We will not hold any application in reserve.
23. We will not allot shares on the basis of this Prospectus later than six months after the date of registration of this Prospectus.
24. Additional terms and conditions for applications by way of Application Forms are set out in the section entitled "Additional Terms and Conditions for Applications using Application Forms" of this Appendix VI.
25. Additional terms and conditions for applications by way of Electronic Applications are set out in the section entitled "Additional Terms and Conditions for Electronic Applications" of this Appendix VI.
26. CDP shall not be liable for any delays, failures or inaccuracies in the recording storage or in the transmission or delivery of data recovering to Electronic Applications.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Prospectus including but not limited to the terms and conditions appearing below as well as those set out under the section entitled "TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE" of this Prospectus, as well as the Memorandum and Articles of Association of our Company.

1. Your application must be made using the **WHITE** Application Forms and **WHITE** official envelopes "A" and "B" for Offer Shares or the **BLUE** Application Forms for Placement Shares or such other forms of application as the Issue Manager, the Joint Underwriters and the Joint Placement Agents deem appropriate accompanying and forming part of this Prospectus. We draw your attention to the detailed instructions contained in the respective Application Forms and this Prospectus for the completion of the Application Forms which must be carefully followed. **Our Company reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or to the terms and conditions of this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittance.**
2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms except those under the heading "FOR OFFICIAL USE ONLY" must be completed and the words "NOT APPLICABLE" or "N.A." should be written in any space that is not applicable.

4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full names as it appears in your identity cards (if you have such an identification document) or in your passports and, in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with our Company's Share Registrar. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.
5.
 - (a) You must complete Sections A and B and sign page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Forms with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporation.
7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of New Shares applied for, in the form of a BANKER'S DRAFT or CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of "**SOILBUILD SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", and with your name and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED. We will reject remittances bearing "NOT TRANSFERABLE" or "NON TRANSFERABLE" crossings. No acknowledgement or receipt will be issued by our Company, the Issue Manager, the Joint Underwriters or the Joint Placement Agents for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days after the close of the Invitation. In the event that the Invitation is cancelled by us following the termination of the Management Agreement and/or the Underwriting and Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or

other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 14 days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a Stop Order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 14 days from the date of the Stop Order.

9. Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.
10. By completing and delivering the Application Form, you agree that:
 - (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Invitation at **12.00 noon on 22 May 2013** or such other time or date as our Company may, in consultation with the Issuer Manager, the Joint Underwriters and the Joint Placement Agents, decide and by completing and delivering the Application Form:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (b) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (c) in respect of the New Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
 - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (e) in making your application, reliance is placed solely on the information contained in this Prospectus and that none of our Company, the Issue Manager, the Joint Underwriters, the Joint Placement Agents or any other person involved in the Invitation shall have any liability for any information not so contained;
 - (f) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, Securities Account number, and share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Issue Manager, the Joint Underwriters, the Joint Placement Agents or other authorised operators; and
 - (g) you irrevocably agree and undertake to subscribe for the number of New Shares applied for as stated in the Application Form or any smaller number of such New Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot a smaller number of New Shares or not to allot any New Shares to you, you agree to accept such decision as final.

Applications for Offer Shares

1. Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Forms and **WHITE** official envelopes "A" and "B". **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. You must:
 - (a) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Prospectus in the **WHITE** envelope "A" provided;
 - (b) in the appropriate spaces on **WHITE** envelope "A":
 - (i) write your name and address;
 - (ii) state the number of Offer Shares applied for;
 - (iii) tick the relevant box to indicate the form of payment; and
 - (iv) affix adequate Singapore postage;
 - (c) SEAL **WHITE** ENVELOPE "A";
 - (d) write, in the special box provided on the larger **WHITE** envelope "B" addressed to **SOILBUILD CONSTRUCTION GROUP LTD. C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES, 80 ROBINSON ROAD #02-00, SINGAPORE 068898**, the number of Offer Shares you have applied for; and
 - (e) insert **WHITE** envelope "A" into **WHITE** envelope "B", seal **WHITE** envelope "B" and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND at your own risk to SOILBUILD CONSTRUCTION GROUP LTD. c/o TRICOR BARBINDER SHARE REGISTRATION SERVICES, 80 ROBINSON ROAD #02-00, SINGAPORE 068898**, to arrive by **12.00 noon on 22 May 2013 or such other time as our Company may, in consultation with the Issue Manager, the Joint Underwriters and the Joint Placement Agents, in their absolute discretion, decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.
4. **ONLY ONE APPLICATION** should be enclosed in each envelop. No acknowledgement of receipt will be issued for any application or remittance received.

