



SYSMA HOLDINGS LIMITED

Company Registration No: 201207614H
(Incorporated in the Republic of Singapore on 28 March 2012)
2 Balestier Road, #03-669, Balestier Hill Shopping Centre, Singapore 320002
Tel:6256 2288 (4 lines) Fax:6252 4156
E-mail: sysma@sysma.com.sg

FINANCIAL STATEMENTS ANNOUNCEMENT

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2022

PART I - CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2022

A Condensed interim consolidated statement of comprehensive income

	Note	Group		
		6 months ended		
		31/01/2022 Unaudited S\$'000	31/01/2021 Unaudited S\$'000	Increase/ (Decrease) %
Revenue	4	25,426	25,468	(0.2)
Cost of sales		(21,336)	(22,667)	(5.9)
Gross profit		4,090	2,801	46.0
Other gain- net				
- Other income		7,340	2,416	203.8
Expenses				
- Other operating expenses		(2,357)	(1,607)	46.7
- Administrative expenses		(4,329)	(2,369)	82.7
- Finance costs		(229)	(165)	38.8
Profit before income tax		4,515	1,076	319.6
Income tax expense	5	(854)	(52)	1,542.3
Profit for the year, representing total comprehensive income for the year		3,661	1,024	257.5
Profit attributable to:				
Owners of the company		3,129	1,023	205.9
Non-controlling interests		532	1	n.m.
		3,661	1,024	257.5
Total comprehensive income attributable to:				
Owners of the company		3,129	1,023	205.9
Non-controlling interests		532	1	n.m.
		3,661	1,024	257.5
Weighted average number of ordinary shares ('000)		252,349	252,349	-
Basic and diluted earnings per share (cent)		1.45	0.41	n.m.

n.m.: not meaningful

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2022

	Group		
	Six months ended		
	31/01/2022	31/01/2021	Increase/ (Decrease)
	Unaudited	Unaudited	(Decrease)
	S\$'000	S\$'000	%
After charging:			
Depreciation of property, plant and equipment	2,279	1,896	20.2
Operating lease expenses	634	701	(9.6)
Interest on lease liabilities	57	47	21.3
Interest on bank loans	96	46	108.7
Net foreign exchange losses	577	21	n.m.
Net loss allowance – trade receivables	57	46	(23.9)
Provisions	-	300	n.m.
Loss allowance – other receivables	-	121	n.m.
Loss allowance – financial assets measured at fair value through profit and loss	200	-	n.m.
and crediting:			
Rental income	34	148	(77.0)
Interest income	135	133	1.5
Government grants	695	1,755	(60.4)
Gain on disposal of financial asset measured at fair value through profit and loss	5,494	-	n.m.
Gain on disposal of property, plant and equipment	375	82	357.3

n.m.: not meaningful

^: amount below S\$500

Related party transactions

There are no material related party transactions during the current reporting period.

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2022

B Condensed interim statements of financial position

	Note	Group		Company	
		31/01/2022	31/07/2021	31/01/2022	31/07/2021
		Unaudited S\$'000	Audited S\$'000	Unaudited S\$'000	Audited S\$'000
Assets					
Current assets					
Cash and cash equivalents		37,461	28,898	22,698	5,858
Pledged bank deposits		1,015	995	-	-
Trade and other receivables		5,163	7,433	5,516	5,712
Financial asset measured at fair value through profit and loss	9	192	-	192	-
Contract assets		4,152	4,378	-	-
Properties held for sale	6	3,469	3,469	-	-
Total current assets		51,452	45,173	28,406	11,570
Non-current assets					
Property, plant and equipment	7	23,972	22,800	-	-
Investment property	6	506	514	-	-
Goodwill	8	4,908	4,908	-	-
Investment in subsidiaries		-	-	36,081	37,381
Investment in associate		^	^	-	-
Financial asset measured at fair value through profit and loss	9	18,355	23,742	18,355	23,742
Other intangible assets	10	458	549	-	-
Other receivables		1,871	1,855	979	975
Contract assets		4,921	6,065	-	-
Total non-current assets		54,991	60,433	55,415	62,098
Total assets		106,443	105,606	83,821	73,668
Liabilities and equity					
Current liabilities					
Trade and other payables		13,622	18,009	16,778	10,401
Contract liabilities		3,432	4,707	-	-
Provisions		5,629	5,674	-	-
Bank loans	11	1,452	1,362	-	-
Lease liabilities		1,538	1,406	-	-
Income tax payable		1,450	1,290	209	75
Total current liabilities		27,123	32,448	16,987	10,476
Non-current liabilities					
Trade and other payables		2,259	2,643	-	-
Lease liabilities		2,297	1,447	-	-
Bank loans	11	7,298	8,142	-	-
Deferred tax liabilities		1,744	1,692	-	-
Total non-current liabilities		13,598	13,924	-	-

