



# SYSMA HOLDINGS LIMITED

Company Registration No: 201207614H  
(Incorporated in the Republic of Singapore on 28 March 2012)  
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## Full Year Financial Statement and Dividend Announcement for the Financial Year Ended 31 July 2018

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### PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	Year ended		
	31/07/2018 Unaudited S\$'000	31/07/2017 Audited S\$'000	Increase/ (Decrease) %
<b>Revenue</b>	75,152	97,172	(22.66)
Cost of sales	(63,798)	(79,309)	(19.55)
<b>Gross profit</b>	<b>11,354</b>	<b>17,863</b>	<b>(36.44)</b>
Other gain- net			
- Other income	1,901	1,481	28.36
Expenses			
- Other operating expenses	(4,949)	(4,467)	10.79
- Administrative expenses	(3,316)	(4,179)	(20.65)
- Finance costs	(178)	(1,017)	(82.50)
<b>Profit before tax</b>	<b>4,812</b>	<b>9,681</b>	<b>(50.29)</b>
Income tax expense	(537)	(1,788)	(69.97)
<b>Profit for the year</b>	<b>4,275</b>	<b>7,893</b>	<b>(45.84)</b>
<b>Total comprehensive income for the year</b>	<b>4,275</b>	<b>7,893</b>	<b>(45.84)</b>
<b>Profit/ (loss) attributable to:</b>			
Owners of the company	4,010	8,337	(51.90)
Non-controlling interests	265	(444)	(159.68)
	<b>4,275</b>	<b>7,893</b>	<b>(45.84)</b>
<b>Total comprehensive income/ (loss) attributable to:</b>			
Owners of the company	4,010	8,337	(51.90)
Non-controlling interests	265	(444)	(159.68)
	<b>4,275</b>	<b>7,893</b>	<b>(45.84)</b>
<b>Basic and diluted earnings per share (cent) [Note 6]</b>	<b>1.59</b>	<b>3.19</b>	<b>(50.16)</b>

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2018**

Profit after tax is arrived at:	Group		
	Year ended		
	31/07/2018 Unaudited S\$'000	31/07/2017 Audited S\$'000	Increase/ (Decrease) %
<b>After charging:</b>			
Depreciation of property, plant and equipment	791	917	(13.74)
Operating lease expenses	629	628	0.16
Interest expense	178	1,017	(82.50)
Net foreign exchange losses	-	841	n.m.
Allowance for doubtful debts	321	358	(10.34)
Provision for defective works	3,844	-	n.m.
Provision for professional services	721	-	n.m.
Provision for foreseeable losses	110	-	n.m.
<b>and crediting:</b>			
Rental income	835	769	8.58
Interest income from fixed deposits	687	370	85.68
Net foreign exchange gain	50	-	n.m.
Reversal of write-downs of properties held for sale to net realisable value	-	4,268	n.m.
Write back of allowance for doubtful debts	463	51	n.m.
Gain on disposal of property, plant and equipment	87	-	n.m.

