

# **Swee Hong Limited**

**First Quarter**

**Unaudited Financial Statement**

**for the period ended**

**30 September 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**

	Current first quarter ended 30 September 2016 \$'000	Previous first quarter ended 30 September 2015 \$'000	Increase/ (decrease)
Revenue	12,492	5,101	145%
Cost of works	(8,583)	(4,802)	79%
Gross profit	3,909	299	n.m.
Other gains – net	22,404	312	n.m.
Expenses			
- Distribution and marketing	(3)	-	100%
- Administrative	(1,009)	(2,213)	(54%)
- Finance	2	(2)	(228%)
Profit before income tax	25,303	(1,604)	n.m.
Income tax	-	-	n.m.
<b>Net profit from continuing operations</b>	<b>25,303</b>	<b>(1,604)</b>	n.m.

**(i) Consolidated Statement of comprehensive income for the First Quarter ended 30 September 2016**

	Current first quarter ended 30 September 2016 \$'000	Previous first quarter ended 30 September 2015 \$'000	Increase/ (decrease)
<b>Other comprehensive profit:</b>			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value gains	*	(32)	100%
Currency translation differences arising from consolidation			
- Profit	*	*	n.m.
Other comprehensive income, net of tax	-	(1,636)	(100%)
<b>Total comprehensive profit</b>	<b>25,303</b>	<b>(1,636)</b>	n.m.

\* Amount below S\$1,000  
n.m. denotes not meaningful

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

**Breakdown of Other Gains - net**

	Current first quarter ended 30 September 2016 \$'000	Previous first quarter ended 30 September 2015 \$'000	Increase/ (decrease)
Currency translation gains - net	-	2	n.m.
Dividend income	5	6	(10%)
Gain on disposal of property, plant and equipment	-	14	n.m.
Bank interest income	*	*	n.m.
Government grant	7	27	(75%)
Residual rental income from dormitory	-	256	n.m.
Write-off of pursuant to Creditors Scheme of Arrangement	22,373	-	n.m.
Income from sales of scrap materials	1	-	n.m.
Miscellaneous	18	7	183%
	<b>22,404</b>	<b>312</b>	

\* Amount below S\$1,000  
n.m. denotes not meaningful

(iii) **Included under Administrative expenses:**

	Current first quarter ended 30 September 2016 \$'000	Previous first quarter ended 30 September 2015 \$'000	Increase/ (decrease)
Depreciation of property, plant and equipment	96	471	(80%)
Gain on disposal of investment property under construction	-	(155)	n.m.
Professional fees	71	-	100%
Impairment on property, plant and equipment	26	47	(46%)

n.m. denotes not meaningful

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

	Group		Company	
	30 September 2016	30 June 2016	30 September 2016	30 June 2016
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	4,705	4,962	4,666	4,923
Trade and other receivables	16,269	14,439	16,289	14,460
Inventory	451	471	451	471
	21,425	19,872	21,406	19,854
Discontinued operations and assets classified as held-for-sale	349	349	349	349
	<b>21,774</b>	<b>20,221</b>	<b>21,755</b>	<b>20,203</b>
<b>Non-current assets</b>				
Available-for-sale financial assets	11	11	11	11
Investment in subsidiary corporations	-	-	2	2
Property, plant and equipment	11,132	11,561	11,132	11,561
	<b>11,143</b>	<b>11,572</b>	<b>11,145</b>	<b>11,574</b>
<b>Total assets</b>	<b>32,917</b>	<b>31,793</b>	<b>32,900</b>	<b>31,777</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	23,553	54,654	24,295	55,406
Borrowings	6,232	22,181	6,232	22,181
	<b>29,785</b>	<b>76,835</b>	<b>30,527</b>	<b>77,587</b>
<b>Total liabilities</b>	<b>29,785</b>	<b>76,835</b>	<b>30,527</b>	<b>77,587</b>
<b>Net Current Liabilities</b>	<b>(8,011)</b>	<b>(56,614)</b>	<b>(8,772)</b>	<b>(57,384)</b>
<b>NET ASSET / (LIABILITIES)</b>	<b>3,132</b>	<b>(45,042)</b>	<b>2,373</b>	<b>(45,810)</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	51,450	28,580	51,450	28,580
Other reserves	(14)	(15)	1	1
Accumulated losses	(48,304)	(73,607)	(49,078)	(74,390)
<b>TOTAL EQUITY</b>	<b>3,132</b>	<b>(45,042)</b>	<b>2,373</b>	<b>(45,810)</b>

