SYSMA HOLDINGS LIMITED

ANNUAL REPORT 2019

CONTENTS

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This annual report has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

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

CORPORATE PROFILE

Founded in 1986, Sysma Holdings Limited ("Sysma Holdings" and together with its subsidiaries, the "Group") is an established construction company with diversified business interests in real estate development.

In the past 33 years, the Group has built up a strong and diverse track record in the construction business, having undertaken more than 300 building projects for residential, commercial, heritage and conservation, institutional, and industrial properties.

The Group's focus is on building high-end landed housing, particularly Good Class Bungalows as well as executing addition and alteration works on landed and other properties which require high quality furnishings and fittings. To date, the Group has constructed approximately 160 bungalows in Singapore.

In FY2013, Sysma Holdings diversified into real estate development and has successfully launched and sold three private residential projects, namely 28 RC Suites, 8M Residences and Charlton 18.

In FY2019, Sysma Holdings acquired a 30% stake in Lascelles Park Limited, a property development company in the United Kingdom.

Sysma Holdings has been listed on the Catalist board of the SGX-ST since 3 August 2012. For more information on the Group and its building projects, please visit www.sysma.com.sg.

CHAIRMAN'S STATEMENT

SIN SOON TENG
EXECUTIVE CHAIRMAN & GROUP CEO

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present to you the Group's annual report for the financial year ended 31 July 2019 ("FY2019").

CHALLENGING BUSINESS ENVIRONMENT

FY2019 was a challenging year which presented a difficult business environment for the Group, as macroeconomic conditions continue to weaken while geopolitical and trade tensions show no sign of abating.

The Group also adopted the new financial reporting framework - Singapore Financial Reporting Standards (International) ("SFRS(I)") that is effective from 1 January 2018 and is identical to the International Financial Reporting Standards, with effect from 1 August 2018. Changes to the Group's accounting policies have been made as required, in accordance with the new framework. The details are presented in the "Notes to Financial Statements" in this annual report.

The Group's revenue declined by approximately 59.5% to S$30.3 million in FY2019, compared to S$74.9 million in the previous financial year ended 31 July 2018 ("FY2018"), as our property development projects have been substantially sold in prior financial years.

For the full year, the Group's cost of sales decreased by approximately 69.0% to S$24.5 million, mainly attributable to and in line with the lower revenue from property development segment in FY2019 amounting to S$1.0 million, compared to S$39.2 million in FY2018.

The decrease in cost of sales attributable to construction projects (including Additions and Alterations projects) of S$16.9 million was mainly due to a decrease in construction segment revenue, as well as a write-back of provision for defective works of S$3.1 million. The write-back was due to receipt of the final accounts for the related projects which reduced the exposure to potential repairs and rectification works. Additionally, S$15.6 million in cost of sales were recognised in FY2018 (Restated) as a result of the adoption of SFRS(I) 15.

Consequently, the Group registered a gross profit margin of 19.1% in FY2019, compared to a restated gross loss margin of (5.7%) for FY2018. The Group also recorded an increase in other income mainly from higher interest income, lower finance costs, and a decrease in other operating expenses as there was no significant marketing expenses in FY2019.

However, there was an increase in income tax expense due to the effective tax rate of 65.7% in FY2019. This was significantly higher than the statutory rate of 17% due to additional provision arising from under provision of prior years' taxes. In addition, the effective tax rate in FY2018 (Restated) was lower compared to the prevailing statutory rate of 17%, mainly due to the restatements which resulted in a net loss.

As a result, the Group reported a net profit of S$0.8 million in FY2019, which was higher than the restated net loss of S$11.4 million recorded in FY2018.

As at 31 July 2019, earnings per share was 0.44 Singapore cents, compared to restated loss per share of 4.61 Singapore cents a year ago. Net asset value as at 31 July 2019 was 22.63 Singapore cents per share, compared to 23.00 Singapore cents per share as at 31 July 2018.

The Group's balance sheet and cash reserves continue to be healthy, as we adhere closely to our longstanding policy of financial prudence. In FY2019, net cash used in operating activities amounted to S$4.5 million, compared to a restated net cash from operating activities of S$49.4 million a year ago, while cash and cash equivalents was S$63.6 million, compared to S$71.6 million a year ago.

REWARDING OUR SHAREHOLDERS

In appreciation of shareholders' continued support, the Board of Directors has recommended a first and final dividend of 1.0 Singapore cents per share for FY2019, which is subject to shareholders' approval at the upcoming annual general meeting.

BUILDING CORE COMPETENCIES

The Group's building construction business remained stable in FY2019, as we focused on timely execution and delivery of our order book which amounted to S$73.5 million as at 31 July 2019.

The Group also continues to receive requests from high net worth individuals and developers to bid for their construction projects. In the second half of FY2019, the Group secured two separate construction contracts worth a total of S$24.9 million for construction of 2-storey bungalows in the prime District 10.

In March 2019, the Group acquired a 30% stake in Lascelles Park Limited, a property development company in the United Kingdom.

LOOKING AHEAD

With a healthy balance sheet and cash reserves, we will continue to look for suitable opportunities that will grow the Group's business strategically and deliver long term value for shareholders.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to take this opportunity to thank our shareholders and all stakeholders and, in particular, our business partners and customers for their continued support and confidence in the Group.

In addition, I would like to thank the Board of Directors for their stewardship and guidance, our management team for their leadership, as well as our staff for their dedicated contributions to build the best-in-class projects for our customers which will, undoubtably, lead to a brighter future for the Group.

We are confident of overcoming our present challenges and remain focused in our mission to deliver sustainable growth and shareholder value for the long term. We look forward to your continued support as we further enhance our core competencies and competitiveness to capture business opportunities in the years ahead.

Thank you.

SIN SOON TENG
EXECUTIVE CHAIRMAN & GROUP CEO

BOARD OF DIRECTORS

MR. SIN SOON TENG, 74, is the Executive Chairman, Group CEO and founder of Sysma Holdings. He was first appointed to the Board on 28 March 2012. With more than five decades of experience in the construction industry under his belt, he is responsible for setting the strategic direction and driving growth in the Group. Prior to the founding of Sysma Construction Pte Ltd in 1986, Mr. Sin started his career as a quantity survey apprentice with a consultant firm. In 1966, he joined Building Construction (M) Sdn Bhd as a quantity surveyor and was later promoted to contract manager in 1971. Subsequent to this, he jointly set up Building Engineering Enterprise Pte Ltd as Executive Director in 1976 where he was in charge of all construction and contract management. He obtained a Diploma in Building from the Singapore Polytechnic in 1972 and is a fellow member of the Singapore Institute of Building.

MR. SIN EE WUEN, 41, is our Executive Director and Deputy CEO and was appointed to the Board on 19 September 2018. He joined our Group in May 2014 as a Corporate Development Manager. He was responsible for monitoring, researching and developing sales and marketing intelligence on emerging trends in the property development industry. In October 2015, Mr. Sin was promoted to Property Development Director of the Group. He is responsible for investments, strategic planning and direction as well as the implementation of the Group's Property Development Business. Mr Sin was appointed as director of Lascelles Park Limited in March 2019 following the Group's investment in the UK. Mr Sin served as a Pilot for the Republic of Singapore Air Force from 2000 to 2014. He obtained a Diploma in Computer Information Systems from Singapore Polytechnic in 1999. He was promoted to Deputy Chief Executive Officer with effect from 2 October 2017. He assists the Group CEO for the overall management of the Group's business and corporate development.

MR. ANG SENG HENG, 61, is our Executive Director and Head of Operations and was appointed to the Board on 28 March 2012. He is responsible for the overall planning of manpower and resources for the various projects undertaken by our Group and is also in charge of liaising with client representatives, regulatory authorities and consultants which our Group is involved in. He joined our Group in 1987 and has over four decades of experience in the construction industry. On 1 January 2015, Mr. Ang was appointed a director of North Shore Investments Pte Ltd, a subsidiary company of our Group. He obtained a Diploma in Civil Engineering from the Singapore Polytechnic in 1978 and a Diploma in Industrial Management from the Singapore Polytechnic in 1985.

MR. CHEN TIMOTHY TECK-LENG @ CHEN TECK LENG, 65, is our Lead Independent Director, and was appointed to the Board on 1 December 2015. He has more than three decades of management experience in banking, insurance, international finance, and corporate advisory work. He held positions in Bank of America, Wells Fargo Bank, Bank of Nova Scotia, and Sun Life Financial Inc. He was formerly the General Manager, China for Sun Life Financial Inc., and the President and CEO of Sun Life Everbright Life Insurance Company in China. Mr. Chen currently sits on the boards of several SGX-listed companies. He is an Independent Director for Yangzijiang Shipbuilding (Holdings) Ltd., Tianjin Zhongxin Pharmaceutical Group Corporation Ltd., Boldtek Holdings Ltd and Tye Soon Limited. His directorship held over the past 3 years in other listed companies including XinRen Aluminum Holdings Ltd and TMC Education Corporation Ltd. He earned his Bachelor of Science degree from University of Tennessee, and his Master of Business Administration degree from Ohio State University. He received his Certified Corporate Director (ICD. D) designation from the Canadian Institute of Corporate Directors and attended the Executive Management Program of Harvard Business School.

