



## **SYSMA HOLDINGS LIMITED**

Company Registration No: 201207614H  
(Incorporated in the Republic of Singapore on 28 March 2012)  
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### **UNAUDITED HALF-YEAR FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 2018**

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*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 Catalyst. 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 Mr Lance Tan, Director, Continuing Sponsorship at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65)6229-8088.*

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF 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		
	Six months ended		
	31/01/2018 Unaudited S\$'000	31/01/2017 Unaudited S\$'000	Increase/ (Decrease) %
<b>Revenue</b>	59,668	40,522	47.2
Cost of sales	(51,789)	(32,499)	59.4
<b>Gross profit</b>	<b>7,879</b>	<b>8,023</b>	(1.8)
Other gain/(losses)- net			
- Other income	746	644	15.8
Expenses			
- Other operating expenses	(2,109)	(1,752)	20.4
- Administrative expenses	(1,381)	(1,357)	1.8
- Finance costs	(162)	(530)	(69.4)
<b>Profit before tax</b>	<b>4,973</b>	<b>5,028</b>	(1.1)
Income tax expense	(688)	(512)	34.4
<b>Profit for the period</b>	<b>4,285</b>	<b>4,516</b>	(5.1)
<b>Total comprehensive income for the period</b>	<b>4,285</b>	<b>4,516</b>	(5.1)
<b>Profit attributable to:</b>			
Owners of the company	4,314	4,778	(9.7)
Non-controlling interests	(29)	(262)	(88.9)
	<b>4,285</b>	<b>4,516</b>	(5.1)
<b>Total comprehensive income attributable to:</b>			
Owners of the company	4,314	4,778	(9.7)
Non-controlling interests	(29)	(262)	(88.9)
	<b>4,285</b>	<b>4,516</b>	(5.1)
<b>Basic and diluted earnings per share (cent) [Note 6]</b>	<b>1.71</b>	<b>1.83</b>	(6.6)

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 2018**

Profit after tax is arrived at:	Group		
	Six months ended		
	31/01/2018 Unaudited S\$'000	31/01/2017 Unaudited S\$'000	Increase/ (Decrease) %
<b>After charging:</b>			
Depreciation of property, plant and equipment	413	469	(11.9)
Net foreign exchange losses	491	24	1,945.8
Operating lease expenses	314	314	-
Interest expense	162	530	(69.4)
Provision for foreseeable losses	-	427	(100.0)
Write-off of property, plant and equipment	7	-	100.0
<b>and crediting:</b>			
Interest income from fixed deposits	234	153	52.9
Rental income	405	360	12.5
Write-back of provision for foreseeable losses	710	3,229	(78.0)

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	
	31/01/2018 Unaudited S\$'000	31/07/2017 Audited S\$'000	31/01/2018 Unaudited S\$'000	31/07/2017 Audited S\$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	55,906	54,388	14,420	23,133
Pledged bank deposits	994	995	-	-
Properties held for sale	7,106	44,114	-	-
Trade and other receivables	28,708	24,729	32,026	28,617
Total current assets	92,714	124,226	46,446	51,750
<b>Non-current assets</b>				
Investment in a subsidiary	-	-	12,988	12,988
Property, plant and equipment	734	1,154	-	-
Total non-current assets	734	1,154	12,988	12,988
<b>Total assets</b>	<b>93,448</b>	<b>125,380</b>	<b>59,434</b>	<b>64,738</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Trade and other payables	33,323	39,849	14,783	15,144
Provisions	3,420	906	-	-
Bank loans	-	27,000	-	-
Current portion of finance leases	504	498	-	-
Income tax payable	1,883	2,059	-	26
Total current liabilities	39,130	70,312	14,783	15,170
<b>Non-current liabilities</b>				
Deferred tax liabilities	49	49	-	-
Non-current portion of finance lease	491	745	-	-
Total non-current liabilities	540	794	-	-
<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	10,479	9,826	233	4,030
Equity attributable to owners of the Company	50,536	51,003	44,651	49,568
Non-controlling interests	3,242	3,271	-	-
Total equity	53,778	54,274	44,651	49,568
<b>Total liabilities and equity</b>	<b>93,448</b>	<b>125,380</b>	<b>59,434</b>	<b>64,738</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

As at 31/01/2018 (Unaudited)		As at 31/07/2017 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
504	-	27,498	-

**Amount repayable after one year**

As at 31/01/2018 (Unaudited)		As at 31/07/2017 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
491	-	745	-

**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 subsidiary
- (iv) Corporate guarantee provided by the Company

Finance lease are secured by certain works vehicles and office equipment of the Group with carrying amount of S\$515,000 as at 31/01/2018 (31/07/2017: S\$873,000)

