

Swee Hong Limited
(Company Registration No.: 198001852R)
(Incorporated in the Republic of Singapore)

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

Swee Hong Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) was placed on the watch-list under the Financial Entry Criteria and the Minimum Trading Price Criteria with effect from 5 December 2016 and 5 June 2017 respectively 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 suffered a net loss of S\$11.1 million for the third quarter of the financial year ending 30 June 2019 compared to net profit S\$0.3 million for the third quarter of the financial year ended 30 June 2018.

Revenue for the third quarter of the financial year ending 30 June 2019 was S\$4.6 million, as compared to S\$11.7 million for the third quarter of the financial year ended 30 June 2018.

In line with the substantial drop in Group’s revenue and lower level of project activities, the Group suffered a gross loss of S\$10.4 million in 3Q2019 as compared to a gross profit of S\$0.6 million in 3Q2018, a decline of approximately S\$11.0 million. This was mainly due to impairment allowance for contract assets of S\$6.8 million which were made in anticipation of lower negotiated variation orders as well as lower project margins for the major civil engineering project.

Net tangible assets maintained at S\$0.9 million as at 31 March 2019.

The Board of Directors refer to its announcement on 21 May 2019 that the company had made an application on 17 May 2019 to the High Court of Singapore to commence a court supervised process to reorganise its liabilities and to seek a moratorium pursuant to Section 211B of the Companies Act (the “**Application**”).

The Board wishes to update that the Application has been fixed for hearing 12 June 2019 at 10 am. The Board will inform shareholders of the results of the Application in due course.

Please refer to the announcement of the unaudited financial statements of the Group for the third quarter of the financial year ending 30 June 2019 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 the Minimum Trading Price 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 and it will be assessed for removal from the watch-list for the Minimum Trading Price Criteria if has recorded a volume-weighted average price of at least S\$0.20 and 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
4 June 2019