

# SY SMA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201207614H)

## PROPOSED PLACEMENT OF 23,500,000 NEW ORDINARY SHARES

### A. PLACEMENT

The Board of Directors of Sysma Holdings Limited (the "**Company**") wishes to announce that the Company has entered into separate subscription agreements dated 9 April 2014 ("**Subscription Agreements**") with the following persons (collectively, the "**Subscribers**"), whereby the Subscribers have agreed to subscribe for the following respective amounts of ordinary shares in the capital of the Company ("**Placement Shares**") (totalling 23,500,000 Placement Shares) at the issue price of S\$0.27 for each Placement Share ("**Issue Price**"), subject to and upon the terms and conditions of the Subscription Agreements (the "**Proposed Placement**"):-

Name of Subscriber	Number of Placement Shares Subscribed	As a percentage of existing issued share capital as at the date of this Announcement <sup>(1)</sup>	As a percentage of enlarged issued share capital of the Company <sup>(2)</sup>
Cher Heng Guan	600,000	0.25	0.23
Chong Kim Guan	400,000	0.17	0.15
Toh Kah Sing	1,000,000	0.42	0.38
Wang Ying Shu (Wang Yingshu)	1,000,000	0.42	0.38
Lee Jua Kim	1,000,000	0.42	0.38
Tan Hai Peng Micheal	1,000,000	0.42	0.38
ABV Systems Pte Ltd	500,000	0.21	0.19
Yap Chin Leong	1,000,000	0.42	0.38
Koh May Leng @ Loh May Leng	4,000,000	1.68	1.53
Neo Aik Chye	1,500,000	0.63	0.57
Bon Ween Foong	2,400,000	1.01	0.92
See Chye Seng	2,000,000	0.84	0.77
Yong Kok Kong	600,000	0.25	0.23
Lim Chye Huat @ Bobby Lim Chye Huat	500,000	0.21	0.19
Wong Chao Hsiung	500,000	0.21	0.19
Seow Kui Lim	500,000	0.21	0.19
Tor Teck Jin	500,000	0.21	0.19
Lee Siew Fong	300,000	0.13	0.11
Lee Mei Mui	250,000	0.11	0.10
Aw Chi-Ken Benjamin	200,000	0.08	0.08
Ng Han Meng	1,000,000	0.42	0.38

Name of Subscriber	Number of Placement Shares Subscribed	As a percentage of existing issued share capital as at the date of this Announcement <sup>(1)</sup>	As a percentage of enlarged issued share capital of the Company <sup>(2)</sup>
Ng Tee Khiang	1,100,000	0.46	0.42
Lim Seng Gay	500,000	0.21	0.19
Toh Tiong San	300,000	0.13	0.11
Brian Kwan Wing Hung	300,000	0.13	0.11
Sim Ah Hui	150,000	0.06	0.06
Tay Lee Chye Lester	300,000	0.13	0.11
Tan Sock Pheng	100,000	0.04	0.04
	<u>23,500,000</u>	<u>9.89<sup>(3)</sup></u>	<u>9.00<sup>(3)</sup></u>

Notes:-

- (1) Based on existing issued share capital of 237,500,000 Shares of the Company.  
(2) Based on enlarged issued share capital of 261,000,000 Shares after the issue of 23,500,000 Placement Shares.  
(3) Does not add up due to rounding.

The Company is undertaking the Proposed Placement to raise funds for the property development, business expansion and working capital purposes of the Company and its subsidiaries ("**Group**").

The Proposed Placement will be undertaken by way of a private placement in accordance with Section 272B of the Securities and Futures Act (Cap 289). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

## B. ISSUE PRICE

The Issue Price represents a discount of 9.88% to the volume weighted average price of S\$0.2996 for trades done on the sponsored-supervised Catalist board ("**Catalist**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the full market day on 4 April 2014 (being the market day immediately preceding the date on which the Subscription Agreements were signed).

