

## **PRESS RELEASE**

Swee Hong Limited  
Results for the Quarter Ended 30 September 2016

Singapore; 16 November 2016 - Swee Hong Ltd (QF6.SI) (“SWEE HONG” or the “Company”) announced its financial results for the quarter ended 30 September 2016.

### Consolidated Financial Highlights:

- Revenue during Q1FY17 increased to S\$12.5 million compared with S\$5.1 million in Q1FY16
- Gross Profit for Q1FY17 was S\$3.9 million compared with S\$0.3 million in Q1FY16
- Net profit during Q1FY17 was S\$25.3 million compared to a loss of S\$1.6 million in Q1FY16.
- Net profit for the quarter, excluding gains from debt restructuring, was S\$2.9 million.
- Swee Hong saw its NTA turn positive mainly due to the debt restructuring exercise, subscription of shares by KH Foges Pte Ltd and operational improvements.

The company saw 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 Q1FY17, revenue from the 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 – construction of new road between MacRitchie Viaduct and Adam Flyover.

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.

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 S\$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.

The company has an order book position which stands at S\$105.5 million as at 30 September 2016. With NTA turning positive, the company expects to start bidding for new projects and add to this order book.

### **Turnaround**

The company under the guidance of the new management team has successfully 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. As part of the Scheme of Arrangement 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.

The Company's Executive Director, Mr Anil Agrawal said, "With the new Board and management in place and with better financial health, the Group is on a much stronger footing for growth. We are now well-poised to capitalise on the wealth of new opportunities in infrastructure development. The Group aims to strengthen its order book in view of the rising demand for civil engineering construction works and projects in the coming years in Singapore".

Mr Agrawal also expressed the Board's appreciation to customers, business partners, management and staff, and all other stakeholders for keeping their faith in the Company to tide through the challenging period and for their continued support.

### **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.