



SYSMA HOLDINGS LIMITED

Company Registration No: 201207614H
(Incorporated in the Republic of Singapore on 28 March 2012)
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UNAUDITED HALF-YEAR FINANCIAL STATEMENT FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 2014

*SYSMA HOLDINGS LIMITED (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 3 August 2012. The initial public offering of the Company was sponsored by CIMB Bank Berhad, Singapore Branch. (the "**Sponsor**").*

*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.

Background

Sysma Holdings Limited (the "**Company**") was incorporated in the Republic of Singapore on 28 March 2012 under the Companies Act (Chapter 50) of Singapore as a private limited company. The group, comprising the Company and its subsidiaries (the "**Group**"), was formed pursuant to a restructuring exercise (the "**Restructuring Exercise**") prior to the Company's listing on SGX Catalist. Please refer to the Company's offer document dated 27 July 2012 for further details on the Restructuring Exercise.

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	Six months ended		
	31/01/2014 Unaudited S\$'000	31/01/2013 Unaudited S\$'000	Increase/ (Decrease) %
Revenue	22,873	17,455	31.0%
Cost of sales	(18,882)	(12,171)	55.1%
Gross profit	3,991	5,284	(24.5%)
Other gain/(losses)- net			
- Other income	567	568	(0.2%)
Expenses			
- Other operating expenses	(1,522)	(998)	52.5%
- Administrative expenses	(1,351)	(1,028)	31.4%
- Finance costs	(14)	-	n.m.
Profit before tax	1,671	3,826	(56.3%)
Income tax expense	(405)	(722)	(43.9%)
Profit for the period	1,266	3,104	(59.2%)
Total comprehensive income for the period	1,266	3,104	(59.2%)
Profit attributable to:			
Owners of the company	1,531	3,104	(50.7%)
Non-controlling interests	(265)	-	n.m.
	1,266	3,104	(59.2%)
Total comprehensive income attributable to:			
Owners of the company	1,531	3,104	(50.7%)
Non-controlling interests	(265)	-	n.m.
	1,266	3,104	(59.2%)
Basic and diluted earnings per share (cent) [Note 6]	0.67	3.27	

n.m. denotes not meaningful

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 2014

	Group		
	Six months ended		
	31/01/2014	31/01/2013	Increase/
Profit after tax is arrived at:	Unaudited	Unaudited	(Decrease)
	S\$'000	S\$'000	%
After charging:			
Depreciation of property, plant and equipment	158	177	(10.7%)
Operating lease expense	229	178	28.7%
and crediting:			
Gain on disposal of property, plant and equipment	-	7	(100.0%)
Interest income from fixed deposits	6	26	(76.9%)
Rental income	374	386	(3.1%)
Fair value gain on structured deposit	-	12	(100.0%)

n.m. denotes not meaningful

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	
	31/01/2014 Unaudited S\$'000	31/07/2013 Audited S\$'000	31/01/2014 Unaudited S\$'000	31/07/2013 Audited S\$'000
Assets				
Current Assets				
Cash and cash equivalents	20,239	21,638	9,189	7,598
Pledged bank deposits	2,572	2,572	-	-
Development Properties	135,349	131,406	-	-
Inventories	268	-	-	-
Trade and other receivables	13,184	7,628	27,444	23,591
Total current assets	<u>171,612</u>	<u>163,244</u>	<u>36,633</u>	<u>31,189</u>
Non-current assets				
Investment in subsidiaries	-	-	15,657	15,657
Property, plant and equipment	1,837	449	-	-
Total non-current assets	<u>1,837</u>	<u>449</u>	<u>15,657</u>	<u>15,657</u>
Total assets	<u>173,449</u>	<u>163,693</u>	<u>52,290</u>	<u>48,846</u>
Liabilities and equity				
Current liabilities				
Trade and other payables	18,579	18,788	9,951	9,864
Provisions	1,227	1,757	-	-
Bank loans	1,674	-	-	-
Current portion of finance leases	251	-	-	-
Income tax payable	772	727	4	18
Total current liabilities	<u>22,503</u>	<u>21,272</u>	<u>9,955</u>	<u>9,882</u>
Non-current liabilities				
Bank loans	92,283	91,390	-	-
Non-current portion of finance leases	921	-	-	-
Loan from non-controlling interest	3,303	2,700	-	-
Total non-current liabilities	<u>96,507</u>	<u>94,090</u>	<u>-</u>	<u>-</u>
Capital and reserves				
Share capital	39,433	33,576	39,433	33,576
Merger reserve	(3,517)	(3,517)	-	-
Accumulated profits	10,836	11,300	2,902	3,388
Equity attributable to owners of the Company	<u>46,752</u>	<u>41,359</u>	<u>42,335</u>	<u>36,964</u>
Non-controlling interests	7,687	6,972	-	-
Total Equity	<u>54,439</u>	<u>48,331</u>	<u>42,335</u>	<u>36,964</u>
Total liabilities and equity	<u>173,449</u>	<u>163,693</u>	<u>52,290</u>	<u>46,846</u>