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2018**

**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	
	31/07/2018 Unaudited S\$'000	31/07/2017 Audited S\$'000	31/07/2018 Unaudited S\$'000	31/07/2017 Audited S\$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	71,576	54,388	42,110	23,133
Pledged bank deposits	997	995	-	-
Properties held for sale	4,598	44,114	-	-
Trade and other receivables	4,230	24,729	2,259	28,617
Total current assets	<u>81,401</u>	<u>124,226</u>	<u>44,369</u>	<u>51,750</u>
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	9,850	12,988
Property, plant and equipment	773	1,154	-	-
Total non-current assets	<u>773</u>	<u>1,154</u>	<u>9,850</u>	<u>12,988</u>
<b>Total assets</b>	<u>82,174</u>	<u>125,380</u>	<u>54,219</u>	<u>64,738</u>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Trade and other payables	21,909	39,849	10,834	15,145
Provisions	3,843	906	-	-
Bank loans	-	27,000	-	-
Finance leases	545	498	-	-
Income tax payable	1,566	2,059	-	26
Total current liabilities	<u>27,863</u>	<u>70,312</u>	<u>10,834</u>	<u>15,171</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	49	49	-	-
Finance leases	495	745	-	-
Total non-current liabilities	<u>544</u>	<u>794</u>	<u>-</u>	<u>-</u>
<b>Capital and reserves</b>				
Share capital	45,538	45,538	45,538	45,538
Treasury shares	(1,120)	-	(1,120)	-
Merger reserve	(3,517)	(3,517)	-	-
Equity reserve	(844)	(844)	-	-
Accumulated profits	12,574	9,826	(1,033)	4,029
Equity attributable to owners of the Company	<u>52,631</u>	<u>51,003</u>	<u>43,385</u>	<u>49,567</u>
Non-controlling interests	1,136	3,271	-	-
Total equity	<u>53,767</u>	<u>54,274</u>	<u>43,385</u>	<u>49,567</u>
<b>Total liabilities and equity</b>	<u>82,174</u>	<u>125,380</u>	<u>54,219</u>	<u>64,738</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 31/07/2018 (Unaudited)		As at 31/07/2017 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
545	-	27,498	-

**Amount repayable after one year**

As at 31/07/2018 (Unaudited)		As at 31/07/2017 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
495	-	745	-

**Details of any collateral**

In 2017, the above bank borrowings are secured by:

- (i) Legal mortgages on development properties, properties held for sale and leasehold properties;
- (ii) Assignment of rights, titles and interests of all agreements relating to the development properties and properties held for sale including sales and purchase agreements;
- (iii) Joint and several guarantees from directors and non-controlling shareholders of our subsidiaries; and
- (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\$513,000 as at 31/07/2018 (31/07/2017: S\$873,000)

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2018**

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	
	Unaudited 31/07/2018 S\$'000	Audited 31/07/2017 S\$'000
<b>Operating activities</b>		
<b>Profit before tax</b>	<b>4,812</b>	<b>9,681</b>
<b>Adjustments for:-</b>		
Depreciation	791	917
Provision for foreseeable losses	110	-
Reversal of write-downs of properties held for sale to net realisable value	-	(4,268)
Provision for defective works	3,844	-
Provision for professional services	721	-
Write back of allowance for doubtful debts	(463)	(51)
Interest income	(687)	(370)
Finance costs	178	1,017
Allowance for doubtful debts	321	358
Write-off of property plant and equipment	7	-
Gain on disposal of property, plant and equipment	(87)	-
<b>Operating cash flows before movements in working capital</b>	<b>9,547</b>	<b>7,284</b>
<b>Changes</b>		
Development properties and property held for sale	39,706	50,992
Trade and other receivables	20,821	(11,115)
Trade and other payables	(19,678)	7,451
<b>Cash generated from operations</b>	<b>50,396</b>	<b>54,612</b>
Tax refund	(1,030)	(953)
<b>Net cash from operating activities</b>	<b>49,366</b>	<b>53,659</b>
<b>Investing activities</b>		
Interest received	507	276
Purchase of property, plant and equipment	(423)	(105)
Proceeds from disposal of property, plant and equipment	93	-
<b>Net cash from investing activities</b>	<b>177</b>	<b>171</b>
<b>Financing activities</b>		
Repayment of bank borrowings	(27,000)	(34,530)
Interest paid	(369)	(1,207)
Repayment of finance leases	(203)	(495)
Decrease/ (increase) in pledged deposits	(1)	2,013
Purchase of treasury shares	(1,120)	-
Dividend paid	(1,262)	-
Dividend paid to a subsidiary's non-controlling shareholder	(2,400)	-
<b>Net cash used in financing activities</b>	<b>(32,355)</b>	<b>(34,219)</b>
<b>Net increase in cash and cash equivalents</b>	<b>17,188</b>	<b>19,611</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>54,388</b>	<b>34,777</b>
<b>Cash and cash equivalents at end of year</b>	<b>71,576</b>	<b>54,388</b>