Applications for Placement Shares

1. Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Forms or other such forms of application of the Issue Manager, the Joint Underwriters and the Joint Placement Agents deem appropriate. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed **BLUE** Placement Shares Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Prospectus) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. The sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to SOILBUILD CONSTRUCTION GROUP LTD. c/o TRICOR BARBINDER SHARE REGISTRATION SERVICES, 80 ROBINSON ROAD #02-00, SINGAPORE 068898**, to arrive by **12.00 noon on 22 May 2013 or such other time as our Company may, in consultation with the Issue Manager, the Joint Underwriters and the Joint Placement Agents, in their absolute discretion, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications) and the IB website screens (in the case of Internet Electronic Applications) of the relevant Participating Banks. Currently, UOB Group, OCBC and DBS, are the only Participating Banks through which Internet Electronic Applications can be made. For illustration purposes, the procedures for Electronic Applications through ATMs and the IB website of UOB are set out respectively in the sections entitled “Steps for Electronic Applications through ATMs of UOB” and the “Steps for Internet Electronic Applications through the IB website of UOB” (collectively, the “Steps”) in this Appendix VI. The Steps set out the actions that you must take at an ATM or the IB website of UOB to complete an Electronic Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to “you” or the “applicant” in this section “Additional Terms and Conditions for Electronic Applications” and the Steps shall refer to you making an application for Offer Shares through an ATM or the IB website of a relevant Participating Bank.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs. An ATM card issued by one Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application, you must have an existing bank account with and an IB User Identification (“User ID”) and a Personal Identification Number/Password (“PIN”) given by the relevant Participating Bank. The Steps set out the actions that you must take at ATMs or the IB website of UOB to complete an Electronic Application. The actions that you must take at ATMs or the IB websites of other Participating Banks are set out on the ATM screens or the IB website screens of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip (“Transaction Record”), confirming the details of your Electronic Application. Upon completion of your Internet Electronic Application through the IB website of UOB Group, there will be an

on-screen confirmation (“Confirmation Screen”) of the application which can be printed for your record. The Transaction Record or your printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or if you do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.

You must ensure, when making an Internet Electronic Application, that your mailing address for the account selected for the application is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise your application is liable to be rejected.

You shall make an Electronic Application in accordance with and subject to the terms and conditions of this Prospectus including but not limited to the terms and conditions appearing below and those set out under the section entitled “TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE” of this Prospectus as well as the Memorandum and Articles of Association of our Company.

1. In connection with your Electronic Application for Offer Shares, you are required to confirm statements to the following effect in the course of activating your Electronic Application:
 - (a) that you have received a copy of this Prospectus (in the case of an ATM Electronic Application only) and have read, understood and agreed to all the terms and conditions of application for Offer Shares and this Prospectus prior to effecting the Electronic Application and agree to be bound by the same;**
 - (b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent residence status, share application amount, CPF Investment Account number (if applicable) and Securities Account number and application details (the “Relevant Particulars”) with the relevant Participating Bank to CDP, CPF, SCCS, SGX-ST, Share Registrar, our Company, the Issue Manager, the Joint Underwriters, the Joint Placement Agents or other authorised operators (the “Relevant Parties”); and**
 - (c) that this is your only application for Offer Shares and it is made in your own name and at your own risk.**

Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM or on the IB website unless you press the “Enter” or “Confirm” or “Yes” or “OK” or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement 1(b) above, such confirmation, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by the relevant Participating Bank of the Relevant Particulars to the Relevant Parties.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS THE BENEFICIAL OWNER.**

YOU SHOULD MAKE ONLY ONE ELECTRONIC APPLICATION FOR OFFER SHARES AND SHOULD NOT MAKE ANY OTHER APPLICATION FOR OFFER OR PLACEMENT SHARES, WHETHER AT THE ATMS OR THE IB WEBSITES (IF ANY) OF ANY PARTICIPATING BANK OR ON THE APPLICATION FORMS. IF YOU HAVE MADE AN APPLICATION FOR OFFER OR PLACEMENT SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR OFFER SHARES AND VICE VERSA.

