
**ISSUANCE OF CREDITORS START CONVERSION SHARES, OHL CONVERSION SHARES,
SUBSCRIPTION SHARES, WARRANTS AND FEE 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.

**1. ISSUANCE OF CREDITORS START CONVERSION SHARES, OHL CONVERSION SHARES,
SUBSCRIPTION SHARES, WARRANTS AND FEE SHARES**

The board of directors of the Company (the "**Board**") wishes to announce that the issuance of 435,739,903 Creditors Start Conversion Shares, 493,721,724 OHL Conversion Shares, 1,400,000,000 Subscription Shares, 500,000,000 Warrants and 67,766,667 Fee Shares were allotted and issued today, **11 August 2016**. As the sale of the Kranji Property has not been completed, none of the UOB Start Conversion Shares have been allotted and issued.

There were no proceeds from the issuance of the Creditors Start Conversion Shares and the OHL Conversion Shares as such Shares were allotted and issued in satisfaction of (i) S\$8,714,698.06 of the Approved Debt of the Conversion Creditors, and (ii) S\$9,874,434.49 of the Approved Debt of Ong Hock Leong.

There were no proceeds from the issuance of the Fee Shares as such Shares were allotted and issued in satisfaction of the fees owed to Ernst & Young Solutions LLP for services rendered as financial advisor in connection with the Company's restructuring.

The proceeds from the issuance of the Subscription Shares of S\$4,000,000 were fully utilised to repay all sums outstanding under the Working Capital Facility as well as outstanding payables due to the Subscriber.

In relation to the Warrants issued to the Subscriber, the conditions under which the exercise price of the Warrants may be adjusted are as follows:

- (a) 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 to its Shareholders;
- (b) a capital distribution made by the Company to its Shareholders whether on a reduction of capital or otherwise;
- (c) an offer or invitation made by the Company to its Shareholders under which they may acquire or subscribe for Shares by way of rights;
- (d) an issue by the Company of Shares if the consideration receivable by the Company for each Share is less than 90% of the relevant last dealt price for each Share; and
- (e) any consolidation, subdivision or conversion of Shares.

2. NON-COMPETE AGREEMENT

Following the allotment and issue of the Subscription Shares, the Subscriber has become a controlling shareholder of the Company.

The Board wishes to announce that the Company and the Subscriber have entered into a non-compete agreement under which the Subscriber has undertaken that for so long as it is a controlling shareholder of the Company, it shall and procure that its associates over which the Subscriber has control:

- (a) give a first right of refusal to the Company to bid or tender for any new civil engineering projects; and
- (b) not bid or tender for any projects that the Company has submitted or tendered for.

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
11 August 2016