



## **SYSMA HOLDINGS LIMITED**

Company Registration No: 201207614H  
(Incorporated in the Republic of Singapore on 28 March 2012)  
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### **FINANCIAL STATEMENTS ANNOUNCEMENT**

**UNAUDITED FULL-YEAR FINANCIAL RESULTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

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**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year

|  | <b>Group</b>                    |                               |                                 |
|--|---------------------------------|-------------------------------|---------------------------------|
|  | <b>Year ended</b>               |                               |                                 |
|  | <b>31/07/2020<br/>Unaudited</b> | <b>31/07/2019<br/>Audited</b> | <b>Increase/<br/>(Decrease)</b> |
|  | <b>S\$'000</b>                  | <b>S\$'000</b>                | <b>%</b>                        |
| <b>Revenue</b>   | 33,387                          | 30,328                        | 10.1                            |
| Cost of sales  | (28,352)                        | (24,531)                      | 15.6                            |
| <b>Gross profit</b>  | <b>5,035</b>                    | <b>5,797</b>                  | <b>(13.1)</b>                   |
| Other gain- net  |                                 |                               |                                 |
| - Other income   | 4,689                           | 2,492                         | 88.2                            |
| Expenses   |                                 |                               |                                 |
| - Other operating expenses   | (2,927)                         | (2,780)                       | 5.3                             |
| - Administrative expenses  | (4,279)                         | (3,223)                       | 32.8                            |
| - Finance costs  | (294)                           | (25)                          | 1076.0                          |
| Share of losses of associate   | -                               | ^                             | n.m.                            |
| <b>Profit before income tax</b>  | <b>2,224</b>                    | <b>2,261</b>                  | <b>(1.6)</b>                    |
| Income tax expense   | (1,404)                         | (1,484)                       | (5.4)                           |
| <b>Profit for the year, representing total comprehensive income for the year</b> | <b>820</b>                      | <b>777</b>                    | <b>5.5</b>                      |
| <b>Profit/ (loss) attributable to:</b>   |                                 |                               |                                 |
| Owners of the company  | 819                             | 1,102                         | (25.7)                          |
| Non-controlling interests  | 1                               | (325)                         | n.m.                            |
|  | <b>820</b>                      | <b>777</b>                    | <b>5.5</b>                      |
| <b>Total comprehensive income/ (loss) attributable to:</b>                       |                                 |                               |                                 |
| Owners of the company  | 819                             | 1,102                         | (25.7)                          |
| Non-controlling interests  | 1                               | (325)                         | n.m.                            |
|  | <b>820</b>                      | <b>777</b>                    | <b>5.5</b>                      |
| <b>Basic and diluted earnings per share (cent) [Section 6]</b>                   | <b>0.32</b>                     | <b>0.44</b>                   | <b>n.m.</b>                     |

*n.m.: not meaningful*

*^: amount below S\$500*

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2020**

| Profit after tax is arrived at:               | Group                   |                       |                         |
|---|-------------------------|-----------------------|-------------------------|
|   | Year ended              |                       |                         |
|   | 31/07/2020<br>Unaudited | 31/07/2019<br>Audited | Increase/<br>(Decrease) |
|   | S\$'000                 | S\$'000               | %                       |
| <b>After charging:</b>                        |                         |                       |                         |
| Depreciation of property, plant and equipment | 2,290                   | 420                   | n.m.                    |
| Operating lease expenses                      | 655                     | 572                   | 14.5                    |
| Interest on lease liabilities                 | 80                      | 25                    | 220.0                   |
| Interest on bank loans                        | 71                      | -                     | n.m.                    |
| Net foreign exchange losses                   | ^                       | 73                    | n.m.                    |
| Provisions                                    | 680                     | -                     | n.m.                    |
| Provision for liquidated damages              | 469                     | -                     | n.m.                    |
| Impairment loss on bond receivables           | 344                     | -                     | n.m.                    |
| <b>and crediting:</b>                         |                         |                       |                         |
| Rental income                                 | 382                     | 604                   | (36.8)                  |
| Interest income                               | 859                     | 1,391                 | (38.2)                  |
| Net foreign exchange gains                    | 1,065                   | -                     | n.m.                    |
| Write back of provisions                      | 368                     | 3,006                 | (87.8)                  |
| Write back of loss allowance                  | 66                      | -                     | n.m.                    |
| Write-back properties held for sale to cost   | 118                     | -                     | n.m.                    |
| Government grants                             | 1,883                   | 13                    | n.m.                    |

