

SWEE HONG LIMITED
Company Registration No. 198001852R
(Incorporated in the Republic of Singapore)
(the “**Company**”)

ANNOUNCEMENT

PROPOSED SCHEME OF ARRANGEMENT TO FACILITATE RESTRUCTURING PLAN

Reference is made to:

- (1) the Company’s announcement on 11 February 2015 in relation to its application in the High Court of the Republic of Singapore (the “**Court**”), on 10 February 2015, to propose a scheme of arrangement between the Company and certain of its creditors (the “**Scheme**”) for the purposes of implementing and facilitating the Company’s debt restructuring plan (such application, the “**Moratorium Application**”);
- (2) the Company’s announcement on 26 February 2015 in relation to the Court order under section 210(10) of the Companies Act (Cap. 50) (the “**Companies Act**”) pursuant to the Company’s Moratorium Application, which the Company obtained on 25 February 2015, and which restrains for a period of 6 months, further proceedings in any action or proceeding against the Company (the “**Moratorium**”); and
- (3) the Company’s announcement on 21 July 2015 in relation to the Court order obtained on 20 July 2015, extending the Moratorium until 14 September 2015.

The Company wishes to announce that it has, on 5 September 2015, filed an application to the Court (the “**Application**”) to convene a meeting of certain of the Company’s creditors (the “**Creditors’ Meeting**”) in accordance with section 210(1) of the Companies Act, to approve the Scheme. The Company also seeks in its application, a Court Order for the extension of the Moratorium until the date that the Scheme takes effect.

Briefly, the Scheme comprises:

- (1) an initial write-off of a portion of the claims of the creditors;
- (2) two opportunities for creditors to participate in a debt-to-equity conversion, subject to the necessary approvals being obtained: once near the start of the Scheme after all such approvals have been obtained and creditors’ entitlements for the purposes of the Scheme have been determined, and again at the end of the Scheme;
- (3) a series of “reverse dutch auctions” under which creditors may offer for the Company’s acceptance, a discount on their claims, which offers the Company may accept (in whole or in part), based on the amount available for distribution and payment under such reverse dutch auction, and the amount of the discount offered by the creditors. The amount available for distribution and payment under each such reverse dutch auction shall be calculated and determined in accordance with terms specified in the Scheme; and

- (4) following each reverse dutch auction, a *pari passu* payment to creditors on the terms specified in the Scheme.

Through the filing of the Application, the Company is seeking to effect a restructuring of its debt and liabilities in a manner which would maximise the value of the Company and its assets for its creditors and shareholders. The Company believes that there remains a reasonable prospect of rehabilitating the Company and obtaining greater value from its business and assets if it is allowed to carry on as a going concern. In addition, the further extension of the Moratorium will allow the Company to continue its business while taking the necessary steps for the implementation of the Scheme, which includes holding the Creditors' Meeting and applying to the Court for the Scheme to be sanctioned.

The Company will continue to provide updates, including on the result of the Application, as and when necessary. In the meantime, the Board of Directors of the Company would advise shareholders and the investing public to exercise caution before making any decision in respect of their dealings in the Company's shares.

Detailed information on the above matters can be sought from Mr Mohamed Amanullah of Swee Hong Limited at 6590 1540.

BY ORDER OF THE BOARD

Ong Hock Leong
Managing Director
7 September 2015