3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed or accepted. **Any Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATM or the IB website of the relevant Participating Bank through which your Electronic Application is being made shall be rejected.**

You may make an ATM Electronic Application at the ATM of any Participating Bank or an Internet Electronic Application at the IB website of the relevant Participating Bank for the Offer Shares using only cash by authorising such Participating Bank to deduct the full amount payable from your account with such Participating Bank.

4. You irrevocably agree and undertake to subscribe for and to accept the number of Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of Offer Shares that may be allotted to you in respect of your Electronic Application. In the event that our Company decide to allot any lesser number of such Offer Shares or not to allot any Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the "Enter" or "Confirm" or "Yes" or "OK" or any other relevant key on the ATM or clicking "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the IB website screen) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allotted to you and your agreement to be bound by the Memorandum and Articles of Association of our Company.
5. **We will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 24 hours of balloting of the applications provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated Share issue account.

Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 14 days after the close of the Invitation provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated Share issue account.

Responsibility for timely refund of application monies from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any monies to you from unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Shares allotted to you before trading the Offer Shares on the SGX-ST. To find out if you have been allotted Shares for the Invitation, you may login to the SGX-ST website at www.sgx.com using your Internet PIN to check your share balances. Alternatively, you may call the CDP at 6535 7511 using your Telephone PIN. To sign up for both services, applicants may download the forms from the SGX-ST website or contact CDP's customer service officers for a copy. Neither the SGX-ST, CDP, the SCCS, the Participating Banks, our Company, the Issue Manager nor the Joint Underwriters and the Joint Placement Agents assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

6. If your Electronic Application is unsuccessful, no notification will be sent by the Participating Banks.

If you make Electronic Applications through the ATMs of the following Participating Banks, you may check the results of your Electronic Applications as follows:

Bank	Telephone	Available at ATM	Operating hours	Service expected from
UOB Group	1800 222 2121	ATM (Other Transactions – “IPO Results Enquiry”)/Phone Banking/Internet Banking ⁽¹⁾ http://www.uobgroup.com ⁽¹⁾	24 hours a day	Evening of the balloting day
OCBC	1800 363 3333	ATM/Phone Banking/Internet Banking ⁽²⁾ http://www.ocbc.com ⁽²⁾⁽³⁾	24 hours a day	Evening of the balloting day
DBS	1800 339 6666 (for POSB Account holders) 1800 111 1111 (for DBS Account holders)	Internet Banking http://www.dbs.com ⁽³⁾	24 hours a day	Evening of the balloting day

Notes:

- (1) If you make your Electronic Applications through the ATMs or IB website of UOB, you may check the results of your application through UOB Personal Internet Banking, UOB Group ATMs or UOB Phone Banking Services.
- (2) If you make your Electronic Applications through the ATMs or IB website of OCBC, you may check the results of your application through OCBC Personal Internet Banking, OCBC's ATMs or OCBC Phone Banking Services.
- (3) If you make your Internet Electronic Application through the IB website of OCBC, you may check the result of your application through the same channels listed in the table above in relation to ATM Electronic Application made at ATMs of OCBC. If you make your Electronic Application through the ATMs, IB website or mBanking interface of DBS, you may check the results of your application through the DBS channels listed in the table above.

7. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks, our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents and if, in any such event, our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents and/or the relevant Participating Bank do not receive your Electronic Application, or data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents and/or the relevant Participating Bank for Offer Shares applied for or for any compensation, loss or damage.
8. Electronic Applications shall close at **12.00 noon on 22 May 2013** or such other time as our Company may, in consultation with UOB and OCBC, decide. Subject to the paragraph above, an Internet Electronic Application is deemed to be received only upon its completion, that is, when there is an on-screen confirmation of the application.
9. You are deemed to have irrevocably requested and authorised our Company to:
 - (a) register the Offer Shares allotted to you in the name of CDP for deposit into your Securities Account;
 - (b) send the relevant Share certificate(s) to CDP;
 - (c) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours of the balloting of applications; and
 - (d) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within 14 days after the close of the Invitation.
10. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. Our Company will reject any application by any person acting as nominee except those made by approved nominee companies only.
11. All your particulars in the records of your relevant Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after the time of the making of your Electronic Application, you shall promptly notify your relevant Participating Bank.
12. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.