MR. HENG YEOW MENG MICHAEL, 46, is our Independent Director and was appointed to the Board on 6 July 2012. He has over 20 years of experience in auditing, accounting and tax services and is currently managing partner of Heng Lee Seng LLP, a mid-sized public accounting firm that provides a range of services including audit and assurance, tax, internal audit, corporate secretarial, business services, payroll administration and other advisory services. Mr. Heng graduated from the University of Melbourne with a Bachelor of Commerce degree, is a fellow member of the Institute of Singapore Chartered Accountants, CPA Australia, and the Chartered Institute of Management Accountants; and a member of the Singapore Institute of Directors. He holds the designation of Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals.

MR. RICHARD TAN KHENG SWEE, 43 is our Independent Director and was appointed to the Board on 2 May 2018. He has more than a decade of experience in legal practice as a corporate and commercial lawyer and is currently a Partner of RHTLaw Taylor Wessing LLP, a Singapore law firm. His practice includes advising and representing companies in a wide range of commercial transactions in relation to asset acquisitions, initial public offerings and other fund-raising exercises, mergers and acquisitions, restructuring exercises, corporate advisory and compliance involving both listed and private companies. Prior to Mr. Tan's current appointments, he previously managed and practised in a small-mid Singapore law practice as well as a mid-sized Australian law practice in New South Wales. Mr. Tan currently serves as an Independent Director of Jumbo Group Limited which is listed on Catalist. Mr. Tan obtained a Bachelor of Laws (Honours) from the National University of Singapore in 2003 and a Bachelor of Science (Honours) from the University of Melbourne, Australia, in 2000. He is an Advocate & Solicitor of the Supreme Court of Singapore, a Barrister & Solicitor of the Supreme Court of Victoria, Australia and a Solicitor of the High Court of Australia.

EXECUTIVE OFFICERS

MOHAMED AMANULLAH, 43 is our Chief Financial Officer. He joined our Group in July 2018 and is responsible for overseeing the financial and management accounting, compliance and taxation matters. Prior to joining our Group, he was the Group CFO of Geomotion (Singapore) Pte Ltd from September 2017 to July 2018. Mr Amanullah's work experience in listed companies include working as Chief Financial Officer of Swee Hong Limited, listed on the Main Board of the SGX-ST from May 2015 to May 2017 during which he also served as the Company's Acting CEO from February to August 2016. He also served as Financial Controller of 3Cnergy Limited, listed on the Catalist Board of the SGX-ST, from July 2013 to May 2015. Mr Amanullah is a Fellow Chartered Certified Accountant ("FCCA"), registered with the Association of Chartered Certified Accountants in the United Kingdom, and a Chartered Accountant, CA (Singapore), registered with the Institute of Singapore Chartered Accountants; and a member of Singapore Institute of Directors. He holds a bachelors' degree in applied accounting and an MBA from University of Melbourne. He has more than 15 years' experience in accounting and finance in the legal, social welfare, civil engineering and real estate industries.

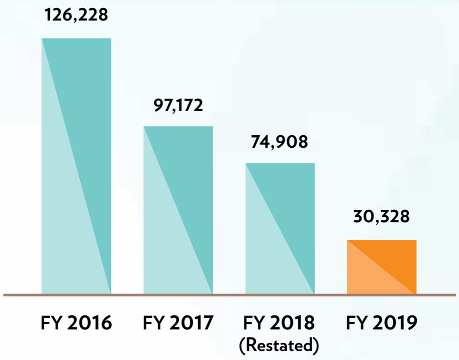
Mr. CHONG KIM GUAN, 62, joined our Group in 1987 as a senior project manager and is currently our Project Director. He is responsible for overseeing and managing all the construction projects undertaken by the Group. On 1 January 2015, Mr. Chong was promoted to Managing Director of Sysma Construction Pte Ltd, a subsidiary company of our Group. He obtained his Bachelor's Degree in Engineering from the National Taiwan College of Marine Science and Technology in 1981.

MS. NG LAY KHIM, 62, joined our Group in 1987 as a Quantity Surveyor and Office Manager and is currently our Administration Director. She is responsible for overseeing all administrative and human resource matters in our Group. Ms. Ng was appointed a director of Gcap Properties Pte Ltd and Sysma Construction Pte Ltd, being subsidiary companies of our Group with effect from 24 July 2013 and 1 January 2015 respectively. She obtained a Diploma in Building from the Singapore Polytechnic in 1977, a Diploma in Industrial Management from the Singapore Polytechnic in 1984 and a degree in Bachelor of Business in Business Administration from Singapore Institute of Management – Royal Melbourne Institute of Technology in 1992.

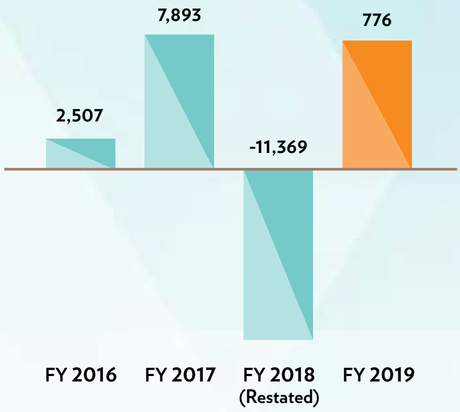
MS. LEE MAY LING, 52, joined our Group in 2004 as a senior quantity surveyor and is currently the Contracts Manager of our Group. She is responsible for overseeing the works of our quantity surveyors, the administration and the preparation of technical correspondences and other business documentation. She obtained a Diploma in Building from the Singapore Polytechnic in 1990 and a Diploma in Surveying from the College of Estate Management, UK in 1999.

GROUP FINANCIAL HIGHLIGHTS

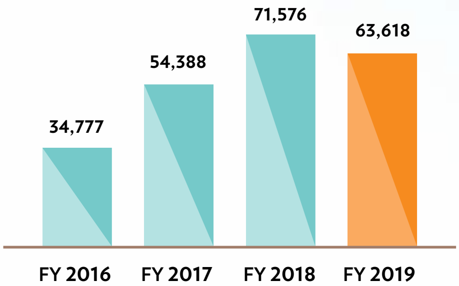
REVENUE
(S$'000)



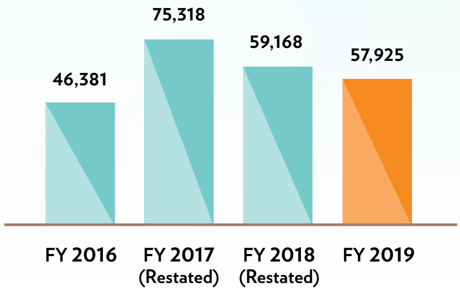
PROFIT/(LOSS) AFTER TAX
(S$'000)



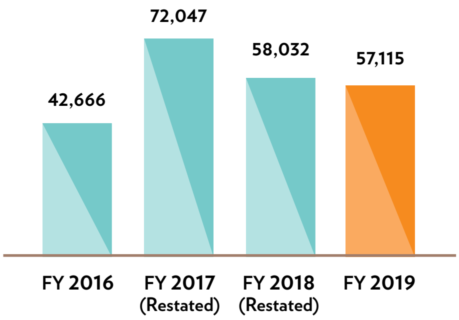
CASH & CASH EQUIVALENTS
(S$'000)



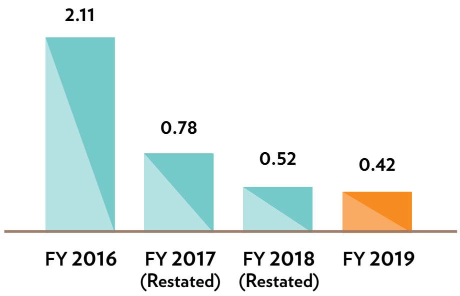
NET ASSETS
(S$'000)



EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY
(S$'000)



