



SYSMA HOLDINGS LIMITED

Company Registration No: 201207614H
(Incorporated in the Republic of Singapore on 28 March 2012)
2 Balestier Road, #03-669, Balestier Hill Shopping Centre, Singapore 320002
Tel: 6256 2288 (4 lines) Fax: 6252 4156
E-mail: sysma@sysma.com.sg

Full Year Financial Statement and Dividend Announcement for the Financial Year Ended 31 July 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.

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL 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		
	Year ended		
	31/07/2014 Unaudited S\$'000	31/07/2013 Audited S\$'000	Increase/ (Decrease) %
Revenue	61,109	35,474	72.3
Cost of sales	(72,025)	(27,064)	166.1
Gross profit	(10,916)	8,410	n.m
Other gain/(losses)- net			
- Other income	1,220	3,763	(67.6)
Expenses			
- Other operating expenses	(3,153)	(2,276)	38.5
- Administrative expenses	(3,214)	(2,520)	27.5
- Finance costs	(200)	-	100.0
(Loss)/ profit before tax	(16,263)	7,377	n.m
Income tax expense	(30)	(781)	(96.1)
(Loss)/ profit for the year	(16,293)	6,596	n.m
Total comprehensive (loss)/ income for the year	(16,293)	6,596	n.m
(Loss)/ profit attributable to:			
Owners of the company	(11,721)	6,596	n.m
Non-controlling interests	(4,572)	-	100.0
	(16,293)	6,596	n.m
Total comprehensive (loss)/ income attributable to:			
Owners of the company	(11,721)	6,596	n.m
Non-controlling interests	(4,572)	-	100.0
	(16,293)	6,596	n.m
Basic and diluted earnings per share (cent) [Note 6]	(4.89)	5.53	n.m

n.m denotes not meaningful

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2014

Profit after tax is arrived at:	Group		
	Year ended		
	31/07/2014 Unaudited S\$'000	31/07/2013 Audited S\$'000	Increase/ (Decrease) %
After charging:			
Depreciation of property, plant and equipment	343	374	(8.3)
Operating lease expense	405	363	11.6
Provision for foreseeable losses	17,159	-	100.0
Allowance for doubtful debts	56	-	100.0
Interest expense	200	-	100.0
and crediting:			
Bargain purchase gain arising from acquisition of a subsidiary	-	2,567	(100.0)
Rental income	855	716	19.4
Interest income from fixed deposits	9	32	(71.8)
Fair value gain on structured deposit	-	13	(100.0)
Gain on disposal of property, plant and equipment	11	11	-
Write back of provision for foreseeable losses	-	270	(100.0)
Write back of provision for legal claim	-	300	(100.0)

n.m denotes not meaningful

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2014

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	
	31/07/2014	31/07/2013	31/07/2014	31/07/2013
	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Current Assets				
Cash and cash equivalents	21,229	21,638	8,927	7,598
Pledged bank deposits	990	2,572	-	-
Development properties	125,272	131,406	-	-
Inventories	581	-	-	-
Trade and other receivables	16,859	7,628	32,847	23,591
Total current assets	<u>164,931</u>	<u>163,244</u>	<u>41,774</u>	<u>31,189</u>
Non-current assets				
Investment in subsidiaries	-	-	14,657	15,657
Trade and other receivables	-	-	-	-
Property, plant and equipment	16,472	449	-	-
Total non-current assets	<u>16,472</u>	<u>449</u>	<u>14,657</u>	<u>15,657</u>
Total assets	<u>181,403</u>	<u>163,693</u>	<u>56,431</u>	<u>46,846</u>
Liabilities and equity				
Current liabilities				
Trade and other payables	20,703	18,788	7,883	9,864
Provisions	1,027	1,757	-	-
Bank Loan	52,880	-	-	-
Current portion of finance leases	559	-	-	-
Income tax payable	139	727	10	18
Total current liabilities	<u>75,308</u>	<u>21,272</u>	<u>7,893</u>	<u>9,882</u>
Non-current liabilities				
Bank Loans	56,460	91,390	-	-
Deferred tax liabilities	49	-	-	-
Non-current portion of finance leases	2,206	-	-	-
Loans from non-controlling interest	3,905	2,700	-	-
Total non-current liabilities	<u>62,620</u>	<u>94,090</u>	<u>-</u>	<u>-</u>
Capital and reserves				
Share capital	45,538	33,576	45,538	33,576
Merger reserve	(3,517)	(3,517)	-	-
Accumulated (loss)/ profits	(2,416)	11,300	3,000	3,388
Equity attributable to owners of the Company	<u>39,605</u>	<u>41,359</u>	<u>48,538</u>	<u>36,964</u>
Non-controlling interests	3,870	6,972	-	-
Total equity	<u>43,475</u>	<u>48,331</u>	<u>48,538</u>	<u>36,964</u>
Total liabilities and equity	<u>181,403</u>	<u>163,693</u>	<u>56,431</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 31/07/2014 (Unaudited)		As at 31/07/2013 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
53,439	-	-	-

