

Swee Hong Limited

Second Quarter and Half Year

Unaudited Financial Statement

For the Period Ended

31 December 2016

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) Group income statement, together with comparative statement for the corresponding period of the immediately preceding financial year

	The Group			The Group		
	Current second quarter ended	Previous second quarter ended	Increase / (Decrease)	Current half year ended	Previous half year ended	Increase / (Decrease)
	31 Dec 2016	31 Dec 2015	%	31 Dec 2016	31 Dec 2015	%
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	13,929	9,797	42%	26,421	14,898	77%
Cost of works	(11,931)	(8,786)	36%	(20,514)	(13,588)	51%
Gross profit	1,998	1,011	98%	5,907	1,310	351%
Other gains – net	535	88	n.m.	22,939	400	n.m.
Expenses						
- Distribution and marketing	(1)	(10)	(90%)	(4)	(10)	(58%)
- Administrative	(429)	(6,123)	(93%)	(1,437)	(8,336)	(83%)
- Finance	(16)	(472)	(97%)	(16)	(474)	(97%)
Profit before income tax	2,087	(5,506)	n.m.	27,389	(7,110)	n.m.
Income tax	-	-	n.m.	-	-	n.m.
Net profit from continuing operations	2,087	(5,506)	n.m.	27,389	(7,110)	n.m.

(i) Consolidated Statement of comprehensive income for the Second Quarter and Half Year ended 31 December 2016

	The Group			The Group		
	Current second quarter ended	Previous second quarter ended	Increase / (Decrease)	Current half year ended	Previous half year ended	Increase / (Decrease)
	31 Dec 2016	31 Dec 2015	%	31 Dec 2016	31 Dec 2015	%
	\$'000	\$'000	%	\$'000	\$'000	%
Other comprehensive income:						
Items that may be reclassified subsequently to profit:						
Available-for-sale financial assets						
- Fair value gains	1	1	48%	1	(32)	n.m.
Currency translation differences arising from consolidation						
- Profit	-	(5)	n.m.	*	(5)	100%
Other comprehensive income, net of tax	1	(4)	(121%)	1	(37)	(104%)
Total comprehensive profit	2,088	(5,510)	n.m.	27,390	(7,147)	n.m.

*Amount below S\$1,000

n.m. – not meaningful

(ii) **Notes to the income statement**

Breakdown of Other Gains

	Current second quarter ended 31 Dec 2016	Previous second quarter ended 31 Dec 2015	Increase / (Decrease)	Current half year ended 31 Dec 2016	Previous half year ended 31 Dec 2015	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Currency translation gains - net	3	(3)	(196%)	3	(1)	n.m.
Dividend income	-	1	(100%)	5	7	(19%)
Gain on disposal of property, plant and equipment	23	2	n.m.	23	16	45%
Bank interest income	*	*	100%	*	*	100%
Government grant	49	76	(35%)	56	103	(46%)
Residual rental income from dormitory	-	-	100%	-	256	(100%)
Write-off of pursuant to Creditors Scheme of Arrangement	460	9	n.m.	22,832	9	n.m.
Income from sales of scrap materials	-	-	n.m.	1	-	n.m.
Miscellaneous	*	3	n.m.	19	10	95%
	535	88		22,939	400	

(iii) **Included under Administrative expenses**

	Current second quarter ended 31 Dec 2016	Previous second quarter ended 31 Dec 2015	Increase / (Decrease)	Current half year ended 31 Dec 2016	Previous half year ended 31 Dec 2015	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation of property, plant and equipment	97	471	(79%)	193	941	(79%)
Gain/(loss) on disposal of investment property under construction	-	89	(100%)	-	(66)	(100%)
Professional fees	(296)	-	n.m.	(226)	-	n.m.
Impairment on property, plant and equipment	4	28	(85%)	30	75	(60%)
Accrual of claims from scheme creditors	-	4,177	(100%)	-	4,177	(100%)