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2022

	Note	Group		Company	
		31/01/2022	31/07/2021	31/01/2022	31/07/2021
		Unaudited S\$'000	Audited S\$'000	Unaudited S\$'000	Audited S\$'000
Capital and reserves					
Share capital	12	45,530	45,538	45,538	45,538
Treasury shares		(1,120)	(1,120)	(1,120)	(1,120)
Merger reserve		(3,517)	(3,517)	-	-
Equity reserve		(844)	(844)	-	-
Accumulated profits		19,747	18,371	22,416	18,774
Equity attributable to owners of the Company		59,796	58,458	66,834	63,192
Non-controlling interests		5,926	806	-	-
Total equity		65,722	59,234	66,834	63,192
Total liabilities and equity		106,443	105,606	83,821	73,668

^: amount below S\$500

B2 Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/01/2022 (Unaudited)		As at 31/07/2021 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,959	-	2,768	-

Amount repayable after one year

As at 31/01/2022 (Unaudited)		As at 31/07/2021 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
9,626	-	9,589	-

Details of any collateral

Lease liabilities are secured by certain machinery, works vehicles, and office equipment of the Group with carrying amount of S\$4,445,247 as at 31/01/2022 (31/07/2021: S\$3,413,247).

Bank loans are secured by certain properties and land of the Group with carrying amount of S\$8,374,729.35 as at 31/01/2022 (31/07/2021: S\$8,678,858).

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2022

C Condensed interim consolidated statement of cash flows

	Note	Group	
		6 months period ended	
		Unaudited 31/01/2022 S\$'000	Unaudited 31/01/2021 S\$'000
Operating activities			
Profit before tax		4,515	1,076
Adjustments for:-			
Depreciation of property, plant and equipment		2,279	1,896
Amortisation of intangibles		91	-
Addition of provisions			300
Net foreign exchange losses from non-operating cash flows		577	21
Interest income		(135)	(133)
Finance costs		229	165
Write-back of loss allowance		57	46
Loss allowance – other receivables		-	121
Loss allowance – financial asset measured at fair value through profit and loss		200	-
Government grant income		(695)	(1,755)
Government grant expense		-	6
Gain on disposal of financial asset measured at fair value through profit and loss		(5,494)	-
Gain on disposal of property, plant and equipment		(375)	8
Operating cash flows before movements in working capital changes		1,249	1,661
Trade and other receivables		2,275	(4,767)
Contract assets		1,410	75
Trade and other payables		(1,029)	2,000
Contract liabilities		(1,275)	299
Cash generated from/ (used in) operations		2,630	(732)
Net government grant income received		543	-
Tax paid		(601)	(132)
Net cash generated from/ (used in) operating activities		2,572	(864)
Investing activities			
Interest received		26	38
Purchase of property, plant and equipment		(1,572)	(1,166)
Proceeds from disposal of property, plant, equipment		613	82
Proceeds from financial asset measured at fair value through profit and loss		15,004	-
Investment in financial asset measured at fair value through profit and loss		(5,000)	(13,462)
Net cash from/ (used in) investing activities		9,071	(14,508)
Financing activities			
Repayment of bank borrowings		(754)	(278)
Interest paid		(160)	(93)
Repayment of lease liabilities		(884)	(557)
Increase in pledged deposits		(20)	-
Dividend paid		(1,262)	-
Net cash generated used in financing activities		(3,080)	(928)
Net increase/ (decrease) in cash and cash equivalents		8,563	(16,300)
Cash and cash equivalents at beginning of the financial period		28,898	38,569
Cash and cash equivalents at end of the financial period		37,461	22,269

^: amount below S\$500

SY SMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2022

D Condensed interim statements of changes in equity

	Share Capital	Treasury Shares	Merger Reserve	Equity reserve	Accumulated profits	Equity attributable to owners of the Company	Non-controlling interests	Total Equity
The Group (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 August 2021 (Audited)	45,538	(1,120)	(3,517)	(844)	18,371	58,428	806	59,234
Non-controlling interest arising from issuance of subsidiaries shares	(8)	-	-	-	(491)	(499)	4,589	4,090
Profit for the period, representing total comprehensive income for the financial period	-	-	-	-	3,129	3,129	532	3,661
Dividends	-	-	-	-	(1,262)	(1,262)	-	(1,262)
Balance at 31 January 2022	45,530	(1,120)	(3,517)	(844)	19,747	59,796	5,927	65,723