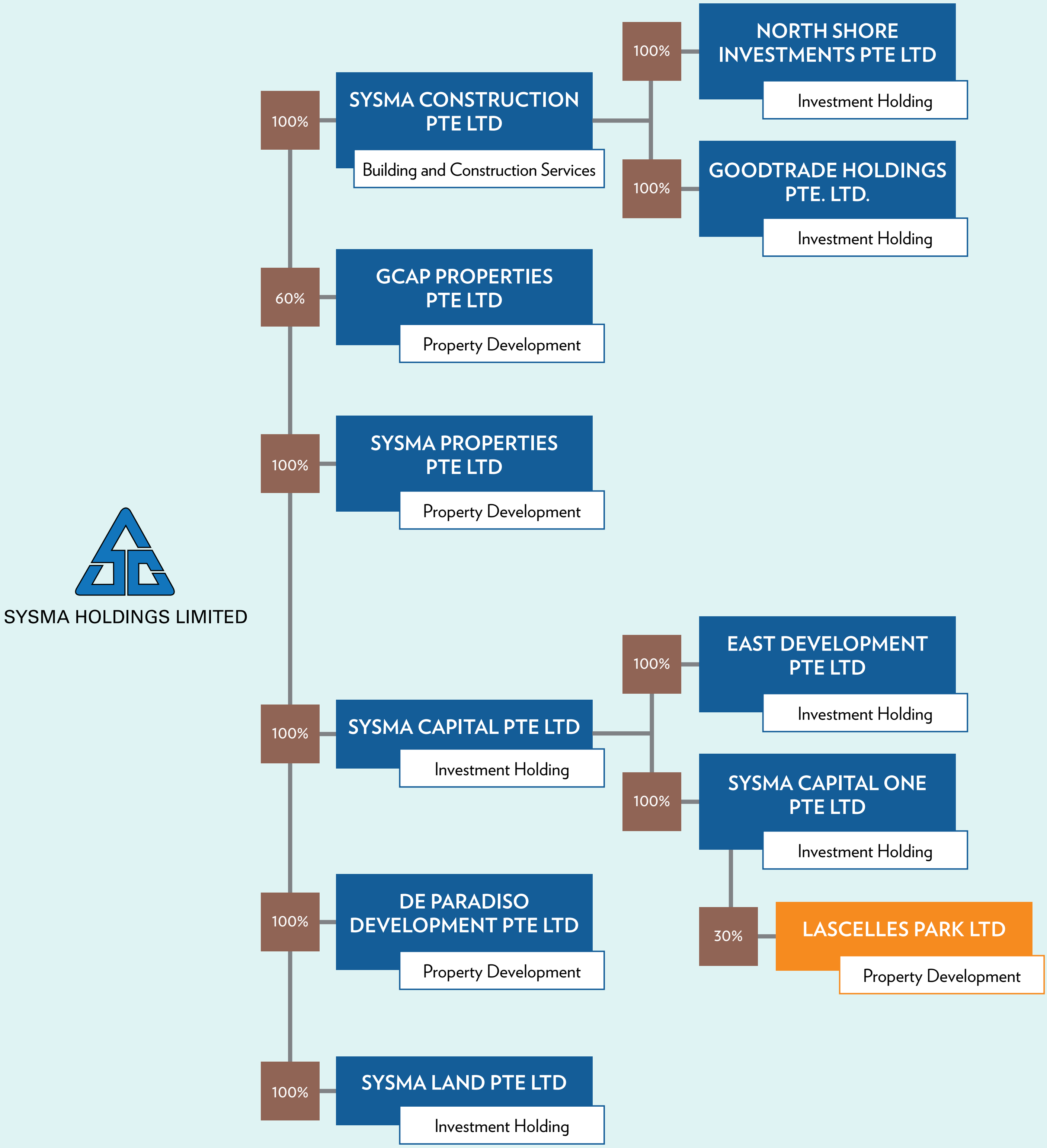
TOTAL DEBT/ TOTAL EQUITY RATIO



		2016	2017 (Restated)	2018 (Restated)	2019
Revenue	(S$'000)	126,228	97,172	74,908	30,328
Profit/(Loss) After Tax	(S$'000)	2,507	7,893	(11,369)	776
Cash & Cash Equivalents	(S$'000)	34,777	54,388	71,576	63,618
Net Assets	(S$'000)	46,381	75,318	59,168	57,925
Equity Attributable to Owners of the Company	(S$'000)	42,666	72,047	58,032	57,115
Total Debt/Total Equity Ratio		2.11	0.78	0.52	0.42

GROUP STRUCTURE

as at July 31, 2019



LEGEND

Incorporated in Singapore

Incorporated in United Kingdom

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sin Soon Teng
(Executive Chairman and Group CEO)

Sin Ee Wuen
(Executive Director and Deputy CEO)

Ang Seng Heng
(Executive Director)

Chen Timothy Teck-Leng @ Chen Teck Leng
(Lead Independent Director)

Heng Yeow Meng Michael
(Independent Director)

Richard Tan Kheng Swee
(Independent Director)

JOINT COMPANY SECRETARIES

Pan Mi Keay, ACIS
Lee Wei Hsiung, ACIS

REGISTERED OFFICE

2 Balestier Road #03-669
Balestier Hill Shopping Centre
Singapore 320002
Tel: 6256 2288
Fax: 6252 4156
E-mail: sysma@sysma.com.sg

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00
Singapore 068898

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay, #10-00 Income at Raffles
Singapore 049318

AUDITORS

Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809
Partner-in-charge:
Aw Xin-Pei
(Appointed with effect from the financial year ended 31 July 2019)

BANKERS

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1
Singapore 049513

Malayan Banking Berhad
2 Battery Road
Maybank Tower #16-00
Singapore 049907

RHB Bank Berhad
90 Cecil Street
#13-00 RHB Bank Building
Singapore 069531

Credit Suisse AG, Singapore Branch
One Raffles Link, #05-02
Singapore 039393

SUSTAINABILITY REPORT

1. About this Report

This report outlines our approach in integrating sustainability into our policies, structure, management and operations. It highlights the environmental, social and governance aspects of our Group's global developments and operations. This report is prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core Option and its reporting principles, and Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules"). We have chosen to adopt the GRI Sustainability Standards, a globally recognised framework which allows for comparison of our current year performance over prior year's performance.

2. Scope of this Report

This report covers the full financial year from 1 August 2018 to 31 July 2019 ("FY2019"). This report captures our Group's sustainable business operations and practices whilst providing information on environmental, social and governance ("ESG") and economic practices that are material to Sysma's business and key stakeholders. Our Group has identified 1 additional material topic and corresponding new strategies in response to our stakeholders' expectations and interest. We have not sought external assurance for this report and we may consider doing so in future sustainability reporting. We relied on internal data monitoring and verification to ensure accuracy.

3. Report contact and Feedback

We welcome and value your suggestions or feedback on the content of this report, you can contact us through the following channels:

- Email: sysma@sysma.com.sg
- Mailing Address:
  Block 2 Balestier Road
  #03-669 Balestier Hill Shopping Centre
  Singapore 320002

4. Sustainability Approach

4.1. Corporate Governance

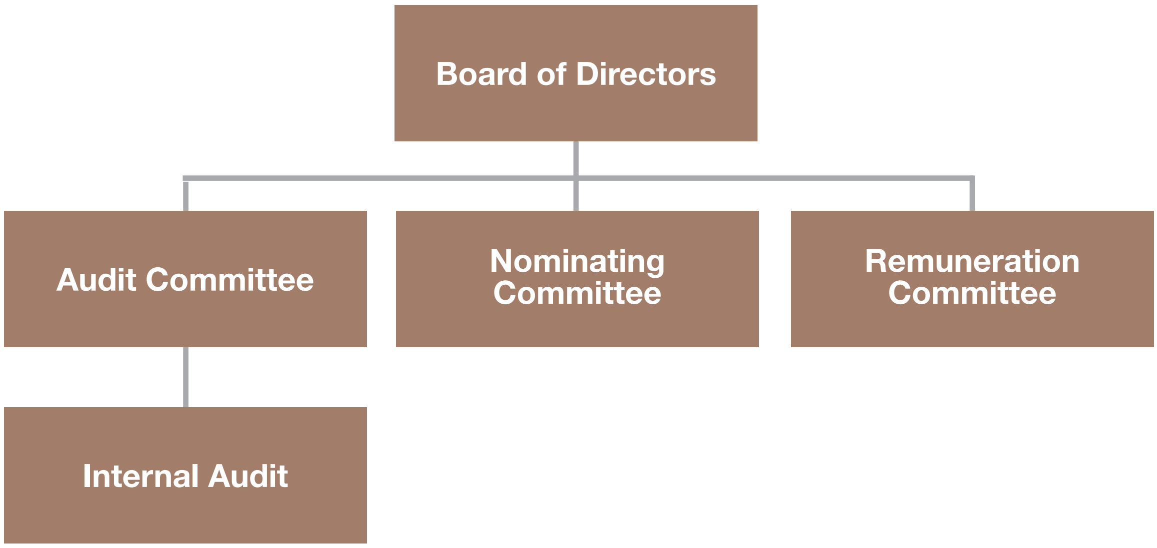
Our Group is committed in putting in place effective and robust compliance and governance regimes to ensure accountability and transparency in conducting our business and to protect our stakeholders' interest. We are proud to confirm that our Group has adhered to the principles and guidelines of the Code of the Corporate Governance 2012 (the "2012 CG Code"), issued by the Monetary Authority of Singapore (the "MAS") and the disclosure guide established by SGX-ST.

4.2. Board Statement

The Board of Directors ("Board") is primarily responsible for our Group's long-term success, from formulation to the seamless execution of business strategies, including taking into consideration of sustainability issues. The key material environmental, social and governance ("ESG") factors for the Group have been identified and reviewed by the management of the Group and the Board oversees the management and monitoring of these factors.

4. Sustainability Approach (Cont'd)

4.3. Governance Framework 2019



4.4. Conflict of interest

In Sysma, all employees including the Board and key executives are required to promptly declare any conflict of interest ("COI"), whether direct or indirect, in relation to a transaction or proposed transaction with our Company. It is also stated in our COI policy and procedures that all employees are to voluntarily disclose any conflict of interests during the employment period.

On an annual basis, each Director is also required to submit details of his/her associates for the purpose of monitoring interested persons transactions. Directors with conflicting interest will abstain from voting and deliberating in the subject matter. Our Group has established a COI Policy to help inform our Directors about the general principles relating to conflict of interests, as well as to guide our Directors in identifying, disclosing and managing conflict situations. The policy further serves to emphasise our commitment to ethics and good corporate governance, for the protection of stakeholders' interest. In FY2019, the Board have performed the COI declaration.

