

APPLICATION FOR SUPER PRIORITY UNDER SECTION 211E OF THE COMPANIES ACT (CAP. 50)

The Board of Directors of Swee Hong Limited (the “**Company**”) wishes to notify shareholders that it had on 6 January 2020 made an application to the High Court of the Republic of Singapore for the debt arising from rescue financing to be provided by CIIC Group Pte Ltd (“**CIIC Group**”) to the Company, to be accorded super priority pursuant to Section 211E of the Companies Act (Cap. 50) (the “**Super Priority Application**”).

The Board wishes to announce that the Super Priority Application was heard on 28 January 2020, 6 February 2020 and 7 February 2020, pursuant to which the following orders were made:

- a. Pursuant to Section 211E(1)(c) of the Companies Act (Cap. 50), the debt of up to S\$3,100,000 arising from rescue financing to be provided by CIIC Group to the Company pursuant to the binding term sheet entered into between the Company and CIIC Group dated 24 October 2019 (as amended by the Supplemental Letter dated 6 February 2020 agreed between CIIC Group and the Company), shall be secured by way of a first fixed charge over the unencumbered plant and machinery, and motor vehicle assets owned by the Company;
- b. Pursuant to Section 211E(1)(b) of the Companies Act (Cap. 50), the aggregate debt of S\$2,889,281.17 arising from rescue financing provided by CIIC Group to the Company between the period of 7 August 2019 to 22 January 2020 (both dates inclusive) shall, in the event the Company is wound up, have priority over all the preferential debts specified in section 328(1)(a) to (g) of the Companies Act and all other unsecured debts; and
- c. The Company shall have liberty to apply for such further or other orders or directions as may be necessary.

The rescue financing that has been and will be provided have been or will be applied towards Swee Hong’s working capital for ongoing projects, day to day operations, and payment of professional fees relating to the restructuring exercise.

The Company will make further announcements as appropriate or when there are further material developments. Shareholders, noteholders and potential investors are advised to read this announcement and further announcements by the Company carefully. When in doubt as to the action they should take, stakeholders, noteholders and potential investors and potential investors should consult their financial, tax or other advisors.

By Order of the Board

Tan Swee Gek
Company Secretary

17 February 2020