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

Amount repayable in one year or less, or on demand

As at 31/01/2014 (Unaudited)		As at 31/07/2013 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,925	-	-	-

Amount repayable after one year

As at 31/01/2014 (Unaudited)		As at 31/07/2013 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
93,204	3,303	91,390	2,700

Details of any collateral

The above bank borrowings are secured by:

- (i) Legal mortgages on development properties
- (ii) Assignment of rights, titles and interests of all agreements relating to the development properties including sales and purchase agreements
- (iii) Joint and several guarantees from directors and non-controlling shareholders of our subsidiaries
- (iv) Corporate guarantee provided by the Company

Finance leases are secured by certain motor vehicles of the Group with carrying amount of S\$1,161,000
 In as at 31/01/2014 (31/07/2013: NIL)

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

	Group	
	Six months ended	
	Unaudited	Unaudited
	31/01/2014	31/01/2013
	S\$'000	S\$'000
Operating activities		
Profit before tax	1,671	3,826
Adjustments for:-		
Depreciation	158	177
Write-back of provision for foreseeable loss	-	(270)
Gain on disposal of property, plant and equipment	-	(7)
Fair value gain on structured deposit	-	(12)
Interest income	(6)	(26)
Interest expense	14	-
Operating cash flows before movements in working capital	1,837	3,688
Changes		
Development Properties	(3,943)	(23,741)
Inventories	(268)	-
Trade and other receivables	(5,556)	(52)
Trade and other payables	(740)	(2,172)
Cash used in operations	(8,670)	(22,277)
Tax paid	(360)	(1,111)
Net cash used in operating activities	(9,030)	(23,388)
Investing activities		
Interest received	6	26
Deposit paid for proposed acquisition of a company	-	(3,500)
Proceeds from disposal of property, plant and equipment	-	7
Purchase of property, plant and equipment (Note A)	(373)	(101)
Net cash used in investing activities	(367)	(3,568)
Financing activities		
Proceeds from issuance of ordinary shares pursuant to private placement, net of issue costs	5,857	-
Proceeds from issuance of ordinary shares pursuant to Initial Public Offerings, net of issue costs	-	390
Loan from non- controlling interest	603	-
Capital contribution from non-controlling interest	980	-
Repayment of finance leases	-	(3)
Interest paid	(14)	-
Proceeds from bank loans	2,567	18,240
Dividend paid	(1,995)	(1,843)
Net cash from financing activities	7,998	16,784
Net decrease in cash and cash equivalents	(1,399)	(10,172)
Cash and cash equivalents at beginning of financial period	21,638	26,332
Cash and cash equivalents at end of financial period	20,239	16,160

Note A: Purchase of property, plant and equipment

During the HY2014, the Group acquired property, plant and equipment with an aggregate cost of approximately S\$1,545,000 (HY2013: \$101,000) of which S\$1,172,000 (HY2013: Nil) were acquired by means of finance leases and cash payment made amounted to S\$373,000 (HY2013: \$101,000).

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 2014

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.

The Group (Unaudited)	Share capital S\$'000	Share application monies S\$'000	Merger Reserve S\$'000	Accumulated Profits S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
Balance at 1 August 2013	33,576	-	(3,517)	11,300	41,359	6,972	48,331
Issuance of ordinary shares pursuant to Private Placement, net of issue costs	5,857	-	-	-	5,857	-	5,857
Capital contribution from non-controlling interest	-	-	-	-	-	980	980
Total comprehensive income for the financial period	-	-	-	1,531	1,531	(265)	1,266
Dividends paid	-	-	-	(1,995)	(1,995)	-	(1,995)
Balance at 31 January 2014	39,433	-	(3,517)	10,836	46,752	7,687	54,439