*n.m.: not meaningful*

*^: amount below S\$500*

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2020**

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

|  | Group                              |                                  | Company                            |                                  |
|--|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
|  | 31/07/2020<br>Unaudited<br>S\$'000 | 31/07/2019<br>Audited<br>S\$'000 | 31/07/2020<br>Unaudited<br>S\$'000 | 31/07/2019<br>Audited<br>S\$'000 |
| <b>Assets</b>  |                                    |                                  |                                    |                                  |
| <b>Current assets</b>  |                                    |                                  |                                    |                                  |
| Cash and cash equivalents                                      | 38,569                             | 63,618                           | 2,159                              | 34,277                           |
| Pledged bank deposits  | 994                                | 993                              | -                                  | -                                |
| Trade and other receivables                                    | 4,825                              | 4,823                            | 4,393                              | 7,797                            |
| Contract assets  | 4,429                              | 8,389                            | -                                  | -                                |
| Properties held for sale                                       | 3,468                              | 3,350                            | -                                  | -                                |
| <b>Total current assets</b>                                    | <b>52,285</b>                      | <b>81,173</b>                    | <b>6,552</b>                       | <b>42,074</b>                    |
| <b>Non-current assets</b>                                      |                                    |                                  |                                    |                                  |
| Property, plant and equipment                                  | 22,114                             | 647                              | -                                  | -                                |
| Investment in subsidiaries                                     | -                                  | -                                | 38,199                             | 8,186                            |
| Investment in associate  | ^                                  | ^                                | -                                  | -                                |
| Financial asset measured at fair value through profit and loss | 10,290                             | -                                | 10,290                             | -                                |
| Goodwill   | 4,427                              | -                                | -                                  | -                                |
| Other receivables  | 1,798                              | -                                | 968                                | -                                |
| Deferred tax assets  | -                                  | 202                              | -                                  | -                                |
| Investment property  | 530                                | -                                | -                                  | -                                |
| Contract assets  | 4,581                              | -                                | -                                  | -                                |
| <b>Total non-current assets</b>                                | <b>43,740</b>                      | <b>849</b>                       | <b>49,457</b>                      | <b>8,186</b>                     |
| <b>Total assets</b>  | <b>96,025</b>                      | <b>82,022</b>                    | <b>56,009</b>                      | <b>50,260</b>                    |
| <b>Liabilities and equity</b>                                  |                                    |                                  |                                    |                                  |
| <b>Current liabilities</b>                                     |                                    |                                  |                                    |                                  |
| Trade and other payables                                       | 15,467                             | 16,393                           | 7,880                              | 2,852                            |
| Contract liabilities   | 3,873                              | 517                              | -                                  | -                                |
| Provisions   | 6,384                              | 6,140                            | -                                  | -                                |
| Bank loans   | 526                                | -                                | -                                  | -                                |
| Lease liabilities  | 833                                | 303                              | -                                  | -                                |
| Income tax payable   | 960                                | 551                              | 27                                 | 163                              |
| <b>Total current liabilities</b>                               | <b>28,043</b>                      | <b>23,904</b>                    | <b>7,907</b>                       | <b>3,015</b>                     |
| <b>Non-current liabilities</b>                                 |                                    |                                  |                                    |                                  |
| Deferred tax liabilities                                       | 2,523                              | -                                | -                                  | -                                |
| Trade and other payables                                       | 4,035                              | -                                | 2,816                              | -                                |
| Bank loans   | 4,533                              | -                                | -                                  | -                                |
| Lease liabilities  | 669                                | 192                              | -                                  | -                                |
| <b>Total non-current liabilities</b>                           | <b>11,760</b>                      | <b>192</b>                       | <b>2,816</b>                       | <b>-</b>                         |

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2020**

|  | <b>Group</b>  |   | <b>Company</b>  |   |
|--|---|---|---|---|
|  | <b>31/07/2020</b><br><b>Unaudited</b><br><b>S\$'000</b> | <b>31/07/2019</b><br><b>Audited</b><br><b>S\$'000</b> | <b>31/07/2020</b><br><b>Unaudited</b><br><b>S\$'000</b> | <b>31/07/2019</b><br><b>Audited</b><br><b>S\$'000</b> |
| <b>Capital and reserves</b>                  |   |   |   |   |
| Share capital                                | 45,538  | 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                          | 15,354  | 17,058  | 868   | 2,827   |
| Equity attributable to owners of the Company | 55,411  | 57,115  | 45,286  | 47,245  |
| Non-controlling interests                    | 811   | 811   | -   | -   |
| Total equity                                 | 56,222  | 57,926  | 45,286  | 47,245  |
|  |   |   |   |   |
| <b>Total liabilities and equity</b>          | 96,025  | 82,022  | 56,009  | 50,260  |