4.5. Whistle-blowing policy

Sysma has also put in place a whistle-blowing policy which was recently enhanced on 7 March 2019 to encourage reporting in good faith of suspected reportable conduct by establishing clearly defined processes with confidence that employees and other persons making whistle-blowing reports will be treated fairly and, to the extent possible, protected from reprisal. The whistle-blowing policy has been reviewed and approved by the Audit Committee and thereafter disseminated to all employees. All whistle-blowing reports will be addressed to the Chairman of the Audit Committee. The Audit Committee is responsible for ensuring an independent investigation of any such matters and the appropriate follow-up actions to be taken.

4.6. Risk Management and internal controls

Our Board, supported by the Audit Committee oversees our Group's system of internal control and risk management. The Audit Committee's primary role is to assist the Board in ensuring the integrity of financial reporting and adequacy and effectiveness of our internal controls. Our Group's risk management and internal control system focuses on our financial, operational, compliance and information technology controls. Assessments including risk assessment and control self-assessment were also conducted by the Management to identify key risk areas and to mitigate them accordingly. The Board has also reviewed our risk register detailing the risk ratings and impacts to ensure our risk management and internal control system are adequate, effective and up to date in FY2019.

4. Sustainability Approach (Cont'd)

4.7. Supply Chain Management

Sysma contracts local and foreign suppliers, sub-contractors, vendors and other industry professionals for our business and we continue working closely with them to make a positive impact on their sustainability performance through new collaboration methods.

We exercise prudence in selecting our key suppliers, sub-contractors and vendors as such, they are qualified in accordance with our purchasing policies, and screened based on ESG criteria. We review potential suppliers' industry reputation, track record, financial performance, security practices and certifications such as ISO 9001, ISO 14001, OHSAS 18001 are also preferred. We continuously evaluate our subcontractors and suppliers with the criteria set out in the selection policy and procedure. Active engagement with our key suppliers is done on a regular basis to align our requirements and expectations with them, thereby ensuring sufficient resources being obtained and seamless execution of our operations.

4.8. Stakeholder Engagement

In Sysma, we focus on creating sustainable value for our key stakeholders, which include our customers, employees, regulators, suppliers and shareholders. We have made conscious efforts to engage our stakeholders in formal and informal engagements to communicate our Group's sustainability efforts.

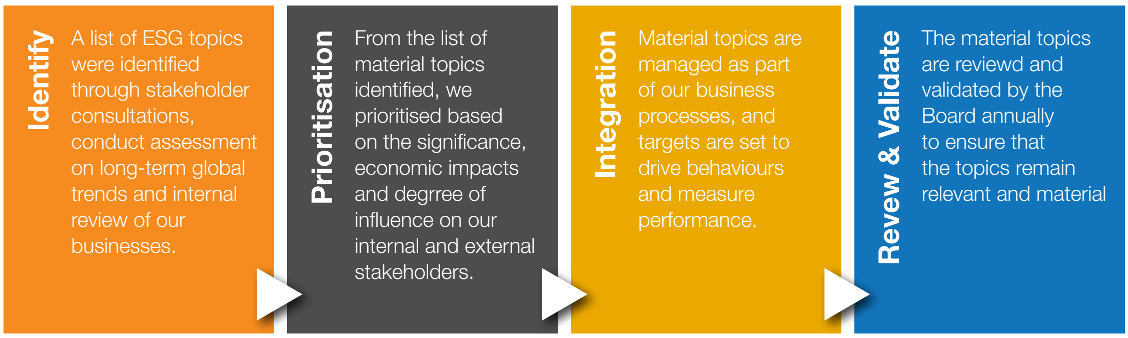
The table below sets out the key stakeholders and our methods of engagement:

Our key stakeholders	Engagement Activities	Key concerns
Customers	• Ongoing progress meetings • Feedback channels including contractor's performance assessment form, ongoing communications via email or phone • After-sales service	• Product and service quality • Competitive pricing
Sub-contractors/suppliers	• Supplier evaluation • Regular engagement with sub-contractors/suppliers by through face-to-face meetings, emails and phones calls	• Compliance with terms and conditions of purchasing policies and procedures • Maintain ethical standards
Employees	• Annual performance appraisal • Regular employee feedback sessions • Training courses • Regular employee engagement	• Staff rights and welfare • Personal development • Conducive working environment
Shareholders	• Annual general meeting • Investor relation materials announcements published on corporate website • End-of-year financial results briefings • Announcements published on SGXNET whenever required by the Catalist Rules	• Business strategy and direction • Economic performance
Regulators	• Participate regular consultation discussions with key regulatory bodies • Occasional official visits • Industry forums	• Opportunities for business collaboration and investment • Setting industry benchmarks

4. Sustainability Approach (Cont'd)

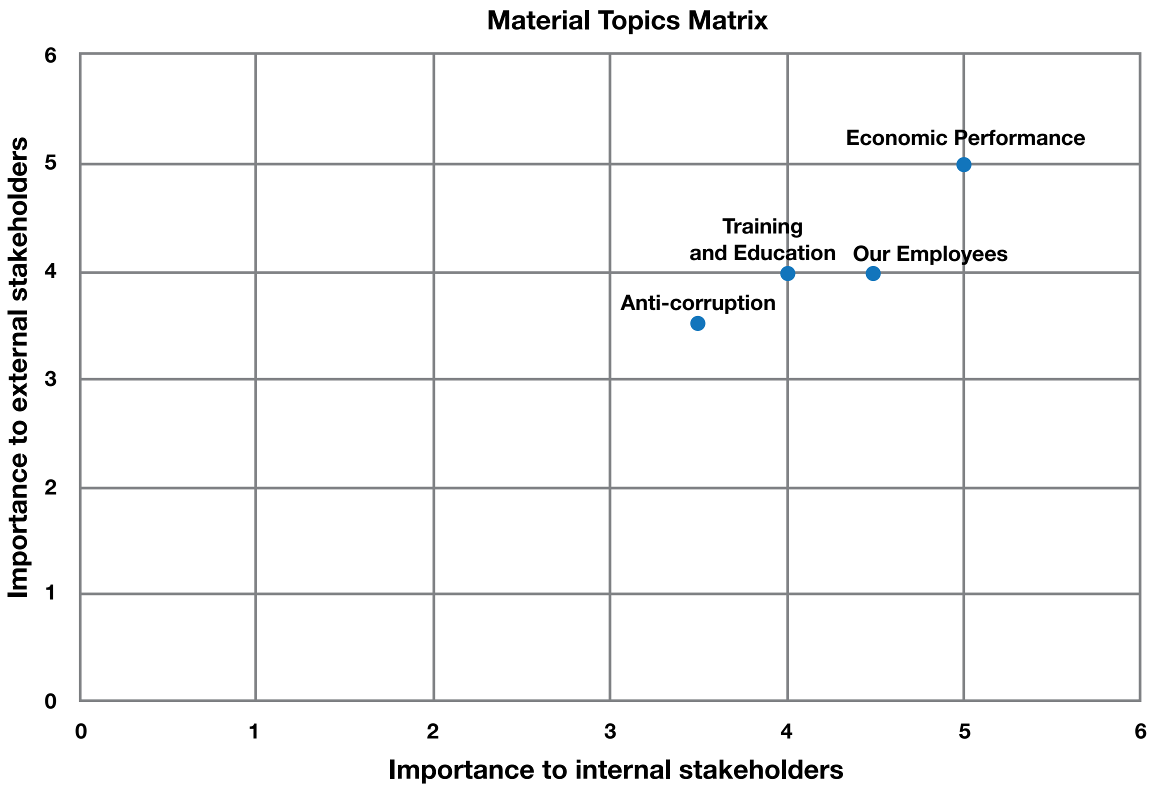
4.9. Material Topics

In developing our sustainability report, we engaged actively with our internal and external stakeholders through various communication channels and identify issues that are material to both our Group and stakeholders. Materiality assessments were also conducted in accordance with the GRI Principles for defining report content which include stakeholder inclusiveness, sustainability context, materiality and completeness. We adopted a four-step materiality assessment process as summarised below:



<u>Material Topics Matrix</u>

We present our material ESG topics highlighted in the matrix and they are rated according to their importance.



5. Our economic performance

Despite the slowing economy and challenging property market, we continue to maintain our competitive edge and deliver sustainable growth. In FY2019, our Group managed to secure 3 major construction contracts with a total value of S$43.5 million. The Group also embarked on its first foray overseas by taking a minority stake in a UK property development, Lascelles Park Limited.

Our revenue in FY2019 of approximately S$30.3 million was S$44.6 million or 59.5% lower than the revenue of approximately S$74.9 million in FY2018.

The decrease in revenue was mainly due to significantly lower contribution from property development projects amounting to S$1.2 million compared to S$42.6 million in FY2018 as most of the property development units were substantially sold in prior financial years. Construction projects (including Additions and Alterations projects) also saw a decline in revenue in FY2019 aggregating to S$29.1 million compared to S$32.3 million in FY2018.