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	
	Six months ended Unaudited 31/01/2018 S\$'000	Unaudited 31/01/2017 S\$'000
<b>Operating activities</b>		
<b>Profit before tax</b>	<b>4,973</b>	<b>5,028</b>
<b>Adjustments for:-</b>		
Depreciation of property, plant, and equipment	413	469
Provision for foreseeable losses	-	427
Interest expense	162	530
Write-off of property, plant and equipment	7	-
Write-back of provision for foreseeable losses	(710)	(3,229)
Interest income	(234)	(153)
<b>Operating cash flows before movements in working capital</b>	<b>4,611</b>	<b>3,072</b>
<b>Changes</b>		
Development properties and properties held for sale	37,717	16,689
Trade and other receivables	(3,918)	(2,340)
Trade and other payables	(6,411)	8,963
<b>Cash generated from operations</b>	<b>31,999</b>	<b>26,384</b>
Tax paid	(864)	(853)
<b>Net cash from operating activities</b>	<b>31,135</b>	<b>25,531</b>
<b>Investing activities</b>		
Interest received	173	120
Purchase of property, plant and equipment	-	(28)
<b>Net cash from investing activities</b>	<b>173</b>	<b>92</b>
<b>Financing activities</b>		
Repayment of bank loans	(27,000)	(26,530)
Purchase of treasury shares	(1,120)	-
Decrease in pledged deposits	1	(18)
Repayment of finance leases	(247)	(246)
Interest paid	(162)	(698)
Dividend paid	(1,262)	-
<b>Net cash used in financing activities</b>	<b>(29,790)</b>	<b>(27,492)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>1,518</b>	<b>(1,869)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>54,388</b>	<b>34,777</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>55,906</b>	<b>32,908</b>

**SY SMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 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.**

The Group (Unaudited)	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 as at 1 August 2017</b>	45,538	-	(3,517)	(844)	9,827	51,004	3,271	54,275
Profit/ (loss) for the period, representing total comprehensive income for the financial period	-	-	-	-	4,314	4,314	(29)	4,285
Purchase of treasury shares	-	(1,120)	-	-	-	(1,120)	-	(1,120)
Dividends	-	-	-	-	(3,662)	(3,662)	-	(3,662)
<b>Balance as at 31 January 2018</b>	45,538	(1,120)	(3,517)	(844)	10,479	50,536	3,242	53,778

The Group (Unaudited)	Share capital 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 as 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 for the financial period	-	-	-	4,778	4,778	(262)	4,516
<b>Balance as at 31 January 2017</b>	45,538	(3,517)	(844)	6,268	47,445	3,453	50,898

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 2018**

The Company (Unaudited)	Share capital S\$'000	Treasury shares S\$'000	Accumulated profits S\$'000	Total equity S\$'000
Balance as at 1 August 2017	45,538	-	4,029	49,567
Loss for the period, representing total comprehensive loss for the financial period	-	-	(2,534)	(2,534)
Purchase of treasury shares	-	(1,120)	-	(1,120)
Dividend paid	-	-	(1,262)	(1,262)
<b>Balance as at 31 January 2018</b>	<b>45,538</b>	<b>(1,120)</b>	<b>233</b>	<b>44,651</b>

The Company (Unaudited)	Share capital S\$'000	Accumulated profits S\$'000	Total equity S\$'000
Balance as at 1 August 2016	45,538	2,085	47,623
Profit for the period, representing total comprehensive income for the financial period	-	715	715
<b>Balance as at 31 January 2017</b>	<b>45,538</b>	<b>2,800</b>	<b>48,338</b>

**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.**

**Share capital – Ordinary Shares**

	Number of shares	Issued and paid-up capital of the Company (S\$)
<b>As at 1 August 2017</b>	<b>261,000,000</b>	<b>45,538,251</b>
Number of shares repurchased (1)	(8,651,400)	(1,120,185)
<b>Balance as at 31 January 2018</b>	<b>252,348,600</b>	<b>44,418,066</b>

Note:

- (1) In August 2017, the Company purchased a total of 8,651,400 ordinary shares in the capital of the Company by way of market acquisition. Such shares were held as treasury shares.



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 January 2018. There were no treasury shares as at 31 January 2017.

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

	<b>31/01/2018</b> <b>No. of shares</b>	<b>31/07/2017</b> <b>No. of shares</b>
Total number of issued shares of the company (excluding treasury shares)	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 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. There were no subsidiary holdings during and as at the end of the current financial period reported on.

