

RESUMPTION OF TRADING IN THE COMPANY'S SHARES

References are made to Swee Hong Limited's (the "**Company**") announcements on 11 February 2015, 29 April 2016 and 12 July 2016 in relation to the trading halt of the Company's shares from 9 February 2015 as well as the Company's circular to shareholders dated 18 July 2016 (the "**Circular**").

Unless defined otherwise, terms used in this announcement will have the same meanings ascribed to them in the Circular.

The Company will be making an application to the SGX-ST for the resumption of trading in the Company's shares with effect from **Monday, 22 August 2016**. For the purposes of determining whether Rule 1303(3)(c) should apply, the board of directors of the Company (the "**Board**") would like to provide the following information in response to the below questions from the SGX-ST:

- (a) the Board's opinion if the Company will be able to operate as a going concern and the basis for the Board's view

Company's response:

The Board is of the opinion that the Company will be able to operate as a going concern after taking into consideration the following factors:

- (i) under the Write-Off, the Approved Debt of the Conversion Creditors has been reduced from S\$37,242,732 to S\$19,366,220.64. Following the allotment and issue of the Creditors Start Conversion Shares, the Approved Debt of the Conversion Creditors has been further reduced from S\$19,366,220.64 to S\$10,651,422.58;
 - (ii) the Approved Debt of Ong Hong Leong being S\$9,874,434.49 has been satisfied in full following the allotment and issue of the OHL Conversion Shares;
 - (iii) the Company has procured a letter of undertaking and support from its controlling shareholder, KH Foges Pte. Ltd., who has undertaken to use its best endeavours to provide financial support to the Company in relation to its working capital by exercising the Warrants as required; and
 - (iv) there are no adverse event or condition that has come to the Board's attention that may hinder the ability of the Company to continue to operate as a going concern.
- (b) the Board's confirmation that all material disclosures have been provided for trading of the Company's shares to continue

Company's response:

The Board confirms that, to the best of their knowledge, all material disclosures have been provided for the trading of the Company's shares to continue.

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
19 August 2016