

UPDATE ON RESUMPTION OF TRADING OF SHARES

References are made to Swee Hong Limited's (the "**Company**") announcement on 11 February 2015 in relation to the trading halt of the Company's shares from 9 February 2015.

The board of directors ("**Board**") wishes to provide the following updates on the actions taken by the Company towards resuming trading in the shares of the Company (the "**Shares**"):

Scheme of Arrangement

On 10 February 2015, the Company filed an application to the High Court of the Republic of Singapore ("**Court**") to propose a scheme of arrangement ("**Scheme**") between the Company and certain of its creditors ("**Creditors**") for the purposes of implementing and facilitating the Company's debt restructuring plan.

On 6 November 2015, at a meeting of the Company's Creditors (as defined in the Scheme), the requisite majority of each of the two classes of the Company's Creditors approved the Scheme proposed by the Company in accordance with section 210(1) of the Companies Act (Cap 50) (the "**Act**"). The Scheme obtained the approval of (i) a majority of 100% in number and 100% in value from Ong Hock Leong (being the first class of the Company's Creditors), and (ii) a majority of 90% in number and 93.02% in value from the rest of the Company's Creditors (being the second class of the Company's Creditors) present and voting at the meeting.

On 13 November 2015, the Company filed an application to the Court (the "**Application**") for the proposed Scheme to be approved by the Court in accordance with section 210(3) of the Act, so as to be binding on the Company and the Company's Creditors. The Company also sought in the Application, an order that the Scheme take effect in accordance with its terms, upon a copy of the Court order approving the Scheme being lodged with the Registrar of Companies ("**Registrar**").

On 25 November 2015, the Court approved the Scheme and granted the orders in the Application (the "**Order of Court**").

On 2 December 2015, the Company lodged a copy of the Order of Court with the Registrar. As such, the Scheme took effect on and from 2 December 2015.

Under the Scheme, certain cash payments will be made to and new Shares will be issued to the Company's Creditors in full satisfaction and complete extinguishment and discharge of the debts owed to the Company's Creditors. In particular, new Shares will be issued to the Company's Creditors pursuant to two debt-to-equity exercises referred to as the "**Start Conversion**" and the "**End Conversion**".

Proposed Issuance of Subscription Shares and Warrants to KH Foges Pte Ltd

On 14 March 2016, the Company entered into a conditional subscription agreement (the "**Subscription Agreement**") with KH Foges Pte. Ltd. (the "**Subscriber**"). The terms of the Subscription Agreement have been set out in the Company's announcement on 14 March 2016.

On 22 April 2016, the Company and the Subscriber have entered into a supplemental agreement to the Subscription Agreement (the “**Supplemental Agreement**”). The terms of the Supplemental Agreement have been set out in the Company’s announcement on 22 April 2016.

Under the Subscription Agreement, as amended by the Supplemental Agreement, the Company will allot 1,400,000,000 new Shares (the “**Subscription Shares**”) and 500,000,000 unlisted warrants (the “**Warrants**”), each Warrant carrying the right to subscribe for one new Share (the “**Warrant Shares**”), to the Subscriber (the “**Subscriber Issuance**”).

One of the conditions precedent to the Subscription Agreement, as amended by the Supplemental Agreement, is that the Subscriber obtains a whitewash waiver from the Securities Industries Council (“**SIC**”) of the requirement for the Subscriber and its concert parties to make a general offer for the Shares it does not own in connection with the Subscriber Issuance (“**Whitewash Waiver Ruling**”). The Subscriber has informed the Company that it has obtained the Whitewash Waiver Ruling on 28 April 2016.

The Company will be convening an extraordinary general meeting (“**EGM**”) to approve the issuance of Shares pursuant to the Scheme, and the Subscriber Issuance. A circular setting out information on the aforementioned corporate actions (the “**Circular**”) together with a notice of the EGM will be despatched to the shareholders in due course.

The indicative timeline and milestones leading to resumption of trading* are as follows:

Submission of the Circular and additional listing application to the Singapore Exchange Securities Trading Limited (“ SGX-ST ”)	4 May 2016
Approval-in-principle for the listing of the Shares pursuant to the Scheme, the Subscription Shares and the Warrant Shares obtained from the SGX-ST	19 May 2016
Despatch of Circular and the Notice of EGM to the shareholders	25 May 2016
EGM	9 June 2016
Resumption of trading of the Shares	29 June 2016
Issuance of shares pursuant to the Start Conversion under the Scheme to the Company’s Creditors, and issuance of the Subscription Shares and the Warrants to the Subscriber	

*Shareholder should note that the dates above are indicative only and are subject to, *inter alia*, SGX-ST approval. Please refer to future announcement(s) for the exact dates and times of these events.

Barring any unforeseen circumstances, the Board is of the opinion that the Company will be able to operate as a going concern based on the forecasted cash flow of the Company and its subsidiaries (the “**Group**”) prepared by the management of the Company, assuming that (i) approval is obtained for the issuance of Shares pursuant to the Scheme and the Subscriber Issuance at the EGM, (ii) the working capital facility of S\$3,000,000 extended by the Subscriber to the Company will continue to be available for drawdown, and (iii) the Scheme is successfully implemented and the Subscriber Issuance is completed.

The Board confirms that all material disclosures have been provided and will be provided for the trading of the Shares to resume.

The Company will continue to provide updates as and when necessary. In the meantime, the Board would advise shareholders and the investing public to exercise caution before making any decision in respect of their dealings in the Company's shares.

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary
29 April 2016