Amount repayable after one year

As at 31/07/2014 (Unaudited)		As at 31/07/2013 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
58,666	3,905	91,390	2,700
-	-	-	-

Details of any collateral

The above bank borrowings are secured by:

- (i) Legal mortgages on development properties and leasehold 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 works vehicles and office equipment of the Group with carrying amount of S\$2,787,000 as at 31/7/2014 (31/7/2013: NIL)

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2014

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	
	Financial Year ended	
	Unaudited	Audited
	31/07/2014	31/07/2013
	S\$'000	S\$'000
Operating activities		
(Loss)/ profit before tax	(16,263)	7,377
Adjustments for:-		
Depreciation	343	374
Provision/ (write-back of) for foreseeable losses	17,159	(270)
Interest income	(9)	(32)
Fair value gain on structured deposit	-	(13)
Gain on disposal of property, plant and equipment	(11)	(11)
Finance costs	200	-
Allowance for doubtful debts	56	-
Write back of provision for legal claim	-	(300)
Bargain purchase gain	-	(2,567)
Operating cash flows before movements in working capital	1,475	4,558
Changes		
Development Properties	(9,160)	(24,623)
Inventories	(581)	-
Trade and other receivables	(9,286)	3,186
Trade and other payables	1,185	(4,251)
Cash used in operations	(16,367)	(21,130)
Tax paid	(570)	(1,171)
Net cash used in operating activities	(16,937)	(22,301)
Investing activities		
Purchase of property, plant and equipment	(13,269)	(226)
Proceeds from disposal of property, plant and equipment	11	12
Acquisition of subsidiaries	-	(17,464)
Interest received	9	28
Net cash used in investing activities	(13,249)	(17,650)
Financing activities		
Proceeds from issuance of ordinary shares pursuant to private placements, net of issue costs	11,962	-
Proceeds from issuance of ordinary shares pursuant to Initial Public Offering, net of issue costs	-	390
Proceeds from issuance of ordinary shares pursuant to rights issue, net of issue costs	-	15,984
Proceeds from bank loans	17,950	18,240
Decrease/ (increase) in pledged deposits	1,582	(2)
Interest paid	(2,065)	(509)
Repayment of finance leases	(332)	(3)
Capital contribution from non-controlling interest	1,470	-
Loans from non-controlling interest	1,205	2,700
Proceeds from disposal of partial interest in a subsidiary	-	300
Dividends paid	(1,995)	(1,843)
Net cash from financing activities	29,777	35,257
Net decrease in cash and cash equivalents	(409)	(4,694)
Cash and cash equivalents at beginning of year	21,638	26,332
Cash and cash equivalents at end of year	21,229	21,638

SYMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 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 (loss)/ 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 Year	-	-	-	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
Issuance of ordinary shares pursuant to Private Placement, net of issue costs	6,105	-	-	-	6,105	-	6,105
Capital contribution from non-controlling interest	-	-	-	-	-	490	490
Total comprehensive loss for the Year	-	-	-	(13,252)	(13,252)	(4,307)	(17,559)
Balance at 31 July 2014	45,538	-	(3,517)	(2,416)	39,605	3,870	43,475