	Share Capital	Treasury Shares	Merger Reserve	Equity reserve	Accumulated profits	Equity attributable to owners of the Company	Non-controlling interests	Total Equity
The Group (Audited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 August 2020	45,538	(1,120)	(3,517)	(844)	15,718	55,775	811	56,586
Profit for the period, representing total comprehensive (loss)/ income for the financial period	-	-	-	-	1,023	1,023	1	1,024
Balance at 31 January 2021	45,538	(1,120)	(3,517)	(844)	16,741	56,798	812	57,610
Profit/(loss) for the period, representing total comprehensive income/ (loss) for the financial period	-	-	-	-	1,630	1,630	(6)	1,624
Balance at 31 July 2021	45,538	(1,120)	(3,517)	(844)	18,371	58,428	806	59,234

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2022

	Share Capital	Treasury Shares	Accumulated Profits	Total Equity
The Company (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 August 2021	45,538	(1,120)	18,774	63,192
Profit for the period, representing total comprehensive income for the financial period	-	-	4,904	4,904
Dividend paid	-	-	(1,262)	(1,262)
Balance at 31 January 2022	45,538	(1,120)	22,416	66,834

	Share Capital	Treasury Shares	Accumulated Profits	Total Equity
The Company (Audited)	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 August 2020	45,538	(1,120)	868	45,286
Profit for the period, representing total comprehensive income for the financial period	-	-	63	63
Balance at 31 January 2021	45,538	(1,120)	931	45,349
Profit for the period, representing total comprehensive income for the financial period	-	-	17,843	17,843
Balance at 31 July 2021	45,538	(1,120)	18,774	63,192

E Notes to the condensed interim financial statements

1. Corporate information

Sysma Holdings Limited (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim consolidated financial statements as at and for the six months ended 31 January 2022 comprise the Company and its subsidiaries (collectively “the Group”). The principal activity of the Company is that of investment holding.

The principal activities of the Group are:

- (a) Building and construction services;
- (b) Property development; and
- (c) Investment holding

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 January 2022 have been prepared in accordance with Singapore Financial Reporting Standards International (“SFRS(I)”) 1-34 *Interim Financial Reporting* (the “Standards”) issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last financial statements for the year ended 31 July 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to the Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those Standards.

2.2 New and revised SFRS(I) Standards in issue but not yet effective

At the date of authorisation of these condensed interim financial statements, the Group has not applied the following new and revised SFRS(I)s that have been issued but are not yet effective:

Amendments to SFRS(I) 1-1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to SFRS(I) 3	<i>Reference to the Conceptual Framework</i>
Amendments to SFRS(I) 1-16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Annual improvements to SFRS(I) Standards 2018 – 2020 Cycle	<i>Amendments to IFRS 1-First-time Adoption of International Standards, IFRS 9 Financial instruments, IFRS 16 Leases and IAS 41 Agriculture.</i>
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to SFRS(I) 1-8	<i>Definition of Accounting Estimates</i>
Amendments to SFRS(I) 1-1	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to SFRS(I) 17	<i>Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information</i>

The management does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

2.3 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 July 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 6 – Valuation of properties held for sale and investment property

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the below:

- Impairment of goodwill – Key assumptions underlying value in use (refer to Note 8).
- Valuation of financial asset measured at fair value through profit and loss – Key assumptions underlying net asset value (refer to Note 9).
- Provisions – The Group is involved in construction projects and records provisions for projects. Management's estimates are based on terms as set out in the letter of award or contracts or management's experience. Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- Calculation of loss allowance – The Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2022

4. Revenue and segment information

For the purpose of the resource allocation and assessment of segment performance, the Group's chief operating decision maker has focused on the business operating units which in turn, are segregated based on their services. This forms the basis of identifying the operating segments of the Group.

Operating segments are aggregated into a single operating segment if they have similar economic characteristics. The Group is organized into the following main business segments:

1. Building Construction – General builders and construction contractors and general engineering.
2. Property development – Development of residential and commercial projects.
3. Investment holding – Investment in unquoted equity shares of subsidiaries.