Moving forward, our 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 our order book, while keeping a close eye on its margins and costs. In addition, we will be cautious and seek out viable local and overseas development projects with suitable partners and strategic investors.

FY2019
Revenue
$30.3 million
$74.9 million in FY2018

FY2019
Net Profit/(loss)
$0.8 million
$(11.4) million in FY2018

FY2019
Net Assets Value
$57.9 million
$59.2 million in FY2018

FY2019
Total Debt/ Equity Ratio
0.42
0.52 in FY2018

FY2019
Earnings per Share
$0.44
$(4.61) in FY2018

6. Anti-corruption

Guided by our core values and code of conduct, we are fully committed to ensure that compliance is a central pillar of our management and an integral part of our corporate culture and business processes. Our tone for regulatory compliance is set clearly and consistently reiterated from the Board throughout all levels of our Group. We are committed to conduct business in compliance with applicable laws and regulations and have zero tolerance for fraud, bribery, corruption and violation of laws and regulations. Our Board oversees our Group's regulatory compliance and is responsible for driving our Group's implementation of effective compliance and governance systems. We adopt risk-based due diligence process for all suppliers and potential joint venture partners, to assess their compliance risks and ensure compliance with our code of conduct.

6.1. Code of Conduct

The code of conduct covers areas from workplace to business conduct including policies and procedures on anti-bribery, conflict of interest, donations and sponsorships. It is effectively communicated to the Board and all employees through the internal shared drive.

6.2. Whistle-blowing policy

In our call to advocate good governance within our Group, we continue to review our whistle-blowing policy to ensure it clearly define the process and reporting channels, by which reports can be made in confidence and without fear of reprisal. Details of the whistle-blowing policy and arrangements are communicated to our employees through our staff ePortal, emails and meetings. All concerns raised are reviewed by our Group's Audit Committee ("AC") periodically to conduct independent investigation and adequate resolution. All whistle-blowing reports will continue to be addressed by the AC Chairman. In FY2019, an anonymous letter received by the Group's external auditors was directed to the Audit Committee Chairman who convened a board meeting that included senior management, internal and external auditors, and the Sponsor. During the board meeting, the poison pen letter was deliberated, clarifications sought and unanimously concluded to be baseless.

Our Group is pleased to announce that there are no incidents of corruption and wrongdoings being reported on our employees or business (including employee misconduct and conflict of interest) in FY2019. We aim to maintain this record in FY2020 and continue adhering to the existing policies and procedures.

7. Our Employees

Our employees are our most valuable asset as they ensure our Group achieves its business strategies and sustainable growth. It is vital to retain and attract employees who are professionally equipped in the property development sector.

7.1. Employment Practices

Fair employment practices is one of the key factors in attracting and retaining employees. Our management has put in place integrated human capital strategies and policies to enhance our Group's ability to attract top talent. We embrace diversity by hiring talents from various backgrounds and cultures based on meritocracy and provide unbiased opportunities to all of our employees. The management also complies with the Singapore's labour laws and Employment Act, and support the nation's WorkRight initiative in accordance with the Employment Act and Central Provident Fund Act. The established employment policy is communicated to all employees in our Employee Handbook, which is regularly reviewed by our management. In line with our commitment towards creating a conducive work environment, our management constantly gathers feedbacks from our employees and takes into consideration of their expectations. In FY2019, we organised engaging events, including Chinese New Year Dinner and Dance, Durian party, staff lunches, etc to promote positive bonding between management and employees.

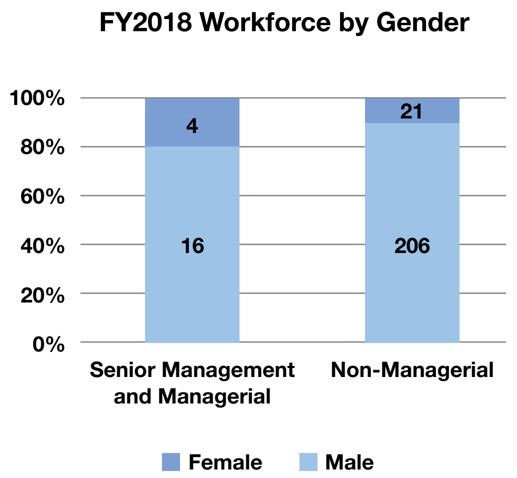
Our employees' wellness and work-life balance are also a key emphasis in the workplace. Benefits including hospitalisation leave, medical coverage, and parental leave are provided to all employees. The Company also organises free medical check-ups for its employees.

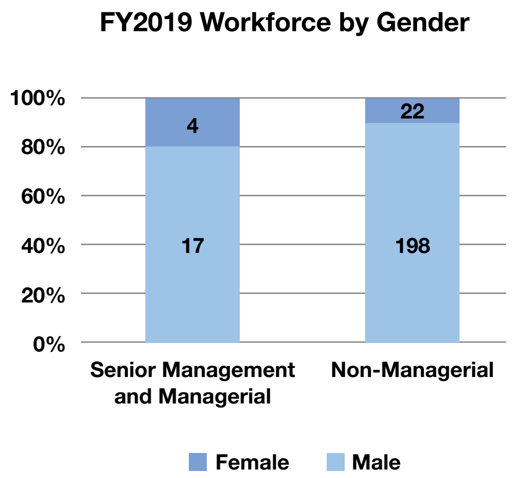
7. Our Employees (Cont'd)

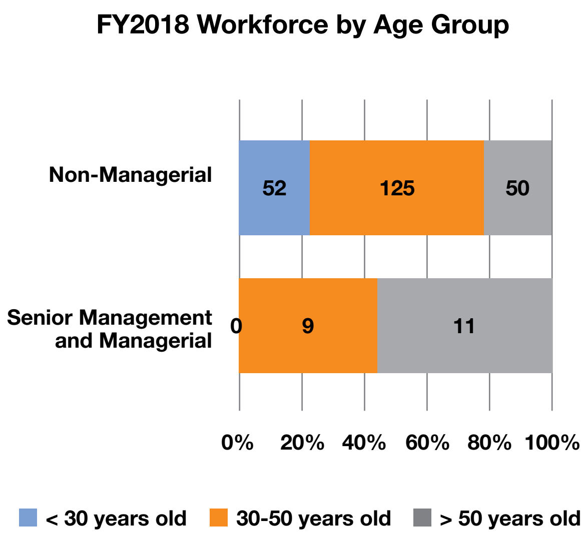
7.1 Employment Practices (Cont'd)

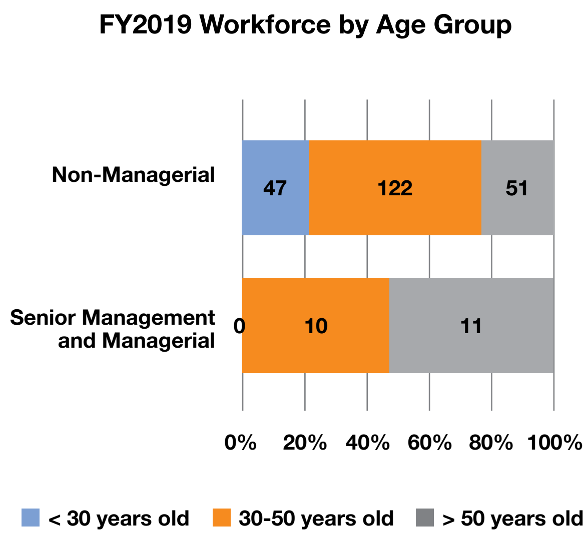
By implementing the aforementioned practices, we managed to maintain a diverse workforce in terms of age, gender and skill set. Our workforce has slightly reduced, from 247 employees in FY2018 to 241 employees in FY2019. During the financial year, the female and male employees constitute 10.8% (FY2018: 10.1%) and 89.2% (FY2018: 89.9%) respectively. In addition, 19.5% of our employees (FY2018: 21.1%) are below 30 years old, 54.8% (FY2018: 54.2%) are between age 30 to 50 years old and 25.7% (FY2018: 24.7%) are above 50 years old.