^: amount below S\$500

**SYMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2020**

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**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

| As at 31/07/2020 (Unaudited) |           | As at 31/07/2019 (Audited) |           |
|------------------------------|-----------|----------------------------|-----------|
| Secured                      | Unsecured | Secured                    | Unsecured |
| S\$'000                      | S\$'000   | S\$'000                    | S\$'000   |
| 1,359                        | -         | 303                        | -         |

**Amount repayable after one year**

| As at 31/07/2020 (Unaudited) |           | As at 31/07/2019 (Audited) |           |
|------------------------------|-----------|----------------------------|-----------|
| Secured                      | Unsecured | Secured                    | Unsecured |
| S\$'000                      | S\$'000   | S\$'000                    | S\$'000   |
| 5,202                        | -         | 192                        | -         |

**Details of any collateral**

Lease liabilities are secured by certain works vehicles and office equipment of the Group with carrying amount of S\$1,784,610 as at 31/07/2020 (31/07/2019: S\$292,000).

Bank loans are secured by certain properties and land of the Group with carrying amount of S\$8,913,611 as at 31/07/20 (31/07/2019: Nil).

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**UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2020**

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

|  | <b>Group</b>                                |   |
|--|---|---|
|  | <b>Financial Year ended</b>                 |   |
|  | <b>Unaudited<br/>31/07/2020<br/>S\$'000</b> | <b>Audited<br/>31/07/2019<br/>S\$'000</b> |
| <b>Operating activities</b>  |   |   |
| <b>Profit before tax</b>   | <b>2,224</b>                                | <b>2,261</b>                              |
| <b>Adjustments for:-</b>   |   |   |
| Depreciation of property, plant and equipment  | 2,290                                       | 420                                       |
| Addition/ (write-back) of provisions   | 312   | (3,006)                                   |
| Provision for liquidated damages   | 469   | -   |
| (Write-back)/ write-down of properties held for sale to (cost)/ net realizable value | (118)                                       | 118                                       |
| Interest income  | (859)                                       | (1,392)                                   |
| Finance costs  | 294   | 25  |
| Loss allowance   | (66)  | -   |
| Share of loss of associate   | -   | ^   |
| Impairment loss of bond receivables  | 344   | -   |
| Government grant income  | (1,883)                                     | -   |
| Government grant expense   | 8   | -   |
| Gain on disposal of property, plant and equipment                                    | ^   | 1   |
| <b>Operating cash flows before movements in working capital changes</b>              | <b>3,015</b>                                | <b>(1,573)</b>                            |
| Properties held for sale   | -   | 991                                       |
| Trade and other receivables  | 2,597                                       | 94  |
| Contract assets  | 1,483                                       | 493                                       |
| Trade and other payables   | (7,362)                                     | (1,673)                                   |
| Contract liabilities   | (861)                                       | (56)                                      |
| Utilization of provisions  | (68)  | (60)                                      |
| <b>Cash used in operations</b>   | <b>(1,196)</b>                              | <b>(1,784)</b>                            |
| Net government grant income received   | 1,943                                       | -   |
| Tax paid   | (1,293)                                     | (2,751)                                   |
| <b>Net cash used in operating activities</b>   | <b>(546)</b>                                | <b>(4,535)</b>                            |
| <b>Investing activities</b>  |   |   |
| Interest received  | 551   | 1,203                                     |
| Purchase of property, plant and equipment  | (1,054)                                     | (293)                                     |
| Acquisition of subsidiaries  | (9,841)                                     | -   |
| Bond receivable from associate   | -   | (1,750)                                   |
| Investment in associate  | -   | ^   |
| Investment in financial asset measured at fair value through profit and loss         | (10,290)                                    | -   |
| <b>Net cash used in investing activities</b>   | <b>(20,634)</b>                             | <b>(840)</b>                              |
| <b>Financing activities</b>  |   |   |
| Repayment of bank borrowings   | (258)                                       | -   |
| Interest paid  | (151)                                       | (25)                                      |
| Repayment of lease liabilities   | (936)                                       | (545)                                     |
| (Increase)/ decrease in pledged deposits   | (1)   | 5   |
| Dividend paid  | (2,523)                                     | (2,018)                                   |
| <b>Net cash used in financing activities</b>   | <b>(3,869)</b>                              | <b>(2,583)</b>                            |
| <b>Net decrease in cash and cash equivalents</b>                                     | <b>(25,049)</b>                             | <b>(7,958)</b>                            |
| <b>Cash and cash equivalents at beginning of year</b>                                | <b>63,618</b>                               | <b>71,576</b>                             |
| <b>Cash and cash equivalents at end of year</b>                                      | <b>38,569</b>                               | <b>63,618</b>                             |