13. By making and completing an Electronic Application, you are deemed to have agreed that:
- (a) in consideration of our Company making available the Electronic Application facility, through the Participating Banks as the agents of our Company, at the ATMs and IB websites (if any):
 - (i) your Electronic Application is irrevocable; and
 - (ii) your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (b) neither our Company, the Issue Manager, the Joint Underwriters and the Joint Placement Agents, nor the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to our Company or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 7 above or to any cause beyond our respective controls;
 - (c) in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company;
 - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application; and
 - (e) in making your application, reliance is placed solely on the information contained in this Prospectus and that none of our Company, the Issue Manager, the Joint Underwriters, the Joint Placement Agents or any other person involved in the Invitation shall have any liability for any information not so contained.

Steps for Electronic Applications through ATMs and the IB website of UOB

The instructions for Electronic Applications will appear on the ATM screens and the IB website screens of the respective Participating Banks. For illustrative purposes, the steps for making an Electronic Application through UOB's ATMs or through the IB website of UOB are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens (if any) of the relevant Participating Banks (other than UOB Group) may differ from that represented below.

Owing to space constraints on UOB's ATM screens, the following terms will appear in abbreviated form:

"&"	:	and
"A/C" and "A/CS"	:	ACCOUNT AND ACCOUNTS, respectively
"ADDR"	:	ADDRESS
"AMT"	:	AMOUNT
"APPLN"	:	APPLICATION
"CDP"	:	THE CENTRAL DEPOSITORY (PTE) LIMITED
"CPF"	:	CENTRAL PROVIDENT FUND BOARD
"CPFINVT A/C"	:	CPF INVESTMENT ACCOUNT
"ESA"	:	ELECTRONIC SHARE APPLICATION
"IC/PSSPT"	:	NRIC or PASSPORT NUMBER
"NO" or "NO."	:	NUMBER
"PERSONAL NO"	:	PERSONAL IDENTIFICATION NUMBER
"REGISTRARS"	:	SHARE REGISTRARS
"SCCS"	:	SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD
"TRANS"	:	TRANSACTIONS
"YR"	:	YOUR

Steps for an ATM Electronic Application through ATMs of UOB

- Step 1: Insert your personal Unicard, Uniplus card or UOB VISA/MASTER card and key in your personal identification number.
- 2: Select "CASHCARD/OTHER TRANS".
- 3: Select "SECURITIES APPLICATION".
- 4: Select the share counter which you wish to apply for.
- 5: Read and understand the following statements which will appear on the screen:

- THIS OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENTS. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT
(Customer to press “ENTER” to continue)
 - PLEASE CALL 1800-22-22-121 IF YOU WOULD LIKE TO FIND OUT WHERE YOU CAN OBTAIN A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT
 - WHERE APPLICABLE, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT
(Customer to press “ENTER” key to confirm that you have read and understood the above statements)
- 6: Read and understand the following terms which will appear on the screen:
- YOU HAVE READ, UNDERSTOOD & AGREED TO ALL TERMS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/ SUPPLEMENTARY DOCUMENT AND THIS ELECTRONIC APPLICATION
 - YOU CONSENT TO DISCLOSE YOUR NAME, IC/PASSPORT NUMBER, NATIONALITY, ADDRESS, APPLICATION AMOUNT, CPF INVESTMENT ACCOUNT NUMBER & CDP ACCOUNT NUMBER FROM YOUR ACCOUNTS TO CDP, CPF, SCCS, SHARE REGISTRARS, SGX-ST & ISSUER/VENDOR(S)
 - THIS IS YOUR ONLY FIXED PRICE APPLICATION & IS IN YOUR NAME & AT YOUR RISK
(Customer to press “ENTER” to continue)
- 7: Screen will display:
- NRIC/Passport No. XXXXXXXXXXXXX**
- IF YOUR NRIC NO/PASSPORT NO IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.
(Customer to press “CANCEL” or “CONFIRM”)**
- 8: Select mode of payment i.e. “CASH ONLY”. You will be prompted to select Cash Account type to debit (i.e., “CURRENT ACCOUNT/I-ACCOUNT”, “CAMPUS” OR “SAVINGS ACCOUNT/TX ACCOUNT”). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select
- 9: After you have selected the account, your Securities Account number will be displayed for you to confirm or change (This screen with your Securities Account number will be shown if your Securities Account number is already stored in the ATM system of UOB). If this is the first time you are using UOB’s ATM to apply for Shares, your Securities Account number will not be stored in the ATM system of UOB, and the following screen will be displayed for your input of your Securities Account number