Details of our workforce by gender and age in FY2018 and FY2019 are as follows:



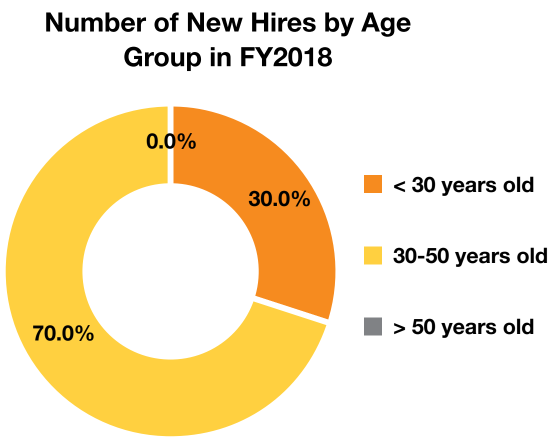


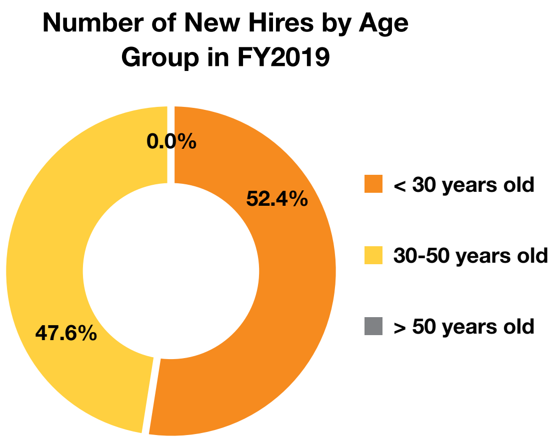


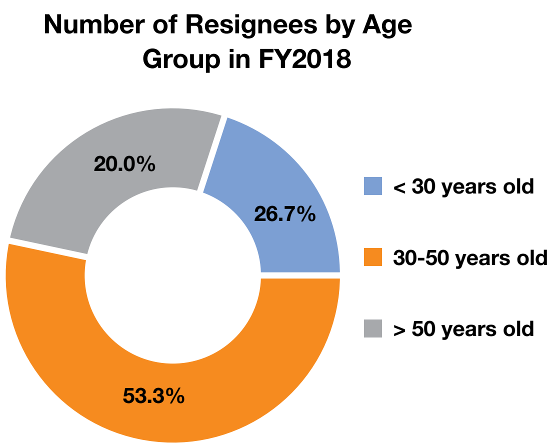


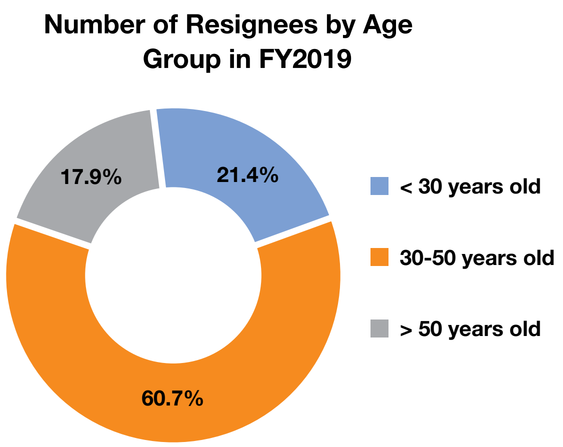
7. Our Employees (Cont'd)

7.1 Employment Practices (Cont'd)









Government-paid maternity and paternity leave is extended to all eligible employees in Singapore. In FY2019, 4 (FY2018: 3) female and 7 (FY2018: 8) male employees were entitled to parental leave. During the same financial period, 4 (FY2018: 3) female and 7 (FY2018: 8) male employees returned to work after parental leave ended and still continue employment for 12 months after returning to work.

Moving forward, we continue to commit to fair employment practices and provide equal opportunities to all employees.

The Group managed to maintain zero non-compliance with relevant laws and regulations in FY2019 and we aim to maintain the same for FY2020.

8. Training and Education

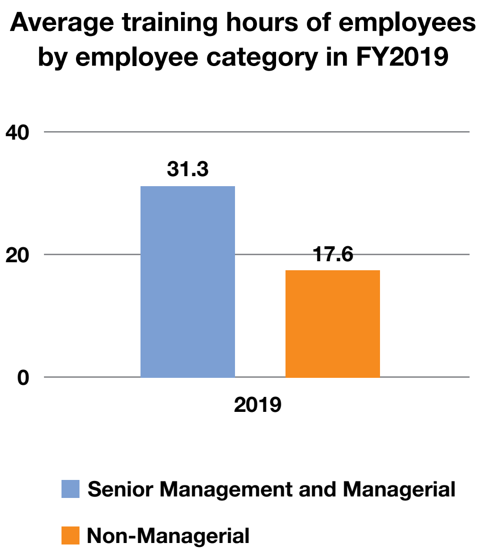
8.1. Talent Development

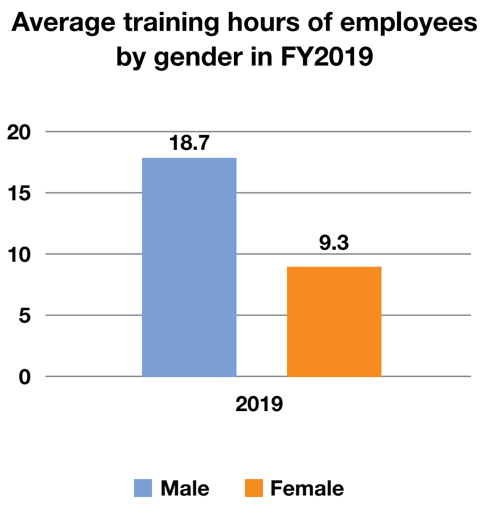
Sysma is committed in developing our employees through training and continuous development programs to build a competitive and sustainable workforce. The Human Resource ("HR") Department works closely with the management to identify learning needs of employees based on the employment category and thereafter, design suitable training programs. Orientation briefings and internal guidance are conducted for new joiners and other in-house trainings are conducted on an as-needed basis by the Senior Operation Executives for existing employees. Employees are also sent for external trainings to update the existing skill sets such as certification courses on BIM Management and Risk Management Implementation Plan by Biz Safe. Sysma has also extended tokens of appreciation to those retirees who have contributed to our Company's progression.

Sysma conducts annual staff appraisal in December to evaluate the performance of employees based on which, salary increments and year-end bonuses are decided, as well as to motivate employees to work towards achieving their self-development goals. A total of 69 employees and 85 general workers received letters of increment and bonus in FY2019.

In FY2019, a total of 1,754.5 hours of trainings were provided to 40% of the total workforce including employees and foreign workers, which is an average of 18.3 hours per employee/foreign worker. A breakdown of average training hours by gender and employee category are detailed as follow:

Moving forward, we will strive to maintain a diverse and relevant career development programs such as leadership and supervisory, customer service trainings and safety courses for our employees.





GRI Content Index

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CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") of Sysma Holdings Limited (the "Company") is committed to achieving and maintaining a high standard of corporate governance within the Company and its subsidiaries (the "Group"). The Group has substantially complied with the recommendations of the Code of Corporate Governance of 2 May 2012 (the "Code") as announced by the Singapore Exchange Securities Trading Limited ("SGX-ST"). Sound corporate governance ensures greater transparency, protecting and enhancing the interests of its shareholders as well as strengthening investors' confidence in its management and financial reporting. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.

The revised Code of Corporate Governance was issued on 6 August 2018 (the "2018 Code"), with the aim to enhance board quality by strengthening board independence and diversity and encourage better engagement between companies and all stakeholders. The 2018 Code is effective for annual reports covering financial years commencing from 1 January 2019, except for specified requirements that will take effect in 2022. Accordingly, the 2018 code will take effect for the Company in respect of its Annual Report relating to the financial year beginning on 1 August 2019 and ending on 31 July 2020.

The main corporate governance practices as set out in the Code adopted by the Group and Company for the financial year ended 31 July 2019 ("FY2019") are outlined below.

1. BOARD OF DIRECTORS

Principle 1: The Board's Conduct of Affairs

Board Composition

The Board has six members comprising three Executive Directors and three Independent Directors, as follows:

Sin Soon Teng	- Executive Chairman and Group Chief Executive Officer ("Group CEO")
Sin Ee Wuen	- Executive Director and Deputy Chief Executive Officer ("Deputy CEO")
Ang Seng Heng	- Executive Director
Chen Timothy Teck-Leng@ Chen Teck Leng	- Lead Independent Director
Heng Yeow Meng Michael	- Independent Director
Richard Tan Kheng Swee	- Independent Director

The Company was formally admitted to the Official List of the Catalist of the SGX-ST on 3 August 2012. The Board meets regularly and as warranted by particular circumstances, as deemed appropriate by the Board. The details of the number of meetings of the Board and Board Committees held during FY2019 and the attendance of the Directors at the meetings are stated below. In between Board meetings, important matters concerning the Company are also put to the Board for its decision by way of circular resolutions in writing for the Directors' approval together with supporting memoranda, enabling the Directors to make informed decisions. The Company's Constitution (the "Constitution") allows for meetings to be held through telephone and/or video-conference.

Board Meetings and Attendance

	Board	Audit Committee	Remuneration Committee	Nominating Committee
Total number of meetings held	3	3	1	1
Number of meetings attended by respective directors				
Sin Soon Teng	3	3*	1*	1
Ang Seng Heng	3	3*	-	-
Sin Ee Wuen(1)	2	2*	-	-
Chen Timothy Teck-Leng @ Chen Teck Leng	3	3	1	1
Heng Yeow Meng Michael	3	3	1	1
Richard Tan Kheng Swee	3	3	1	1

**By Invitation*

Change of composition of the Board:-

(1) Mr Sin Ee Wuen, the Deputy CEO has been appointed as an Executive Director with effect from 19 September 2018.