The Group (Unaudited)	Share capital S\$'000	Share application monies S\$'000	Merger Reserve S\$'000	Accumulated Profits S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
Balance at 1 August 2012	6,517	4,245	(3,517)	6,547	13,792	-	13,792
Issuance of ordinary shares pursuant to Initial Public Offering, net of issue costs	4,635	(4,245)	-	-	390	-	390
Total comprehensive income for the financial period	-	-	-	3,104	3,104	-	3,104
Dividends paid	-	-	-	(1,843)	(1,843)	-	(1,843)
Balance at 31 January 2013	11,152	-	(3,517)	7,808	15,443	-	15,443

SY SMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 2014

The Company (Unaudited)	Share capital S\$'000	Share application monies S\$'000	Accumulated profits S\$'000	Total equity S\$'000
Balance at 1 August 2013	33,576	-	3,388	36,964
Net profit for the period, representing total comprehensive income for the financial period	-	-	1,509	1,509
Issuance of ordinary shares pursuant to Private Placement, net of issue costs	5,857	-	-	5,857
Dividend paid	-	-	(1,995)	(1,995)
Balance at 31 January 2014	39,433	-	2,902	42,335

The Company (Unaudited)	Share capital S\$'000	Share application monies S\$'000	Accumulated profits S\$'000	Total equity S\$'000
Balance at 1 August 2012	6,517	4,245	46	10,808
Net Profit for the period, representing total comprehensive income for the financial period	-	-	4,110	4,110
Issuance of ordinary shares pursuant to Initial Public Offering, net of issue costs	4,635	(4,245)	-	390
Dividends paid	-	-	(1,843)	(1,843)
Balance at 31 January 2013	11,152	-	2,313	13,465

Save for the foregoing, there are no (i) changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	Number of shares	Share Capital (\$)
Number of ordinary shares as at 31 July 2013	218,000,000	33,576,238
Shares allotted pursuant to Private Placement	19,500,000	5,857,000
Post-Placement issued and paid-up share capital	<u>237,500,000</u>	<u>39,433,238</u>

Save for the foregoing, there are no other changes in the Company's share capital arising from rights issue, bonus issue, 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 31 July 2013.

As at 31 January 2014 and 31 January 2013, there are no (i) outstanding convertibles; and (ii) treasury shares.

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.

	31/01/2014 No. of shares	31/07/2013 No. of shares
Total number of issued shares of the company	237,500,000	218,000,000

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on.

Not applicable. There were no treasury shares during and as at the end of the current financial period ended 31 January 2014.

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

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 qualifications or emphasis of matter)

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

The Group and the Company has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those in the Group's audited financial statements for the financial year ended 31 July 2013.

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

Not applicable.

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

	Group	
	Unaudited	Unaudited
	31/01/2014	31/01/2013
Earnings per ordinary share		
Profit for the financial period attributable to equity holders of the Company (S\$'000)	1,531	3,104
Weighted average number of ordinary shares ('000)	228,597	95,000
Basic and diluted earnings per ordinary share (cents)	0.67	3.27

The basic and diluted earnings per share are the same as there were no potential dilutive ordinary shares existed during the respective financial periods.

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

	Group		Company	
	31/01/2014	31/07/2013	31/01/2014	31/07/2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net asset value per ordinary share based on issued share capital	19.69 cents	18.97 cents	17.83 cents	16.96 cents

As at 31 January 2014, the number of ordinary shares issued is 237,500,000 (31 July 2013: 218,000,000).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, asset or liabilities of the group during the current financial period reported on**

Review of Income Statement of The Group

Six months ended 31 January 2014 ("HY2014") vs six months ended 31 January 2013 ("HY2013")

Revenue

Our revenue in HY2014 of approximately S\$22.8 million was approximately S\$5.4 million or 31% higher than the revenue of approximately S\$17.4 million in HY2013.

The increase in revenue was mainly due to the followings:

- (i) Revenue contribution from our petroleum and chemical distribution business amounted to approximately S\$3.3 million in HY2014 (HY2013: NIL);
- (ii) Revenue contribution from property development project at Margate Road amounted to approximately S\$2.1 million (HY2013: NIL)

Our construction projects revenue contribution remain consistently at approximately S\$17.4 million in HY2014 and HY2013.

Cost of sales, gross profit and gross profit margin

Our cost of sales of approximately S\$18.9 million in HY2014 was approximately S\$6.7 million or 55.1% higher than the cost of sales of approximately S\$12.2 million in HY2013. The increase in costs of sales was proportionately more than the increase in revenue due to lower construction projects write-back of overestimation of costs of approximately S\$0.8 million in HY2014 (HY2013: S\$2.1 million) (arising from past overestimation of costs on certain of our completed projects).