## C. AUTHORITY TO ISSUE PLACEMENT SHARES

The Placement Shares will be issued pursuant to the general mandate ("**General Mandate**") obtained at the Annual General Meeting of the Company held on 22 November 2013 ("**Date of AGM 2013**") which authorises the Directors to allot and issue new Shares in the capital of the Company in accordance with, and subject to, the provisions of Rule 806 of Section B: Rules of Catalist of the Listing Manual of the SGX-ST ("**Catalist Rules**").

Pursuant to the General Mandate, the Directors are authorised to, *inter alia*, allot and issue Shares in the Company at any time and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of Shares in the Company to be issued other than on a pro rata basis to existing Shareholders shall not exceed 50% of the issued share capital of the Company (excluding treasury shares) as at the Date of AGM 2013.

The issued share capital of the Company (in terms of number of Shares) as at the Date of AGM 2013 comprised 237,500,000 Shares. Therefore, the share capital base of the Company for the computation of the number of Shares which may be issued pursuant to the General

Mandate is 237,500,000 Shares and the maximum number of new Shares which may be issued (other than on a pro rata basis to existing Shareholders) pursuant to the General Mandate is 118,750,000 Shares.

As at the date of this Announcement, the Company has not utilised the General Mandate obtained on the Date of AGM 2013 for the allotment and issue of new Shares. As such, the maximum number of new Shares which may still be issued (other than on a pro rata basis to existing Shareholders) pursuant to the General Mandate is 118,750,000 Shares. The Company is issuing 23,500,000 Placement Shares.

When completed, the Proposed Placement will increase the issued and paid up share capital of the Company to 261,000,000 Shares.

The Placement Shares will represent (i) approximately 9.89% of the existing issued share capital of the Company as at the date of this Announcement; and (ii) approximately 9.00% of the enlarged issued share capital of the Company after the issue of the Placement Shares.

The Placement Shares when issued and fully paid will rank *pari passu* in all respects with the existing Shares of the Company.

#### **D. CONDITION PRECEDENT**

The Proposed Placement is conditional upon the listing and quotation notice (the "**Listing Approval**") being obtained from the SGX-ST for the listing of and quotation for the Placement Shares on Catalist upon the allotment and issue thereof.

The Sponsor of the Company, CIMB Bank Berhad, Singapore Branch, will make an application on behalf of the Company to the SGX-ST for the Listing Approval. The Company will make the necessary announcements once the Listing Approval has been obtained.

#### **E. SHARE LENDING**

In connection with the Proposed Placement and to expedite the delivery of the Placement Shares to the Subscribers, a share lending agreement dated 9 April 2014 ("**Share Lending Agreement**") was entered into between the Company and Xiang Investment Ltd. ("**Lender**").

The Lender is a controlling Shareholder of the Company and as at the date of this Announcement, the Lender is the legal and beneficial owner of 138,600,000 Shares, representing approximately 58.36% of the Company's existing issued share capital. The shareholders of the Lender are Mr Sin Soon Teng (89.0%) and Ms Ng Lay Khim (11.0%). Mr Sin Soon Teng is the Executive Chairman and Chief Executive Officer of our Company.

Pursuant to the terms and conditions of the Share Lending Agreement, the Lender shall lend to the Company and the Company shall borrow from the Lender 23,500,000 Shares ("**Loan Shares**") solely for the purpose of facilitating the Proposed Placement ("**Loan**").

No borrowing fees, consideration or payment shall be payable by the Company to the Lender in respect of the borrowing of the Loan Shares. The Lender shall not receive any financial benefit (whether directly or indirectly) from the Loan.

If the Company shall receive the Listing Approval on or before the date falling fifteen (15) market days after the date of the Share Lending Agreement ("**Long-Stop Date**"), the Company shall repay the Loan, within three (3) market days of receiving the Listing Approval, by allotting and issuing the Placement Shares to the Lender, so that the Lender maintains its original number of Shares in the Company prior to the Proposed Placement.

If the Company does not receive the Listing Approval for whatever reason by the Long-Stop Date, the Company shall repay the Loan to the Lender by delivering Shares identical in number, class and description to the Loan Shares ("**Equivalent Loan Shares**") to the Lender not later than the date falling three (3) market days after the Long-Stop Date.

