

SWEE HONG LIMITED
Company Registration Number 198001852R
(Incorporated in Singapore)
(the “**Company**”)

ANNOUNCEMENT

PROPOSED SCHEME OF ARRANGEMENT TO FACILITATE RESTRUCTURING PLAN

The Company wishes to announce that it has, on 10 February 2015, filed an application to the High Court of the Republic of Singapore (“**Court**”) to propose a scheme of arrangement between the Company and certain of its creditors (“**Scheme**”) for the purposes of implementing and facilitating the Company’s debt restructuring plan (such application, the “**Application**”).

Briefly, such debt restructuring plan comprises (a) two opportunities for creditors to participate in a debt-to-equity conversion (subject to the necessary approvals being obtained), once when the scheme of arrangement is sanctioned by the Court, and again at the end of the duration of the sanctioned scheme, (b) a payment to United Overseas Bank Limited, a secured creditor of the Company, and to the Building and Construction Authority of Singapore and ACL Construction (S) Pte Ltd, two of the Company’s unsecured creditors, in each case, out from the net proceeds from the sale of the foreign workers’ dormitory known as “North Coast Lodge” at 300 Admiralty Road West, Singapore 757027 (“**Dormitory**”), (c) a series of “reverse dutch auctions” under which creditors may offer for the Company’s acceptance a discount on their claims, and the Company will set aside a specified sum to pay to the creditor(s) whose discounted offers are accepted (whether in whole or in part), and (d) a *pari passu* payment of creditors who do not participate in, or have not offered the highest discount in their bids under, the “reverse dutch auctions”.

The Company has been in discussions with its creditors on such debt restructuring plan, and will continue to engage its creditors going forward in implementing such plan. The number of demands made on the Company has been increasing, and as such, the filing of the Application is a timely one. This present situation is a cash flow issue caused by, *inter alia*, late collections from completed projects and the delay in obtaining the Temporary Occupation Permit in respect of the Dormitory.

Through the filing of the Application, the Company is seeking to effect a consensual 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. In particular, the Company believes that notwithstanding certain cash flow difficulties at this time, 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 its business in the ordinary course of nature, without the threat and distraction of proceedings and other action which may be taken by its creditors. The filing of the Application is a critical step forward for the Company in achieving this, and the Company wishes to assure all stakeholders that the filing of the Application will not adversely affect the Company’s commitment and ability to perform its work under its current construction projects.

The Company will, in compliance with the Corporate Disclosure Policy of the Listing Manual of the Singapore Exchange Securities Trading Limited, make the relevant disclosures in the event of any material developments, including the result of the Application.

In this connection, the Board of Directors of the Company (“**Board**”) wishes also to announce that it had, on Monday, 9 February 2015, announced a trading halt of the shares of the Company pending the creditors’ meeting to be convened to approve the proposed Scheme and the court hearing for the Scheme to be sanctioned by the Court. The Board would advise the shareholders of the Company and the investing public to trade in the Company’s shares with the requisite caution. Shareholders and the investing public are also advised to exercise caution before making any decision in respect of their dealings in the Company’s shares.

By ORDER OF THE BOARD

Ong Hock Leong
Managing Director
11 February 2015