

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

**SGX QUERIES REGARDING THE COMPANY'S FULL YEAR FINANCIAL RESULT
ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 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 full year financial result announcement for the financial year ended 30 June 2017 (“**FY2017 Financial Result Announcement**”).

SGX Query 1

It was disclosed that “Gross profit from tunneling segment is an increase of \$9.3 million... mainly due to reversal of provision for foreseeable losses of \$4.7 million Please provide further details on the previous provision for foreseeable losses and elaborate on the changes in circumstances that led to its reversal.

Company’s response

As at 30 June 2016, the Group had provided for a cumulative foreseeable loss of \$4.9 million for the Nee Soon Tunnelling Project (the “**Project**”). Subsequently, in the financial year ended 30 June 2017 (“**FY 2017**”), the Project was substantially completed with all costs booked under the Project. Accordingly, the provision of foreseeable loss of \$4.7 million was reversed in FY 2017.

SGX Query 2

Please provide a breakdown on the use of proceeds from the issuance of the Subscription Shares of \$4,000,000. Please provide a further breakdown and details of the underlying transactions comprising the “outstanding payables due to the Subscriber”.

Company’s response

The proceed of \$4,000,000 was utilised for the following purposes:

- (1) the repayment of a working capital facility of \$3,150,000; and
- (2) for payment of trade payables on account for rental of machinery of \$850,000.

By Order of the Board

Tan Swee Gek
Company Secretary
11 October 2017