

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

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**SGX QUERIES REGARDING THE COMPANY'S THIRD QUARTER FINANCIAL  
 RESULT ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2018**

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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 third quarter financial result announcement for the financial year ending 30 June 2018 (“**3Q2018 Results**”).

**SGX Query 1**

On page 3 of the 3Q2018 Results, the Company disclosed that “Trade and other receivables” of S\$39.6 million, which exceeds “Revenue” of S\$11.7 million. Please provide:

- (i) An aging analysis of the receivables; and
- (ii) Details on the collectability of the receivables.

**Company’s response**

A breakdown of Trade and other receivables & collectability for the Group on 3Q2018 is set out below:

		<b>3Q18</b>	<b>Amounts</b>	<b>Amounts</b>	<b>Amounts</b>
	<b>Ageing</b>	<b>S\$'000</b>	<b>Subsequently</b>	<b>Subsequently</b>	<b>Outstanding</b>
			<b>Certified/billed</b>	<b>Collected</b>	<b>as at 6 June</b>
			<b>between 1</b>	<b>between 1</b>	<b>2018</b>
			<b>April 2018 to 6</b>	<b>April 2018 to</b>	
			<b>June 2018</b>	<b>6 June 2018</b>	
			<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Trade receivables	Less than 1 year	285	7,673	(4,963)	2,995
Construction contracts due from customers	Less than 1 year	38,855	(7,673)	-	31,182
Non-trade receivables	Less than 1 year	197	-	(25)	172
Deposits	Less than 1 year	237	-	-	237
Prepayment	Less than 1 year	34	-	-	34
		<u>39,608</u>	<u>-</u>	<u>(4,988)</u>	<u>34,620</u>

Trade and other receivables mainly consist of construction contracts due from customers amounting to S\$38.9 million arising from uncertified work done or claims.

Barring unforeseen circumstances, the Company is confident that the above construction contracts due from customers are collectable.

**SGX Query 2**

On page 10 of the 3Q2018 Results, the Company disclosed that “Administrative expenses increased by S\$775,000 from S\$173,000 in 3Q2017 to S\$948,000 in 3Q2018 mainly due to increased salaries and related expense.”

Please provide a breakdown of the Administrative expenses.

**Company’s response**

A breakdown of working capital for Administrative expenses is set out below:

	<b>3Q18</b>	<b>3Q17</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Salaries and related expenses	653	120
Depreciation charges	11	102
Write back of impairment of property, plant and equipment	-	(102)
Other administrative expenses	284	53
	<u>948</u>	<u>173</u>

Depreciation charges decreased by S\$91,000 mainly due to depreciation charges in leasehold land in 3Q2017, however, as the leasehold property was subsequently disposed in FY2017, there was no depreciation charges for year 2018.

By Order of the Board

Tan Swee Gek  
Company Secretary  
7 June 2018