

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

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Swee Hong Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) was placed on the watch-list under the Financial Entry Criteria with effect from 5 December 2016 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 profit of S\$27.4 million in the first half of the financial year ending 30 June 2017 compared with a net loss of S\$5.5 million for the half year ended 30 June 2016 and a net loss of S\$10.3 million for the financial year ended 2016.

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 had on 25 January 2017 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. With the proceeds from the sale, the Company now has adequate funds to satisfy the cash obligations under the Scheme. 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 has begun tendering for projects in the last quarter and will continue to bid for suitable projects to strengthen its order book of approximately S\$91.1 million as of 31 December 2016.

Please refer to the announcement of the unaudited financial statements of the Group for the half year ended 30 December 2016 released via SGXNet on 14 February 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 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(1) of the SGX-ST Listing Manual, the Company will be assessed by the SGX-ST for removal from the watch-list if it has remained on the watch-list for at least 6 months and 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. 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(1) of the SGX-ST Listing Manual.

**By Order of the Board**

Tan Swee Gek  
Company Secretary  
03 March 2017