The profile of each Director and other relevant information as at the date of this Report are set out on pages 4 and 5 of the Annual Report. All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

Role of the Board

The Board oversees the business affairs of the Group, approves the financial objectives and the strategies to be implemented by Management and monitors the standards of performance and issues of policies directly. In addition to its statutory duties, the Board's principal functions are to:

(i) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

(ii) supervise the overall management of the business and affairs of the Group, review management performance and approve the Group's corporate and strategic policies and direction;

(iii) formulate and approve financial objectives of the Group and monitor its performance such as reviewing and approving of results announcements and approving of financial statements;

(iv) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

(v) oversee the processes for evaluating the adequacy of internal controls and risk management including the review and approval of interested persons transactions;

(vi) assume responsibility for corporate governance and compliance with the provision of Singapore Companies Act (the "Companies Act") and the rules and regulations of the revised regulatory bodies;

(vii) evaluate performance of the Management;

(viii) review and approve the remuneration framework for the Board and Key Management Personnel;

(ix) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(x) set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and

(xi) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Matters Requiring Board Approval

Without abdicating its responsibility, the Board has delegated its authority to make decisions on certain matters to the Board Committees, details of which are set out herein. Matters which are specifically reserved for the approval of the Board include, among others, any material acquisitions and disposals of assets, corporate or financial restructuring, share issuance and the proposing of dividends. Clear directions are also given to the Management on matters that must be approved by the Board.

Delegation by the Board

The Board has adopted a set of internal guidelines on the matters requiring Board approval. Certain functions have also been delegated to various Board Committees, namely Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). Each Board Committee operates within clearly defined terms of reference and operating procedures, which would be reviewed on a regular basis.

Board Induction and Training

When a Director is first appointed to the Board, that Director will receive a comprehensive and tailored induction on joining the Board. An orientation program is arranged for him to ensure that he is familiar with the Group's business and governance practices. The Company provides training for a first-time director in areas such as accounting, legal and industry-specific knowledge when appropriate. Upon appointment of a Director, the Company provides a formal letter to the Director, setting out the Director's duties and obligations. In addition, as required under the SGX-ST Listing Manual: Section B: Rules of Catalist ("Catalist Rules"), a new Director who has no prior experience as a director of a company listed on the SGX-ST must undergo training as prescribed by the SGX-ST. Such training will be completed within one year of the appointment.

Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with regulatory changes, where these changes have an important bearing on the Company's or Director's disclosure obligations, the Board is updated regularly on these changes. All Directors receive training, particularly on relevant new laws, regulations and changing commercial risks, from time to time. These training activities are arranged and funded by the Company. The Chairman will brief all newly appointed Directors on the business activities of the Group and its strategic directions as well as the duties and responsibilities as Directors. All Directors are regularly briefed on the business activities of the Group.

In addition, briefings and updates for the Directors in FY2019 include the external auditors ("EA") having briefed the AC on changes or amendments to accounting standards.

In order for the Board to fulfill its responsibilities, prior to Board Meetings, Management will provide the Board with management accounts and the relevant background information and documents relating to items of business to be discussed at a Board Meeting.

Principle 2: Board Composition and Guidance

As at the date of this Annual Report, the Board comprises three Executive Directors and three Independent Directors. The Company endeavours to maintain a strong and independent element on the Board. Three of the Directors are independent, thereby fulfilling the Code's requirements for FY2019 that the Independent Directors should make up at least half of the Board, where, *inter alia*, the Chairman of the Board and the Group CEO is the same person.

Additionally, the Company notes that Provision 2.3 of 2018 Code requires Non-executive Directors to make up a majority of the Board and Provision 2.2 of the 2018 Code provides that Independent Directors make up a majority of the Board where the Chairman of the Board is not independent. The Company will be in line with Provisions 2.2 and 2.3 of the 2018 Code upon the retiring of the Board's Executive Director, Mr Ang Seng Heng, who will not be seeking re-election pursuant to Regulation 107 of the Constitution of the Company at the upcoming annual general meeting.

Review of Directors' Independence

The Independent Directors have confirmed that they do not have any relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

The Independent Directors have also confirmed their independence in accordance to Rules 406(3)(d)(i) and (ii) of the Catalist Rules.

The NC reviews the independence of each Director annually, and as and when circumstances require. The NC adopts the Catalist Rules406(3)(d)(i), (ii) and Code's definition of what constitutes an Independent Director in its review and also considers any other salient factors.

The NC is of the view that the current composition of the Board exhibits a level of independence that sufficiently enables the Board to exercise objective judgment on corporate affairs independently from the Management. The NC is also of the view that no individual or small groups of individuals dominate the Board's decision-making processes. The Board has determined, taking into account the views of the NC, that each Independent Director is independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, that Director's judgement.

Duration of Independent Directors' Tenure

None of the Independent Directors have served on the Board for more than nine (9) years from the date of their first appointment. There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

Board Composition, Size and Diversity

The Board reviews the composition and size of the Board and each Board Committee and the skills and core competencies of its members from time to time to ensure they have appropriate balance and diversity of skills, experience and knowledge of the Company to maximize the effectiveness of the Board and Board Committees. The Board is of the view that the size of the current Board, is appropriate with reference to the scope and extent of the Group's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Board considers that its composition of Directors is well-balanced, with each Director having well-mixed knowledge, business network and commercial experience.

The NC and Board are of the view that current Board comprises members who as a group possess core competencies necessary to lead and manage the Group effectively.

The current Board composition provides a diversity of knowledge and experience to the Company as follows:-

Balance and Diversity of the Board		
Core Competencies	Number of Directors	Proportion of Board
Accounting or finance	2	33.33%
Business management	4	66.67%
Legal, corporate advisory and governance	3	50%
Relevant industry knowledge or experience	3	50%
Strategic planning experience	2	33.33%
Customer based experience or knowledge	3	50%
Gender		
Male	6	100%
Female	0	0%

Board Renewal

The Board is of the opinion that it would be most effective to draw on the wealth of experience from the longer serving directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required.

To meet the changing challenges in the industry and countries which the Group operates in, such reviews, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on a regular basis to ensure that the Board dynamics remain optimal.

Directors' Multiple Board Representations

Coupled with the independence element provided by the Independent Directors, the Board considers itself effective and capable of ensuring all corporate strategies are well-directed, while all proposals and significant issues brought to the Board by the Management are thoroughly discussed and examined, focusing on the long-term interests of the Group. The NC has determined that each Director is able to and has been adequately carrying out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The Company has in place guidelines that address the competing time commitments that are faced when Directors serve on multiple Boards. The Company did not fix the maximum number of listed company board representations which any director may hold as the Board does not wish to omit from consideration outstanding individuals who, despite the demands of their time, have the capacity to participate and contribute as members of the Board.

To-date, none of the Independent Directors of the Company has been appointed as a Director of the Company's principal subsidiaries. The Board and the Management are of the view that the current Board structures in the principal subsidiaries are already well organised and constituted.

The Board and the Management will from time to time review the Board structures of the principal subsidiaries and will make an appropriate corporate decision to consider the appointment of the Independent Directors into the principal subsidiaries.

The Board has no dissenting view on the Chairman's statement for the year in review.

Non-Executive Director Meetings in Absence of Management

For FY2019, the Non-Executive Directors have met in the absence of the management.

Principle 3: Chairman and Group Chief Executive Officer

Mr Sin Soon Teng ("Mr Sin") is the Executive Chairman and the Group CEO. He has full executive responsibilities over business directions and operational decisions of the Group. The AC reviews all major decisions made by the Group CEO and Executive Directors. The NC periodically reviews his performance and his appointment to the Board and the RC periodically reviews his remuneration package.

The Board is of the opinion that it is not necessary to separate the roles of the Chairman and the Group CEO after taking into account the size, scope and nature of the operations of the Group. Although the roles of Chairman and Group CEO are not separate, the Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or groups of individuals exercising any considerable concentration of power or influence and there is accountability for good corporate governance.

Mr Sin plays an instrumental role in developing the business of the Group and has provided the Group with strong leadership and vision.

The Board is of the view that it is currently in the best interests of the Group to adopt a single leadership structure. The Board is of the view that there is a balance of power and authority with the various Board Committees chaired by the Independent Directors.

The Chairman:

(a) leads the Board to ensure its effectiveness on all aspects of its role;

(b) sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) promotes a culture of openness and debate at the Board;

(d) ensures that the Directors receive complete, adequate and timely information;

(e) ensures effective communication with shareholders;

(f) encourages constructive relations within the Board and between the Board and Management;

(g) facilitates the effective contribution of non-executive Directors in particular; and

(h) promotes high standards of corporate governance.

Lead Independent Director

In view that the Executive Chairman of the Board and the Group CEO is the same person, Mr Chen Timothy Teck-Leng @ Chen Teck Leng is the Lead Independent Director. He is available to the shareholders where they have concerns and for which contact through the normal channels of the Chairman, Group CEO or Chief Financial Officer ("CFO") have failed to resolve or for which such contact is inappropriate.

Led by the Lead Independent Director, the Independent Directors will meet in the absence of the other directors as and when circumstances warrant. In FY2019, the Independent Directors have met in the absence of the other directors.

Principle 4: Board Membership
Principle 5: Board Performance

Nominating Committee

The NC, which the majority of whom, including the NC Chairman, are independent, comprises the following Directors:

Chen Timothy Teck-Leng @ Chen Teck Leng	- Chairman
Sin Soon Teng	- Member
Heng Yeow Meng Michael	- Member
Richard Tan Kheng Swee	- Member

The NC's written terms of reference describe its responsibilities, including:

(a) reviewing and recommending the nomination and re-nomination of the Directors (including alternate Directors, if applicable) having regard to the Director's contribution and performance;

(b) determining on an annual basis whether or not a Director is independent;

(c) reviewing the training and professional development programs for the Board;

(d) reviewing a Director's multiple board representations on various companies and deciding whether or not such Director is able to and has been adequately carrying out his duties as Director;

(e) reviewing of board succession plans for Directors, in particular, the Chairman and for the Group CEO;

(f) reviewing and approving any new employment of related persons and the proposed terms of their employment; and

(g) deciding on how the Board's performance is to be evaluated and proposing objective performance criteria, subject to the approval by the Board.

