

**(1) RECEIPT OF APPROVAL IN-PRINCIPLE IN RESPECT OF THE CONVERSION SHARES ISSUE  
AND (2) CONDITIONS UNDER WHICH THE PRICE OF THE CONVERSION SHARES MAY BE  
ADJUSTED AND THE CONDITIONS UNDER WHICH THE BONDS MAY BE REDEEMED**

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*Unless otherwise defined, all terms used herein shall bear the same meaning as in the Company's announcement dated 31 August 2017.*

**1. RECEIPT OF APPROVAL IN-PRINCIPLE**

The Board of Directors ("**Directors**") of Swee Hong Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 31 August 2017 (the "**Announcement**") relating to the proposed issue of up to 466,666,666 new ordinary shares in the capital of the Company (the "**Conversion Shares**") to Targa Solution Pte. Ltd. (the "**Subscriber**") at the conversion price of S\$0.015 for each Conversion Share pursuant to the convertible bonds subscription agreement entered into between the Company, the Guarantors and the Subscriber (the "**Conversion Shares Issue**").

The Board is pleased to announce that the Company has on 27 December 2017, received approval in-principle for the listing and quotation of up to 466,666,666 Conversion Shares in the Company pursuant to the Conversion Shares Issue.

The approval in-principle by the SGX-ST is not to be taken as an indication of the merits of the Conversion Shares Issue, the Bonds, the Conversion Shares, the Company and/or its subsidiaries.

**2. CONDITIONS UNDER WHICH THE PRICE OF THE CONVERSION SHARES MAY BE  
ADJUSTED AND THE CONDITIONS UNDER WHICH THE BONDS MAY BE REDEEMED**

The Conversion Price and the number of Conversion Shares into which the Bonds can be converted shall from time to time be adjusted as provided in the conditions to the Bonds (the "**Conditions**") in all or any of the following cases:

- (i) an issue by the Company of Shares to Shareholders credited as fully paid for which no consideration is payable, by way of capitalisation of profits or reserves (whether of a capital or income nature or not and including any capital redemption reserve fund) to its Shareholders (other than an issue of shares to Shareholders who elect to receive shares in lieu of cash or other dividend);
- (ii) a Capital Distribution (as defined in the Conditions) made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
- (iii) an offer or invitation made by the Company to its Shareholders under which they may acquire or subscribe for Shares by way of rights;
- (iv) an issue for each Share is less than 90% of the average of the weighted average price for trades done on the Company's shares on the SGX-ST for the full market day immediately preceding the date on which the issue price of such Share is determined; and
- (v) an alteration of the value of the Shares by reason of any consolidation, subdivision or conversion of Shares.

The Bonds may be redeemed in the event of the following:

- (i) if the Bonds are not fully converted by the end of the Conversion Period, the Company shall redeem the outstanding Bonds at 100% of the principal value together with all interest accrued and outstanding thereon in accordance with the Conditions of the Bonds; and
- (ii) upon the occurrence of an event of default, the Subscriber may request the Company to redeem all or part of the outstanding Bonds at 100% of the principal value together with all interest accrued and outstanding thereon in accordance with the Conditions of the Bonds.

Further announcements on the Conversion Shares Issue will be made by the Company as and when appropriate

**By Order of the Board**

Tan Swee Gek  
Company Secretary

27 December 2017