

LEY CHOON GROUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198700318G)

ANNOUNCEMENT OF TERM SHEET FOR PROPOSED DEBT RESTRUCTURING OF LEY CHOON GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

The Board of Directors of Ley Choon Group Holdings Limited (the “**Board**” and the “**Company**” respectively) and its subsidiaries (the “**Group**”) wishes to make the following announcement with regard to its debt restructuring exercise.

On 8 June 2016, the Group and its lenders (“**Eligible Lenders**”) agreed on and signed a term sheet setting out the key terms of restructuring the debt obligations of the Group (the “**Term Sheet**”), which will subsequently be encapsulated in a Debt Restructuring Agreement (“**DRA**”). The material terms of the Term Sheet are, *inter alia*, as follows:

- (a) Eligible Lenders with existing securities over earnings from the Group’s ongoing projects shall release current and future secured project proceeds (the “**Project Proceeds**”) into the Group’s operating bank accounts subject to the terms of the Term Sheet.
- (b) The Term Sheet provides for a mechanism for the repayment of the Project Proceeds, as well as other amounts owed to the Eligible Lenders.
- (c) There will be a bullet repayment for all outstanding amounts due on the maturity date, being 31 March 2021.
- (d) The Group shall grant 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 through a Security Trustee subject to the Term Sheet.
- (e) The Group shall dispose its non-core assets and utilise the proceeds received to repay the Eligible Lenders with security over such assets subject to the Term Sheet.
- (f) A moratorium against, *inter alia*, commencement of legal and enforcement action against the Group, shall apply once the Term Sheet is signed and stay in effect until the signing of the DRA or for a period of 90 days, whichever is earlier and can be extended subject to agreement.
- (g) Interest is payable during the moratorium period to Eligible Lenders subject to the Term Sheet.

The Group is now working with its major lenders with a view to entering into a DRA within 90 days from the date of signing of the Term Sheet.

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

BY ORDER OF THE BOARD

Toh Choo Huat

Executive Chairman and Chief Executive Officer

8 June 2016