**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 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 and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those 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 period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group	
	Unaudited	Unaudited
<b>Earnings per ordinary share</b>	<b>31/01/2018</b>	<b>31/01/2017</b>
Profit for the financial period attributable to owners of the Company (S\$'000)	4,314	4,778
Weighted average number of ordinary shares ('000)	252,348	261,000
Basic and diluted earnings per ordinary share (cents)	1.71	1.83

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

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	
	31/01/2018	31/07/2017	31/01/2018	31/07/2017
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(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 at the end of the financial period	20.03	19.54	17.69	19.00

As at 31 January 2018, the number of ordinary shares issued 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. 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 six months ended 31 January 2018 ("HY2018") vs six months ended 31 January 2017 ("HY2017")**

**Revenue**

Our revenue in HY2018 of approximately S\$59.7 million was approximately S\$19.2 million or 47.2% higher than the revenue of approximately S\$40.5 million in HY2017.

The increase in revenue was mainly due to the following:

- (i) Increase in revenue contribution from property development project Charlton 18 amounted to S\$39.6 million in HY2018 (HY2017: S\$6.2 million) as the properties have been substantially sold; and
- (ii) Partially offset by decrease in revenue contribution from our construction projects (including Additions and Alterations projects) amounting to S\$20.1 million in HY2018 (HY2017: S\$34.3 million);

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

Our cost of sales of approximately S\$51.8 million in HY2018 was approximately S\$19.3 million or 59.4% higher than the cost of sales of approximately S\$32.5 million in HY2017.

The increase in cost of sales of approximately S\$19.3 million was mainly due to the following:

- (i) Increase in cost of sales attributable to property development project Charlton 18 of S\$35.2 million (*including a write back of provision for foreseeable losses of S\$0.7 million for our Charlton 18 project*) in line with higher property development segment revenue; and
- (ii) Partially offset by lower cost of sales attributable to our construction projects (including Additions and Alterations projects) of S\$15.9 million in line with lower construction segment revenue.

Consequently, we registered a gross profit and a gross profit margin of approximately S\$7.9 million and 13.2% respectively in HY2018 compared to a gross profit and a gross profit margin of S\$8.0 million and 19.8% respectively in HY2017.

#### **Other income**

Our other income increased to S\$0.7 million in HY2018 (HY2017: S\$0.6 million) mainly due to higher rental income and interest income.

#### **Other operating expenses**

Our other operating expenses increased to S\$2.1 million in HY2018 (HY2017: S\$1.7 million) mainly due unrealised net foreign exchange losses.

#### **Administrative expenses**

Our administrative expenses remained unchanged at approximately S\$1.4 million in HY2018 (HY2017: S\$1.4 million) which mainly comprise of corporate office staff costs.

#### **Finance costs**

Decrease in finance costs of approximately S\$0.3 million was mainly due to repayment of bank loans. These finance costs relates to the development of certain Group's properties which have achieved Temporary Occupation Permit ("T.O.P") stage in HY2017.

#### **Income tax**

Our income tax expense was approximately S\$0.7 million and S\$0.5 million in HY2018 and HY2017 respectively. The lower effective tax rate of 13.8% in HY2018 and 10.2% in HY2017 compared to prevailing statutory rate of 17% was mainly due to non-taxable items incurred by a subsidiary for which deferred tax liability had not been recognised (such as write back of provision for foreseeable losses).

#### **Net Profit**

As a result of the above, our net profit decreased by approximately S\$0.5 million to approximately S\$4.3 million in HY2018 from approximately S\$4.8 million in HY2017.

### **Review of Group Financial Position**

#### **Non-current assets**

As at 31 January 2018, non-current assets totalled S\$0.7 million or approximately 0.8% of total assets. Non-current assets decreased by approximately S\$0.4 million.

Decrease in property, plant and equipment ("PPE") of S\$0.4 million was mainly due to depreciation charges in HY2018.

#### **Current assets**

As at 31 January 2018, current assets stood at S\$92.7 million or approximately 99.2% of total assets. Current assets decreased by approximately S\$31.5 million.

Increase in cash and cash equivalents of approximately S\$1.5 million mainly due to net cash from operating activities of approximately S\$31.1 million and investing activities of S\$0.2 million partially offset net cash used in financing activities of S\$29.8 million.

Decrease in properties held for sale of approximately S\$37.0 million as the properties at Charlton 18 project have been substantially sold.

Increase in trade and other receivables of approximately S\$4.0 million was mainly due to increase in trade and other receivables from our building construction business and property development business of S\$2.6 million and S\$1.4 million respectively.

**Non-current liabilities**

As at 31 January 2018, non-current liabilities totalled S\$0.5 million or approximately 1.4% total liabilities. Non-current liabilities decreased by approximately S\$0.3 million as a result of repayment of finance leases.

