

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 Company under the guidance of the new Board is continuing to steer the business forward. The Company achieved a net profit of S\$30.1 million for the financial year ended 30 June 2017 compared with a net loss of S\$10.1 million for the financial year ended 30 June 2016.

Net Tangible Assets as at 30 June 2017 was S\$9.3 million, an improvement from the S\$7.9 million as at 31 March 2017 and a turnaround from the Net Tangible Liabilities of S\$45.0 million as at 30 June 2016.

The Company has also in its SGXNet announcement dated 20 July 2017 announced that the Scheme of Arrangement has ended and the Company is released and discharged from all claims, obligations, liabilities and indebtedness of the Company to its creditors under the Scheme of Arrangement.

The Company is working to secure new projects and will continue to bid for suitable projects to strengthen its order book of approximately S\$49.7 million as of 30 June 2017.

Please refer to the announcement of the unaudited financial statements of the Group for the financial year ending 30 June 2017 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
5 September 2017