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2014

The Group (Audited)	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 Year	-	-	-	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
Issuance of ordinary shares pursuant to rights Issue, net of issue costs	15,984	-	-	-	15,984	-	15,984
Issuance of ordinary shares pursuant to acquisition of a subsidiary	6,440	-	-	-	6,440	-	6,440
Total comprehensive income for the Year	-	-	-	3,492	3,492	-	3,492
Acquisition of a subsidiary	-	-	-	-	-	6,672	6,672
Change of interest in a subsidiary	-	-	-	-	-	300	300
Balance at 31 July 2013	33,576	-	(3,517)	11,300	41,359	6,972	48,331

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2014

	Share capital	Share application monies	Accumulated profits	Total equity
The Company (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 August 2013	33,576	-	3,388	36,964
Net Profit for the period, representing total comprehensive income for the year	-	-	1,509	1,509
Issuance of ordinary shares pursuant to Private Placement net of issue costs	5,857	-	-	5,857
Dividends paid	-	-	(1,995)	(1,995)
Balance at 31 January 2014	39,433	-	2,902	42,335
Total Comprehensive income for the year	-	-	98	98
Issuance of ordinary shares pursuant to Private Placement, net of issue Costs	6,105	-	-	6,105
Balance at 31 July 2014	45,538	-	3,000	48,538

	Share capital	Share application monies	Accumulated profits	Total equity
The Company (Unaudited)	S\$'000	S\$'000	S\$'000	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 year	-	-	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
Total Comprehensive income for the year	-	-	1,075	1,075
Issuance of ordinary shares pursuant to rights issue, net of issue Costs	15,984	-	-	15,984
Issuance of ordinary shares pursuant to acquisition of a subsidiary	6,440	-	-	6,440
Balance at 31 July 2013	33,576	-	3,388	36,964

Save for the foregoing, there are no (i) changes in equity or (ii) changes in equity other than those arising from capitalization 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	S\$
Number of ordinary shares as at 31 July 2013	218,000,000	33,576,238
Shares allotted pursuant to Private Placement of 19,500,000 ordinary shares	19,500,000	5,857,000
Shares allotted pursuant to Private Placement of 23,500,000 ordinary shares	23,500,000	6,105,013
Number of ordinary shares as at 31 July 2014	261,000,000	45,538,251

Save for the foregoing, there are no 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 July 2013 and 31 July 2014, 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.

	31/07/2014 No. of shares	31/07/2013 No. of shares
Total number of issued shares of the company	261,000,000	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 year ended 31 July 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 method 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	
	31/07/2014	31/07/2013
	Unaudited	Audited
(Loss)/ profit for the year attributable to equity holders of the Company (S\$'000):	(11,721)	6,596
Weighted average number of ordinary shares ('000)	239,579	119,261
Basic and diluted (loss)/ earnings per ordinary share (cents)	(4.89)	5.53

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

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	
	31/07/2014	31/07/2013	31/07/2014	31/07/2013
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of the year	15.17	18.97	18.60	16.96

As at 31 July 2014, the number of ordinary shares issued is 261,000,000 (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 Group Performance for FY2014 vs FY2013

Revenue

Our revenue in FY2014 of approximately S\$61.1 million was approximately S\$25.6 million or 72.3% higher than the revenue of approximately S\$35.5 million in FY2013.

The increase in revenue was mainly due to the followings:

- (i) Revenue contribution from our petroleum and chemical distribution business amounted to S\$20.7 million in FY2014 (FY2013: NIL);
- (ii) Revenue contribution from property development projects 28 RC Suite and 8M Residence in aggregated to S\$7.7 million in FY2014 (FY2013: NIL).

The increase was partially offset by decrease in revenue contribution from our construction projects (including Additions and Alterations projects) of S\$2.8 million from S\$35.5 million to S\$32.7 million in FY2014.

Cost of sales, gross profit and gross profit margin

Our cost of sales of approximately S\$72.0 million in FY2014 was approximately S\$45.0 million or 166.1% higher than the cost of sales of approximately S\$27.0 million in FY2013.

The increase in cost of sales was mainly due to the followings:

- (i) Increase in costs of sales attributable to our petroleum and chemical distribution business of S\$19.9 million;
- (ii) Costs of sales attributable to property development projects of S\$25.1 million of which S\$17.2 million arose due to provision for foreseeable losses for our development projects 8M Residence and Charlton 18.