^: amount below S\$500

**SY SMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2020**

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

|  | Share Capital  | Treasury Shares | Merger Reserve | Equity reserve | Accumulated profits | Equity attributable to owners of the Company | Non-controlling interests | Total Equity   |
|--|----------------|-----------------|----------------|----------------|---------------------|--|---------------------------|----------------|
| <b>The Group (Unaudited)</b>   | <b>S\$'000</b> | <b>S\$'000</b>  | <b>S\$'000</b> | <b>S\$'000</b> | <b>S\$'000</b>      | <b>S\$'000</b>                               | <b>S\$'000</b>            | <b>S\$'000</b> |
| <b>Balance at 1 August 2019</b>  | 45,538         | (1,120)         | (3,517)        | (844)          | 17,058              | 57,115                                       | 811                       | 57,926         |
| (Loss)/ profit for the period, representing total comprehensive income/(loss) for the financial period | -              | -               | -              | -              | (181)               | (181)  | 2                         | (179)          |
| Dividends  | -              | -               | -              | -              | (2,523)             | (2,523)                                      | -                         | (2,523)        |
| <b>Balance at 31 January 2020</b>  | 45,538         | (1,120)         | (3,517)        | (844)          | 14,354              | 54,411                                       | 813                       | 55,224         |
| Profit/(loss) for the period, representing total comprehensive income/(loss) for the financial period  | -              | -               | -              | -              | 1,000               | 1,000  | (2)                       | 998            |
| <b>Balance at 31 July 2020</b>   | <b>45,538</b>  | <b>(1,120)</b>  | <b>(3,517)</b> | <b>(844)</b>   | <b>15,354</b>       | <b>55,411</b>                                | <b>811</b>                | <b>56,222</b>  |

|   | Share Capital  | Treasury Shares | Merger Reserve | Equity reserve | Accumulated profits | Equity attributable to owners of the Company | Non-controlling interests | Total Equity   |
|---|----------------|-----------------|----------------|----------------|---------------------|--|---------------------------|----------------|
| <b>The Group (Audited)</b>  | <b>S\$'000</b> | <b>S\$'000</b>  | <b>S\$'000</b> | <b>S\$'000</b> | <b>S\$'000</b>      | <b>S\$'000</b>                               | <b>S\$'000</b>            | <b>S\$'000</b> |
| <b>Balance at 1 August 2018</b>   | 45,538         | (1,120)         | (3,517)        | (844)          | 17,974              | 58,031                                       | 1,136                     | 59,167         |
| Profit/(loss) for the period, representing total comprehensive income/(loss) for the financial period | -              | -               | -              | -              | 3,046               | 3,046  | (326)                     | 2,720          |
| Dividends   | -              | -               | -              | -              | (2,018)             | (2,018)                                      | -                         | (2,018)        |
| <b>Balance at 31 January 2019</b>   | 45,538         | (1,120)         | (3,517)        | (844)          | 19,002              | 59,059                                       | 810                       | 59,869         |
| Profit/(loss) for the period, representing total comprehensive income/(loss) for the financial period | -              | -               | -              | -              | (1,944)             | (1,944)                                      | 1                         | (1,943)        |
| <b>Balance at 31 July 2019</b>  | <b>45,538</b>  | <b>(1,120)</b>  | <b>(3,517)</b> | <b>(844)</b>   | <b>17,058</b>       | <b>57,115</b>                                | <b>811</b>                | <b>57,926</b>  |



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|   | Share Capital  | Treasury Shares | Accumulated Profits | Total Equity   |
|---|----------------|-----------------|---------------------|----------------|
| <b>The Company (Unaudited)</b>  | <b>S\$'000</b> | <b>S\$'000</b>  | <b>S\$'000</b>      | <b>S\$'000</b> |
| <b>Balance at 1 August 2019</b>   | 45,538         | (1,120)         | 2,827               | 47,245         |
| Profit for the period, representing total comprehensive income for the financial period | -              | -               | 163                 | 163            |
| Dividend Paid   | -              | -               | (2,523)             | (2,523)        |
| <b>Balance at 31 January 2020</b>   | 45,538         | (1,120)         | 467                 | 44,885         |
| Profit for the period, representing total comprehensive income for the financial period | -              | -               | 401                 | 401            |
| <b>Balance at 31 July 2020</b>  | 45,538         | (1,120)         | 868                 | 45,286         |

|   | Share Capital  | Treasury Shares | Accumulated Profits | Total Equity   |
|---|----------------|-----------------|---------------------|----------------|
| <b>The Company (Audited)</b>  | <b>S\$'000</b> | <b>S\$'000</b>  | <b>S\$'000</b>      | <b>S\$'000</b> |
| <b>Balance at 1 August 2018</b>   | 45,538         | (1,120)         | (1,033)             | 43,385         |
| Profit for the period, representing total comprehensive income for the financial period | -              | -               | 3,949               | 3,949          |
| Dividend Paid   | -              | -               | (2,018)             | (2,018)        |
| <b>Balance at 31 January 2019</b>   | 45,538         | (1,120)         | 898                 | 45,316         |
| Profit for the period, representing total comprehensive income for the financial period | -              | -               | 1,929               | 1,929          |
| <b>Balance at 31 July 2019</b>  | 45,538         | (1,120)         | 2,827               | 47,245         |

**1(d)(ii) 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.**

|   | Number of shares | Share Capital (S\$) |
|---|------------------|---------------------|
| <b>As at 31 January 2020 and 31 July 2020</b> | 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 July 2020 and 31 July 2019.