1(b)(i) Statement of Financial Position, together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 December 2016	30 June 2016	31 December 2016	30 June 2016
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	1,944	4,962	1,905	4,923
Trade and other receivables	19,313	14,439	19,334	14,460
Inventory	2,261	471	2,261	471
	23,518	19,872	23,500	19,855
Discontinued operations and assets classified as held-for-sale	349	349	349	349
	23,867	20,221	23,849	20,204
Non-current assets				
Available-for-sale financial assets	12	11	12	11
Investment in subsidiary corporations	-	-	2	2
Property, plant and equipment	10,665	11,561	10,665	11,562
	10,677	11,572	10,679	11,574
Total assets	34,544	31,793	34,528	31,777
LIABILITIES				
Current liabilities				
Trade and other payables	22,399	54,654	23,141	55,406
Borrowings	6,927	22,181	6,927	22,181
Total liabilities	29,326	76,835	30,068	77,587
Net current assets	(5,459)	(56,614)	(6,219)	(57,383)
NET ASSETS	5,218	(45,042)	4,460	(45,810)
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	51,450	28,580	51,450	28,580
Other reserves	(13)	(15)	1	1
Accumulated losses	(46,219)	(73,607)	(46,992)	(74,390)
TOTAL EQUITY	5,218	(45,042)	4,460	(45,810)

Notes to Statement of Financial Position

(i) Trade and other receivables

	Group		Company	
	31 December 2016 \$'000	30 June 2016 \$'000	31 December 2016 \$'000	30 June 2016 \$'000
Trade receivables - net	3,714	3,776	3,714	3,776
Construction contracts:				
- Due from customers	14,078	7,534	14,078	7,534
Non-trade receivables				
- Subsidiary corporations	-	-	20	21
- Non-related parties	386	412	387	412
	386	412	407	433
Advances to suppliers	316	1,905	316	1,905
Deposits	183	130	183	130
Prepayments	636	683	636	682
	19,313	14,439	19,334	14,460

The non-trade amount due from the Company's subsidiary is unsecured, interest-free and is receivable on demand.

(ii) Discontinued operations and assets classified as held-for-sale

	Group		Company	
	31 December 2016 \$'000	30 June 2016 \$'000	31 December 2016 \$'000	30 June 2016 \$'000
Property, plant and equipment	349	349	349	349

(iii) Trade and other payables

	Group		Company	
	31 December 2016 \$'000	30 June 2016 \$'000	31 December 2016 \$'000	30 June 2016 \$'000
Trade payables				
- Non related parties	11,894	30,725	11,894	30,725
- Related party	3,836	3,163	3,836	3,163
	15,730	33,888	15,730	33,888
Construction contracts:				
- Due to customers	257	660	257	660
Other payables				
- Subsidiaries	-	-	774	774
- Non-related parties	2,412	11,520	2,411	11,520
	2,412	11,520	3,185	12,294
Accrued operating expenses	4,000	8,586	3,969	8,564
	22,399	54,654	23,141	55,406

The non-trade amount due to the Company's subsidiary is unsecured, interest-free and is repayable on demand.

Explanatory Notes:

Trade and other receivables as at 31 December 2016 amounting to S\$19.3 million increased by approximately S\$4.9 million as compared to S\$14.4 million as at 30 June 2016. Construction contract unbilled receivables increased by S\$6.5 million, which was offset by S\$1.6 million decrease in advances to suppliers.

Inventory as at 31 December 2016 amounting to S\$2.3 million increased by approximately S\$1.8 million as compared to S\$0.5 million as at 30 June 2016 mainly due to purchase of construction materials for civil engineering project.

Assets held-for-sale relates to the property located at 190A and 190C Chua Chu Kang Avenue 1, Singapore 689466 which was disposed in January 2017 for a consideration of S\$3.1 million to fund the cash obligations due to certain creditors as per the Creditors Scheme of Arrangement.

Available-for-sale financial assets as of 31 December 2016 amounting to S\$12,000.00 remained relatively unchanged as compared with 30 June 2016.

Property, plant and equipment decreased by approximately S\$0.9 million from S\$11.6 million as of 30 June 2016 to S\$10.7 million as of 31 December 2016 mainly due to depreciation expenses of S\$0.9 million.

