

**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF SHARES  
WITH FREE DETACHABLE WARRANTS**

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**1. INTRODUCTION**

1.1 The Directors (the “**Directors**”) of Swee Hong Limited (the “**Company**”) refer to the announcement dated 30 June 2014 released by the Company in connection with the Rights Shares cum Warrants Issue.

1.2 Unless otherwise defined, all capitalised terms shall bear the same meaning ascribed to them in the announcement released by the Company on 30 June 2014.

**2. UNDERTAKING**

2.1 In order to show his support for the Rights Shares cum Warrants Issue and to demonstrate his commitment to the Company and its subsidiaries, Mr. Edward Lee Ewe Ming (“**EL**”), a shareholder of the Company, had on 3 September 2014 given an irrevocable undertaking to the Company (the “**Undertaking**”).

2.2 As at the date of the respective Undertaking, EL has legal and/or beneficial ownership of an aggregate of 21,741,500 Shares (“**EL Shares**”), representing approximately 5.9% of the existing issued and paid-up share capital of the Company (the “**Shares**”).

2.3 Pursuant to his Undertaking, EL had irrevocably undertaken to the Company that, *inter alia*:

- (a) he will not transfer, sell or otherwise dispose of any or all of his interests in the EL Shares;
- (b) in accordance with the terms and conditions of the Rights cum Warrants Issue, he will:-
  - (i) subscribe and pay in full for, or procure the subscription and payment in full of, his *pro rata* entitlement to the Rights Shares with Warrants under the Rights cum Warrants Issue in relation to the EL Shares; and
  - (ii) make and pay for excess applications of Rights Shares with Warrants under the Rights cum Warrants Issue,

such that the aggregate subscription price in respect his subscriptions and excess applications is S\$7 million (the “**Undertaking**”). For the avoidance of doubt and notwithstanding the foregoing, he may, at his absolute discretion, make subscriptions and excess applications for Rights Shares with Warrants whereby the aggregate subscription price exceeds S\$7 million.

- (c) subject to any applicable laws, rules or regulations, he agrees to vote, and/or procure the voting of, all the EL Shares in favour of the resolution to be proposed at an extraordinary general meeting to be convened by the Company to approve the Rights cum Warrants Issue;
- (d) the subscription of the Rights Shares under the Undertaking will not trigger any obligation under Rule 14 of the Singapore Code of Takeovers and Mergers (“**the Code**”) to make a mandatory offer for the remaining shares of the Company not already owned by him and his concert parties, in the event none of the other entitled Shareholders of the Company subscribes for the Rights Shares. If necessary, the Company shall apply for a waiver (the “**Whitewash Waiver**”) from the Securities Industry Council waiving the obligation to make a mandatory general offer (pursuant to the Singapore Code on Takeovers and Mergers) for the remaining shares of the Company not already owned by him and his concert parties following completion, such Whitewash Waiver being obtained on terms (if any) acceptable to him and such Whitewash Waiver shall be obtained prior to the subscription of the Rights Shares under this Undertaking;

- (e) He has sufficient financial resources to fulfil his obligations under the Undertaking;
- (f) He will comply with all approvals and consents as may be required from any governmental or regulatory body or relevant competent authority in connection with the Undertaking; and
- (g) save as disclosed herein, he does not have any interest, direct or indirect, in the Rights cum Warrants Issue.

2.4 The obligations of EL are conditional upon, and subject to:

- (a) the approval in-principle granted by the SGX-ST for the listing of and quotation for, the Rights Shares, the Warrants and the New Shares on the Main Board of the SGX-ST not having been withdrawn or revoked;
- (b) the Company applying for and obtaining a whitewash waiver from the Securities Industry Council (“**SIC**”) for EL to subscribe and/or procure subscription for excess Rights Shares which are not subscribed or otherwise taken up and/or applied for by the other Shareholders, up to an aggregate of S\$7 million, including the shares that are legally and beneficially owned by EL;
- (c) approval of the Rights Shares cum Warrants Issue by the shareholders of the Company having been obtained;
- (d) the lodgement of the offer information statement in respect of the Rights Shares cum Warrants Issue with the Monetary Authority of Singapore;
- (e) the Rights cum Warrants Issue being completed on or before 6 months from the date of the Undertaking;
- (f) there are no legal proceedings or charges (whether civil or criminal) brought by any Singapore authority or governmental agency against the Company, its directors or officers for fraud or dishonesty in respect of the management or operations of the Company;
- (g) there is no suspension of the trading of its shares by the SGX-ST (other than a voluntary request by the Company for a trading halt pending release of any public announcement of not more than three (3) Market days); and
- (h) the consolidated net asset value of the Company and its subsidiaries remaining positive.

2.5 No commission or fee will be payable by the Company to EL in consideration of his Undertakings.

2.6 Save for EL, no other substantial Shareholder has given an irrevocable undertaking to subscribe for the Rights Shares.

**BY ORDER OF THE BOARD**

Ong Hock Leong  
Managing Director  
3 September 2014