



## **SYSMA HOLDINGS LIMITED**

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

## **Sysma Holdings records FY2014 revenue of S\$61.1 million and net loss of S\$11.7 million**

- FY2014 revenue grew 72.3% to S\$61.1 million; earnings weighed down by petroleum and chemicals business start-up costs and provision for development projects
- Resilience of Good Class Bungalow (GCB) market) continues to buoy the Group's main construction business

| (S\$ '000)                 | Full Year Ended 31 July |        | Change (%)  |
|----------------------------|-------------------------|--------|-------------|
|                            | FY2014                  | FY2013 |             |
| Revenue                    | 61,109                  | 35,474 | 72.3%       |
| Gross Profit / (Loss)      | (10,916)                | 8,410  | <i>n.m.</i> |
| Gross Profit Margin (%)    | <i>n.m.</i>             | 23.7%  | <i>n.m.</i> |
| Profit / (Loss) Before Tax | (16,263)                | 7,377  | <i>n.m.</i> |
| Net Profit / (Loss)        | (11,721)                | 6,596  | <i>n.m.</i> |

**Singapore, 23 September 2014 – Sysma Holdings Limited** (“Sysma Holdings” and together with its subsidiaries, the “Group”), an established construction company with diversified business interests in real estate development as well as the petrochemicals industry, today announced the Group’s financial results for the full year ended 31 July 2014 (“FY2014”).

The Group achieved revenue growth of 72.3% year-on-year to S\$61.1 million for FY2014, due mainly to new contributions from its petroleum and chemical distribution business<sup>1</sup> and property development projects, 28 RC Suite and 8M Residence.

However, the Group reported a gross loss of S\$10.9 million for FY2014 on higher costs of sales attributable to its petroleum and chemical distribution business as well as its property development projects. Cost of sales increased by 166.1% year-on-year from S\$27.0 million in FY2013 to S\$72.0 million in FY2014. In addition to costs relating to its new petroleum and chemical distribution business, part of this increase was also due to a S\$17.2 million provision for foreseeable losses relating to development projects 8M Residence and Charlton 18.

<sup>1</sup> On 10 October 2013, Sysma Holdings announced its 51/49 joint venture with Encore Investment Pte. Ltd. to own and operate a joint venture company, Sysma Energy, which will be engaged in the business of manufacturing and trading of refined petroleum products and the provision of services related to the sector.

FY2014 earnings were further impacted by higher operating and administrative expenses, which increased by 38.5% and 27.5% year-on-year, respectively. The increase in these expenses was associated with the Group's new petroleum and chemical distribution business.

On the back of these higher expenses, the Group reported a net loss of S\$16.3 million for FY2014, as compared to a net profit of S\$6.6 million in FY2013.

Commenting on the Group's FY2014 results, Mr Sin Soon Teng, Executive Chairman and Chief Executive Officer of Sysma Holdings, said, "Most property developers have been impacted by the weakening of the property market brought on by multiple rounds of property cooling measures. We don't expect to be immune to market movements and have made provisions relating to our development properties, accordingly. Although this has impacted our financials in FY2014, the management team and I believe this to be prudent and appropriate."

## **BUSINESS OUTLOOK**

The Group's strong relationship with longstanding customers has helped its construction business stay on firm footing even in the midst of a challenging property market. With the inclusion of an S\$8.8 million construction contract that was secured in the second half of FY2014, the Group's net order book now stands at close to S\$70 million<sup>2</sup>. While the Group remains cautiously optimistic on its pipeline for its construction business, margin pressure on the back of materials and labour cost inflation is expected to persist over the next 12 months.

For its property development business, the property market is expected to remain challenging without the lifting of property cooling measures. The Group will continue to intensify its marketing efforts for its three property development projects and continue to manage cost pressures resulting from escalating material and labour costs.

While start-up costs outpaced sales at the newly established petroleum and chemical distribution business in FY2014, Sysma Energy is expected to strengthen its footing in both Singapore and the region. Barring any unforeseen circumstances, revenue is expected to improve over the next 12 months and the Group remains confident of the new unit's long-term prospect.

"The management team and I are fully committed to the growth and profitability of all three segments in the coming year. We will continue to work hard to navigate the current environment so as to enhance shareholder value," added Mr Sin.

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*This press release should be read in conjunction with Sysma Holdings' Full Year Financial Statement for the 12-month period ended 31 July 2014.*

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<sup>2</sup> Net order book value of approximately S\$70 million does not include work being carried out for the Group's three property development projects

**About Sysma Holdings**

With close to 30 years' experience in the business, Sysma Holdings is an established construction company with diversified business interests in real estate development and petrochemicals. In 2013, the company made its foray in the petroleum products business through a joint venture in a bid to diversify its earnings base. Over the years, Sysma Holdings has built up a strong and diverse track record in high-end landed homes and other residential, commercial, conservation and industrial property. The company has been listed on the SGX Catalist since 3 August 2012. For more information on Sysma Holdings, please visit <http://sysma.com.sg>

**This release is issued on behalf of Sysma Holdings Limited by Kreab Gavin Anderson.  
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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 Catalist. 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.

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