Notwithstanding any other provision herein, the Lender shall have the unconditional right to recall the Loan from the Company at any time prior to the Long-Stop Date by giving seven (7) days' prior written notice to the Company whereupon the Company shall deliver the Equivalent Loan Shares to the Lender on or before the expiry of the notice.

#### **F. INFORMATION ON THE SUBSCRIBERS**

All Subscribers are private investors who are investing in the Company for investment purposes. One of the Subscribers is a private limited company incorporated in Singapore, ABV Systems Pte Ltd. ABV Systems Pte Ltd is a sub-contractor of the Group. Another Subscriber, Chong Kim Guan, is an executive officer of the Company, holding the position of Project Director. Two other Subscribers are directors and shareholders of the Group's sub-contractors. Lee Jua Kim is a director and shareholder of Stonrich Pte. Ltd and Yap Chin Leong is a director and shareholder of Kian Hock Engineering Pte. Ltd..

No placement agent has been appointed by the Company in respect of the Proposed Placement. The Subscribers are introduced to the Company by Asiasons WFG Capital Pte Ltd (the "**Introducer**"). Introduction fees representing 3% of the aggregate gross proceeds from the Proposed Placement shall be payable by the Company to the Introducer.

Pursuant to the Subscription Agreements, each Subscriber has represented that:-

- (i) as at the date of the respective Subscription Agreements, such Subscriber does not have any interest, direct or indirect, in the Shares of the Company, except for Chong Kim Guan, Koh May Leng @ Loh May Leng, Wang Ying Shi (Wang Yingshi), ABV Systems Pte Ltd, Seow Kui Lim, Bon Ween Foong, Neo Aik Chye, Ng Han Meng, Yong Kok Kong and Lim Chye Huat @ Bobby Lim Chye Huat who hold 250,000 Shares, 1,987,733 Shares, 560,000 Shares, 30,000 Shares, 500,000 Shares, 2,000,000 Shares, 6,500,000 Shares, 600,000 Shares, 600,000 Shares and 300,000 Shares, respectively, as at the date of their Subscription Agreements with the Company;
- (ii) such Subscriber is not a person falling within the class of restricted persons to whom placements must not be made by the Company pursuant to Rule 812 of the Catalist Rules;
- (iii) such Subscriber is subscribing for the Placement Shares purely for the purposes of investment;
- (iv) none of the Placement Shares, when issued on completion, will be held by the Subscriber as nominee for a third party. On completion, such Subscriber will legally and beneficially hold the Placement Shares;
- (v) such Subscriber is not acting in concert with any other person in relation to the subscription by the Subscriber of the Placement Shares;
- (vi) such Subscriber has not entered into any arrangement, written or otherwise, with regards to how the voting rights of the Placement Shares may be exercised; and
- (vii) prior to the date of the respective Subscription Agreements, such Subscriber has no connections (including any business relationship) with the Company and the Directors and substantial Shareholders of the Company, save for (i) ABV Systems Pte Ltd is a subcontractor of the Group, (ii) Chong Kim Guan is an executive officer of the Company, (iii) Lee Jua Kim is a director and shareholder of Stonrich Pte. Ltd, a subcontractor of the Group and (iv) Yap Chin Leong is a director and shareholder of Kian Hock Engineering Pte. Ltd., a subcontractor of the Group.

The Placement Shares will not be issued to transfer a controlling interest of the Company.

## G. PROCEEDS FROM PROPOSED PLACEMENT AND INTENDED USE

The Proposed Placement will raise gross proceeds of approximately S\$6.34 million and net proceeds of approximately S\$6.10 million (after deducting estimated expenses of approximately S\$0.24 million).

The Company intends to utilise the net proceeds from the Proposed Placement for the following purposes:

- (i) 50% of the net proceeds to fund the Group's property development business;
- (ii) 20% of the net proceeds to fund the Group's business expansion, *inter alia*, through acquisitions, investments, joint ventures and/or other collaborations; and
- (iii) 30% of the net proceeds for general working capital purposes.