01 August 2021 to 31 January 2022 (Unaudited)	Building Construction S\$'000	Property Development S\$'000	Investment Holding S\$'000	Eliminations S\$'000	Group S\$'000
Revenue					
External Customers	25,426	-	-	-	25,426
Inter-segment	2,220	-	1,600	(3,820)	-
Total Revenue	27,646	-	1,600	(3,820)	25,426
Results					
Profit before income tax	666	^	3,951	(102)	4,515
Less: Income tax expense					(854)
Profit for the financial year					3,661
Assets and Liabilities					
Segment assets	53,435	1,531	51,477	-	106,443
Segment liabilities	39,989	31	701	-	40,721
Other Information					
Depreciation of property, plant and equipment	(2,279)	-	-	-	(2,279)
Net loss allowance – trade receivables	(57)	-	-	-	(57)
Loss allowance – financial asset measured at fair value through profit and loss	-	-	(200)	-	(200)
Net foreign exchange losses	^	-	(577)	-	(577)
Government grant	691	-	4	-	695
Finance costs	(152)	-	(76)	-	(228)
Interest income	20	-	115	-	135
Addition to non-current assets	3,714	-	-	-	3,714

^: amount below S\$500

SY SMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2022

01 August 2020 to 31 January 2021 (Unaudited)	Building Construction S\$'000	Property Development S\$'000	Investment Holding S\$'000	Eliminations S\$'000	Group S\$'000
Revenue					
External Customers	25,468	-	-	-	25,468
Inter-segment	2,782	-	-	(2,782)	-
Total Revenue	28,250	-	-	(2,782)	25,468
Results					
Profit before income tax	600	(5)	258	223	1,076
Less: Income tax expense					(52)
Profit for the financial year					1,024
Assets and Liabilities					
Segment assets	54,869	1,554	42,776	-	99,199
Segment liabilities	37,828	27	3,734	-	41,589
Other Information					
Depreciation of property, plant and equipment	(1,896)	-	-	-	(1,896)
Net provisions	(300)	-	-	-	(300)
Net loss allowance	(46)	-	-	-	(46)
Loss allowance – other receivables	-	-	(121)	-	(121)
Net foreign exchange losses	^	-	(21)	-	(21)
Government grant	1,688	-	67	-	1,755
Finance costs	(92)	-	(73)	-	(165)
Interest income	37	-	96	-	133
Addition to non-current assets	1,560	-	-	-	1,560

^: amount below S\$500

Geographical information – The Group only operates in Singapore.

Timing of revenue recognition – Construction revenue is from construction contracts over time.

5. Income tax expense

	6 months ended 31 January 2022	6 months ended 31 January 2021
	S\$'000	S\$'000
Current:		
Income tax	801	373
Deferred tax	41	-
	842	373
Under/ (over) provision of current tax in prior years	12	(321)
	854	52

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2022

6. Property held for sale and investment property

	<u>31 January 2022</u>	<u>31 July 2021</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Properties held for sale	3,469	3,469

The Group's investment property is used for commercial purposes:

	<u>31 January 2022</u>	<u>31 July 2021</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cost		
Balance at beginning of year	530	530
Balance at end of period	<u>530</u>	<u>530</u>
Accumulated depreciation		
Balance at beginning of year	16	-
Depreciation charge for the period	8	16
Balance at end of period	<u>24</u>	<u>16</u>
Net book value		
As at period end	<u>506</u>	<u>514</u>

6.1 Valuation

6.1.1 Properties held for sale

The properties held for sale are held at the lower of the cost and net realisable value. The net realisable value is determined based on assessment by an independent professional valuer. The valuation process involves significant judgements to determine the appropriate valuation methodologies and adjustments to comparable property prices when using the direct comparison method. Valuation is carried out at the end of every financial year.

6.1.2 Investment property

The investment property is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is carried at cost less accumulated depreciation and impairment losses. Impairment losses are assessed by reference to valuations performed by an independent professional valuer. The valuation process involves significant judgements to determine the appropriate valuation methodologies and adjustments to comparable property prices when using the direct comparison method. Valuation is carried out at the end of every financial year.

7. Property, plant and equipment

During the six months ended 31 January 2022, the Group acquired assets amounting to S\$3.5 million (31 January 2021: S\$1.2 million) and disposed of assets with carrying amount of around S\$0.2 million (31 January 2021: Nil).

8. Goodwill

	<u>Goodwill on Consolidation</u>
	<u>S\$'000</u>
Cost and carrying amount:	
As at 31 January 2021	4,427
Acquisition of subsidiary	481
As at 31 July 2021 and 31 January 2022	<u>4,908</u>

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

In accordance with the requirements of SFRS(I) 1-36, the value in use calculations applied a discounted cash flow model using management approved cash flow projections.