The Company did not have any outstanding options or convertibles as at 31 July 2020 and 31 July 2019. There were no subsidiary holdings as at 31 July 2020 and 31 July 2019.

**1(d)(iii) 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.**

|   | <b>31/07/2020<br/>No. of shares</b> | <b>31/07/2019<br/>No. of shares</b> |
|---|-------------------------------------|-------------------------------------|
| <b>Total number of issued shares of the company (excluding treasury shares)</b> | 252,348,600                         | 252,348,600                         |

**1(d)(iv) 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.

**1(d)(v) 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.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

**3A. 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. The latest financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

Not Applicable

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

Except as disclosed in note 5 below, the Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current reporting period as compared with the audited annual financial statements for the financial year ended 31 July 2019.

**5. If there are 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**

The Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective from 1 August 2019 as follows:

SFRS(I) 16 *Leases*

**SFRS(I) 16**

The adoption of SFRS(I) 16 will result in the recognition of leases (from the lessee perspective) previously classified as operating leases under SFRS(I) 1-17, which were off balance sheet.

Applying SFRS(I) 16, for all leases, the Group :

- Recognises right of use assets and lease liabilities in the statements of financial position;

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- Recognises depreciation of right of use assets and interest on lease liabilities in the consolidated statement of profit and loss; and
- Separates the total amount of cash paid into a principal portion and interest in the consolidated statement of cash flows.

Right of use assets are presented in conjunction with property, plant and equipment on the face financial statements. Disclosure requirements as per SFRS(I) 16 will be presented in the notes.

The Group has applied SFRS(I) 16 using the modified retrospective approach and there has been no impact to the opening balance of the retained earnings and no restatement of comparatives.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

|   | Group      |            |
|---|------------|------------|
|   | 31/07/2020 | 31/07/2019 |
|   | Unaudited  | Audited    |
| <b>Profit for the year attributable to equity holders of the Company (S\$'000):</b> | 819        | 1,102      |
| Weighted average number of ordinary shares ('000)                                   | 252,349    | 252,349    |
| Basic and diluted earnings per ordinary share (Singapore cents)                     | 0.32       | 0.44       |

The basic and diluted earnings per share are the same as there were no potential dilutive ordinary securities in issue as at the end of the respective financial years.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share (excluding treasury shares) of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year**

|   | Group             |                   | Company           |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 31/07/2020        | 31/07/2019        | 31/07/2020        | 31/07/2019        |
|   | (Unaudited)       | (Audited)         | (Unaudited)       | (Audited)         |
|   | (Singapore cents) | (Singapore cents) | (Singapore cents) | (Singapore cents) |
| Net asset value per ordinary share attributable to owners of the company based on the total number of issued shares as at the end of the financial year | 21.96             | 22.63             | 17.95             | 18.72             |

As at 31 July 2020, the number of ordinary shares issued (excluding treasury shares) is 252,348,600 (31 July 2019: 252,348,600).

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Review of Group Performance for the financial year ended 31 July 2020 ("FY2020") vs the financial year ended 31 July 2019 ("FY2019")**

The increase in revenue was mainly due to contribution from the building and construction segment, amounting to S\$33.4 million compared to S\$30.3 million in FY2020. This is mainly due to the revenue contributed by the newly acquired entities, being KH Engineering Limited and its subsidiaries and KH Instrumentation Pte Ltd (collectively, the "KH Group"), which amounted to S\$4.4 million. This is offset by the decrease in contribution from property development projects being Nil compared to S\$1.2 million in FY2019 as most of the property development units were substantially sold in prior financial years.

The increase in cost of sales was mainly attributable to the corresponding increase in revenue from KH Group, which contributed S\$2.9 million to the cost of sales. Also contributing was the net increase in provisions for

defective works and foreseeable losses of S\$0.3 million and increase in provision for liquidated damages of S\$0.5 million relating to one construction project. This was offset by the decrease of S\$1.0 million from the property development segment as no sales were made in the year.