## Notes to Statement of Financial Position

### (i) Trade and other receivables

	Group		Company	
	30 September 2016	30 June 2016	30 September 2016	30 June 2016
	\$'000	\$'000	\$'000	\$'000
Trade receivables - net	44	3,776	44	3,776
Construction contracts:				
- Due from customers	13,925	7,534	13,925	7,534
Non-trade receivables				
- Subsidiary corporations	-	-	19	21
- Related party	-	-	1	-
- Non-related parties	410	412	410	412
	410	412	430	433
Advances to suppliers	380	1,905	380	1,905
Deposits	207	130	207	130
Prepayments	1,303	682	1,303	682
	<b>16,269</b>	<b>14,439</b>	<b>16,289</b>	<b>14,460</b>

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

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

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

### (iii) Trade and other payables

	Group		Company	
	30 September 2016	30 June 2016	30 September 2016	30 June 2016
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non related parties	10,610	30,725	10,610	30,725
- Related party	1,642	3,163	1,642	3,163
	12,252	33,888	12,252	33,888
Construction contracts:				
- Due to customers	810	660	810	660
Non-trade payables				
- Subsidiaries	-	-	774	774
- Non-related parties	3,531	11,520	3,531	11,520
	3,531	11,520	4,305	12,294
Accrued operating expenses	6,960	8,586	6,928	8,564
	<b>23,553</b>	<b>54,654</b>	<b>24,295</b>	<b>55,406</b>

The non-trade amounts due to subsidiaries are unsecured, interest-free and are repayable on demand.

## **Explanatory Notes:**

Trade and other receivables as at 30 September 2016 amounting to S\$16.3 million increased by approximately S\$1.9 million as compared to S\$14.4 million as at 30 June 2016. Prepayments increased by S\$0.6 million mainly due to prepayments relating to rental of plant & machinery.

Inventory as at 30 September 2016 amounting to S\$0.5 million remained relatively unchanged as compared with 30 June 2016.

Assets held-for-sale relates to the property located at 190A/190 Chua Chu Kang Avenue 1, Singapore 689466 which is expected to be sold in the near future to fund the Creditors Scheme of Arrangement.

Available-for-sale financial assets as of 30 September 2016 and 30 June 2016 amounted to S\$11,000.00

Property, plant and equipment decreased by approximately S\$0.5 million from S\$11.6 million as of 30 June 2016 to S\$11.1 million as of 30 September 2016 mainly due to depreciation expenses of S\$0.5 million.

Trade and other payables decreased by approximately S\$31.1 million from S\$54.7 million as of 30 June 2016 to S\$23.6 million as of 30 September 2016 mainly due to write-offs and share issuances made pursuant to the Creditors Scheme of Arrangement.

Borrowings decreased by approximately S\$16.0 million from S\$22.2 million as of 30 June 2016 to S\$6.2 million as of 30 September 2016 mainly due to write-offs and share issuances made pursuant to the Creditors Scheme of Arrangement, and which was further offset by S\$1.2 million in loans received from related party.

As of 30 September 2016, the Group had a net current liabilities of S\$8.0 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	
	30 September 2016	30 September 2016	30 June 2016	30 June 2016
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Trade finance	-	81	-	2,264
Finance lease liabilities	42	-	160	-
Bank borrowing	2,200	2,684	2,200	5,852
Bank overdraft	-	25	-	31
Loan from a related party	-	-	-	1,800
Loan from a shareholder	-	1,200	-	9,874
<b>Total</b>	<b>2,242</b>	<b>3,990</b>	<b>2,360</b>	<b>19,821</b>

The Group's bank borrowings as of 30 September 2016 was S\$6.2 million of which S\$2.2 million is secured and S\$4.0 million is unsecured.

**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 First Quarter ended 30 September

	<b>30 September 2016 \$'000</b>	<b>30 September 2015 \$'000</b>
<b>Cash flows from operating activities</b>		
- Profit/(loss) from continuing operations	25,303	(1,604)
Net profit/(loss)	<u>25,303</u>	<u>(1,604)</u>
Adjustments for:		
- Write-off of pursuant to Creditors Scheme of Arrangement	(22,373)	-
- Depreciation of property, plant and equipment	454	471
- Impairment of property, plant, and equipment	26	47
- Gain on disposal of property, plant and equipment	-	(14)
- Gain on disposal of investment property under construction	-	(155)
- Fair value loss on available-for-sale financial assets	*	*
- Interest income	-	*
- Interest expense	(2)	2
- Dividend income	(5)	(6)
	<u>3,403</u>	<u>(1,259)</u>
<b>Change in working capital:</b>		
- Available-for-sale financial assets	*	-
- Construction contract work-in-progress	20	(1,711)
- Trade and other receivables	(1,831)	1,169
- Trade and other payables	(4,199)	789
Cash flows generated from operations	<u>(2,607)</u>	<u>(1,012)</u>
Interest received	-	*
<b>Net cash used in operating activities</b>	<u>(2,607)</u>	<u>(1,012)</u>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(49)	(47)
Disposal of property, plant and equipment	-	14
Dividends received	5	6
Purchase of available-for-sale financial assets	-	(4)
Net proceeds from disposal of investment property under construction	-	4,761
<b>Net cash (used in)/ provided by investing activities</b>	<u>(44)</u>	<u>4,730</u>
<b>Cash flows from financing activities</b>		
Repayment of finance lease liabilities	(118)	-
Proceeds from borrowings	1,800	-
Repayment of borrowings	(3,258)	(1,138)
Interest paid	2	(2)
Issuance of subscription shares	4,000	-
<b>Net cash provided by/ (used in) financing activities</b>	<u>2,426</u>	<u>(1,140)</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<u>(225)</u>	<u>2,578</u>
<b>Cash and cash equivalents</b>		
Beginning of financial period	<u>4,930</u>	<u>3,165</u>
<b>End of financial period</b>	<u><b>4,705</b></u>	<u><b>5,743</b></u>