Trade and other payables decreased by approximately S\$32.3 million from S\$54.7 million as of 30 June 2016 to S\$22.4 million as of 31 December 2016 mainly due to write-offs and share issuances made pursuant to the Creditors Scheme of Arrangement.

Borrowings decreased by approximately S\$15.3 million from S\$22.2 million as of 30 June 2016 to S\$6.9 million as of 31 December 2016 mainly due to write-offs and share issuances made pursuant to the Creditors Scheme of Arrangement, and which was further offset by S\$2.7 million in loans received from related party.

As of 31 December 2016, the Group had net current liabilities of S\$5.5 million and net asset value of S\$5.2 million.

1(b)(ii) Aggregate amount of the Group's borrowings and debts securities

(a) Amount repayable in one year or less, or on demand

	The Group		The Group	
	31 December 2016	31 December 2016	30 June 2016	30 June 2016
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Trade finance	-	33	-	2,264
Finance lease liabilities	-	-	160	-
Bank borrowing	2,200	2,019	2,200	5,852
Bank overdraft	-	25	-	31
Loan from a related party	-	-	-	1,800
Loan from a shareholder	-	2,650	-	9,874
Total	2,200	4,727	2,360	19,821

The Group's borrowing as of 31 December 2016 was S\$6.9 million of which S\$2.2 million is secured and S\$4.7 million is unsecured.

Of the S\$4.7 million unsecured borrowing, S\$2.1 million is subject to the Creditors Scheme of Arrangement.

1(c) Group cash flow statement, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated statements of cash flows for the Second Quarter and Half Year ended 31 December 2016

	The Group		The Group	
	Current second quarter ended 31 December 2016	Previous second quarter ended 31 December 2015	Current half year ended 31 December 2016	Previous half year ended 31 December 2015
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
- Profit/(loss) from continuing operations	2,087	(5,506)	27,389	(7,110)
Net Profit/(loss)	2,087	(5,506)	27,389	(7,110)
Adjustments for:				
- Write-off pursuant to Creditors Scheme of Arrangement	(460)	-	(22,832)	-
- Depreciation of property, plant and equipment	470	471	924	941
- Impairment of property, plant, and equipment	4	28	30	75
- Gain on disposal of property, plant and equipment	(23)	(2)	(23)	(16)
- Gain on disposal of investment property under construction	-	89	-	(66)
- Fair value loss on available-for-sale financial assets	-	33	*	(31)
- Interest income	-	*	*	*
- Interest expense	(14)	473	(16)	474
- Dividend income	-	(1)	(5)	(7)
- Unrealised currency translation gains-net	-	(5)	-	(5)
	2,064	(4,420)	5,467	(5,745)
Change in working capital:				
- Construction contract work-in-progress	(1,812)	732	(1,790)	(978)
- Trade and other receivables	(3,045)	500	(4,875)	2,021
- Trade and other payables	(694)	2,746	(4,895)	(2,752)
Net cash used in operating activities	(3,487)	(442)	(6,093)	(7,454)
Cash flows from investing activities				
Additions to property, plant and equipment	(7)	(28)	(56)	(75)
Disposal of property, plant and equipment	23	2	23	16
Dividends received	-	1	5	7
Disposal of available-for-sale financial assets	-	216	-	277
Proceeds from disposal of investment property under construction	-	-	-	30,000
Net cash provided by investing activities	16	191	(28)	30,225
Cash flows from financing activities				
Repayment of finance lease liabilities	(42)	(111)	(160)	(111)
Proceeds from borrowings	850	-	2,650	-
Repayment of borrowings	(112)	-	(3,371)	(20,473)
Interest paid	14	-	16	-
Issuance of subscription shares	-	-	4,000	-
Net cash provided by financing activities	710	(111)	3,135	(20,584)
Net (decrease)/increase in cash and cash equivalents	(2,761)	(362)	(2,986)	2,187
Cash and cash equivalents				
Beginning of financial period	4,705	5,743	4,930	3,194
End of financial period	1,944	5,381	1,944	5,381

* Amount below S\$1,000

(i) Review of Cash Flows for the six months ended 31 December 2016.