Consequently, we registered a gross loss and a gross loss margin of approximately S\$10.9 million and 17.9% respectively in FY2014 compared to a gross profit and a gross profit margin of S\$8.4 million and 23.7% respectively in FY2013.

Other income

Our other income of approximately S\$1.2 million in FY2014 was approximately S\$2.5 million or 67.6% lower than our other income of approximately S\$3.8 million in FY2013. The decrease was mainly due to absence of gain on bargain purchase in FY2014. In FY2013, a bargain purchase gain of approximately S\$2.5 million was recognised.

Other operating expenses

Our other operating expenses of approximately S\$3.2 million in FY2014 was approximately S\$0.9 million or 38.5% higher than our operating expenses of approximately S\$2.3 million in FY2013 mainly due to higher operating expenses relating to petroleum and chemical distribution business and property development projects of S\$1.2 million partially offset by lower operating expenses from building construction business and corporate office of S\$0.3 million.

Administrative expenses

Our administrative expenses of approximately S\$3.2 million in FY2014 was approximately S\$0.7 million higher than our administrative expenses of approximately S\$2.5 million in FY2013 mainly due to staff costs arising from our petroleum and chemical distribution business and property development projects of S\$1.2 million partially offset by lower group management bonus provision of S\$0.5 million.

Finance costs

Our finance cost of approximately S\$0.2 million in FY2014 (FY2013: NIL) mainly comprises interest expense on a bank loan to finance our leasehold property at 5 Gul Lane, finance leases and trust receipt facilities. In accordance with 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\$30,000 in FY2014 and S\$0.8 million in FY2013.

Our FY2014 effective income tax rate was approximately 0.2% based on a registered loss of approximately S\$16.3 million. The lower effective tax rate in FY2014 compared to prevailing statutory rate of 17% was mainly due write back of income tax overprovision in prior year and unutilised tax losses not recognised in current year (such as provision for foreseeable losses).

Our FY2013 effective income tax rate was approximately 10.6%. The lower effective tax rate in FY2013 compared to prevailing statutory rate of 17% was mainly due to non-taxable income items (such as gain arising from bargain purchase).

Net Profit

As a result of the above, our net profit decreased by approximately S\$22.9 million from a profit of S\$6.6 million in FY2013 to a loss of S\$16.3 million in FY2014.

Review of Group Financial Position

Non-Current Assets

As at 31 July 2014, non-current assets totalled S\$16.4 million or approximately 9.0% total assets. Non-current assets increased by approximately S\$16.0 million.

Increase in property, plant and equipment ("PPE") of S\$16.0 million was mainly due to purchase of leasehold property at 5 Gul Lane, work vehicles, office equipment, machineries, furniture and fittings which aggregated to S\$16.3 million, partially offset by depreciation charge of S\$0.3 million.

Current Assets

As at 31 July 2014, current assets stood at S\$164.9 million or approximately 91.0% total assets. Current assets increased by approximately S\$1.7 million.

Decrease in cash and cash equivalents of approximately S\$0.4 million was mainly due to (i) net cash outflow from operating activities of approximately S\$16.9 million (ii) net cash outflow from investing activities of approximately S\$13.2 million and (iii) partially offset by net cash inflow from financing activities of approximately S\$29.7 million.

Pledged bank deposits of approximately S\$1.6 million was transferred to cash and cash equivalents due to group working capital rearrangement.

Decrease in development properties of approximately S\$6.1 million was mainly due to provision for foreseeable losses of S\$17.1 million for our development projects 8M Residence and Charlton 18, partially offset by additional development costs incurred during the year amounted to S\$11.0 million for our development projects at 28 RC Suites, 8M Residence and Charlton 18.

Increase in trade and other receivables was approximately S\$9.2 million was mainly due to increase in trade receivables from petroleum and chemical business and building construction business customers amounting to S\$7.1 million and S\$2.1 million respectively.

Non-Current Liabilities

As at 31 July 2014, non-current liabilities totalled S\$62.6 million or approximately 45.3% total liabilities.

