

**SWEE HONG LIMITED**  
(Incorporated in the Republic of Singapore)  
Company Registration No. 198001852R

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**PROPOSED PLACEMENT OF SUBSCRIPTION SHARES AND WARRANTS TO KH FOGES PTE. LTD.**

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*The board of directors (“**Directors**” or collectively, the “**Board**”) of Swee Hong Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements dated 25 February 2016, 14 March 2016 and 22 April 2016 (“**Previous Announcements**”). Unless defined otherwise, terms used in this announcement will have the same meanings ascribed to them in the Previous Announcements.*

Further to the Previous Announcements, the Board wishes to announce that the Company and KH Foges Pte. Ltd. (the “**Subscriber**”) have entered into a facility agreement on 2 June 2016 (the “**Facility Agreement**”) to set out the terms and conditions of the Working Capital Facility.

Under the Facility Agreement, the Working Capital Facility is available for drawdown in loan tranches to meet the Company’s working capital requirements for six months after the date of the Facility Agreement. The Company will repay the Working Capital Facility in full on the date falling one year from the date of the Facility Agreement, and the interest payable on each loan tranche shall accrue at 5% per annum. If the Company fails to pay any amount payable by it under the Facility Agreement on its due date, then interest shall accrue at a rate of 10% per annum.

To secure the repayment of the Working Capital Facility, under the Facility Agreement, the Company will assign all unencumbered receivables of the Group to the Subscriber and charge all unencumbered fixed assets of the Group in favour of the Subscriber under separate assignment of receivables and charge over fixed asset agreements.

As at the date of this Announcement, the Subscriber has disbursed an aggregate sum of S\$1,800,000 to the Company under the Working Capital Facility.

**BY ORDER OF THE BOARD**

Tan Swee Gek  
Company Secretary  
2 June 2016