

GRANT OF EXTENSION OF TIME TO ANNOUNCE THE COMPANY'S FINANCIAL RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014 ("2Q2015")

1. GRANT OF EXTENSION OF TIME

The Board of Directors of Swee Hong Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the announcement dated 13 February 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 now wishes to announce that the Singapore Exchange Trading Limited (the "**SGX-ST**") had on 3 March 2014 granted the Company's application for extension of time with regard to compliance with Listing Rule 705(2) (the "**Time Extension**") of the SGX-ST Listing Manual 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 and the articles of association of 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) disclosure via SGXNET of the Board's opinion on the adequacy of resources within the Company's finance functions and the safeguards put in place to ensure this.

2. REASONS FOR SEEKING THE EXTENSION OF TIME

As stated in the Previous Announcement, the Company had sought for the Time Extension on the grounds that (i) trading in the Company's shares is currently suspended, 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, and (ii) the Company requires more time to prepare and present the 2Q2015 Results as it has been and will have to continue to focus its resources on matters relating to the Scheme and the Application.

The Company, whilst in the midst of its stressed financial situation leading to the application for the Scheme made on 10 February 2015 (the "**Scheme Application**"), was still making every effort and had every intention to meet the financial reporting obligations for 2Q2015.

The Company's finance department had undergone a major upheaval in the months leading up to the 2Q2015 results announcement deadline of 14 February 2014. Resignations by key finance personnel and other junior accounting staff members

had left the Company's finance department extremely lean. This resulted in the remaining finance personnel (including one who had just returned from maternity leave) having to assist with the preparation of the 2Q2015 results announcement while also busy with preparation of information for the Scheme Application.

The Company had on 10 February 2015 engaged on a project basis, an experienced Chartered Accountant of Singapore, who is well versed with listed company financial reporting requirements to assist with the preparation of the 2Q2015 results announcement and to assist to recruit and train key financial staff to further strengthen the financial controls and reporting capability of the Company. This new contractor will be assisted by the Company's existing finance personnel, as well as new finance and accounting employees which the Company will hire, in relation to the preparation of the 2Q2015 results announcement and other finance-related matters.

As this new finance team would need time to familiarise, review and clarify the working and financials of the Company in addition to providing continued assistance to matters relating to the Scheme Application, the Company has made an application to the SGX-ST for the Time Extension.

The Company and the Board of Directors are not aware of any other material information that will have a material bearing on investors' decision which had yet to be announced by the Company.

The Company wishes to emphasise that it will use its best endeavours to ensure that the 2Q2015 results announcement is ready for release to the Shareholders by the requested extension date of 14 April 2015.

3. **BOARD'S OPINION ON THE ADEQUACY OF RESOURCES WITHIN THE COMPANY'S FINANCE FUNCTIONS AND THE SAFEGUARDS PUT IN PLACE TO ENSURE THIS**

As stated above, the Company had on 10 February 2015 engaged on a project basis an experienced Chartered Accountant of Singapore to assist with the preparation of the 2Q2015 results announcement and to assist to recruit and train key financial staff to further strengthen the financial controls and reporting capability of the Company.

The Company has been and will continue to seek to strengthen its finance team and processes with additional headcount as and when necessary by engaging capable new personnel with the required financial and accounting knowledge and experience. The Directors will continue to review regularly the finance functions and processes of the Company to identify areas of weakness and to institute appropriate measures to control and mitigate such areas of weakness.

The Company will also, where necessary and appropriate, seek the advice of qualified external consultants and experts.

Based on the foregoing, the Board of Directors is of the opinion that, with the new experienced Chartered Accountant assisting the Company, the Company's finance functions are now adequate for its current needs and that the safeguards put in place to ensure the adequacy of its finance functions are sufficient.

By Order of the Board

Ong Hock Leong
Managing Director

4 March 2015