\* Amount below S\$1,000

**(ii) Review of Cash Flows for the Financial Year ended 30 September 2016.**

**Operating activities**

Net Cash used in operating activities during the financial period amounted to S\$2.6 million. The reasons for the changes in working capital are explained in the Explanatory Notes to the Statement of Financial Position on page 6.

**Investing activities**

Net cash used in investing activities of approximately S\$44,000 is mainly for additions to property plant and equipment.

**Financing activities**

Net cash provided by financing activities of approximately S\$2.4 million from proceeds from borrowings and issuance of shares.

Overall, cash and cash equivalents stood at approximately S\$4.7 million as of 30 September 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
<b>Group</b>				
<b>2016</b>				
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	-	25,303	1	25,304
<b>As at 30 September 2016</b>	<b>51,450</b>	<b>(48,304)</b>	<b>(14)</b>	<b>3,132</b>
<b>2015</b>				
As at 1 July 2015	28,580	(63,053)	132	(34,341)
Total comprehensive loss for the year	-	(1,604)	(32)	(1,637)
<b>As at 30 September 2015</b>	<b>28,580</b>	<b>(64,657)</b>	<b>100</b>	<b>(35,978)</b>
<b>Company</b>				
<b>2016</b>				
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	-	25,312	-	25,311
<b>As at 30 September 2016</b>	<b>51,450</b>	<b>(49,077)</b>	<b>1</b>	<b>2,373</b>
<b>2015</b>				
As at 1 July 2015	28,580	(63,245)	134	(34,532)
Total comprehensive loss for the year	-	(1,604)	(33)	(1,637)
<b>As at 30 September 2015</b>	<b>28,580</b>	<b>(64,850)</b>	<b>101</b>	<b>(36,169)</b>

**Other reserves**

	Group		Company	
	30 September 2016	30 June 2016	30 September 2016	30 June 2016
	\$'000	\$'000	\$'000	\$'000
(a) Composition:				
Fair value reserve	1	1	1	1
Currency translation reserve	(15)	(15)	-	-
	<b>(14)</b>	<b>(14)</b>	<b>1</b>	<b>1</b>
(b) Movements:				
(i) Fair value reserve				
Beginning of financial year	1	134	1	134
Fair value gain/ (loss)	*	(133)	*	(133)
<b>End of financial year</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
(ii) Currency translation reserve				
Beginning of financial year	(15)	(1)	-	-
Net currency translation differences of financial statements of foreign subsidiaries	*	(14)	-	-
<b>End of financial year</b>	<b>(15)</b>	<b>(15)</b>	<b>-</b>	<b>-</b>

\* 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

### Share Capital

	Company	
	Number of shares issued	Share Capital S\$'000
<b>Issued and fully paid:</b>		
As at 1 July 2016	368,500,000	28,580
Issuance of new shares pursuant to the Creditors Scheme of Arrangement, Subscription, and in satisfaction of Fees	2,397,228,294	22,870
<b>As at 30 September 2016</b>	<b>2,765,728,294</b>	<b>51,450</b>

### Convertibles

On 11 August 2016, the Company issued 500,000,000 warrants to KH Foges Pte Ltd which can be converted to new shares.

There were no treasury shares held.

- 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

	30 September 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 first quarter ended 30 September 2016	Previous first quarter ended 30 September 2015
Net profit attributable to equity holders of the Company (S\$'000)	25,303	(1,604)
Weighted average number of ordinary shares in issue ('000)	1,697,398	368,500
<b>Basic and diluted profit per share (cents)</b>	<b>1.49</b>	<b>(0.44)</b>

**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 30 September 2016	As at 30 June 2016	As at 30 September 2016	As at 30 June 2016
Net Assets (S\$'000)	3,132	(45,042)	2,373	(45,810)
Number of shares ('000)	2,765,728	368,500	2,765,728	368,500
Net asset value per ordinary share (cents)	0.11	(12.22)	0.09	(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 mirco-tunnelling works in Singapore and acts primarily as the main contractor.