Consequently, we registered a gross profit margin of 15.1% in FY2020 vs 19.1% in FY2019. The decrease is due to the Covid-19 circuit breaker resulting in temporary closure of construction sites, which affected the progress of projects while the Company continued to incur costs such as manpower, equipment, and construction site maintenance, etc.

The increase in other income in FY2020 was mainly due to the increase in government grant income of S\$1.9 million, as well as the net foreign exchange gain of S\$1.1 million due to favourable movement of the US dollar against the Singapore dollar. This was offset by the decrease in interest income of S\$0.5 million, mainly due to decrease in fixed deposit balances in the year.

The increase in other operating expenses was mainly due to the contribution from the newly acquired KH Group. This was offset by the application of SFRS(I) 16, which resulted in some of the costs for leases now being reclassified under finance costs.

The increase in administrative expenses is mainly due to the contribution from the newly acquired KH Group.

The increase in finance costs was attributable to the application of SFRS(I) 16, as well as the contribution from the newly acquired KH Group which includes interest expenses on bank loans.

The income tax expense saw a marginal decrease of S\$0.1 million with contribution from the newly acquired KH Group being offset by the tax rebates from the Singapore 2020 Budget.

As a result of the above, our net profit saw a marginal increase of S\$43,000 to S\$0.8 million.

Decrease in cash and cash equivalents was mainly due to net cash outflow from operating activities of S\$0.5 million, net cash outflow from investing activities of S\$20.6 million and net cash outflow from financing activities of S\$3.9 million.

Properties held for sale increased by S\$0.1 million due to increase in valuation.

Current contract assets reduced due to decrease in unbilled receivables and release of retention sums during the financial year. This is offset by addition of contract assets from the newly acquired KH Group.

Increase in non-current assets was mainly due to the acquisition of KH Group, which resulted in S\$4.4 million in goodwill, contributed to the S\$19.4 million increase in property plant and equipment, recognition of S\$0.5 million of investment property and S\$1 million in non-current contract assets. This is further increased by the investment in financial asset measured at fair value through profit and loss of S\$10.3 million, the application of SFRS(I) 16 which resulted in the recognition of S\$2.1 million in right of use assets, increase of S\$3.6 million in non-current retention receivables and the reclassification of S\$1.8 million bond receivables from associates to non-current due to an extension of bond maturity date.

Current liabilities increased mainly due to the additions from the newly acquired KH Group which includes contract liabilities, bank loans, lease liabilities and income tax payable. The application of SFRS(I) 16 also contributed to the increase in lease liabilities.

Non-current tax liabilities increased mainly due to the additions from the newly acquired KH Group in S\$4.5 million of bank loans. There was also an increase in lease liabilities of S\$0.5 million due to contribution from the new entities and the application of SFRS(I) 16, increase in other payables of S\$2.8 million due to deferred payments related to the acquisition of the new entities, increase in non-current retention payables of S\$1.2 million, as well as the recognition of deferred tax liabilities amounting to S\$2.5 million, contributed by both existing and new entities.

**9. 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.

**10. 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 the financial year ended 31 July 2020 ("FY2020"), the Group reported a net profit of S\$0.8 million, similar to the net profit of S\$0.8 million recorded in the previous financial year ended 31 July 2019 ("FY2019").

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

#### *Covid-19 Impact*

Singapore's construction industry has been one of the hardest-hit sectors of the economy as a result of Covid-19 pandemic and the lockdown measures. The construction sector contracted by 97.1 percent from the first to the second quarter of 2020. Building and Construction authority's ("BCA") projection of construction demand for 2020 has been revised to between S\$18 billion and S\$23 billion, down from BCA's forecast in January of between S\$28 billion to S\$33 billion for the year. BCA expects construction demand to recover to some extent from 2021<sup>(1)</sup>.

The Group has been adversely impacted by the circuit breaker measures imposed by the Singapore Government as majority of works were halted at construction sites save for essential services. The Group's revenue in the second half of the financial year decreased by S\$8.2 million (excluding contribution from newly acquired entities) compared to first half of the financial year as a result.

The financial impact of Covid-19 was partially mitigated by the government's budgetary measures in support of the economy and specific sectors including construction. Government supports and grants are expected to end in the foreseeable future and the resulting higher costs are expected to negatively impact the Group's bottom line.

While the Group's construction works have largely restarted with the required Covid-19 safety measures, the pace of construction work is not expected to reach pre Covid-19 levels in the short term.

The Board will continue to actively monitor and take necessary steps to mitigate the 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 FY2020, as it focused on timely execution and delivery of its order book which amounted to S\$71.6 million as at 31 July 2020.

In FY2020, the Group secured contracts worth approximately S\$16.1 million including projects secured by the newly acquired KH Group post completion in February 2020.

