



## **SYMA HOLDINGS LIMITED**

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

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## **Broad-based growth boosts Sysma Holdings revenue to S\$57.8 million in 1HFY2015**

- 152.8% leap in Group revenue due mainly new construction contracts, higher property sales and ramping up of sales at energy unit
- Stronger revenue offsets impact of margin pressure to lift net profit by 23.8% year-on-year to S\$1.6 million

<b>(\$' 000)</b>	<b>Half Year Ended 31 January</b>		<b>Change (%)</b>
	<b>2015 1HFY2015</b>	<b>2014 1HFY2014</b>	
<b>Revenue</b>	57,815	22,873	152.8%
<b>Gross Profit</b>	4,515	3,991	13.1%
<b>Gross Profit Margin (%)</b>	7.8%	17.4%	-9.6 ppt
<b>Profit Before Tax</b>	1,459	1,671	-12.7%
<b>Net Profit</b>	1,567	1,266	23.8%

**Singapore, 12 March 2015 – 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 financial results of the Group for the six months ended 31 January 2015 (“1HFY2015”).

For 1HFY2015, the Group reported a 23.8% year-on-year growth in net profit to S\$1.6 million from S\$1.3 million. This came on the back of a 152.8% year-on-year increase in revenue to S\$57.8 million from S\$22.9 million in the year-ago period. The Group’s better performance in 1HFY2015 was attributable to stronger contributions from all three segments.

Revenue contribution from the construction segment grew by 27.3% year-on-year to S\$22.3 million, while revenue recognition from the Group’s property developments, 28 RC Suites and 8M Residences, increased more than 6-fold year-on-year to S\$15.6 million. Revenue from the Group’s petroleum and chemical distribution business also grew 5-fold year-on-year to S\$19.9 million.

Lifted by higher revenues, gross profit for 1HFY2015 increased 13.1% from S\$4.0 million a year ago to S\$4.5 million. Resulting from higher costs incurred at all three segments, however, gross profit margin fell 9.6 percentage points year-on-year to 7.8%.

During the year, the Group registered an income tax refund of approximately S\$0.1 million as a result of a write-back of a subsidiary’s income tax overprovision in prior years. The

effective tax rate in 1HFY2015 was also lower compared to the prevailing statutory tax rate of 17% due to productivity and innovation credit tax refunds.

Commenting on the Group's 1HFY2015 recovery from a loss-making position for the full year ended 31 July 2014 ("FY2014"), Mr Sin Soon Teng, Executive Chairman and Chief Executive Officer of Sysma Holdings, said, "With the current set of results, we successfully navigated macroeconomic headwinds impacting our construction and property development segments to post a profit in 1HFY2015, reversing our loss-making position in FY2014. The team has been working tirelessly to improve our market standing in the construction industry by leveraging the network we have built over the last 30 years and this is beginning to yield results. Sysma Energy is also headed in the right strategic direction and showing promise even though it has yet to break even."

## **BUSINESS OUTLOOK**

The Group has secured five new contracts since the start of the year, including a high-end mixed development project worth S\$58 million. On the back of these new contracts, the Group's order book has grown from S\$80 million as at 31 January 2013 to S\$126 million as at 31 January 2015<sup>1</sup>. While the Group remains cautiously optimistic on the prospects for the construction business over the next 12 months, the management stays cognisant of margin pressures arising from materials and labour cost escalation and will stay focused on execution to avoid time and cost overruns.

Sales progress for the Group's property development projects has seen some improvement. As at 31 January 2015, over 75% of the units at 28 RC Suites and more than 30% of units at 8M Residences have been sold. Having said this, the property market is still widely expected to stay challenging while the government's cooling measures stay in place. For instance, sales progress for Charlton 18, a cluster-housing development, has been weaker as the large price quantum coupled with the new borrowing restrictions and higher duties remain a hurdle for potential home-buyers. Over the coming year, the Group will continue to strengthen marketing efforts for its property development projects.

Sysma Energy, the Group's newest petroleum and chemical distribution business, has yet to break even. However, the unit achieved significant top line growth in 1HFY2015. This rate of progress is on track with the Group's expectations for the new business. Barring unforeseen circumstances, the Group is cautiously optimistic that the business should continue to grow locally and in the region and remains confident of its long-term prospect.

"The team's effort to diversify the Group's earnings base is starting to pay off, evident from the leap in Group revenue in 1HFY2015. As we continue to grow our energy business and further strengthen our foothold in the Good Class Bungalow construction market that, to date, has been relatively shielded from the impact of the cooling measures, the Group's resilience against the cyclicity of the property market should be enhanced in tandem," added Mr Sin.

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*This press release should be read in conjunction with Sysma Holding's Half Year Financial Statement for the six-month period ended 31 January 2015.*

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<sup>1</sup> Order book figures exclude all work carried out for the Group's 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. For analyst and media queries, please contact:**

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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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