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2022

The key assumptions used in determining the recoverable amount of the cash generating units (“CGUs”) are those regarding discount rates, revenue growth rates, profitability margins, capital expenditures, working capital cycles and non-operating cash balances, as at the assessment date. The last assessment was done for the year ended 31 July 2021.

The discount rates applied to the cash flow projections are derived from the weighted average cost of capital plus a reasonable risk premium applicable to the CGUs at the date of assessment of the recoverable amounts. The growth rates used to extrapolate the cash flows of KH Engineering Ltd. (“KHE”) and KH Instrumentation Pte. Ltd. (“KHI”) are (13.5)% and (24.8)% respectively for FY2022 and, 5% and 5% respectively for subsequent years (FY2020: growth rates used for subsequent years were 10% and 15% respectively). This does not exceed the long-term growth rate for the relevant markets. The implied pre-tax rates used to discount the cash flow projections of the respective CGUs are as follows:

- (a) The rate used to discount the cash flows from KHE is 8.0%.
- (b) The rate used to discount the cash flows from KHI is 8.0%.

The values assigned to other key assumptions are based on past performances and expected future market development.

As at the end of the respective reporting periods, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amount of the CGU.

9. Financial asset measured at fair value through profit and loss

	<u>31 January 2022</u>	<u>31 July 2021</u>
	<u>S\$’000</u>	<u>S\$’000</u>
Investment in unquoted equities (Level 3)		
- Issuer A (Euro)	192	10,207
- Issuer B (USD)	13,555	13,535
	<u>13,747</u>	<u>23,742</u>
Investment in quoted equities (Level 1)		
- Issuer C (SGD)	4,800	-
	<u>18,547</u>	<u>23,742</u>
Analysed as:		
Current	192	-
Non-Current	18,355	23,742
	<u>18,547</u>	<u>23,742</u>

During the year, the Group acquired shares in a Singapore domiciled company amounting to less than 5% of the investee’s shareholding. At the date of acquisition, the fair value of the investment was approximately S\$5.0 million.

During the year, a partial redemption of units was effected by Issuer A. Principal amounting to approximately €6.2 million was redeemed and disbursed to the Company together with cash distributions of approximately €3.6 million.

There has been a decrease in the fair value of financial assets at fair value of S\$200,000 in 2022 (2021: Nil). All other changes in carrying amounts are due to movements in exchange rate.

The fair value of the investment in Issuer A’s unquoted equities has been assessed by reference to valuations performed by independent valuer having appropriate recognised professional qualification. The fair values have been estimated based on the Group’s share of the net asset value of the investee, which approximates its fair value as at the end of the reporting period. The investee’s main assets are investment properties. For the investment in Issuer B’s unquoted equities acquired in 2021, fair value is estimated using valuation that arose from the subsequent round of external financing as a proxy.

The last assessment was done for the financial year ended 31 July 2021. The fair value assessment will be conducted again at the end of the financial year.

The fair value of investment in Issuer C’s equities is based on its value as reflected on the Singapore Exchange (SGX) where it is listed.

Management assessed that the fair value of the financial assets is reasonable.

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2022

10. Other intangible assets

Other intangible assets relate to the customer contracts secured by Dae Sung Construction Pte. Ltd. ("DSC") prior to its acquisition date.

These contracts legally bind DSC to the main contractors, to fulfil the agreed scopes of works and earn the sub-contract sums.

Fair value of the customer contracts was estimated using the multi period excess earnings method ("MEEM"), with the assistance of independent appraisers.

11. Bank loans

No new loans have been drawn down in the financial period ended 31 January 2022.

12. Share capital

	Number of shares	Share Capital (S\$)
As at 31 January 2022 and 31 July 2021	252,348,600	44,418,066

There were 8,651,400 treasury shares (representing 3.4% of the Company's 252,348,600 ordinary shares (excluding treasury shares)) as at 31 January 2022 and 31 July 2021.

The Company did not have any outstanding options or convertibles as at 31 January 2022 and 31 July 2021. There were no subsidiary holdings as at 31 January 2022 and 31 July 2021.

13. Dividends

On 26 November 2021, a final one-tier tax exempt dividend of S\$0.005 per ordinary share amounting to \$1,261,743 in respect of the financial year ended 31 July 2021 was declared. On 15 December 2021, the dividend was paid to shareholders.

An interim one-tier tax exempt dividend of S\$0.01 per ordinary share amounting to \$2,523,486 in respect of the financial period ended 31 January 2022 has been recommended. No dividend was declared for the financial period ended 31 January 2021.

