

SWEE HONG LIMITED
(Company Registration No.: 198001852R)
(Incorporated in the Republic of Singapore on 3 June 1980)

**SGX QUERIES REGARDING THE COMPANY'S FIRST QUARTER FINANCIAL
RESULT ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2018**

The Board of Directors (the “**Board**”) of Swee Hong Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following in response to queries raised by Singapore Exchange Securities Trading Limited with respect to the Company’s first quarter financial result announcement for the financial year ending 30 June 2018 (“**1Q2018 Results Announcement**”).

SGX Query 1

It was noted that the discussion on competitive conditions of the industry in paragraph 10 of the 1Q2018 Results Announcement was in relation to calendar year 2017 which is ending soon in less than 2 months. Please provide discussion of the factors or events that may affect the Group in the next 12 months.

Company’s response

As per the Building and Construction Authority’s (“**BCA**”) media release of January 2017 the average construction demand is projected between \$26.0 billion and \$35.0 billion per annum in 2018 and 2019. BCA estimates public sector construction demand to be between \$18.0 billion to \$23.0 billion per annum from 2018 to 2021, with similar proportion of demand coming from building projects and civil engineering works. Besides public housing developments and more healthcare and educational facilities, public sector demand over the medium term will be supported by various upcoming mega infrastructure projects such as the Jurong Regional Line, Cross Island Line, and various infrastructure developments for Changi Airport Terminal 5. The overall construction demand prospects over the medium to long term will continue to be bolstered by a strong pipeline of public sector construction projects.

As the Group is mainly focused on public sector construction projects, the strong pipeline of public sector construction projects will provide the Group with opportunities to bid for suitable projects over the next 12 months. As at the date of this announcement, the Group has already tendered for four (4) new projects in the past five (5) months and is currently waiting for the outcome of these tenders. The Group will tender for further projects as and when appropriate opportunity arises in the future.

By Order of the Board

Tan Swee Gek
Company Secretary
23 November 2017