The Group successfully completed the acquisition of KH Engineering Limited and its subsidiaries, and KH Instrumentation Pte Ltd in February 2020. KH Group principally engages in the business of providing services in relation to foundation works and construction and soil investigation, treatment and stabilisation in Singapore. The Group will utilize these newly acquired capabilities to diversify its revenue streams as well as to synergize them with its existing ones.

Moving forward, the Group will continue to leverage its strong market reputation as a trusted builder of Good Class Bungalows ("GCBs") and high-end landed properties, and actively bid for new projects that will add value to its order book, while keeping a close eye on its margins and costs.

#### ***Property Development Business***

The Group continues to maintain its 30% stake in Lascelles Park Limited, a property development company in the United Kingdom.

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

The Group will continue to explore local and overseas projects with suitable partners and strategic investors.

(1) <https://www.straitstimes.com/singapore/projected-construction-demand-revised-downwards-by-10-billion-for-this-year-some-pickup>

***Investments***

In June 2020, the Group invested approximately €6.3 million (approximately S\$10 million) in Elite Logistics Fund, a Singapore Domicile Unit Trust Fund (“Trust”) managed by Elite Partners Capital Pte Ltd. The Trust invests, owns, and manages assets in the logistics sector in the United Kingdom and European Union, particularly in Poland. The Trust recently acquired a warehouse in Poland for over €30 Million (S\$48.6 Million) from a subsidiary of Singapore sovereign fund GIC<sup>(2)</sup>.

The Group will continue to explore suitable investment opportunities which will enhance shareholders’ value.

**11. If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

A final dividend in respect of the financial year ended 31 July 2020 has not been recommended.

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

Not applicable.

**(b)(ii) Previous corresponding period (cents)**

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

**(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 the shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) Book closure date**

Not applicable.

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

Given the prevailing Covid-19 pandemic and current business environment, the Group has decided not to recommend a dividend in respect of the financial year ended 31 July 2020.

(2) <https://www.businesstimes.com.sg/real-estate/elite-partners-acquires-poland-warehouse-for-more-than-30m-euros-from-gic-unit>

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

13. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**For the financial year ended 31 July 2020**  
**Operating segments**

| <b>(Unaudited)</b>                            | <b>Building<br/>Construction<br/>S\$'000</b> | <b>Property<br/>Development<br/>S\$'000</b> | <b>Investment<br/>Holding<br/>S\$'000</b> | <b>Eliminations<br/>S\$'000</b> | <b>Group<br/>S\$'000</b> |
|---|--|---|---|---------------------------------|--------------------------|
| <b><u>Revenue</u></b>                         |  |   |   |                                 |                          |
| External Customers                            | 33,387                                       | -   | -   | -                               | 33,387                   |
| Inter-segment                                 | 3,596  | -   | -   | (3,596)                         | -                        |
| Total Revenue                                 | 36,983                                       | -   | -   | (3,596)                         | 33,387                   |
| <b><u>Results</u></b>                         |  |   |   |                                 |                          |
| Profit before income tax                      | 1,545  | 7,518                                       | 342                                       | (7,181)                         | 2,224                    |
| Less: Income tax expense                      |  |   |   |                                 | (1,404)                  |
| Profit for the financial year                 |  |   |   |                                 | 820                      |
| <b><u>Assets and Liabilities</u></b>          |  |   |   |                                 |                          |
| Segment assets                                | 70,764                                       | 2,539                                       | 22,722                                    | -                               | 96,025                   |
| Segment liabilities                           | 33,210                                       | 51  | 6,542                                     | -                               | 39,803                   |
| <b><u>Other Information</u></b>               |  |   |   |                                 |                          |
| Depreciation of property, plant and equipment | (2,290)                                      | -   | -   | -                               | (2,290)                  |
| Provisions                                    | (312)  | -   | -   | -                               | (312)                    |
| Impairment on bond receivables                | -  | -   | (344)                                     | -                               | (344)                    |
| Net foreign exchange gains                    | 189  | -   | 876                                       | -                               | 1,065                    |
| Government grant                              | 1,791  | -   | 95  | (3)                             | 1,883                    |
| Finance costs                                 | (154)  | -   | (292)                                     | 152                             | (294)                    |
| Interest income                               | 397  | -   | 462                                       | -                               | 859                      |
| Addition to non-current assets                | 1,054  | -   | -   | -                               | 1,054                    |
| Write-back properties held for sale to cost   | -  | -   | 118                                       | -                               | 118                      |

