



SYSMA HOLDINGS LIMITED

Company Registration No: 201207614H
(Incorporated in the Republic of Singapore on 28 March 2012)
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ACQUISITION OF PROPERTY LOCATED AT NO. 5 GUL LANE, SINGAPORE 629404

1. INTRODUCTION

The Board of Directors of Sysma Holdings Limited (the “**Company**”) is pleased to announce that its indirect subsidiary, Sysma Energy Pte. Ltd. (“**SEPL**”), has today exercised an option to purchase (the “**Option**”) a property located at No. 5 Gul Lane, Singapore 629404, a leasehold factory with a land area of approximately 8,300 square metres (the “**Property**”) from an independent third party (the “**Vendor**”) in accordance with the terms of the Option which constitute a legal binding contract of sale and purchase of the Property (the “**Proposed Acquisition**”).

2. CONSIDERATION

The total purchase consideration for the Property is S\$12,300,000.00 (the “**Consideration**”). The Consideration for the Property was determined based on i) an arm’s length negotiation between SEPL and the Vendor, and ii) a willing buyer willing seller basis after taking into account various commercial factors including the development potential, location of the Property, the recent transacted price for properties in the vicinity and the terms and conditions of sale set out in the Option. For the purpose of the Proposed Acquisition, the Company has commissioned to conduct a valuation on the Property and the valuation report will be ready before the legal completion.

The Consideration is to be paid in the following manner:

- (I) 10% of the Consideration upon exercise of the Option;
- (II) the balance of the Consideration shall be paid on completion of the sale and purchase of the Property.

The consideration will be funded through bank borrowings and internal funds.

3. SALIENT TERMS OF THE ACQUISITION

- 3.1 Subject to the written approval from JTC Corporation and all other relevant government authorities being obtained, the Proposed Acquisition shall be completed within twelve (12) weeks from SEPL’s exercise of the Option (the “**Completion Date**”), and the Property is sold with vacant possession on the Completion Date;

- 3.2 The Proposed Acquisition is subject to the Singapore Law Society's Conditions of Sale 2012 (the "**Conditions**") in so far as the Conditions are applicable to a sale by private treaty and are not varied by or in conflict with the terms and conditions of the Option and the following:
- 3.2.1 Conveyancing & Law of Property (Conveyancing) Rules 2011 as promulgated under the Conveyancing & Law of Property Act; and
 - 3.2.2 Singapore Academy of Law (Conveyancing Money) Rules 2011 as promulgated under the Singapore Academy of Law Act (Cap. 294A) (if applicable).
- 3.3 The Proposed Acquisition shall be subject to title being in order, properly deduced and free from all encumbrances on completion as well as subject to a satisfactory road line plan and satisfactory replies to legal requisitions filed with the various government departments (including the Land Transport Authority – Rapid Transit Systems) being received by SEPL and/or its solicitors; and
- 3.4 The completion of the Proposed Acquisition shall take place simultaneously on the Completion Date. In the event that written approval from JTC Corporation is not obtained within ten (10) weeks from the date of acceptance of the Option by SEPL or such further extension of time as may be agreed between SEPL and the Vendor, subject to there being no default refusal, neglect or failure on the part of the either party, SEPL or the Vendor shall be at liberty to rescind and cancel the Option, whereupon the Vendor shall refund to SEPL all monies (free of interest) paid by SEPL and neither SEPL or the Vendor shall then have further demand, claim, right or action against the other whether for costs, damages, compensation or otherwise.

4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

For illustrative purposes, assuming that the Proposed Acquisition had been effected at the end of the financial year ended 31 July 2013, there would have been no material impact on the consolidated net tangible assets per share of the Company for the financial year ended 31 July 2013 (being the latest audited accounts) ("**FY2013**") and similarly, (b) assuming the Proposed Acquisition had been effected at the beginning of the financial year ended 31 July 2013, there would have been no material impact on the earnings per share for FY2013. The Proposed Acquisition is also not expected to have any material effect on the net tangible assets per share or consolidated earnings per share of the Company for the current financial year.

5. LISTING MANUAL COMPUTATION

- 5.1 The relative figures computed on the basis set out in Rules 1006 (a) to (e) of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") in relation to the Proposed Acquisition (based on the audited consolidated accounts of the Group ended 31 July 2013) are as follows :-

		Relative figures computed in accordance with the bases set out in Rule 1006
Rule 1006(a)	Net asset value of the business and assets to be disposed off, compared with the Group's net asset value	Not applicable
Rule 1006(b)	Net profits attributable to the Proposed Acquisition compared with the Group's net profits	Not meaningful ^(a)
Rule 1006(c)	Aggregate value of consideration to be given, compared with the Company's market capitalisation ^(b) based on the number of issued shares excluding treasury shares	16.7%
Rule 1006(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves.	Not applicable

Notes:

- (a) The relative figure is not meaningful as the Company is unable to ascertain the profits which may be attributable to the Proposed Acquisition as the Property has not been put in operation yet.
- (b) The market capitalisation of the Company is calculated based on the closing price of the Company's shares of S\$0.31 as at 15 January 2014.

5.2 **Discloseable Transaction.** As the relative figure set out in Rule 1006(c) exceeds 5% but is less than 75%, the Proposed Acquisition constitutes a discloseable transaction as defined in Chapter 10 of Catalist Rules.

6. RATIONALE FOR THE ACQUISITION

The Company's direct wholly-owned subsidiary, Sysma Land Pte Ltd and Encore Investment Pte. Ltd. have entered into a joint venture agreement to carry on the business of manufacturing and trading of refined petroleum products, and the provision of services related thereto. The same had been announced on 10 October 2013. The Proposed Acquisition is to build a plant for storage, warehousing and office purposes which are in line with the Company's existing business strategy to diversify its earning base.

7. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

Save for their respective shareholdings in the Company, none of the directors, controlling shareholders or substantial shareholders of the Company, has any interest, whether directly or indirectly, in the Proposed Acquisition contemplated herein.

8. DOCUMENTS FOR INSPECTION

A copy of the Option 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 three (3) months from the date of this announcement.

9. UPDATES

The Company will be making appropriate announcements in due course and will continue to keep shareholders updated on the Proposed Acquisition.

On behalf of the Board
SY SMA HOLDINGS LIMITED

Sin Soon Teng
Executive Chairman and Chief Executive Officer

16 January 2014

The 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 Catalyst. The Sponsor has not independently verified the contents of the Announcement.

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

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