Non-current liabilities decreased by S\$31.5 million mainly due to a bank loan of S\$45.1 million was reclassified to current liabilities. This was partially offset by increase in bank loan to finance the purchase of leasehold property at 5 Gul Lane, non-current portion of finance lease and loan from non-controlling interest in aggregated to S\$13.6 million.

Current Liabilities

As at 31 July 2014, current liabilities stood at S\$75.5 million or approximately 54.7% of our total liabilities. Current liabilities increased by approximately S\$54.3 million.

Increase in trade and other payables of approximately S\$1.9 million was mainly due to increase in trade and other payables and amount due to contract customers in aggregated to S\$2.4 million partially offset by decrease in advance payment received of S\$0.2 million and accruals of S\$0.3 million.

Decrease in provisions of approximately S\$0.7 million was mainly due to write-back of provision for liquidated damages.

Increase in bank loan was due to a bank loan of S\$45.1 million was reclassified from non-current liabilities and trust receipts bank facilities of S\$7.7 million.

Increase in current-portion of finance leases of approximately S\$0.6 million was to finance the purchase of work vehicles and office equipment.

Decrease in income tax provision of approximately S\$0.6 million was due to payment made during the financial year.

Review of Statement of Cash Flows

Net cash used in operating activities

In FY2014, net cash outflows from operating activities of approximately S\$16.9 million was a result of operating cash inflows before working capital changes of approximately S\$1.5 million, adjusted for net working capital outflows of approximately S\$17.8 million and income tax paid of approximately S\$0.6 million.

The net working capital outflows of approximately S\$17.8 million were mainly due to the increase in development properties of S\$9.1 million, increase in trade and other receivables of S\$9.3 million and increase in inventories of S\$0.6 million. The increase was partially offset by increase in trade and other payables of S\$1.2 million.

Net cash used in investing activities

Net cash outflow from investing activities amounted to approximately S\$13.2 million, which was mainly attributable to purchase of property, plant and equipment.

Net cash from financing activities

Net cash inflow from financing activities amounted to approximately S\$29.8 million was mainly due to proceeds from bank loans of S\$17.9 million, issuance of ordinary shares through private placements of S\$11.9 million, decrease in pledged deposits of S\$1.6 million, loan and capital contribution from non-controlling interest in our subsidiary of S\$1.2 million and S\$1.5 respectively. The increase was partially offset by dividend paid amounting to S\$2.0 million, interest repayment of S\$2.0 million and finance lease repayment of S\$0.3 million.

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 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.**

After close to 20 years in the Good Class Bungalow (GCB) construction business, the Group has established a firm customer base that has helped to keep our order book relatively resilient in the midst of a challenging property market. Boosted by an S\$8.8 million construction contract that was secured in the second half of FY2014, our net order book as at 31 July 2014 stands at approximately S\$70 million, and this excludes any work being carried out for the Group's three property developments. However, with materials and labour cost inflation, margin pressure is expected to persist over the next 12 months.

As the government's cooling measures for the property market continue to stay in place, the overall market is generally expected to remain challenging in the foreseeable term. The Group will intensify its marketing efforts for the Group's three property development projects, 28 RC Suites, 8M Residences and Charlton 18, which are slated for completion in 2017. At the same time, the Group will continue to manage cost pressures by monitoring material and labour costs, as well as construction progress, closely.

Having been operational for less than a year, start-up costs at Sysma Energy, our new petroleum and chemical distribution business, continued to outpace sales and it has not yet achieved breakeven. However, our team will continue to grow the business both locally and in the region. Barring unforeseen circumstances, we are cautiously optimistic that revenue should improve over the next year and we remain confident of its long-term prospect.

11. **Dividend**

(a) Current Financial Period Reported On

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Yes.