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2018**

**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**

<b>The Group (Unaudited)</b>	Share Capital S\$'000	Treasury Shares S\$'000	Merger Reserve S\$'000	Equity 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
<b>Balance at 1 August 2017</b>	45,538	-	(3,517)	(844)	9,826	51,003	3,271	54,274
Profit/(loss) for the period, representing total comprehensive income/(loss) for the financial period	-	-	-	-	4,314	4,314	(29)	4,285
Purchase of treasury shares	-	(1,120)	-	-	-	(1,120)	-	(1,120)
Dividend paid	-	-	-	-	(3,662)	(3,662)	-	(3,662)
<b>Balance at 31 January 2018</b>	45,538	(1,120)	(3,517)	(844)	10,478	50,535	3,242	53,777
Profit/(loss) for the period, representing total comprehensive income/(loss) for the financial period	-	-	-	-	2,096	2,096	294	2,390
Dividend paid	-	-	-	-	-	-	(2,400)	(2,400)
<b>Balance at 31 July 2018</b>	45,538	(1,120)	(3,517)	(844)	12,574	52,631	1,136	53,767

<b>The Group (Audited)</b>	Share Capital S\$'000	Treasury Shares S\$'000	Merger Reserve S\$'000	Equity 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
<b>Balance at 1 August 2016</b>	45,538	-	(3,517)	(844)	1,490	42,667	3,715	46,382
Profit/(loss) for the period, representing total comprehensive income/(loss) for the financial period	-	-	-	-	4,778	4,778	(262)	4,516
<b>Balance at 31 January 2017</b>	45,538	-	(3,517)	(844)	6,268	47,445	3,453	50,898
Profit/(loss) for the period, representing total comprehensive income/(loss) for the financial period	-	-	-	-	3,558	3,558	(182)	3,376
<b>Balance at 31 July 2017</b>	45,538	-	(3,517)	(844)	9,826	51,003	3,271	54,274

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2018**

	Share Capital	Treasury Shares	Accumulated Profits	Total Equity
The Company (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 August 2017</b>	45,538	-	4,029	49,567
Profit for the period, representing total comprehensive income for the financial period	-	-	(2,534)	(2,534)
Purchase of treasury shares	-	(1,120)	-	(1,120)
Dividend paid	-	-	(1,262)	(1,262)
<b>Balance at 31 January 2018</b>	45,538	(1,120)	233	44,651
Profit for the period, representing total comprehensive income for the financial period	-	-	(1,266)	(1,266)
<b>Balance at 31 July 2018</b>	45,538	(1,120)	(1,033)	43,385

	Share Capital	Treasury Shares	Accumulated Profits	Total Equity
The Company (Audited)	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 August 2016</b>	45,538	-	2,085	47,623
Profit for the period, representing total comprehensive income for the financial period	-	-	715	715
<b>Balance at 31 January 2017</b>	45,538	-	2,800	48,338
Profit for the period, representing total comprehensive income for the financial period	-	-	1,229	1,229
<b>Balance at 31 July 2017</b>	45,538	-	4,029	49,567

**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 the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 (\$\$)
<b>As at 31 January 2018 and 31 July 2018</b>	252,348,600	44,418,066

There were 8,651,400 treasury shares (representing 3.4% of the Company's 252,348,600 ordinary shares (excluding treasury shares)) as at 31 July 2018. There were no treasury shares as at 31 July 2017.

The Company did not have any outstanding options or convertibles as at 31 July 2018 and 31 July 2017. There were no subsidiary holdings as at 31 July 2018 and 31 July 2017.

**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.**

	31/07/2018 No. of shares	31/07/2017 No. of shares
<b>Total number of issued shares of the company (excluding treasury shares)</b>	252,348,600	261,000,000

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

Not applicable. There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of current financial period reported on.

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

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 a 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 has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those used in the Group's most recently audited financial statements for the financial year ended 31 July 2017.

