



SY SMA HOLDINGS LIMITED

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(Incorporated in the Republic of Singapore on 28 March 2012)
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MEDIA RELEASE

Sysma Holdings registers double-digit growth in revenue to S\$68.0 million in HY2016

- Achieves HY2016 net profit of S\$1.2 million on the back of healthy sales contribution from its construction and property development businesses
- Maintains stable operating cash flow and strong balance sheet with cash and cash equivalents of S\$40.8 million

(\$\$ '000)	Half Year Ended 31 January		Change (%)
	HY2016	HY2015	
Revenue	68,005	57,815	17.6
Gross Profit	4,007	4,515	(11.3)
Gross Profit Margin (%)	5.9%	7.8%	-1.9 ppt
Profit Before Tax	1,489	1,459	2.1
Net Profit	1,159	1,567	(26.0)

Singapore, 10 March 2016 – Sysma Holdings Limited (“Sysma Holdings” and together with its subsidiaries, the “Group”), an established construction company with diversification into real estate development, today announced the Group’s financial results for the six months ended 31 January 2016 (“HY2016”).

Against healthy sales contribution from its construction and property development businesses, the Group’s revenue grew 17.6% year-on-year to S\$68.0 million in HY2016, from S\$57.8 million in the same period last year (“HY2015”). The double-digit improvement in revenue was despite the absence of revenue from the Group’s former petroleum and chemical distribution business, which it exited in July 2015 to focus on its core construction and property development business.

Revenue contribution from the Group’s construction segment (excluding own development projects) grew 17.2% to S\$27.8 million in HY2016. Meanwhile, sales from its property development segment grew almost three-fold to S\$40.2 million in HY2016, compared to S\$15.6 million in HY2015, as the Group successfully sold more units of its development projects, 28 RC Suites and 8M Residences. As at 31 January 2016, the Group’s property development projects at 28 RC Suites and 8M Residences have been substantially sold.

Gross profit for the reporting period, however, registered a 11.3% decline to S\$4.0 million due to the increase in cost of sales for its construction and property development projects, which include a provision of foreseeable losses of S\$2.7 million for its Charlton 18 project and a write-back of provisions of S\$1.8 million for 8M Residences.

Following the disposal of the energy business, the Group's overall operating and administrative expenses and finance costs decreased, which led to a 2.1% increase in its profit before tax to S\$1.5 million on HY2016. Due to a higher effective income tax rate of 22.1% in HY2016, compared to an income tax refund in HY2015, the Group posted a 26.0% or approximately S\$0.4 million decrease in net profit to S\$1.2 million.

During the reporting period, there was a healthy improvement in net cash from operating activities of S\$5.8 million, with cash and cash equivalents amounting to S\$40.8 million as at the end of HY2016. As at 31 January 2016, net asset value stood at 15.89 Singapore cents per share.

Commenting on its HY2016 financial results, Mr Sin Soon Teng, Executive Chairman and Chief Executive Officer of Sysma Holdings, said, "Our focus on strengthening our marketing efforts has led to better sales for our development projects, in spite of the soft property market. Our Charlton 18 project will be our key marketing priority moving forward. We will continue to push sales for our three development projects which are expected to be completed by the end of this year. Meanwhile, our construction business continues to be stable with a healthy order book¹ of approximately S\$115 million as at 31 January 2016, supported by a steady demand for construction projects. Looking ahead, we will continue to explore strategic opportunities to enhance our core businesses and grow long-term shareholder value."

BUSINESS OUTLOOK

In spite of the muted real estate market, the Group believes the demand for high-end landed properties in Singapore continues to be resilient, particularly in district 9, 10 and 11 where there is a limited supply of such homes. The management will leverage its strong reputation and track record to maintain its pipeline of construction projects and market position in this segment.

On the property development front, the business environment continues to be challenging with persistently weak prices. Nonetheless, sales at its two development projects, 28 RC Suites and 8M Residences have been progressing positively. Its third project, Charlton 18, is a key marketing priority for the Group and it is working hard to push sales. With the three development projects expected to receive their temporary occupation permits by the end of this calendar year 2016, the Group will continue to focus on its marketing strategies to improve sales across the board.

In recent months, there have been renewed calls by property players in Singapore for the government to ease some of the property cooling measures, in light of the sustained decline in residential property prices. The Group is closely monitoring government policies, as well as the macro environment, so as to be ready to respond to changes to the business landscape. The Group will continue to build up its core competencies in construction and property development, while strengthening its competitiveness by improving its marketing strategies and project and cost management capabilities.

¹ Order book figures exclude all work carried out for the Group's property development projects

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This press release should be read in conjunction with Sysma Holdings' Half-Year Financial Statement for the six-month period ended 31 January 2016.

About Sysma Holdings

With close to 30 years' experience in the business, Sysma Holdings is an established construction company with diversification into real estate development. Over the years, Sysma Holdings has built up a strong and diverse track record in the construction of high-end landed homes and other residential, commercial, conservation and industrial property. In 2013, the company made its foray into real estate development and has successfully launched three private residential projects to date. 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. For analyst and media queries, please contact:

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This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release.

This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.

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