

GRANT OF EXTENSION OF TIME TO (I) ANNOUNCE THE COMPANY'S FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 ("FY2015 RESULTS"), (II) HOLD THE COMPANY'S ANNUAL GENERAL MEETING, AND (III) APPOINT INDEPENDENT DIRECTORS

1. GRANT OF EXTENSION OF TIME

The Board of Directors of Swee Hong Limited (the "**Company**") refers to the announcement dated 25 August 2015 (the "**Previous Announcement**").

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Previous Announcement.

The Board of Directors of the Company wishes to announce that the Singapore Exchange Securities Trading Limited had on 19 October 2015 granted the Company's application for extension of time for (i) the announcement of the Company's FY2015 Results by 31 October 2015, (ii) convening of the Company's AGM for FY2015 by 31 December 2015, and (iii) the appointment of at least two new Independent Directors by 31 December 2015, subject to the following:

- (a) the Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Listing Rule 107;
- (b) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company;
- (c) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decisions which has yet to be announced of the Company; and
- (d) the Company convening the AGM by 31 December 2015, subject to the approval of the same from the Accounting & Corporate Regulatory Authority.

2. REASONS FOR SEEKING THE EXTENSION OF TIME

2.1 Extension of Time for the Release of FY2015 Results

The Company had sought an extension of time for the release of the FY2015 Results for the following reasons:

- (i) the Company had on 10 February 2015 filed an application to the High Court of the Republic of Singapore (the "**Court**") 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 (the "**Application**"). Following the Application, the Company attended various status review hearings with the Court, as well as convened the Scheme creditors' meeting on 19 October 2015. The Company has been working, and continues to work, in consultation with its key creditors in order to finalise the terms of the Scheme. The Company has therefore been expending great time and effort to procure consensus and approval in relation to the Scheme;

- (ii) prior to the completion of the sale of the Company's foreign workers' dormitory on 16 July 2015, the efforts of the Company's finance team were focused on completing such sale; and
- (iii) the Company was of the view that further work was required to finalise certain items in the FY2015 Results, and there would be more clarity and certainty on the financial position and outlook of the Company upon the finalisation of such items and the Scheme.

2.2 Extension of time for the Convening of the AGM

The Company had sought an extension of time for the convening of the AGM for the following reasons:

- (i) the expending of the Company's time and effort on the Scheme and the disposal of the foreign workers' dormitory resulted in a great drain on the Company's resources and manpower;
- (ii) there was a delay in the commencement by the Company's auditors of their audit work for the financial year ended 2015. The Company's auditors only commenced work after the Company had settled the outstanding fees relating to the audit work for the financial year ended 30 June 2014 to comply with the relevant independence rules; and
- (iii) the foregoing meant that the finalisation of the annual report (which includes the audit report) would be delayed, as the Company would require more time for the issuance of the audit report and delivery of the annual report to the shareholders of the Company before the AGM.

2.3 Extension of time for the appointment of Independent Directors

The Company had sought an extension of time for the appointment of Independent Directors for the following reasons:

- (i) the cessations of the Company's previous three independent directors, on 31 October 2014, 31 October 2014 and 10 November 2014 (the "**Cessations**") occurred in quick succession and the Company was required to allocate its resources to carrying out concurrent searches for replacements to fill three positions following the Cessations. During this period, the Company also experienced turnover in its finance team and resources had to be further re-allocated to fill vacated positions in the Management. Thereafter, in early 2015, the Company's financial situation took a turn for the worst resulting in the Application being made. In having to juggle the search for new independent directors concurrently with the operational needs of the Company's business as well as matters relating to the Application and the Scheme, the Company's resources were stretched which led to further delays in this matter; and
- (ii) since the Cessations, the Company has been actively searching for replacement directors by interviewing several candidates to undertake the roles of independent directors and audit committee members. However, the Company has been unsuccessful to-date in part due to such potential candidates' concerns about the financial position and outlook of the Company. In view of the above, the Company is of the opinion that it would be in a better position to pursue discussions with and attract potential candidates once the Company's financial situation has stabilised and there is more clarity in that respect. In the interim period before suitable independent directors and audit committee members are appointed, the duties and

obligations of the audit committee will be discharged by the Board and the Chief Financial Officer.

By Order of the Board

Ong Hock Leong
Managing Director

20 October 2015