Net cash provided by operating activities

In 1H2017, cash used in operating activities amounted to S\$5.5 million. The reasons for the changes in working capital has been explained in the Explanatory Notes to the Statement of Financial Position on page 6 of this Announcement.

Net cash used in investing activities

Net cash used in investing activities of approximately \$28,000 is mainly for additions to property plant and equipment of S\$56,000, which was then offset by disposal of property plant and equipment of S\$23,000.

Net cash from financing activities

Net cash provided by financing activities of approximately S\$3.1 million came from proceeds obtained from borrowings and the issuance of shares.

Overall, cash and cash equivalents stood at approximately S\$1.9 million as of 31 December 2016.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share Capital	Accumulated losses	Other Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000
Group				
2016				
As at 1 July 2016	28,580	(73,607)	(15)	(45,042)
Issuance of shares	22,870	-	-	22,870
Total comprehensive income for the year	-	27,388	2	27,390
As at 31 December 2016	51,450	(46,219)	(13)	5,218
2015				
As at 1 July 2015	28,580	(63,429)	132	(34,717)
Total comprehensive loss for the year	-	(7,110)	(37)	(7,147)
As at 31 December 2015	28,580	(70,539)	95	(41,864)
	Share Capital	Accumulated losses	Other Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000
Company				
2016				
As at 1 July 2016	28,580	(74,390)	1	(45,809)
Issuance of shares	22,870	-	-	22,870
Total comprehensive income for the year	-	27,398	-	27,398
As at 31 December 2016	51,450	(46,992)	1	4,460
2015				
As at 1 July 2015	28,580	(63,621)	134	(34,907)
Total comprehensive loss for the year	-	(7,100)	(33)	(7,133)
As at 31 December 2015	28,580	(70,721)	101	(42,040)

Other reserves

	Group		Company	
	31 December 2016	30 June 2016	31 December 2016	30 June 2016
	\$'000	\$'000	\$'000	\$'000
(a) Composition:				
Fair value reserve	2	1	1	1
Currency translation reserve	(15)	(16)	-	-
	(13)	(15)	1	1
(b) Movements:				
(i) Fair value reserve				
Beginning of financial year	1	134	1	134
Fair value (loss)/ gain	1	(133)	0	(133)
Reclassification to profit or loss	-	-	-	-
End of financial year	2	1	1	1
(ii) Currency translation reserve				
Beginning of financial year	(15)	(1)	-	-
Net currency translation differences of financial statements of foreign subsidiaries	*	(14)	-	-
End of financial year	(15)	(15)	-	-

* Amount below S\$1,000

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There were no changes to the Company's share capital since the end of the previous period reported on. There were no treasury shares held. There were no convertibles which may result in the issue of new shares.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	31 December 2016	30 June 2016
Total number of issued shares	2,765,728,294	368,500,000

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current reporting period as compared with the audited consolidated financial statements as at 30 June 2016.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Current second quarter ended 31 December 2016	Previous second quarter ended 31 December 2015	Current first half ended 31 December 2016	Previous first half ended 31 December 2015
Net profit attributable to equity holders of the Company (S\$'000)	2,087	(5,506)	27,389	(7,110)
Weighted average number of ordinary shares in issue ('000)	2,238,865	368,500	2,238,865	368,500
Basic and diluted profit per share (cents)	0.09	(1.49)	1.22	(1.93)

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares, of the issuer at the end of the

- (a) current period reported on and
(b) immediately preceding financial year**

	The Group		The Company	
	As at 31 December 2016	As at 30 June 2016	As at 31 December 2016	As at 30 June 2016
Net assets (S\$'000)	5,218	(45,042)	4,459	(45,810)
Number of shares ('000)	2,765,728	368,500	2,765,728	368,500
Net assets value per ordinary share (cents)	0.19	(12.22)	0.16	(12.43)

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

BUSINESS OVERVIEW

The Group is principally engaged in civil engineering works and micro-tunnelling works in Singapore and acts primarily as the main contractor.