The Directors are of the opinion that, after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. The Directors are also of the opinion that, after taking into consideration the Group's present bank facilities, and the net proceeds of the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.

Although the Group has sufficient working capital for its present requirements, the Company has decided to proceed with the Proposed Placement to raise funds for business expansion.

Pending the deployment for the uses identified above, the net proceeds of the Proposed Placement may be deposited with banks and/or financial institutions or invested in money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may deem fit.

The Company will make periodic announcements on the utilisation of the net proceeds as and when such proceeds are materially disbursed and will provide a status report on the use of such proceeds in its annual report.

## H. FINANCIAL EFFECTS

For illustration purposes only, the table below sets out the financial effects of the Proposed Placement based on the following bases and assumptions:-

- (i) The audited consolidated financial statements of the Company for the financial year ended 31 July 2013;
- (ii) As adjusted for the placement of 19,500,000 new ordinary shares at a placement price of S\$0.312 for each share in October 2013 ("**October 2013 Placement**") which increased the Company's issued share capital of the Company by 19,500,000 Shares to 237,500,000 Shares and its net tangible assets by S\$5.86 million to S\$47.22 million upon completion on 22 October 2013, assumed to be allotted on 31 July 2013; and
- (iii) The financial impact on the consolidated net tangible assets ("**NTA**") per Share of the Company is computed based on the assumption that the Proposed Placement was completed on 31 July 2013 and in relation to the Company's consolidated earnings per Share ("**EPS**"), computed based on the assumption that the Proposed Placement was completed on 1 August 2012. The foregoing financial impact on the NTA and EPS shall be computed taking into account the 19,500,000 new Shares issued by the Company pursuant to its share placement exercise referred to in Note (ii) above.

	<b>Before the Proposed Placement</b>	<b>After the Proposed Placement</b>
Share Capital		
- Issued and paid up share capital (S\$)	39,433,000	45,534,000
- Number of Shares	237,500,000	261,000,000
NTA (S\$)	47,216,000	53,317,000
NTA per Share (cents)	19.88	20.43
Earnings attributable to equity holders of the Company (S\$)	6,596,000	6,596,000
EPS (cents) <sup>(1)</sup>	4.75	4.07
Weighted average number of shares used to calculate diluted EPS <sup>(2)</sup>	138,760,843	162,260,843

Notes:

- (1) EPS is calculated by dividing the Company's consolidated net earnings attributable to equity holders of the Company by the weighted average number of ordinary shares.
- (2) Weighted average number of ordinary shares was computed based on the 77,000,000 ordinary shares in issue at the beginning of the period, taking into account the 18,000,000 new ordinary shares issued on 3 August 2012 pursuant to the listing of the Company on the Catalist, the 95,000,000 new ordinary shares issued on 7 June 2013 pursuant to the rights issue (including the bonus element adjustment under the international accounting standards), the 28,000,000 new ordinary shares issued on 24 July 2013 as partial satisfaction of the purchase consideration of an acquisition and the 19,500,000 ordinary shares issued pursuant to the share placement exercise referred to in Note (ii) above.

The financial effects of the Proposed Placement on the Company are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Company after the completion of the Proposed Placement.

#### **I. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed above, none of the Directors or substantial Shareholders of the Company (other than in their capacity as Director or Shareholders of the Company) has any interest, direct or indirect, in the Proposed Placement. No Director or an associate of a Director is a Subscriber.

#### **J. RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

## **K. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Company at 2 Balestier Road, #03-669 Balestier Hill Shopping Centre, Singapore 320002 during normal office hours for a period of three months from the date of this Announcement:-

- (i) Subscription Agreements; and
- (ii) Share Lending Agreement.

### **BY ORDER OF THE BOARD**

Sin Soon Teng  
Executive Chairman and Chief Executive Officer

9 April 2014

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*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 SGX-ST 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, Corporate Finance. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337-5115.*