14. Subsequent events

There are no known subsequent events, including the disposal of Lascelles Park Limited as disclosed below, which have led to adjustments to this set of interim financial statements.

Disposal of Lascelles Park Limited

Please refer to the Company's announcement dated 8 March 2019 relating to the investment in Lascelles Park Limited ("LPL"). The Company's indirect wholly-owned subsidiary, Sysma Capital One Pte Ltd which holds 30% stake in LPL, and the rest of the shareholders of LPL have on 18 February 2022 entered into a share purchase agreement with an independent third party for the entire issued share capital of LPL.

This disposal is in the ordinary course of the Group's business. Upon completion of the disposal, LPL will cease to be an associated company of the Company. The disposal is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 July 2022.

PART II - OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

- 1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 31 January 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended 31 January 2022 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

- 2. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

- 3. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern):—**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

- 4. Where the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Please refer to Section 2 of Part I.

- 5. If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to Section 2 of Part I.

- 6. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -**

(a) current period reported on; and

(b) immediately preceding financial year

	Group		Company	
	31/01/2022	31/07/2021	31/01/2022	31/07/2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Singapore cents)	(Singapore cents)	(Singapore cents)	(Singapore cents)
Net asset value per ordinary share attributable to owners of the company	23.70	23.15	26.48	25.04

As at 31 January 2022, the number of ordinary shares issued (excluding treasury shares) is 252,348,600 (31 July 2021: 252,348,600).

- 7. Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial**

period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Please refer to Section 12 of Part I.

8. **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Please refer to Section 12 of Part I.

9. **A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable. There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

10. **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of current financial Period reported on.

11. **Review of performance of the Group**

Review of Group Performance for the six months ended 31 January 2022 (“HY2022”) vs the financial year ended 31 January 2021 (“HY2021”)

Revenue was fully contributed by the Building Construction segment and remained fairly constant, at S\$25.4 million from customers compared to S\$25.5 million in HY2021.

Cost of sales decreased to \$21.3 million in HY2022. The decrease was mainly due to improved operational efficiencies in materials, supplies, and labour management, resulting in reduced project costs and increased productivity. As a result, the gross profit margin increased to 16.1% in HY2022 as compared to 11.0% in HY2021.

The other income increased to S\$7.3 million in HY2022. This was mainly due to the gain on disposal arising from partial redemption of financial asset measured at fair value through profit and loss of S\$5.5 million, increase in gain on disposal of fixed assets of S\$0.3 million, and increase in miscellaneous income of S\$0.3 million mainly from sale of steel scrap materials. This was offset by a decrease in government grants of S\$1.1 million due to tapering off of government support, and decrease in rental income from external sub-contractors of S\$0.1 million.

The other operating expenses increased from S\$1.6 million in HY2021 to S\$2.4 million in HY2022. This was mainly due to an increase in loss on foreign exchange of S\$0.5 million, increase in operating expenses related depreciation of S\$0.2 million, and an increase in impairment expense of \$S0.1 million.

The increase in administrative expenses from S\$2.4 million in HY2021 to S\$4.3 million in HY2022 was mainly due to increase in staff salary and related expenses of S\$1.8 million mainly attributable to one-off business generation incentive of S\$1.1 million.

Depreciation expense had increased by approximately S\$0.4 million from S\$1.9 million in HY2021 to S\$2.3 million in HY2022 mainly due to the full period recognition of the results and performance of the newly acquired Dae Sung Construction Pte Ltd (“DSC”), as well as purchases of fixed assets in the current financial period. Amortization expense increased to approximately S\$0.1 million in HY2022 due to recognition of intangible assets on the acquisition of DSC.

The income tax expense saw an increase of S\$0.8 million due to an increase in current tax expense of S\$0.5 million (in line with increased profit) and decrease in overprovision of prior year tax of S\$0.3 million.

As a result of the above, our net profit saw an increase of S\$2.7 million to S\$3.7 million.

Review of Group Financial Position

As at 31 January 2022, current assets amounted to S\$51.5 million or approximately 48.3% of total assets. Current assets increased by approximately S\$6.3 million mainly due to increase in cash and cash equivalents of S\$8.6 million, offset by decrease in trade and other receivables of S\$2.3 million.

Increase in cash and cash equivalents was mainly due to net cash inflow from investing activities of S\$9.1 million, and net cash inflow from operating activities of S\$2.6 million and offset by the net cash outflow from financing activities of S\$3.1 million.

Decrease in trade and other receivables of S\$2.3 million is mainly due to improved collectability from customers.

