

**QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL**

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Swee Hong Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) was placed on the watch-list under the Financial Entry Criteria with effect from 5 December 2016 pursuant to Rule 1311(1) of the SGX-ST Listing Manual.

Pursuant to Rule 1313(2) of the SGX-ST Listing Manual, the board of directors of the Company (the “**Board**”) wishes to provide the following updates:

**Update on Unaudited Financial Performance and Financial Position**

The Group achieved a net loss of S\$1.4 million for the second quarter of the financial year ending 30 June 2020 (“**2QFY2020**”) compared to S\$26,000 for the second quarter of the financial year ended 30 June 2019 (“**2QFY2019**”).

Revenue for 2QFY2020 was S\$1.7 million, as compared to S\$7.3 million for 2QFY2019.

Net liabilities increased to S\$45.7 million as at 2QFY2020 as compared to S\$42.9 million as at 2QFY2019.

Please refer to the announcement of the unaudited financial statements of the Group for 2QFY2020 for a detailed update on the Group’s financial position and material developments that may have an impact on the Group’s financial situation.

**Update on Future Direction and other Material Development**

The Board has also been reviewing the available options to meet the Financial Entry Criteria and will update the Shareholders on any material developments in due course and the Company will make further announcements as and when there are any subsequent developments.

Pursuant to Rule 1314 of the SGX-ST Listing Manual, the Company will be assessed by the SGX-ST for removal from the watch-list for the Financial Entry Criteria if it records consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts) and has an average daily market capitalisation of S\$40 million or more over the last 6 months. .

The Company would like to reassure the Shareholders that it will continue to use its best endeavours to seek an exit from the SGX-ST watch-list in accordance with the requirements of Rule 1314 of the SGX-ST Listing Manual.

**By Order of the Board**

Tan Swee Gek  
Company Secretary  
5 June 2020