

Swee Hong Limited
(Company Registration No.: 198001852R)
(Incorporated in the Republic of Singapore)

**ACCOUNTING AND CORPORATE REGULATORY AUTHORITY'S ("ACRA") ADVISORY
LETTER ON COMPLIANCE WITH ACCOUNTING STANDARDS IN RESPECT OF THE
COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

The Board of Directors of Swee Hong Limited (the "**Company**" and together with its subsidiaries, the "**Group**"), wishes to announce that pursuant to ACRA's Financial Reporting Surveillance Programme (the "**FRSP**"), ACRA had on 25 November 2016 issued to the Board of Directors an advisory letter on compliance with accounting standards (the "**Advisory Letter**"). The Advisory Letter was issued following a series of queries and responses between the Company and ACRA.

The Advisory Letter states that ACRA has issued a warning to Mr Ong Hock Leong and Mr Chee Tet Choy, Andy, who were signatories of the financial statements for the financial year ended 30 June 2014 ("**FY2014**") for a breach of Section 201(3A) of the Companies Act (Cap 50) for an instance of severe non-compliance.

After considering the Company's responses, ACRA has concluded that the Company's FY2014 financial statements do not comply with Paragraph 53 of the Singapore Financial Reporting Standards ("**SFRS**") 40 *Investment Property*.

ACRA has also identified the presentation of depreciation of plant and machinery as an area for improvement. In accordance with paragraph 99 of SFRS 1 Presentation of Financial Statements read together with Paragraph 4.50 of the Conceptual Framework for Financial Reporting, the Group should have presented the depreciation of plant and machinery as cost of works, instead of administrative expenses. This accounting treatment has already been applied in the Company's financial statements for the financial years ended 30 June 2015 ("**FY2015**") and 30 June 2016 ("**FY2016**") and the Company will continue to apply the treatment for the financial year ending 30 June 2017 and onward.

Pursuant to the Advisory Letter, ACRA has requested the Company to restate and re-file the Company's re-audited financial statements for FY2014, FY2015, and FY2016 by 30 April 2017. ACRA has also requested that the Company circulate to shareholders the restated and re-audited FY2014, FY2015, and FY2016 financial statements before proceeding for re-filing.

After consultation with the auditors of the Company to assess the financial impact to the financial statements for FY2015 and FY2016, the Board has submitted a letter of appeal to ACRA requesting for a waiver from the need to restate and re-file Company's re-audited financial statements for FY2014, FY2015 and FY2016 on the basis that the restatements have no financial impact on the Company's FY2015 balance sheet, and FY2016 financial statements.

Further announcements will be made by the Company as and when appropriate. In the meantime, the Board wishes to advise shareholders of the Company and investors to exercise caution when dealing in the shares of the Company.

By Order of the Board

Tan Swee Gek
Company Secretary
2 December 2016