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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group	
	31/07/2018	31/07/2017
	Unaudited	Audited
<b>Profit for the year attributable to equity holders of the Company (S\$'000):</b>	4,010	8,337
Weighted average number of ordinary shares ('000)	252,504	261,000
Basic and diluted earnings per ordinary share (Singapore cents)	1.59	3.19

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary securities in issue as at the end of the respective financial years.

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

	Group		Company	
	31/07/2018	31/07/2017	31/07/2018	31/07/2017
	(Singapore cents)	(Singapore cents)	(Singapore cents)	(Singapore cents)
Net asset value per ordinary share attributable to owners of the company based on the total number of issued shares as at the end of the financial year	20.86	19.54	17.19	18.99

As at 31 July 2018, the number of ordinary shares issued (excluding treasury shares) is 252,348,600 (31 July 2017: 261,000,000).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) 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; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Review of Group Performance for the financial year ended 31 July 2018 ("FY2018") vs the financial year ended 31 July 2017 ("FY2017")**

**Revenue**

Our revenue in FY2018 of approximately S\$75.2 million was S\$22.0 million or 22.7% lower than the revenue of approximately S\$97.2 million in FY2017.

The decrease in revenue was mainly due to lower contribution from construction projects (including Additions and Alterations projects) aggregating to S\$32.6 million (FY2017: S\$65.2 million). The decrease was partially offset by increase in revenue contribution from property development project Charlton 18 amounting to S\$42.5 million (FY2017: 32.0 million).

**Cost of sales, gross profit and gross profit margin**

Our cost of sales of approximately S\$63.8 million in FY2018 was approximately S\$15.5 million or 19.6% lower than the cost of sales of approximately S\$79.3 million in FY2017.

The decrease in cost of sales of approximately S\$15.5 million was mainly due to decrease in cost of sales attributable to construction projects (including Additions and Alterations projects) of S\$27.0 million (including a provision for defective works of S\$3.8 million, and provision for foreseeable losses of S\$0.1 million) in line with lower construction segment revenue partially offset by higher cost of sales attributable to our property development project Charlton 18 of S\$11.5 million (including a write back of provision for foreseeable losses of S\$1.1 million) in line with higher property development segment revenue.

Consequently, we registered a gross profit and a gross profit margin of approximately S\$11.4 million and 15.1% respectively in FY2018 (FY2017: S\$17.9 million and 18.4% respectively).

**Other income**

Our other income of approximately S\$1.9 million in FY2018 was S\$0.4 million or 28.4% higher than S\$1.5 million in FY2017 mainly due to higher rental income of S\$0.8 million and higher interest income of S\$0.7 million.

**Other operating expenses**

Our other operating expenses of approximately S\$4.9 million in FY2018 was S\$0.5 million or 10.8% higher than our operating expenses of approximately S\$4.5 million in FY2017, mainly due to increased marketing expenses of S\$1.8 million relating to Charlton 18 property development project, mitigated by lower operating costs of S\$1.3 million in the construction projects.

**Administrative expenses**

Our administrative expenses of approximately S\$3.3 million in FY2018 was approximately S\$0.8 million or 20.7% lower than our administrative expenses of approximately S\$4.2 million in FY2017 mainly due to improvements in manpower efficiencies.

**Finance costs**

Decrease in finance costs of approximately S\$0.8 million was mainly due to repayment of bank loans. These finance costs relates to the development of some of the Group's properties which have achieved Temporary Occupation Permit ("T.O.P.") stage in FY2017.

**Income tax**

Our income tax expense was approximately S\$0.5 million in FY2018. The effective tax rate of 11.2% in FY2018 was lower than statutory rate of 17% due to reversal of higher provision of prior years' taxes. We registered an income tax expense of approximately S\$1.8 million in FY2017. The effective tax rate in FY2017 was higher compared to the prevailing statutory rate of 17% mainly due to higher provision of prior year's taxes.

**Net Profit**

As a result of the above, our net profit decreased by approximately S\$3.6 million from S\$7.9 million in FY2017 to S\$4.3 million in FY2018.

