

# LEY CHOON GROUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198700318G)

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## ANNOUNCEMENT OF DEBT RESTRUCTURING AGREEMENT FOR PROPOSED DEBT RESTRUCTURING OF LEY CHOON GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

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*Unless otherwise defined herein, all capitalised terms have the same meaning as defined in the Company's announcement dated 8 June 2016 in relation to the Term Sheet for proposed debt restructuring of the Group (the "Announcement").*

Following from the Announcement, the Board is pleased to make the following announcement with regard to the debt restructuring exercise of the Group.

The Group and Eligible Lenders have entered into a DRA encapsulating the key terms of restructuring the debt obligations of the Group as previously set out summarily in the Announcement. The material terms of the DRA include, *inter alia*, as follows:

- (a) Eligible Lenders with existing securities over earnings from the Group's ongoing projects shall release current and future Project Proceeds into the Group's operating bank accounts subject to the terms of the DRA.
- (b) The DRA provides for a mechanism for the repayment of the Project Proceeds, as well as other amounts owed to the Eligible Lenders.
- (c) During the tenor of the DRA, the Group shall repay the principal and interest owing to Eligible Lenders according to a cash sweep mechanism. There will be a bullet repayment for all outstanding amounts due to Eligible Lenders on the final repayment date, being 31 March 2021.
- (d) The Group has granted a security package over the Group's operating bank accounts, fixed assets, and shares in the Company's subsidiaries in favour of the Eligible Lenders whose rights over the security are held and will be exercised through a Security Trustee subject to the terms of, *inter alia*, the DRA.
- (e) The Group shall continue to dispose its non-core assets and utilise the proceeds received to repay the Eligible Lenders with security over such assets subject to the terms of the DRA.
- (f) Interest continues to be payable to the Eligible Lenders until 31 March 2021.

The Board will continue to provide further material updates of the debt restructuring exercise at the appropriate time.

### BY ORDER OF THE BOARD

Toh Choo Huat

Executive Chairman and Chief Executive Officer

26 September 2016