
PRESS RELEASE – FOR IMMEDIATE RELEASE

Swee Hong posts second consecutive quarter of profitable results with Q2FY2017 net earnings at S\$2.1 million. H1FY2017 net earnings of S\$27.4 million as Company marks turnaround.

- **H1FY2017 revenue up 77% to S\$26.4 million mainly due to increased progress of on-going projects.**
- **H1FY2017 gross profit increased to S\$5.9 million mainly due to decreased costs.**
- **Write-off pursuant to Creditors Scheme of Arrangement amounting to S\$22.8 million boosted net earnings.**
- **Group’s unfulfilled order book of S\$91.1 million provides a steady stream of revenue.**

Singapore; 14 February 2017 - Swee Hong Ltd (QF6.SI) (“SWEE HONG” or the “Company”) announced its financial results for the second quarter and Half Year ended 31 December 2016.

Consolidated Financial Highlights:

- Revenue during H1FY2017 increased to S\$26.4 million compared with S\$14.9 million in H1FY2016
- Gross Profit for H1FY2017 was S\$5.9 million compared with S\$1.3 million in H1FY2016
- Net profit during H1FY2017 was S\$27.4 million compared to a loss of S\$7.1 million in H1FY2016.
- Net profit for the half year, excluding gains from debt restructuring, was S\$4.6 million.

The Company continued to enjoy significant increase in revenue in each of its business segment. The Company is engaged in Civil Engineering and Micro-Tunnelling work primarily in Singapore.

During H1FY2017, revenue from the 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 an increase in the progress of the on-going projects, particularly the ER382 project – construction of new road between MacRitchie Viaduct and Adam Flyover.

Revenue from Tunnelling segment increased by S\$2.7million 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.

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 corresponding increase in revenue, decreased costs.

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 S\$10,000 in 1H2016 to S\$3.1 million in 1H2017.

The Company has an order book position which stands at S\$91.1 million as at 31 December 2016.

Continuing Progress

The Company under the guidance of the new management team is continuing to steer the business forward. Having achieved a profit of S\$27.4 million in the first half of the financial year ending 30 June 2017, Net Tangible Assets as at 31 December 2016 was S\$5.2 million, an improvement from the S\$3.1 million as at 30 September 2016 and a turnaround from the Net Tangible Liabilities of S\$45.0 million as at 30 June 2016.

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

- 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.

The Company's Executive Director, Mr Anil Agrawal said, "The Company's management and Board is pleased with the continuing progress made during the current financial year, and will continue to strive to further improve the financial health of the Group and increase the capabilities to capitalise on the wealth of new opportunities in infrastructure development."

For Further Information

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About Swee Hong

Founded in 1962, Swee Hong has more than 43 years of experience in the civil engineering industry.

Swee Hong provides a wide range of civil engineering works such as road and drain construction, road maintenance, sewerage rehabilitation, soil improvement, excavation, laying of water pipes and other infrastructural works. Since 2007, Swee Hong has been awarded with several award-winning iconic projects such as the Gardens by the Bay. Over the years, the Group has completed other notable civil engineering projects such as the Changi Ferry Terminal project, Alexandra Canal project, Tuas View Extension project and Seletar Aero Drive project.