Income Statement Review (Second Quarter ended 31 December 2016 vs. Second Quarter ended 31 December 2015)

Revenue

	Group					
	Current second quarter ended 31 December 2016		Previous second quarter ended 31 December 2015		Increase/ (decrease)	Increase/ (decrease)
	S\$'000	%	S\$'000	%	S\$'000	%
Civil Engineering	12,210	88%	9,280	95%	2,930	32%
Tunnelling	1,719	12%	517	5%	1,202	233%
	13,929	100%	9,797	100%	4,132	

Revenue from Civil Engineering segment increased by S\$3.0 million from S\$9.3 million in 2Q2016 to S\$12.2 million in 2Q2017 mainly due to increased progress of the on-going projects, particularly the ER382 Bukit Brown.

Revenue from Tunnelling segment increased by S\$1.2 million from S\$0.5 million in 2Q2016 to S\$1.7 million in 2Q2017 mainly due to an increase in the progress of the Nee Soon tunnelling project.

Gross profit

	Group					
	Current second quarter ended 31 December 2016		Previous second quarter ended 31 December 2015		Increase/ (decrease)	Increase/ (decrease)
	S\$'000	%	S\$'000	%	S\$'000	%
Civil Engineering	1,238	62%	1,018	101%	220	22%
Tunnelling	760	38%	(7)	(1%)	767	n.m
	1,998	100%	1,011	100%	987	

n.m. – not meaningful

The Group's gross profit increased by S\$1.0 million from S\$1.0 million in 2Q2016 to S\$2.0 million in 2Q2017 mainly due to decreased costs and reversal of overprovision of costs made in the previous financial period.

Gross profit from Civil Engineering segment increased by approximately S\$0.2 million during the financial period from S\$1.0 million in 2Q2016 to S\$1.2 million in 2Q2017 mainly due to the corresponding increase in revenue during the period.

Gross profit from Tunnelling segment increased by S\$0.8 million during the financial period from a loss of S\$7,000 in 2Q2016 to a profit of S\$0.8 million in 2Q2017. This was mainly due to the

decreased costs and reversal of overprovision of costs made for the Nee Soon tunnelling project in the previous financial period.

Distribution and marketing

The Company did not incur significant distribution and marketing expenses during 2Q2017.

Administrative expenses

Administrative expenses for 2Q2017 decreased by S\$5.7 million as compared with 2Q2016. The administrative expenses of S\$0.4 million mainly comprised of depreciation of S\$0.1 million, salaries and related costs of S\$0.6 million and other operating expenses. Also included in administrative expenses is reversal of overprovision of professional fees amounting to S\$0.4 million.

Finance Expenses

Financing expenses relates to interest expenses on borrowing costs.

Profit before income tax

The Group incurred a profit before income tax of approximately S\$2.1 million in 2Q2017, an increase of S\$7.6 million as compared to a loss before income tax of approximately S\$5.5 million in 2Q2016.

Income tax

The Company did not make any provision for tax for the current period due to the unutilised losses brought forward from previous financial years. The management is confident of obtaining waiver of shareholding test from IRAS to be able to utilise the tax losses.

Total Profit after tax

The Group incurred a net profit after tax of approximately S\$2.1 million due to the reasons stated above.

Income Statement Review (Half Year ended 31 December 2016 vs. Half Year ended 31 December 2015)

Revenue

	Group					
	Current half year ended 31 December 2016		Previous half year ended 31 December 2015		Increase/ (decrease)	Increase/ (decrease)
	S\$'000	%	S\$'000	%	S\$'000	%
Civil Engineering	22,288	84%	13,454	90%	8,834	66%
Tunneling	4,133	16%	1,444	11%	2,689	186%
	26,421	100%	14,898	100%	11,523	

Revenue from Civil Engineering segment increased by S\$8.8 million from S\$13.5 million in 1H2016 to S\$22.3 million in 1H2017 mainly due to increased progress of the on-going projects, particularly the ER382 Bukit Brown.

Revenue from Tunnelling segment increased by S\$2.7 million from S\$1.4 million in 1H2016 to S\$4.1 million in 1H2017 mainly due to an increase in the progress of the Nee Soon tunnelling project.