Consequently, our gross profit of approximately S\$4.0 million in HY2014 was approximately S\$1.3 million lower than our gross profit of approximately S\$5.3 million in HY2013. Our gross profit margin decreased from approximately 30.3% in HY2013 to approximately 17.4% in HY2014.

Other income

Our other income remained at approximately S\$0.5 million in both HY2014 and HY2013, which mainly comprises rental income, interest income from fixed deposit and other miscellaneous income.

Other operating expenses

Our other operating expenses of approximately S\$1.5 million in HY2014 was approximately S\$0.5 million higher than our operating expenses of approximately S\$1.0 million in HY2013 due to higher operating expenses relating to our property development projects at Margate Road, Charlton Lane and Race Course Road amounted to approximately S\$0.3 million in HY2014 (HY2013: NIL) and petroleum and chemical distribution business of approximately S\$0.2 million in HY2014 (HY2013: NIL).

Administrative expenses

Our administrative expenses of approximately S\$1.4 million in HY2014 was approximately S\$0.4 million higher than our administrative expenses of approximately S\$1.0 million in HY2013 due to higher staff costs arising from our petroleum and chemical distribution business.

Finance costs

Our finance cost mainly comprises interest expense on finance lease and trust receipts facilities from bank which in aggregate amounted to approximately S\$14,000 in HY2014 (HY2013: NIL). In accordance to the Group's accounting policy, the finance cost used to finance the development of the Group's properties was capitalised. Hence, the finance cost recorded in the income statement for a given period may not be reflective of the Group's actual level of borrowings.

Income tax expense

Our income tax expense was approximately S\$0.4 million in HY2014 and S\$0.7 million in HY2013. Our effective income tax rate was approximately 24.2% and 18.8% in HY2014 and HY2013 respectively.

The higher effective tax rate of 24.2% in HY2014 compared to prevailing statutory rate of 17% was mainly due to tax losses incurred by certain subsidiaries for which deferred tax assets have not been recognised. The higher effective tax rate of 18.8% in HY2013 compared to prevailing statutory rate of 17% was mainly due additional tax provision in relation to prior years.

Net Profit

As a result of the above, our net profit decreased by approximately S\$1.8 million to approximately S\$1.3 million in HY2014 from approximately S\$3.1 million in HY2013.

Review of Group Financial Position

Non-Current Assets

As at 31 January 2014, non-current assets totalled S\$1.8 million or approximately 1.1% of total assets. Non-current assets increased by approximately S\$1.4 million.

Increase in property, plant and equipment ("PPE") of S\$1.4 million was mainly due to purchase of motor vehicles and plant and machineries.

Current Assets

As at 31 January 2014, current assets stood at S\$171.6 million or approximately 98.9% of total assets. Current assets increased by approximately S\$8.4million.

Decrease in cash and cash equivalents of approximately S\$1.4 million mainly due to (i) net cash outflow from operating activities of approximately S\$9.0 million and (ii) net cash outflow from investing activities of approximately S\$0.4 million, partially offset by net cash inflow from financing activities of approximately S\$8.0 million.

Increase in development properties of approximately S\$3.9 million was due to capitalisation of construction and development expenditure for our property development projects at Charlton Lane, Race Course Lane and Margate Road.

Increase in inventories of approximately S\$0.3 million was in relation to our petroleum and chemical distributions business.

Increase in trade and other receivables of approximately S\$5.6 million was mainly due to trade receivables from petroleum and chemical business customers amounting to approximately S\$3.9 million, prepayment and deposit placed for the acquisition of property at 5 Gul Lane amounting to approximately S\$1.7 million.

Non-Current Liabilities

As at 31 January 2014, non-current liabilities totalled S\$96.5 million or approximately 81.1% total liabilities.

Non-current liabilities increased by approximately S\$2.5 million mainly due to increase in bank loans of approximately S\$1.0 million, non-current portion of finance lease of approximately S\$0.9 million and loan from non-controlling interest of approximately S\$0.6 million.

Current Liabilities

As at 31 January 2014, current liabilities stood at S\$22.5 million or 18.9% of total liabilities. Current liabilities increased by approximately S\$1.2 million.