**Review of Group Financial Position**

**Non-Current Assets**

As at 31 July 2018, non-current assets totalled S\$0.8 million or approximately 0.9% total assets. Non-current assets decreased by approximately S\$0.4 million due to depreciation of property, plant and equipment ("PPE") of S\$0.8 million offset against purchase of PPE of S\$0.4 million.

**Current Assets**

As at 31 July 2018, current assets stood at S\$81.4 million or approximately 99.1% total assets. Current assets decreased by approximately S\$42.9 million.

Increase in cash and cash equivalents of approximately S\$17.2 million was mainly due to net cash inflow from operating activities of S\$49.4 million and net cash from investing activities of S\$0.5 million. The increase was offset against net cash used in financing activities of S\$32.7 million.

In FY2018, Charlton 18 project was fully sold resulting in a decrease in development properties held for sale of approximately S\$39.5 million.

Decrease in trade and other receivables of S\$20.5 million was mainly due to decrease in trade and other receivables from property development business of S\$17.4 million as a result of completion of sales of all

residential units, and decrease in trade and other receivables from building construction business (including amount due from construction contract customers for work in progress) of S\$3.1 million in line with reduced revenue.

**Non-Current Liabilities**

As at 31 July 2018, non-current liabilities totalled S\$0.5 million or approximately 1.9% total liabilities. Non-current liabilities decreased by S\$0.3 million as a result of repayment of finance leases.

**Current Liabilities**

As at 31 July 2018, current liabilities stood at S\$27.9 million or approximately 98.1% of our total liabilities.

Current liabilities decreased by approximately S\$42.5 million which was mainly due to repayment of bank loans of S\$27.0 million, decrease in trade and other payables of S\$17.9 million, and decrease in income tax payable of S\$0.5 million offset by increase in provisions of S\$2.9 million.

**Review of Statement of Cash Flows**

**Net cash from operating activities**

In FY2018, net cash inflows from operating activities of approximately S\$49.3 million was a result of operating cash inflows before working capital changes of approximately S\$9.5 million, adjusted for net working capital inflows of approximately S\$39.8 million.

The net working capital inflows of approximately S\$39.8 million were mainly due to a decrease in development properties and properties held for sale of S\$39.7 million and increase in trade and other receivables of S\$20.8 million offset against a decrease in trade and other payables of S\$19.7 million and tax paid of S\$1.0 million.

**Net cash from investing activities**

Net cash inflow from investing activities amounted to S\$0.2 million arising from bank interest received of S\$0.5 million and proceeds from disposal of property, plant and equipment of S\$0.1 million offset against purchase of property, plant and equipment of S\$0.4 million.

**Net cash used in financing activities**

Net cash outflow from financing activities amounted to approximately S\$32.4 million was mainly due to repayment of bank loans of S\$27.0 million, Interest paid of S\$0.4 million, repayment of finance leases of S\$0.2 million, purchase of treasury shares of S\$1.1 million and dividends paid of S\$3.7 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 significant trends and 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.**

For the financial year ended 31 July 2018 ("FY2018"), the Group reported a net profit of S\$4.3 million, approximately 45.8% lower than the net profit of S\$7.9 million recorded in the previous financial year ended 31 July 2017 ("FY2017").

The Group's revenue declined by approximately 22.6% to S\$75.2 million in FY2018, compared to S\$97.2 million in FY2017 as our property development projects have been substantially sold.

With a healthy balance sheet and stable operating cash flow, the Group will continue to keep a lookout for suitable opportunities to grow its business strategically.

***Building Construction Business***

The Group's building construction business remained stable in FY2018, as it focused on timely execution and delivery of its order book which amounted to S\$56.7 million as at 31 July 2018.

In the second half of FY2018, the Group secured one contract worth S\$37.7 million to erect 4 blocks of 5-storey residential flats and 3 numbers of 2-storey strata landed houses (comprising a total of 170 units) with basement carpark, clubhouse, swimming pool and communal facilities. This contract is for a period of 28 months, and work has commenced in July 2018.