- 10: Read and understand the following terms which will appear on the screen:
1. **YOU ARE REQUIRED TO ENTER YOUR CDP ACCOUNT NUMBER FOR YOUR FIRST IPO/SECURITIES APPLICATION. THIS ACCOUNT NUMBER WOULD BE DISPLAYED FOR FUTURE APPLICATIONS.**
 2. **DO NOT APPLY FOR JOINT ACCOUNT HOLDER OR OTHER THIRD PARTIES.**
 3. **PLEASE ENTER YOUR OWN CDP ACCOUNT NUMBER (12-DIGITS) & PRESS ENTER.**
 4. **IF YOU WISH TO TERMINATE THE TRANSACTION, PLEASE PRESS CANCEL.**
- 11: Key in your Securities Account number (12 digits) and press the "ENTER" key
- 12: Select your nationality status
- 13: Key in the number of Securities you wish to apply for and press the "ENTER" key
- 14: Check the details of your Electronic Application on the screen and press "ENTER" key to confirm your Electronic Application
- 15: Select "NO" if you do not wish to make any further transactions and remove the Transaction Record. You should keep the Transaction Record for your own reference only

Steps for an Internet Electronic Application through the Internet Banking website of UOB

Owing to space constraints on UOB's IB website screens, the following terms will appear in abbreviated form:

- "CDP" : The Central Depository (Pte) Limited
- "CPF" : The Central Provident Fund
- "PR" : Permanent Resident
- "SGD" or "\$" : Singapore Dollars
- "SCCS" : Securities Clearing & Computer Services (Pte) Ltd
- "SGX" : Singapore Exchange Securities Trading Limited
- Step 1 : Connect to UOB's website at <http://www.uobgroup.com>
- 2 : Locate the UOB Online Services Login icon on the top right hand side next to "Internet Banking"
- 3 : Click on UOB Online Services Login and at drop list select "UOB Personal Internet Banking"
- 4 : Enter your Username and Password and click "Submit"
- 5 : Click on "Proceed" under the Full Access Mode
- 6 : You will receive a SMS One-Time Password. Enter the SMS One-Time Password and click "Proceed"
- 7 : Click on "EPS/Securities/CPFIS", follow by "Securities", follow by "Securities Application"
- 8 : Read the IMPORTANT notice and complete the declarations found on the bottom of the page by answering Yes/No to the questions
- 9 : Click "Continue"
- 10 : Select your country of residence (you must be residing in Singapore to apply), and click "Continue"
- 11 : Select the "Securities Counter" from the drop list (if there are concurrent IPOs) and click "Submit"
- 12 : Check the "Securities Counter", select the mode of payment and account number to debit and click on "Submit"
- 13 : Read the important instructions and click on "Continue" to confirm that:–
- 1. You have read, understood and agreed to all the terms of this application and Prospectus/Document or Supplementary Document.**

2. You consent to disclose your name, I/C or passport number, address, nationality, Securities Account number, CPF Investment Account number (if applicable), and application details to the securities registrars, SGX, SCCS, CDP, CPF Board and issuer/vendor(s).
3. This application is made in your own name, for your own account and at your own risk.
4. For FIXED/MAX price securities application, this is your only application. For TENDER price shares application, this is your only application at the selected tender price.
5. For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: The application monies will be debited from your bank account in SGD, based on the Bank's exchange profit or loss, or application monies may be debited and refunds credited in SGD at the same exchange rate.
6. For 1ST-COME-1ST SERVE securities, the number of securities applied for may be reduced, subject to the availability at the point of application.

- 14 : Check your personal details, details of the share counter you wish to apply for and account to debit:–
- Select (a) Nationality;
- Enter (b) your Securities Account Number; and
- (c) the number of shares applied for.
- Click "Submit".
- 15 : Check the details of your application, your NRIC/Passport number, Securities Account Number and the number of shares applied for, share counter, payment mode and account to debit.
- 16 : Click "Confirm", "Edit" or "Home" as applicable.
- 17 : Print the Confirmation Screen (optional) for your own reference and retention only.

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