

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 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 net profit of S\$30.1 million for the period of first nine months ended 31st March 2017 of the financial year ending 30th June 2017 compared with a net loss of S\$12.3 million for the period of first nine months ended 31st March 2016 of the financial year ended 30th June 2016 and a net loss of S\$10.3 million for the financial year ended 30th June 2016.

Net Tangible Assets as at 31 March 2017 was S\$7.9 million, an improvement from the S\$5.2 million as at 31 December 2016 and a turnaround from the Net Tangible Liabilities of S\$45.0 million as at 30 June 2016.

The Company is also continuing to work 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 is working to secure new projects and will continue to bid for suitable projects to strengthen its order book of approximately S\$80.9 million as of 31 March 2017.

The Company would like to inform shareholders that the unaudited financial statements for the three months and nine months’ period ended 31 March 2017, had been reviewed by the Company’s auditors, Nexia TS Public Accounting Corporation.

Please refer to the announcement of the unaudited financial statements of the Group for the third quarter and nine months ended 31 March 2017 and the auditor’s report to shareholders on review of interim financial information for the three months and nine months’ period ended 31 March 2017 released via SGXNet on 15 May 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
5 June 2017