

**SGX QUERIES REGARDING THE COMPANY'S HALF YEAR FINANCIAL
RESULT ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2017**

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 half year financial result announcement for the financial year ending 30 June 2017 (“**HY2017 Financial Result Announcement**”).

SGX Query

It was disclosed that “Administrative Expenses” had significantly decreased from approximately \$6.12 million to \$0.42 million. Please provide reasons for the decrease of approximately \$5.69 million.

Company’s response

The Company wishes to clarify that the reasons for decrease in administrative expenses of S\$5.69 million in 2Q2017 arise from the following:

- Accrued claims from scheme creditors of S\$4.2 million in 2Q2016 as compared to 2Q2017 where there were no such accrued claims;
- Reduction in depreciation expenses of S\$0.4 million from S\$0.5 million in 2Q2016 to S\$0.1 million in 2Q2017 due to reclassification of depreciation expenses of plant and machinery from administrative expenses to cost of works;
- Reduction in accrued professional fees of S\$0.8 million from S\$0.5 million in 2Q2016 to S\$(0.3) million in 2Q2017; and
- Reduction of other administrative expenses of S\$0.3 million in 2Q2017.

By Order of the Board

Tan Swee Gek
Company Secretary

3 March 2017