Moving forward, the Group will continue to leverage its strong market reputation as a trusted builder of Good Class Bungalows (“GCBs”) and high-end landed properties, so as to actively bid for new projects that will add value to its order book, while keeping a close eye on its margins and costs.

**Property Development Business**

As at 31 July 2018, 100% of the residential units at all of our property developments have been sold and all have received their T.O.P. Going forward, the Group will continue to market the remaining commercial units in 28 RC Suites.

The Group will also explore local and overseas property development projects with suitable partners and strategic investors.

**11. If a decision regarding dividend has been made:-**

**Whether an interim (final) ordinary dividend has been declared (recommended); and**

A final dividend in respect of financial year ended 31 July 2018 has been recommended.

**(b)(i) Amount per share (cents)**

Name of Dividend:	First and Final Dividend
Dividend Type:	Cash
Dividend amount per ordinary share:	0.8 Singapore cent (based on 252 million shares)
Tax Rate:	One tier tax exempt

**(b)(ii) Previous corresponding period (cents)**

Name of Dividend:	First and Final Dividend
Dividend Type:	Cash
Dividend amount per ordinary share:	0.5 Singapore cent (based on 261 million shares)
Tax Rate:	One tier tax exempt

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

The dividend is tax exempt in the hands of the shareholders.

**(d) The date the dividend is payable.**

The proposed dividend for FY2018, if approved by shareholders at the forthcoming Annual General Meeting, will be paid out at a date to be announced.

**(e) Book closure date**

The book closure date will be announced at a later date.

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

Not Applicable.

**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.**

**For the financial year ended 31 July 2018**  
**Operating segments**

	Building Construction S\$'000	Property Development S\$'000	Investment Holding S\$'000	Eliminations S\$'000	Group S\$'000
<b>(Unaudited)</b>					
<b>Revenue</b>					
External Customers	32,570	42,582	-	-	75,152
Inter-segment	-	-	6,600,000	(6,600,000)	-
Total Revenue	32,570	42,582	6,600,000	(6,600,000)	75,152
<b>Results</b>					
Profit before income tax	3,769	895	(3,741)	3,889	4,812
Less: Income tax expense					(537)
Profit for the financial year					4,275
<b>Assets and Liabilities</b>					
Segment assets	31,006	7,476	43,693	-	82,175
Unallocated assets	-	-	-	-	-
Total Assets					82,175
Segment liabilities	27,130	435	843	-	28,408
Unallocated liabilities					-
Total liabilities					28,408
<b>Other Information</b>					
Depreciation	(791)				(791)
Allowance for doubtful debts	(321)	-	-	-	(321)
Write back of allowance for doubtful debts	463	-	-	-	463
Provision for foreseeable losses	(110)	-	-	-	(110)
Provision for defective works	(3,844)				(3,844)
Reversal of write-downs of properties held for sale to net realisable value	-	1,052	-	-	1,052
Net foreign exchange gains	24	-	26	-	50
Finance costs	(34)	(144)	-	-	(178)
Interest income	343	1	343	-	687
Addition to non-current assets	423	-	-	-	423