Name of Dividend:	First and Final
Dividend Type:	Cash
Dividend Rate:	0.84 cent per share (based on 237,500,000 shares)
Tax rate:	1-tier tax exempt

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

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

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.**

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2014

31/07/2014

Operating segments

	Building Construction S\$'000	Property Development S\$'000	Investment Holding S\$'000	Petroleum and Chemical Distribution S\$'000	Eliminations S\$'000	Group S\$'000
<u>Revenue</u>						
External customers	32,783	7,668	-	20,658	-	61,109
Inter-segment	11,743	-	-	71	(11,814)	-
Total revenue	44,526	7,668	-	20,729	(11,814)	61,109
<u>Results</u>						
Loss before income tax	2,518	(18,231)	1,648	(1,039)	(1,159)	(16,263)
Less: Income tax expense						(30)
Loss for the financial year						(16,293)
<u>Assets and Liabilities</u>						
Segment assets	16,586	130,573	9,351	24,893	-	181,403
Unallocated assets						-
Total Assets						181,403
Segment liabilities	20,413	95,314	511	21,690	-	137,928
Unallocated liabilities						-
Total liabilities						137,928
<u>Other Information</u>						
Depreciation	(216)	-	-	(127)	-	(343)
Provision for foreseeable losses	-	(17,159)	-	-	-	(17,159)
Interest Income	4	3	2	-	-	9

31/07/2013

Operating segments

	Building Construction S\$'000	Property Development S\$'000	Investment Holding S\$'000	Eliminations S\$'000	Group S\$'000
<u>Revenue</u>					
External customers	35,474	-	-	-	35,474
Inter-segment	389	-	-	(389)	-
Total revenue	35,863	-	-	(389)	35,474
<u>Results</u>					
Profit before income tax	4,917	(705)	5,250	(2,085)	7,377
Less: Income tax expense					(781)
Profit for the financial year					6,596
<u>Assets and Liabilities</u>					
Segment assets	16,466	139,362	7,865	-	163,693
Unallocated assets					-
Total Assets					163,693
Segment liabilities	20,020	94,203	1,139	-	115,362
Unallocated liabilities					-
Total liabilities					115,362
<u>Other Information</u>					
Depreciation	(374)	-	-	-	(374)
Write back of provision for foreseeable losses	270	-	-	-	270
Write back of provision for legal claim	300	-	-	-	300
Interest Income	28	4	-	-	32

Geographical segments

The Group operates mainly in the geographical areas of Singapore and others. The Group's revenue from external customers and information about segment assets (non-current assets) by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Based on location of customers				
Singapore	60,373	35,474	16,472	449
Others	736	-	-	-
	61,109	35,474	16,472	449

In FY2014, the revenue from external customers has expanded beyond Singapore to other countries due to our new petroleum and chemical distribution business.

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

Please refer to Paragraph 8 above for details.

15. A breakdown of sales

	FY2014	FY2013	Increase/ (decrease)
	S\$'000	S\$'000	S\$'000
Revenue reported for 1 st half	22,873	17,455	5,418
Operating profit after taxation reported for first half year	1,266	3,104	(1,838)
Revenue reported for 2 nd half	38,236	18,019	20,217
Operating (loss)/ profit after taxation reported for second half year	(17,559)	3,492	n.m

n.m denotes not meaningful

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

	FY2014	FY2013
	S\$'000	S\$'000
Ordinary	-	1,995
Preference	-	-
Total:	-	1,995

17. Interested Person Transactions

The Group does not have general mandate for interested person transactions. There were no interested person transactions of S\$100,000 or more for FY2014.

18. Use of Proceeds Update

Use of Placement Proceeds from the issuance of 19,500,000 ordinary shares	Amount allocated	Amount used
		as at 31 July 2014
	S\$'000	S\$'000
Business expansion purposes	4,100	(2,784)
General working capital	1,757	(1,757)
Expenses in connection with the Placement	227	(227)
	6,084	(4,768)

Use of Placement Proceeds from the issuance of 23,500,000 ordinary shares		
		as at 31 July 2014
	S\$'000	S\$'000
Property development purposes	3,053	(3,053)
Business expansion purposes	1,221	-
General working capital	1,831	(651)
Listing expenses	240	(240)
	6,345	(3,944)

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

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Sin Ee Wuen	36	Son of Mr Sin Soon Teng, Executive Chairman and Chief Executive Officer of the Company	Corporate Development Manager	No change
			Responsible to monitor, research and develop sales and marketing intelligence on emerging trends in property development industry	
			The position was first held in 2014	

BY ORDER OF THE BOARD

SIN SOON TENG
EXECUTIVE CHAIRMAN AND CEO
23 September 2014