Gross profit

	Group					
	Current half year ended 31 December 2016		Previous half year ended 31 December 2015		Increase/ (decrease)	Increase/ (decrease)
	S\$'000	%	S\$'000	%	S\$'000	%
Civil Engineering	2,788	47%	1,300	99%	1,488	114%
Tunnelling	3,119	53%	10	1%	3,109	n.m
	5,907	100%	1,310	100%	4,598	

The Group's gross profit increased by S\$4.6 million from S\$1.3 million in 1H2016 to S\$5.9 million in 1H2017 mainly due to decreased costs and reversal of overprovision of costs made in the previous financial period.

Gross profit from Civil Engineering segment increased by S\$1.5 million from approximately S\$1.3 million in 1H2016 to S\$2.8 million in 1H2017 mainly due to the corresponding increase in revenue during the period.

Gross profit from Tunnelling segment increased by S\$3.1 million during the financial period from approximately o S\$10,000 in 1H2016 to \$3.1 million in 1H2017. This was mainly due to decreased costs and the reversal of overprovision of costs made for the Nee Soon tunnelling project in the previous financial period.

Distribution and marketing

The Company did not incur significant distribution and marketing expenses during 1H2017.

Administrative expenses

Administrative expenses for 1H2017 decreased by S\$6.9 million compared with 1H2016. The administrative expenses of S\$1.4 million mainly comprised of depreciation of S\$0.2 million, salaries and related costs of S\$1.2 million, directors fee of S\$0.2 million and other operating expenses of S\$0.2 million. Also included in administrative expenses is reversal of overprovision of professional fees amounting to S\$0.4 million.

Finance Expenses

Financing expenses relates to interest expenses on borrowing costs.

Profit before income tax

The Group incurred a profit before income tax of approximately S\$27.4 million in 1H2017, an increase of S\$34.5 million as compared to a loss before income tax of approximately S\$7.1 million in 1H2016.

Income Tax

The Company did not make any provision for tax for the current period due to the unutilised losses brought forward from previous financial years. The management is confident of obtaining waiver of shareholding test from IRAS to be able to utilise the tax losses.

Total profit after tax

The Group incurred a net profit after tax of approximately S\$27.4 million due to the reasons stated above.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement was previously disclosed to shareholders. There has been no variance in the operating performance of the Group in the second quarter of FY2017 as compared to what was disclosed in paragraph 10 of the Company's announcement of results for the first quarter ended 30 September 2016.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Business Outlook

The Company has begun tendering for projects in the last quarter and will continue to bid for suitable projects to strengthen its order book.

General

The Company has achieved a profit of S\$27.4 million in the first half of the financial year ending 30 June 2017. The Net Tangible Assets as at 31 December 2016 was S\$5.2 million as compared to Net Tangible Liabilities of S\$45.0 million as at 30 June 2016.

Creditors Scheme of Arrangement (“Scheme”)

As part of the Scheme which took effect on and from 2 December 2015, the Company has to date undertaken the following actions since 31 December 2016:

- In January 2017, the Company completed the disposal of its properties located at 190A and 190C Choa Chu Kang Avenue 1, Singapore 689466 for a sum of S\$3.1 million.

The Company is working with the Scheme Manager to fulfil its obligations in accordance with the terms of the Scheme and to bring the Scheme to an end at the earliest.

Order Book Status

The current order book of the Company is approximately \$91.1 million as of 31 December 2016.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12 If no dividend has been declared/recommendeded, a statement to that effect

No dividend had been declared for the second quarter and half year ended 31 December 2016.

13 Interested person transactions disclosure

The Group has not obtained a general mandate for Interested Persons Transactions (“**IPTs**”) under Rule 920 of the Listing Manual of the SGX-ST from shareholders. There were no IPTs during the period under review.

14 Confirmation by the Company pursuant to Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual of the SGX-ST.

15 Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of Swee Hong Limited confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the second quarter and half year ended 31 December 2016 to be false or misleading in any material aspect.

FOR AND ON BEHALF OF THE BOARD
BY ORDER OF THE BOARD

Harish Parameswar
Non-Executive Chairman and Independent Director

Anil Dhanpatlal Agrawal
Executive Director

14 February 2017