

SGX QUERIES REGARDING THE COMPANY'S PROPOSED PLACEMENT OF UP TO 450,000,000 ORDINARY SHARES IN THE CAPITAL OF SWEE HONG LIMITED

The Board of Directors (the "**Board**") of Swee Hong Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce the following in response to queries raised by Singapore Exchange Securities Trading Limited with respect to the Company's proposed placement of up to 450,000,000 ordinary shares in the capital of the Company (the "**Placement**").

SGX Query 1

On 1 August 2019, the Company announced that the Company has on 31 July 2019 entered into a subscription agreement (the "**Subscription Agreement**") with CIIC Group Pte. Ltd. (the "**Subscriber**") pursuant to which the Subscriber has agreed to subscribe for up to 450,000,000 new ordinary shares in the capital of the Company (the "**New Shares**" and each a "**New Share**" at an issue price (the "**Issue Price**") of 0.27 cents per New Share. Please disclose who the beneficial shareholders of CIIC Group Pte. Ltd are.

Company's response

Based on the Business Profile search made on 7 August 2019 with the Accounting and Corporate Regulatory Authority and to the best of the Company's knowledge, the legal and beneficial shareholder of the Subscriber is Mr Tian Yuan.

SGX Query 2

The Company disclosed that no placement agent was appointed in connection with the Placement. Please disclose how the placee was introduced to the Company and identify who the introducer is.

Company's response

The Company announced on 21 May 2019 that it has on 17 May 2019 made an application to the High Court of the Republic of Singapore to commence a Court supervised process to reorganise its liabilities and to seek a moratorium against enforcement actions and legal proceedings by creditors pursuant to Section 211B of the Companies Act ("**Application**"). The Company further announced on 13 June 2019 that on 12 June 2019, the Court granted the Application and ordered, amongst others, a moratorium for a period of six months from the date of the Application. During the moratorium period, the Company is working to put forward a scheme of arrangement to restructure debt owed to its creditors. A key element of the proposed scheme is raising fresh capital through an injection of new monies from a strategic investor. The Company and its independent financial advisor, DHC Capital Pte Ltd, have been canvassing the market to identify potential strategic investors and were introduced to the Subscriber by a business contact.

SGX Query 3

Please disclose the date of incorporation of CIIC Group Pte Ltd and their projects.

Company's response

The date of incorporation of the Subscriber is 18 July 2019. To the best of the Company's knowledge, the Subscriber is not involved in any projects.

SGX Query 4

The Company disclosed that "*The New Shares will be solely for the Subscriber's investment purposes.*" Please elaborate if placee will be appointing any directors to the Board of Directors.

Company's response

As disclosed in the Subscription Agreement, upon completion, the Subscriber shall be entitled to nominate three (3) persons to be appointed as directors of the Company. For the avoidance of doubt, the above entitlement does not place an obligation on the Company to ensure that such persons will remain appointed as directors following Completion and their directorships would be subject to the requirements relating to directors (including without limitation any requirements relating to the retirement and re-election of directors) as set out in the Constitution of the Company, the Companies Act, (Chapter 50), the Listing Manual of the SGX-ST and any other applicable laws. However, if any person nominated by the Subscriber pursuant to this paragraph is unable to act as a director prior to his or her appointment as a director of the Company for any reason, the Subscriber shall be entitled to nominate another person to be appointed as a director of the Company in his or her place.

SGX Query 5

Please disclose if placee will be the single largest shareholder upon completion of the Placement. If not, please elaborate with details on who will be the controlling shareholder of the Company after the Placement.

Company's response

On the assumption that there are no changes in the shareholdings of the Company prior to the completion of the Placement, the Subscriber will not be the single largest shareholder upon completion of the Placement. KH Foges Pte Ltd will remain as the largest shareholder and the controlling shareholder of the Company. Upon completion of the Placement, KH Foges Pte Ltd, which holds a direct interest in 1,485,287,706 ordinary shares of the Company based on its last notification of change in interest to the Company on 22 April 2019, will have an aggregate interest in 40.34% of the Company's enlarged share capital of 3,682,159,507 ordinary shares.

By Order of the Board

Tan Swee Gek
Company Secretary

7 August 2019