**For the financial year ended 31 July 2019**  
**Operating segments**

| <b>(Audited)</b>   | Building<br>Construction<br>S\$'000 | Property<br>Development<br>S\$'000 | Investment<br>Holding<br>S\$'000 | Eliminations<br>S\$'000 | Group<br>S\$'000 |
|--|-------------------------------------|------------------------------------|----------------------------------|-------------------------|------------------|
| <b>Revenue</b>   |                                     |                                    |                                  |                         |                  |
| External Customers   | 29,098                              | 1,230                              | -                                | -                       | 30,328           |
| Inter-segment  | -                                   | -                                  | 8,100                            | (8,100)                 | -                |
| Total Revenue  | 29,098                              | 1,230                              | 8,100                            | (8,100)                 | 30,328           |
| <b>Results</b>   |                                     |                                    |                                  |                         |                  |
| Profit before income tax                                     | 1,216                               | 359                                | 5,749                            | (5,063)                 | 2,261            |
| Less: Income tax expense                                     |                                     |                                    |                                  |                         | (1,484)          |
| Profit for the financial year                                |                                     |                                    |                                  |                         | 777              |
| <b>Assets and Liabilities</b>                                |                                     |                                    |                                  |                         |                  |
| Segment assets   | 38,994                              | 2,818                              | 40,210                           | -                       | 82,022           |
| Segment liabilities  | 22,546                              | 609                                | 941                              | -                       | 24,096           |
| <b>Other Information</b>                                     |                                     |                                    |                                  |                         |                  |
| Depreciation of property, plant and equipment                | (420)                               | -                                  | -                                | -                       | (420)            |
| Write back of provisions                                     | 3,006                               | -                                  | -                                | -                       | 3,006            |
| Finance costs  | (25)                                | -                                  | -                                | -                       | (25)             |
| Interest income  | 541                                 | -                                  | 850                              | -                       | 1,391            |
| Addition to non-current assets                               | 293                                 | -                                  | -                                | -                       | 293              |
| Write-down of property held for sale to net realizable value | -                                   | (118)                              | -                                | -                       | (118)            |

**Geographical segments**

The Group operates only in Singapore.

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to Paragraphs 8 and 13.

**15. A breakdown of revenue as follows:**

|  | <b>FY2020<br/>(Unaudited)</b> | <b>FY2019<br/>(Audited)</b> | <b>Increase/<br/>(decrease)</b> |
|--|-------------------------------|-----------------------------|---------------------------------|
|  | S\$'000                       | S\$'000                     | S\$'000                         |
| Revenue reported for 1 <sup>st</sup> half year   | 18,625                        | 16,226                      | 2,399                           |
| Operating profit after tax before deducting non-controlling interests reported for 1 <sup>st</sup> half year | (179)                         | 2,720                       | (2,899)                         |
| Revenue reported for 2 <sup>nd</sup> half year   | 14,762                        | 14,102                      | 660                             |
| Operating profit after tax before deducting non-controlling interests reported for 2 <sup>nd</sup> half year | 998                           | (1,943)                     | 2,941                           |



16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

|            | <b>FY2020</b>  | <b>FY2019</b>  |
|------------|----------------|----------------|
|            | <b>S\$'000</b> | <b>S\$'000</b> |
| Ordinary   | -              | 2,523          |
| Preference | -              | -              |
| Total:     | -              | 2,523          |

17. **If the Group has obtained a general mandate from shares for IPTs, 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 the interested person transactions. There was no interested person transaction of S\$100,000 or more entered into during FY2020.

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or Chief Executive Officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must take an appropriate negative statement.**

Not applicable. There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or Chief Executive Officer or substantial shareholder of the Company.

19. **Confirmation that the issuer has procured undertakings from all its directors and executive officer under Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1).

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

The Company had incorporated the following subsidiaries during FY2020:

| <b>S/N</b> | <b>Subsidiary</b>    | <b>Date of announcement</b> |
|------------|----------------------|-----------------------------|
| 1.         | Sysma Jade Pte. Ltd. | 29 November 2019            |

The Company had conducted an acquisition of shares resulting in the following becoming subsidiaries of the Company during FY2020:

| <b>S/N</b> | <b>Subsidiary</b>               | <b>Dates of announcements</b>         |
|------------|---------------------------------|---------------------------------------|
| 1.         | KH Engineering Limited          | 02 December 2019 and 11 February 2020 |
| 2.         | KH Instrumentation Pte. Ltd.    | 02 December 2019 and 11 February 2020 |
| 3.         | Kian Hock Engineering Pte. Ltd. | 02 December 2019 and 11 February 2020 |
| 4.         | Kian Hock Piling Pte. Ltd.      | 02 December 2019 and 11 February 2020 |

Further details on the aforementioned subsidiaries can be found in the Company's announcements released on the dates as set out above.

**BY ORDER OF THE BOARD**

**SIN SOON TENG**  
**EXECUTIVE CHAIRMAN AND GROUP CEO**  
**28 September 2020**

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2020**

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*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.*

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