Decrease in trade and other payables of approximately S\$0.2 million was mainly due to decrease of S\$1.2 million accruals and partially offset by increase in trade payables to third parties of S\$1.0 million.

Increase in bank loans of approximately S\$1.7 million was mainly due to trust receipts facilities from bank to finance the business operation of our petroleum and chemical distribution business.

Increase in current portion of finance lease of S\$0.3 million was mainly due to finance the purchase of motor vehicles.

Decrease in provisions of approximately S\$0.6 million was mainly due to write-back of provision for defective work and warranty upon receipt of maintenance certificate.

Review of Statement of Cash Flow

Net cash used in operating activities

In HY2014, net cash outflow from operating activities of approximately S\$9.0 million was a result of operating cash inflow before working capital changes of approximately S\$1.8 million, adjusted for net working capital outflows of approximately S\$10.5 million and income tax paid of approximately S\$0.3 million.

The net working capital outflow of approximately S\$10.5 million was mainly due to the increase in development properties of approximately S\$3.9 million, trade and other receivables of approximately S\$5.6 million, inventories of approximately S\$0.3 million and decrease in trade and other payables amounting to approximately S\$0.7 million.

Net cash used in investing activities

Net cash outflow from investing activities amounted to approximately S\$0.4 million, which was mainly attributable to the purchase of property, plant and equipment.

Net cash from financing activities

Net cash inflow from financing activities amounted to approximately S\$8.0 million, which was mainly attributable to issuance of ordinary shares through private placement of S\$5.9 million, capital contribution from non-controlling interest in our subsidiary of approximately S\$0.9 million, loan from non-controlling interest of S\$0.6 million and proceeds from bank loans of S\$2.6 million. The increase was partially offset by dividend paid amounting to approximately S\$2.0 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders,

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

10. A commentary at the date of announcement of the 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.

The Good Class Bungalow (GCB) market, a key focus segment for the Group, has stayed relatively resilient¹. We will continue to manage margin pressures by staying vigilant on budgeting to avoid time and cost overruns. We will also continue to manage additional costs that may arise from new regulations. Excluding work carried out for the Group's three property development projects, our net order book stands at approximately S\$80 million. Since January 2014, we have gained a steady momentum with three new construction contracts worth S\$26.1 million in sum. Although property cooling measures are expected to stay in place in the near term, we are cautiously optimistic on the prospects of our construction business over the next 12 months.

The property market is currently displaying mixed signals with some property developers choosing to replenish their land bank even in the midst of moderated sales in both the primary and secondary markets. Nonetheless, we expect the property market to remain challenging in view of the government's property cooling measures. The Group's three property development projects, 28 RC Suites, 8M Residences and Charlton 18 have been launched and are expected to be completed by 2017. Although our balance sheet strength allows us to hold inventory, we aim to strengthen our marketing efforts to improve the appeal of our developments.

We are making steady progress for our newest petroleum and chemical distribution business, Sysma Energy. In January, we announced the acquisition of a factory with an area of approximately 8,300 square metres, which will serve as an office as well as a storage and warehousing plant to support this new business. Given the demand for energy and chemical products, we are optimistic about the long-term prospects of this business.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?
None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

¹ *The Business Times*, 20 Feb 2014, "Good Class Bungalow market starting to recover"

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended during the financial period.

13. Interested Person Transactions

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

14. Update on use of IPO proceeds

Use of Rights Issue Proceeds	Amount allocated	Amount used
		as at 31 January 2014
	S\$'000	S\$'000
Property development purposes	15,181	(15,181)
General working capital	807	(807)
Expenses in connection with the rights issue	162	(162)
	16,150	(16,150)
Use of IPO Proceeds	Amount allocated	Amount used
		as at 31 January 2014
	S\$'000	S\$'000
Property development purposes	3,000	(3,000)
General working capital	565	(565)
Listing expenses	1,475	(1,475)
	5,040	(5,040)
Use of Placement Proceeds	Amount allocated	Amount used
		as at 31 January 2014
	S\$'000	S\$'000
Business expansion purposes	4,100	(1,647)
General working capital	1,757	-
Expenses in connection with the Placement	227	(227)
	6,084	(1,874)

15. Confirmation By the Board of Directors pursuant to Rule 705(5) of the Listing Manual

The Board of Directors confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the six months ended 31 January 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

SIN SOON TENG
EXECUTIVE CHAIRMAN AND CEO
14 March 2014

ANG SENG HENG
EXECUTIVE DIRECTOR
14 March 2014