**For the financial year ended 31 July 2017**  
**Operating segments**

	Building Construction S\$'000	Property Development S\$'000	Investment Holding S\$'000	Eliminations S\$'000	Group S\$'000
<b>(Audited)</b>					
<b><u>Revenue</u></b>					
External Customers	65,234	31,938	-	-	97,172
Inter-segment	-	-	2,000,000	(2,000,000)	-
<b>Total Revenue</b>	<b>65,234</b>	<b>31,938</b>	<b>2,000,000</b>	<b>(2,000,000)</b>	<b>97,172</b>
<b><u>Results</u></b>					
Profit before income tax	6,547	2,416	2,021	(1,303)	9,681
Less: Income tax expense					(1,788)
<b>Profit for the financial year</b>					<b>7,893</b>
<b><u>Assets and Liabilities</u></b>					
Segment assets	35,359	62,524	27,497	-	125,380
Unallocated assets	-	-	-	-	-
<b>Total Assets</b>					<b>125,380</b>
Segment liabilities	37,313	33,707	85	-	71,105
Unallocated liabilities					-
<b>Total liabilities</b>					<b>71,105</b>
<b><u>Other Information</u></b>					
Depreciation	(917)	-	-	-	(917)
Allowance for doubtful debts	(358)	-	-	-	(358)
Write back of allowance for doubtful debts	51	-	-	-	51
Reversal of write-downs of properties held for sale to net realisable value	-	4,268	-	-	4,268
Net foreign exchange losses	(359)	-	(482)	-	(841)
Finance Costs	(48)	(969)	-	-	(1,017)
Interest Income	210	160	-	-	370
Addition to non-current assets	105	-	-	-	105

**Geographical segments**

Not applicable as the Group only operates in the geographical area of Singapore.

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

Please refer to Paragraphs 8 and 13.

**15. A breakdown of revenue as follows:**

	FY2018	FY2017	Increase/ (decrease)
	S\$'000	S\$'000	S\$'000
Revenue reported for 1 <sup>st</sup> half year	59,668	40,522	19,146
Operating profit after tax before deducting minority interests reported for 1 <sup>st</sup> half year	4,285	4,516	(231)
Revenue reported for 2 <sup>nd</sup> half year	15,484	56,650	(41,166)
Operating profit after tax before deducting minority interests reported for 2 <sup>nd</sup> half year	(10)	3,377	(3,387)

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

	FY2018	FY2017
	S\$'000	S\$'000
Ordinary	2,019	1,262
Preference	-	-
Total:	2,019	1,262

**17. If the Group has obtained a general mandate from shares for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

The Group does not have a general mandate for interested person transactions. Save as disclosed below, there were no interested person transactions of S\$100,000 or more entered into during FY2018.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' general mandate pursuant to Rule 920 of the Catalyst Rules)	Aggregate value of all interested person transactions conducted under shareholders' general mandate pursuant to Rule 920 of the Catalyst Rules (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Sin Ee Wuen	5,000 <sup>(1)</sup>	-

Note:

(1) Shareholders had at the extraordinary general meeting of the Company held on 2 April 2018 approved and ratified the award of the construction contract worth approximately S\$5 million awarded by Mr. Sin Ee Wuen to Sysma Construction Pte Ltd as an interested person transaction. Please refer to the Company's circular dated 16 March 2018 for more details.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or Chief Executive Officer 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 and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Sin Ee Wuen	40	Son of Mr Sin Soon Teng, Executive Chairman and Group Chief Executive Officer	(a) Executive Director of the Company - Responsible to assist the Group Chief Executive Officer for the overall management of the Group's business and corporate development	Appointed as Executive Director from 19 September 2018
			(b) Deputy Chief Executive Officer of the Company - Responsible to assist the Group Chief Executive Officer for the overall management of the Group's business and corporate development  - Responsible for strategic planning and direction as well as the implementation of the Group's Property Development Business.	Appointed as Deputy Chief Executive Officer with effect from 02 October 2017
			(c) Director of the principal subsidiaries of the Company, namely Sysma Properties Pte Ltd., De Paradiso Development Pte Ltd and GCAP Properties Pte Ltd. - Responsible for overseeing the overall management and operations. - The position was first held in 2014	No Change
			(d) Director of the principal subsidiaries of the Company, namely Sysma Capital Pte Ltd., Coastline Pte Ltd., East Development Pte Ltd. - Responsible for overseeing the overall management and operations - The position was first held in 19 July 2016.	No Change



**19. Confirmation that the issuer has procured undertakings from all its directors and executive officer under Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1).

**BY ORDER OF THE BOARD**

**SIN SOON TENG**  
**EXECUTIVE CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER**  
**21 September 2018**

*This announcement 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 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income At Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).*