

SWEE HONG LIMITED
 Company Registration No. 198001852R
 (Incorporated in the Republic of Singapore)
 (the “Company”)

ANNOUNCEMENT

**MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND
 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

The board of directors (the “**Board**”) of Swee Hong Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement on unaudited full year financial statements for the financial year ended 30 June 2016 released by the Company on the SGXNet on 29 August 2016.

The Board wishes to announce and clarify material differences between the unaudited financial statements and audited financial statements for the financial year ended 30 June 2016. The material variances and the reasons for the material differences are set out in the explanatory notes below.

Consolidated Statement of Comprehensive Income for financial year ended 30 June 2016

	Audited \$	Unaudited \$	Variances \$	Note
Other gains – net	386,118	(3,816,272)	4,202,390	A
Loss from discontinued operations, net of tax	(4,202,390)	-	(4,202,390)	A

The material audit adjustments and reclassifications are as below:

Note

- A** Reclassification of losses arising from additional sub-contractors costs incurred during the year relating to discontinued operations from Other gains/losses to Loss from Discontinued Operations.

Statements of Group & Company Financial Position for financial year ended 30 June 2016:

	Audited \$	Unaudited \$	Variances \$	Note
Current assets				
Construction contract work-in-progress	471,010	1,728,510	(1,257,500)	B
Discontinued operations and assets classified as held-for-sale	348,837	331,395	17,442	B
Non-current assets				
Property, plant and equipment	11,561,682	10,321,624	1,240,058	B

Note

- B** Plant and machinery purchased for the purpose of building under construction was erroneously recognised as construction contract work-in-progress, which now has reclassified the plant and machinery as part of property plant and equipment. Assets classified as held-for-sale increased by \$17,442 due to reclassification of depreciation charge from assets held-to-sale to property, plant and equipment.

Consolidated Statement of Cash Flows for financial year ended 30 June 2016

	Audited \$	Unaudited \$	Variances \$	Note
Net cash provided by operating activities	(4,894,688)	(2,317,901)	(2,576,787)	C
Net cash used in investing activities	27,997,048	25,420,260	2,576,788	D
Net cash provided by financing activities	(25,389,748)	(21,336,950)	(4,052,798)	E

Note

- C** Mainly due to the following:-
- (i) Changes in work-in-progress due to reclassification of previously purchase equipment to property, plant and equipment
 - (ii) Additional sub-contractors costs was reflected as addition on investment property under construction as part of investing activities and adjusted to trade and other payables as the additional sub-contractors costs incurred relating to discontinued operations was not paid as at the balance sheet date.
- D** Mainly due to the following:-
- (i) Additions to property, plant and equipment is in relation to plant and equipment acquired for building under construction previously erroneously recognised as work-in-progress
 - (ii) The reason as disclosed in Note C(ii)
- E** Mainly due to reclassification of bank balances restricted for use.

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary
10 October 2016