
SGX QUERIES REGARDING THE COMPANY'S FY2014 FINANCIAL RESULTS ANNOUNCEMENT

The Board of Directors of Swee Hong Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce the following in response to the queries with respect to the Company's financial results announcement for the full year ended 30 June 2014 (“**FY2014 Results Announcement**”) raised by Singapore Exchange Limited:

Question 1

It was noted that the Group's administrative expenses recorded a year-on-year increase of 25%, mainly due to an increase in impairment allowance of construction contract amount due from customer. Please provide reasons for the increase in impairment allowance and the contract value due from this customer.

Company's response

The provision was made for several projects, out of which, a provision of \$2.9million in FY2014 was mainly made for one particular project. As of 30 June 2014, the Group had submitted claims for a contract sum of at least \$37 million to this customer. As the Group is still in negotiations with this customer on the Group's claims for additional works performed, an impairment of \$5.2 million (including an impairment of \$2.3 million provided in FY2013) was provided for this project.

Question 2

Paragraph 9 of the Results Announcement requires the Company to comment whether the current results are in line with the Company's commentary in Paragraph 10 of 3Q FY2014 results announcement. Please provide.

Company's response

The Company did not make any forecast and prospect statement in respect of its 3QFY2014 results ended 31 March 2014.

By Order of the Board

Ong Hock Leong
Managing Director

4 September 2014