Current contract assets decreased marginally by S\$0.2 million due to decrease in unbilled revenue.

S\$0.2 million of financial assets measured at fair value through profit and loss was reclassified from non-current to current assets as the sum is expected to be redeemed within the next few months.

Non-current assets amounted to S\$55.0 million or approximately 51.7% of total assets. The S\$5.4 million decrease in non-current assets was mainly due to the net decrease of investment in financial assets measured at fair value through profit and loss of S\$5.4 million. This movement was due to a substantial redemption of units in Elite Logistics Fund amounting to S\$9.5 million, and reclassification of remaining units in Elite Logistics Fund of S\$0.2 million to current assets, offset by a new investment in a quoted equity of S\$5.0 million. The remaining S\$0.7 million decrease was due to exchange rate movements and fair value changes. Please refer to Section 9 of Part I for additional details.

Current liabilities amounted to S\$27.1 million or approximately 66.6% of our total liabilities. Current liabilities decreased by approximately S\$5.3 million mainly due to the decrease in trade and other payables of S\$4.4 million. This was made up of a decrease in trade payables of S\$1.8 million in line with the decrease in cost of sales, decrease in other payables to 3rd parties of S\$3.0 million mainly due to settlement of the last tranche of consideration in connection with acquisition of KH Engineering Ltd and KH Instrumentation Pte Ltd, and decrease in deferred government grant income of S\$0.3 due to recognition in the year and tapering off of government support. This was offset by the increase in accruals of \$0.7 million. Current liabilities further decreased by the decrease in contract liabilities of S\$1.3 million mainly due to reduction in advances received from customers, offset by the increase in bank loan of S\$0.1 million due to reclassification from non-current liabilities, increase in lease liabilities of S\$0.1 million, and income tax payable of S\$0.2 million.

Bank loans increased by S\$0.1 million (current) and decreased by S\$0.8 million (non-current) mainly due to by loan repayments during the period.

Lease liabilities had increased by S\$0.1 million (current) and S\$0.9 million (non-current) due to new leases, as well as extension of existing ones, offset by repayments during the period.

Income tax payable increased by S\$0.2 million, in line with the increase in current tax expense and offset by repayment of tax during the period.

Non-current liabilities amounted of S\$13.6 million or approximately 33.4% of our total liabilities. The decrease of S\$0.3 million is mainly attributable to decreases in bank loans of S\$0.8 million, and non-current trade and other payables of S\$0.4 million, offset by the increase in lease liabilities of S\$0.9 million.

Accumulated profits increased by S\$1.4 million due to the net profit attributable to owners of the company of S\$3.2 million earned in HY2022 offset by the dividends declared and paid out of S\$1.3 million and the non-controlling interest arising from the issuance of subsidiaries' shares of S\$0.5 million.

Review of Statement of Cash Flows

In HY2022, net cash inflows from operating activities of approximately S\$2.6 million was a result of operating cash inflows before working capital changes of approximately of S\$1.2 million, adjusted for net working capital inflows of approximately S\$1.4 million, and a result of the following material movements in HY2022:

- Depreciation of property plant and equipment had increased by S\$0.4 million as explained in the "Review of Group Performance" above.
- Proceeds from the investment in financial asset measured at fair value through profit and loss of S\$15.0 million due to partial redemption and distribution from one of the issuers.
- Proceeds from disposal of property, plant and equipment of S\$0.6 million in HY2022 due to the Group managing to get a return on disposal of fully/almost fully depreciated assets in the financial year.

The net working capital inflows of approximately S\$1.4 million were mainly due to decreases in trade and other receivables of S\$2.3 million, and contract assets of S\$1.4 million, offset by decreases in trade and other payables of S\$1.0 million, and contract liabilities by S\$1.3 million.

Net cash inflow from investing activities amounted to S\$9.1 million and was mainly due to proceeds from the investment in financial asset measured at fair value through profit and loss of S\$15.0 million, and disposal of Property Plant and Equipment ("PPE") of S\$0.6 million, offset by the new investment in financial asset measured at fair value through profit and loss of S\$5.0 million and the purchase of PPE of S\$1.6 million.

Net cash outflow from financing activities amounted to approximately S\$3.1 million and was mainly due to payment of dividend of S\$1.3 million, repayment of bank borrowings of S\$0.8 million, repayment of lease liabilities of S\$0.9 million, and repayment of interest of S\$0.1 million.

12. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable as no forecast or prospect statement has been previously disclosed to shareholders.

13. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

For HY2022, the Group reported a net profit of S\$3.7 million, an increase of S\$2.7 million from the net profit of S\$1.0 million recorded in HY2021.

With a healthy balance sheet and cash reserves, the Group will continue to keep a lookout for suitable opportunities in relation to all the segments to grow its business strategically.

Impact of COVID-19 on the Group's Operations

The Group was able to manage the COVID-19 pandemic's impact of increased cost of construction materials, and rising cost of manpower due to labour shortage arising from border restrictions. However, these impacts put downward pressure on a project's profitability.

Notwithstanding the above, the Board will continue to actively monitor and take necessary steps to mitigate the continuing impact of the COVID-19 pandemic on the businesses of the Group.

Building Construction Business

The Group's building construction business continued to remain stable in HY2022, as it focused on timely execution and delivery of its order book which amounted to S\$60.4 million as at 31 January 2022.

In HY2022, the Group secured contracts worth approximately S\$43.7 million.

Moving forward, the Group will continue to leverage on its strong market reputation as a trusted builder of Good Class Bungalows ("GCBs") and high-end landed properties, and actively bid for new projects.

Property Development Business

As mentioned in Section E(14) above, with reference to the Company's announcement dated 8 March 2019 relating to the investment in LPL, the Company's indirect wholly-owned subsidiary, Sysma Capital One Pte Ltd which holds 30% stake in LPL, and the rest of the shareholders of LPL have on 18 February 2022 entered into a share purchase agreement with an independent third party for the entire issued share capital of LPL. This disposal is in the ordinary course of the Group's business. Upon completion of the disposal, LPL will cease to be an associated company of the Company. The disposal is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 July 2022

The Group will continue to market the three remaining commercial units in 28 RC Suites.

Investments

The Group continues to maintain its investment in Blue Planet Environmental Solutions Pte Ltd.

The Group's investment in Elite Logistics Fund has been substantially redeemed as a result of the sale of the fund's portfolio. The investment is expected to be fully redeemed by the end of the financial year.

The Group acquired placement shares in Pegasus Asia's Initial Public Offering in January 2022.

Please refer to Section 9 of Part I for additional details.

14. Dividend information

(a) Current Financial Period Reported on

Interim dividend in respect of the financial period ended 31 January 2022 has been recommended.

(b)(i) Amount per share (cents)

Name of Dividend	: First Interim dividend
Dividend Type	: Cash
Dividend amount per ordinary share	: 1.0 Singapore cent (based on 252 million shares)
Tax Rate	: One-tier tax exempt

(b)(ii) Corresponding period of the Immediately Preceding Financial Year

No dividend was declared for the corresponding period of the Immediately Preceding Financial Year.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

The dividend is tax exempt in the hands of the shareholders.

(d) Date Payable

To be announced at a later date.

(e) Books closure date

To be announced at a later date.

15. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

16. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for interested person transactions.

There was no interested person transaction of S\$100,000 or more entered into during HY2022.

17. Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A

Share Issuance in KH Engineering Limited ("KHEL") and KH Instrumentation Pte Ltd ("KHIPL")

On 1 August 2021, the Proposed KHEL Share Issuance and Proposed KHIPL Share Issuance (each defined in the SPA Announcement dated 22 April 2021) have been successfully completed. Following the completion, the Company's shareholding percentage in KHEL was reduced from 100% to 80% and KHEL's shareholding percentage in KHIPL was reduced from 100% to 90%.

Acquisition of shares in Pegasus Asia

The Company had on 20 January 2022 acquired 1 million placement shares in Pegasus Asia ("PA") for a total consideration of S\$5 million in connection with PA's Initial Public Offering. PA is a SPAC which successfully listed on the SGX-ST on 21 January 2022.

Redemption of units in Elite Logistics Fund

The Group's investment in Elite Logistics Fund has been substantially redeemed (98%) as a result of the sale of the fund's portfolio. The balance investment is expected to be fully redeemed by the financial year ending 31 July 2022.

Save as disclosed above, there were no other incorporations of new entities, acquisitions, and sale of shares during HY2022.

18. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

SIN SOON TENG
EXECUTIVE CHAIRMAN AND GROUP CEO
11 March 2022

CONFIRMATION BY THE BOARD

The Directors of the Company hereby confirm, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited consolidated financial statements for the six months ended 31 January 2022 to be false or misleading in any material respect.

On behalf of the Board of Directors

SIN SOON TENG
Executive Chairman & Group CEO

SIN EE WUEN
Executive Director & Deputy CEO

11 March 2022

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.