### **Income Statement Review (First Quarter of FY2017 vs. First Quarter of FY2016)**

#### **Revenue**

	Group					
	Current first quarter ended 30 September 2016		Previous first quarter ended 30 September 2015		Increase/ (decrease)	Increase/ (decrease)
	S\$'000	%	S\$'000	%	S\$'000	%
Civil Engineering	10,078	81%	4,174	82%	5,904	141%
Tunneling	2,414	19%	927	18%	1,488	161%
	<b>12,492</b>	<b>100%</b>	<b>5,101</b>	<b>100%</b>	<b>7,391</b>	

Revenue from Civil Engineering segment increased by S\$5.9 million from S\$4.2 million in 1Q2016 to S\$10.1 million in 1Q2017 mainly due to an increase in the progress of the on-going projects, particularly the ER382 project.

Revenue from Tunnelling segment increased by S\$1.5 million from S\$0.9 million in 1Q2016 to S\$2.4 million in 1Q2017 mainly due to an increase in the progress of the Nee Soon tunnelling project.

#### **Gross profit**

	Group					
	Current first quarter ended 30 September 2016		Previous first quarter ended 30 September 2015		Increase/ (decrease)	Increase/ (decrease)
	S\$'000	%	S\$'000	%	S\$'000	%
Civil Engineering	1,549	40%	282	94%	1,267	n.m.
Tunnelling	2,360	60%	17	6%	2,342	n.m.
	<b>3,909</b>	<b>100%</b>	<b>299</b>	<b>100%</b>	<b>3,609</b>	

The Group's gross profit increased by S\$3.6 million from S\$0.3 million in 1Q2016 to S\$3.9 million in 1Q2017 mainly due to the decreased costs and reversal of overprovision of costs made in the previous financial period.

Gross profit from Civil Engineering segment increased by S\$1.3 million from approximately S\$0.3 million in 1Q2016 to S\$1.6 million in 1Q2017 mainly due to the corresponding increase in revenue during the period.

Gross profit from Tunnelling segment increased by S\$2.3 million during the financial period from S\$17,000 in 1Q2016 to \$2.4 million in 1Q2017. This was mainly due to the reversal of overprovision of costs made for the Nee Soon tunnelling project in the previous financial period.

## **Income Statement Review (First Quarter of FY2017 vs. First Quarter of FY2016) (Continued)**

### **Distribution and marketing**

The company did not incur significant distribution and marketing expenses during 1Q2017.

### **Administrative expenses**

Administrative expenses for 1Q2017 decreased by S\$1.2 million compared with 1Q2016. The administrative expenses of S\$1.0 million mainly comprised of depreciation of S\$0.1 million, salaries and related costs of S\$0.6 million, professional fees S\$0.1 million and other operating expenses.

### **Finance Expenses**

Financing expenses relates to interest expenses on borrowing costs.

### **Profit before income tax**

The Group generated a profit before income tax of approximately S\$25.3 million in 1Q2017, an increase of S\$26.9 million as compared to a loss before income tax of approximately S\$1.6 million in 1Q2016.

### **Total profit after tax**

The Group generated a profit after tax of approximately S\$25.3 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.

**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**

According to reports by Building and Construction Authority (“BCA”), Civil engineering construction demand in Singapore is expected to remain strong beyond 2016 due to major infrastructure works including the construction of new MRT lines, construction of the North-South Expressway, associated infrastructure works for Changi Airport Terminal 5 and phase 2 of the Deep Tunnel Sewerage System.

The Company is looking to bid for suitable projects to strengthen its order book.

### **General**

The Company has managed to turn around its business and achieved a profit of S\$25.3 million in the first quarter of the financial year ending 30 June 2017. The Net Tangible Assets as at 30 September 2016 was S\$3.1 million as compared to Net Tangible Liabilities of S\$45.0 million as at 30 June 2016.

### **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:

- the issuance of 929,461,627 shares to the Scheme Creditors; and
- the disbursement of a sum of approximately S\$9.5 million in cash to the Scheme Creditors.

The Company will continue to work actively towards satisfying its commitments to the Scheme Creditors under the Scheme with the aim of bringing the Scheme to a close.

### **Issuance of Subscription Shares and Warrants to KH Foges Pte Ltd (“Subscriber”)**

The Company issued 1,400,000,000 Subscription Shares and 500,000,000 Warrants to the Subscriber pursuant to the Shareholders Agreement signed on 14 March 2016.

### **Resumption of Trading**

The Company resumed trading of its shares on SGX-ST on 22 August 2016.

### **Order Book Status**

The current order book of the Company is approximately \$105.5 million as of 30 September 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/recommended, a statement to that effect**

No dividend had been declared for the first quarter ended 30 September 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 financial statements for the first quarter ended 30 September 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 November 2016