

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(2) 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 approximately S\$56.9 million for the financial year ended 30 June 2019 (“**FY2019**”) compared to net profit approximately S\$1.3 million for the financial year ended 30 June 2018 (“**FY2018**”).

Revenue for FY2019 was S\$25.1 million, as compared to S\$49.1 million for the FY2018.

In line with the substantial drop in Group’s revenue and lower level of project activities, the Group suffered a gross loss of approximately S\$20.9 million in FY2019 as compared to a gross profit of approximately S\$4.1 million in FY2018, a decline of approximately S\$24.9 million. The decline is mainly due to cost overrun incurred in one of the Company’s major civil engineering project.

The Group had also suffered a net loss of approximately S\$1.5 million for the first quarter of the financial year ending 30 June 2020 (“**1QFY2020**”) compared to a gross profit of approximately S\$28,000 for the first quarter of the financial year ended 30 June 2019 (“**1QFY2019**”).

Revenue for the 1QFY2020 was S\$1.6 million, as compared to S\$7.9 million for the 1QFY2019.

The Group’s gross profit of approximately S\$53,000 in 1QFY2020 was mainly contributed from the new tunnelling projects which commenced during the financial period.

The Group’s net tangible liabilities was S\$44.3 million as at 30 September 2019.

Please refer to the announcement of the unaudited financial statements of the Group for the FY2019 and 1QFY2020 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.

As announced by the Company on 2 December 2019, in respect of the Financial Entry Criteria watch-list, the Company has submitted an application to SGX seeking for the extension of time until 31 December 2019 for the Company to submit its proposal on the corporate actions which it envisages will help to revive its financial position and the Company is currently waiting for the outcome.

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 December 2019