

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 and the Minimum Trading Price Criteria with effect from 5 December 2016 and 5 June 2017 respectively 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 Group achieved a net profit of S\$1.2 million for the financial year ended 30 June 2018 compared to S\$29.8 million for the financial year ended 30 June 2017.

Revenue for the financial year ended 30 June 2018 was S\$49.1 million, as compared to S\$58.5 million for the financial year ended 30 June 2017.

Net tangible assets as at 30 June 2018 was S\$10.2 million, an improvement from the S\$8.9 million as at 30 June 2017.

The Board is continuing to steer the business forward. It is hopeful of being awarded new projects in the near future. The Company has started tendering for new projects and is currently waiting for the results of the tenders as at the date of this announcement.

Please refer to the announcement of the unaudited financial statements of the Group for the financial year ended 30 June 2018 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 the Minimum Trading Price 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 of the SGX-ST Listing Manual, the Company will be assessed by the SGX-ST for removal from the watch-list for the Financial Entry Criteria if 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 and it will be assessed for removal from the watch-list for the Minimum Trading Price Criteria if it has recorded a volume-weighted average price of at least S\$0.20 and 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 of the SGX-ST Listing Manual.

By Order of the Board

Tan Swee Gek
Company Secretary
4 September 2018