



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: 6152 4156
Email: sysma@sysma.com.sg

ACQUISITION OF 300,000 ORDINARY SHARES IN THE SHARE CAPITAL OF SYSMA PROPERTIES PTE. LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Sysma Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has, on 10 September 2015, entered into a binding term sheet (“**Term Sheet**”) with Ms Tan Shuhua (“**Vendor**”), an unrelated third party, to acquire 300,000 issued ordinary shares (“**Sale Shares**”), representing 30% of the total issued share capital (comprising 1,000,000 ordinary shares) of Sysma Properties Pte. Ltd. (the “**Sysma Properties**”) (“**Acquisition**”).

Completion of the Acquisition (“**Completion**”) has taken place following signing of the Term Sheet. Following the completion, Sysma Properties has become a wholly-owned subsidiary of the Company.

2. BACKGROUND

Sysma Properties is a private company incorporated in Singapore on 15 August 2012. Prior to Completion, the Sale Shares comprise 30% of the entire issued and paid-up share capital of Sysma Properties and the Company holds the remaining 70% of the entire issued and paid-up share capital of Sysma Properties.

Sysma Properties is principally engaged in this business of investing in land and property development. Sysma Properties is the legal and beneficial owner of the development known as 28 RC Suites, which is a freehold site located at 23, 24, 25 and 26 Race Course Lane, and is currently under development (“**Property**”). The Property is a mixed development project and the Purchaser is developing the site into eight (8) shops, thirty-nine (39) studio apartments and six (6) penthouses. The construction of the project is scheduled to be completed in 2017.

3. CONSIDERATION

The consideration for the Acquisition (“**Share Consideration**”), in relation to the Sale Shares, shall be S\$1,320,000 which was arrived at arm’s length, on a willing buyer and willing seller basis, taking into consideration the gross development value of the Property.

As at the date of this Term Sheet the gross development value of the Property is S\$46,954,176, taking into account the aggregate of the following:

- (a) S\$12,610,000, being the value of the nine (9) unsold units of the Property based on a valuation report commissioned by the Company and issued on 31 July 2015. The value of the unsold units is based upon satisfactory completion, issuance of the temporary occupation permits and certificates of statutory completion for the nine (9) unsold units; and
- (b) the sale price of the sold units as at the date of this announcement, which amounts to S\$34,344,176.

The Share Consideration has been paid in cash on Completion by way of cashier's order to the Vendor.

4. NOVATION OF SHAREHOLDERS' LOAN

On 19 July 2013, the Vendor had disbursed an unsecured interest-free loan in the amount of S\$2,700,000 to the Target Company. As at the date of the Term Sheet, the amount outstanding under the loan is \$2,700,000 ("Loan").

Pursuant to the terms of the Term Sheet, the Vendor has novated the Loan to the Company. The consideration for the novation of the Transferred Loan is an amount in cash equal to the amount outstanding as at the date of the Term Sheet, being \$2,700,000.

5. RELATIVE FIGURES FOR THE ACQUISITION

The relative figures computed on the bases set out in Rule 1006 of the SGX-ST Catalyst Rules ("Listing Manual") are as follows:

Rule 1006 of the Listing Manual	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of the assets.	Not applicable
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits.	11.1% ⁽¹⁾
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽¹⁾ .	2.5% ⁽²⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽³⁾

Notes:

- (1) The figures are based on the unaudited consolidated financial statements of the Group for the financial period commencing 1 August 2014 to 31 January 2015. The net profits attributable to the Sale Shares amounts to S\$161,400, compared with the Group's net profits amounting to S\$1,459,000.

(2) The market capitalisation of the Company is approximately S\$0.20 which is calculated based on 261,000,000 shares in issue multiplied by the weighted average price of the shares of the Company on 9 September 2015, being S\$52,200,000.

(3) No securities in the Company are proposed to be issued in consideration for the Acquisition.

As the relative figures calculated on the bases set out in Rule 1006(a) to Rule 1006(d) exceed 5% but less than 75%, the Acquisition is a discloseable transaction under Rule 1010 of the Listing Manual of the SGX-ST, for which the approval of the shareholders of the Company is not required.

6. RATIONALE FOR THE ACQUISITION

The acquisition is part of the Company's exercise to consolidate and stream line its operations and resource management.

7. FINANCIAL EFFECTS OF THE ACQUISITION

For illustrative purposes only, the financial effects of the Acquisition on the net tangible assets per share and earnings per share of the Group, based on the latest audited consolidated financial statements of the Group for the financial year ended 31 July 2014 are set out below.

Effects on net tangible assets per share

Had the Acquisition been effected on 31 July 2014, the financial effect on the net tangible assets of the Group is as follows:

	Before Acquisition	After Acquisition
Net tangible assets (S\$'000)	43,229	43,802
Number of issued shares ('000)	261,000	261,000
Net tangible assets per Share (cents)	16.56	16.78

Effects on earnings per share

Had the Acquisition been effected on 1 August 2013, the financial impact on the Group's earnings per share for the financial year ended 31 July 2014 is as follows:

	Before Acquisition	After Acquisition
Loss attributable to equity holders of the Company (S\$'000)	11,847	12,098
Weighted average number of issued shares ('000)	261,000	261,000
Loss per share (cents)	4.54	4.63

Please note that the above financial figures are for illustrative purposes only and do not necessarily reflect the actual results and financial performance and

position of the Group after the Acquisition. No representation is made as to the actual financial position and/or results of the Group after the Completion.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has an interest, direct or indirect, in the Acquisition, other than through their respective shareholding interests, if any, in the Company.

9. SERVICE CONTRACTS

There are no directors who are proposed to be appointed as a Director of the Company in connection with the Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Term Sheet is available for inspection during normal business hours at the Company's registered office at 2 Balestier Road #03-669 Balestier Hill Shopping Centre Singapore 320002 for a period of three (3) months from the date of this announcement.

By Order of the Board

Sin Soon Teng
Executive Chairman and Group Chief Executive Officer
10 September 2015

This Announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Announcement.

This Announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGXST assume no responsibility for the contents of this Announcement, including the correctness of any of the statements or opinions made or reports contained in this Announcement.

The contact person for the Sponsor is Mr Tony Toh, Director, Investment Banking. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337-5115.