



SYSMA HOLDINGS LIMITED

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

Sysma Holdings announces exit from energy business

- **Sysma Holdings to dispose 51% stake in Sysma Energy for a consideration of S\$1.02 million**
- **Exit will allow Group to strengthen focus on core construction business and remove Group's exposure to petrochemical sector**
- **Disposal will allow Group to streamline structure and conserve resources for potential redeployment in investment opportunities with stronger returns**

Singapore, 30 July 2015 – Sysma Holdings Limited ("Sysma Holdings" and together with its subsidiaries, the "Group"), an established construction company with business interests in real estate development today announced, through a filing to the SGX, that its wholly-owned subsidiary, Sysma Land Pte. Ltd. ("Sysma Land") will dispose of its entire 51% stake in Sysma Energy Pte. Ltd. ("Sysma Energy"). Barring any unforeseen circumstances, the disposal is expected to be completed by end-October 2015.

The exit from the energy business, stemming from business strategy and risk appetite differences between Group management and its joint venture partners, will cease any further operational losses to the Group and allow the Group to dispose of a financial liability and streamline its Group structure. Furthermore, it will allow for a potential redeployment of resources should other investment opportunities with stronger potential for shareholder value enhancements present themselves in future.

The consideration for the disposal payable to Sysma Holdings, which was arrived at on a willing-buyer willing seller basis and based on terms of the initial joint venture agreement, amounts to S\$1.02 million. As part of the disposal agreement, Sysma Land will write-off an outstanding shareholders' loan totalling approximately S\$1.3 million that was extended to Sysma Energy for the purchase of a factory in 2014.

Commenting on this latest development, Mr Sin Soon Teng, Executive Chairman and Chief Executive Officer of Sysma Holdings, said, "Our venture into the energy business has proven a valuable learning experience. However, we have made the difficult decision to exit the business as capital demands that were previously unanticipated would have raised the Group's risk exposure beyond our tolerance. The streamlining of operations will allow us to sharpen our focus on the existing core business and conserve resources for other investment opportunities in future. We would like to thank our partners in the energy business for their efforts over the last two years and we wish them every success in the business, going forward."

Sysma Energy was incorporated in August 2013 for the manufacturing and trading of refined petroleum products. Through an initial investment of S\$1.02 million, Sysma Land entered into a joint venture agreement with Encore Investment Pte. Ltd., an unrelated third party, to take a 51% stake in Sysma Energy. In 2014, the share capital of Sysma Energy was increased from S\$2.0 million to S\$3.0 million and Sysma Land increased its investment in the business, maintaining a 51% interest in the enlarged share capital of Sysma Energy. To date, Sysma Energy has a total issued and paid up share capital of S\$3.0 million comprising 3 million shares, of which 51% is held by Sysma Land. Following the disposal, Sysma Energy will change its name such that the name "Sysma" will no longer be included as part of its name.

Assuming the disposal had taken place on 31 July 2014, the Group's net tangible asset per share would have fallen from 16.56 cents to 16.31 cents. If the disposal had been effected on 1 August 2013, the Group's loss per share for the financial year ended 31 July 2014 would have been reduced from 4.54 cents per share to 4.02 cents per share.

- End -

About Sysma Holdings

With close to 30 years' experience in the business, Sysma Holdings is an established construction company with business interests in real estate development. 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. For analyst and media queries, please contact:

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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

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