**Current liabilities**

As at 31 January 2018, current liabilities stood at S\$39.1 million or 98.6% of total liabilities. Current liabilities decreased by approximately S\$31.2 million.

The decrease was mainly due to repayment of bank loans of S\$27.0 million, recognition of deferred revenue of S\$2.1 million from our property project Charlton 18, decrease in amount due to contract customers of S\$3.8 million and other trade and payables of approximately S\$3.2 million due to completion of construction projects. The decrease was partially offset by increase in provision for defective work of \$2.5 million and dividend payable to non-controlling interests of approximately S\$2.4 million.

**Review of Statement of Cash Flows**

**Net cash from operating activities**

In HY2018, net cash inflow from operating activities of approximately S\$31.1 million was a result of operating cash inflow before working capital changes of approximately S\$4.6 million, adjusted for net working capital inflows of approximately S\$26.5 million.

The net working capital inflow of approximately S\$26.5 million was mainly due to decrease in properties held for sale of S\$37.7 million partially offset against decrease in trade and other payables of S\$6.4 million, increase in trade and other receivables of approximately S\$3.9 million and tax paid of S\$0.9 million.

**Net cash from investing activities**

Net cash inflow from investing activities amounted to S\$0.2 million arising from bank interest received.

**Net cash used in financing activities**

Net cash outflow from financing activities amounted to approximately S\$29.8 million was mainly due to repayment of bank loans of S\$27.0 million, purchased of treasury shares of S\$1.1 million, dividend paid S\$1.2 million, interest paid S\$0.2 million and repayment of finance leases of S\$0.3 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders,**

Not applicable as no forecast or prospect statement has been previously disclosed to shareholders.

**10. A commentary at the date of 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.**

Group revenue increased by 47.2% to S\$59.7 million in HY2018 from S\$40.5 million in HY2017, as a result of better sales in its property development business.

For the six-month period ended 31 January 2018 ("HY2018"), the Group reported a net profit of S\$4.3 million, approximately S\$0.5 million lower compared to the net profit of approximately S\$4.8 million in the same period a year earlier ("HY2017") as a result of challenging business environment.

The Group has a healthy balance sheet with stable operating cash flow. It will continue to keep a lookout for suitable opportunities to grow its business strategically.

### **Construction Business**

In HY2018 the Group's construction business focused on the timely execution and delivery of its order book, which amounted to approximately S\$34 million as at 31 January 2018. The Group continued to leverage on its strong market reputation as a trusted builder of Good Class Bungalows ("GCB") and high-end landed properties 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 January 2018, 100% of the units at 8M Residence have been sold. More than 90% of the units at 28 RC Suites and more than 80% of the units at Charlton 18 have been sold. All three property development projects have received its T.O.P. Going forward, the Group will continue to market the remaining units in all its property development projects.

## **11. Dividend**

### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

### **(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 for the financial period.

## **13. Interested Person Transactions**

The Group does not have general mandate for interested person transactions.

As announced by the Company on 16 January 2018, the Company's wholly-owned subsidiary, Sysma Construction Pte Ltd, has been awarded the contract ("**Contract**") for the proposed erection of two (2) units of two-storey envelope control detached dwelling house with an attic and a basement on Lot 97979A and 97980P MK18 at Medway Drive by Mr. Sin Ee Wuen at the contract sum of approximately S\$5,000,000 ("**Contract**"). Mr. Sin Ee Wuen is the Deputy Chief Executive Officer ("**CEO**") of the Company, and son of Mr. Sin Soon Teng who is the Executive Chairman and Group CEO of the Company.

As the value of the Contract represents approximately 9.8% of the latest audited net tangible assets (attributable to owners of the Company) of the Group as at 31 July 2017 of S\$51,002,976, the Contract is subject to the approval of independent shareholders of the Company.

A circular to shareholders setting out, *inter alia*, the details relating to Contract as an interested person transaction, together with a notice convening the extraordinary general meeting to seek approval from the shareholders for the approval and ratification of the Contract as an interested person transaction, will be dispatched to shareholders in due course.

**14. Confirmation By the Board of Directors pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the six months ended 31 January 2018 to be false or misleading in any material aspect.

**15. Confirmation that the issuer has procured undertakings from all directors and executive officer (in the format set out in Appendix 7H) under Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all the directors and executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

**BY ORDER OF THE BOARD**

**SIN SOON TENG**  
**EXECUTIVE CHAIRMAN AND GROUP CEO**  
**8 March 2018**

**ANG SENG HENG**  
**EXECUTIVE DIRECTOR**  
**8 March 2018**