Board Nomination Process

The Company believes that the Board's renewal must be an on-going process, to ensure good governance and to maintain relevance to the business as well as the changing needs of the Group.

New Directors are appointed by way of a Board Resolution, after the NC has reviewed and approved their nomination for recommendation to the Board. In its search and selection process for new Directors, the NC taps on the resources of Directors' personal contacts and recommendations of potential candidates and appraises the nominees to ensure that the candidates possess relevant experience and have the calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group.

The Company's Constitution requires one-third of the Directors to retire and subject themselves to re-election ("One-Third Rotation Rule") by shareholders at every Annual General Meeting ("AGM"). In other words, no Director stays in office for more than three years without being re-elected by shareholders. This will enable all shareholders to exercise their rights in selecting all Board members. Newly appointed Directors will subject themselves to re-election by shareholders at the AGM immediately following their appointment and, thereafter, they are subject to the One-Third Rotation Rule.

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the background, experience and knowledge in technology, accounting, business, finance and management skills, industry knowledge, strategic planning and customer-based experience or knowledge, all of which are critical to the Group's business and that each Director, through his unique contributions, bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he is interested.

Re-Election of Incumbent Directors

The NC, in considering the re-election of a Director, evaluates such Director's contribution and performance, such as his attendance at meetings of the Board and/or Board Committees, participation, conduct and any special contribution.

The NC has recommended and the Board has agreed that the following Director who is retiring at the forthcoming AGM to be nominated for re-election. Mr Heng Yeow Meng Michael ("Mr Heng"), retiring under Regulation 107 of the Company's Constitution, has offered himself for re-election and the Board has accepted the recommendations of the NC. Mr Heng, upon re-election as Director of the Company, remains as the Independent Non-Executive Director of the Company, Chairman of the Audit Committee as well as a member of the Nominating Committee and Remuneration Committee.

Pursuant to the One-Third Rotation Rule, Mr Ang Seng Heng, the Executive Director of the Company, who is retiring at the forthcoming AGM in accordance with Regulation 107 of the Company's Constitution, will not be seeking for re-election.

Directors' Key Information

The dates of the first appointment and last re-appointment/re-election of each Director are set out as follows:

Name	Positions	Date of first appointment	Date of last re-election
Sin Soon Teng	Executive Chairman and Group CEO	28 March 2012	16 November 2018
Sin Ee Wuen	Executive Director and Deputy CEO	19 September 2018	16 November 2018
Ang Seng Heng	Executive Director	28 March 2012	17 November 2017
Chen Timothy Teck-Leng @ Chen Teck Leng	Lead Independent Director	1 December 2015	16 November 2018
Heng Yeow Meng Michael	Independent Director	6 July 2012	18 November 2016
Richard Tan Kheng Swee	Independent Director	2 May 2018	16 November 2018

Key information of each director is set out on pages 4 to 5 of this Annual Report.

Performance Review

The non-executive Directors regularly review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. To facilitate a more effective check on Management, non-executive Directors meet without the presence of Management and/or the Executive Directors; and thereafter, the Lead Independent Director provides feedback to the Chairman. A formal review of the Board's and Board Committees' performances will be undertaken collectively and individually by the Board annually. The NC will also review the Board's performance informally with inputs from the Group CEO and Executive Directors. The evaluation exercise is carried out annually by way of a Board and Board Committees' Assessment Checklists, which is circulated to the Board members for completion. The completed Assessment Checklists were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC for review and to determine the actions required to improve the corporate governance of the Company and effectiveness of the Board and Board Committees as a whole. The evaluation process for FY2019 focused on the following areas of evaluation:-

(i) Board and Board Committees size and composition;

(ii) Board and Board Committees operation;

(iii) Access to Information;

(iv) Board and Board Committees roles and responsibilities;

(v) Contribution to Interaction; and

(vi) Quality of Input.

Based on the NC's review and evaluation findings, the Board is of the view that the Board and its Board Committees operate effectively and each Director has contributed to the overall effectiveness of the Board. In addition, the NC has reviewed and is satisfied that the Board has met its performance objectives for FY2019. There was no external facilitator appointed for evaluation of the performances of the Board and Board Committees for FY2019.

Informal evaluation of the performance of the Board will be undertaken on a periodic basis by the NC with input from the Executive Directors and the Chairman and Group CEO. The latter will act on the results of the evaluation and where appropriate, in consultation with the NC, will propose the appointment of new Directors or seek resignation of current Directors. Renewal or replacement of Directors does not necessarily reflect their contribution to-date and it may be due to the need to position and shape the Board in line with the needs of the Group and its business.

As at the date of this Annual Report, the Company does not have any alternate Directors.

Principle 6: Access to Information

In order to ensure that the Board is able to fulfill its responsibilities, Management is required to provide complete, adequate information to the Board on Board affairs and issues that require Board's decision, in a timely manner and on an on-going basis, as well as reports relating to operational and financial performance of the Group. Whenever appropriate, senior managers and/or department heads who can provide additional insight in the matters to be discussed are invited to attend the Board meetings.

The Board has separate and independent access to the Management, External Auditors, Internal Auditors and the Company Secretary at all times. Directors are entitled to request from Management and should be provided with such additional information as needed to make informed decisions. Management shall provide the same in a timely manner. Information provided include Board papers and related materials, background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, budgets, forecasts and monthly internal financial statements. In respect of budgets, any material variance between the projections and actual results should also be disclosed and explained.

Where necessary, the Company will, upon the request of Directors (whether as a group or individually), provide them with independent professional advice, at the Company's expense, to enable them to discharge their duties.

The Company Secretary has responsibility for ensuring that Board procedures are followed and that all applicable rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary shall be responsible for ensuring good information flows within the Board and its Board Committees as well as between Management and Non-Executive Directors, advising the Board on all governance matters, as well as facilitating orientation and assisting with professional development as required. The Company Secretary should attend all Board meetings.

The appointment and the removal of the Company Secretary should be a matter for the Board as a whole.

2. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure on Remuneration

Remuneration Committee

The RC comprises the following Independent Directors:

Richard Tan Kheng Swee	- Chairman
Heng Yeow Meng Michael	- Member
Chen Timothy Teck-Leng @ Chen Teck Leng	- Member

The RC's written terms of reference describes its responsibilities, including:

(a) reviewing and recommending a remuneration framework for the Directors and key management personnel, reviewing and recommending to the Board the specific remuneration packages for each Director as well as for the key management personnel and the implementation of any appropriate performance-related elements to be incorporated in the remuneration framework; and

(b) conducting annual review of the remuneration packages of employees who are related to any of the Directors or substantial shareholders of the Company.

The RC's recommendations should be submitted for endorsement by the entire Board. The RC should cover all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind.

Remuneration Consultant

The RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the RC takes into consideration industry practices and norms in compensation, in addition to the Group's relative performance to the industry and the performance of the individual Directors. Where such expert is appointed, the Company shall disclose the names and firms of the remuneration consultants herein, and include a statement on whether the remuneration consultants have any relationships with the Company that will affect the independence and objectivity of the remuneration consultants. No remuneration consultants were engaged by the Company in FY2019. The service of an external remuneration consultant will be sought as and when necessary.

Remuneration Policy and Performance Conditions

The RC ensures that there is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors and key management personnel. Although the recommendations are made in consultation with the Chairman and Group CEO, the remuneration packages are ultimately approved by the entire Board. No Director will be involved in deciding his own remuneration.

The Company adopts a remuneration policy for employees comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual. The remuneration package of the Chairman and Group CEO includes a variable performance bonus.

The remuneration of Independent Directors should be determined by his contribution to the Company, taking into account factors such as effort and time spent as well as his responsibilities on the Board. The RC and the Board will recommend the remuneration of the Independent Directors for shareholders' approval at the forthcoming AGM.

Service Agreements

The Company had entered into a service agreement with our Executive Chairman and Group CEO, Mr Sin Soon Teng dated 1 June 2012 which was valid for an initial period of three (3) years with effect from the listing of our Company on Catalist (the "Initial Term"). After having reviewed by the Board (in consultation with the RC), on 3 August 2015 a new service agreement was entered into by the Company with Mr Sin Soon Teng for a period of three (3) years upon the expiry of the Initial Term. On 19 September 2018, the Company had extended the said service agreement with our Executive Chairman and Group CEO, Mr Sin Soon Teng for a further three (3) years.

Upon the expiry of the 3-year service agreement with our Executive Chairman and Group CEO, Mr Sin Soon Teng, the said service agreement shall be reviewed by the Board (in consultation with the RC) and renewed on such terms and conditions as the parties may agree.

The service agreements may be terminated by either party giving the other party not less than six (6) months' notice in writing or payment in lieu of notice by either party. The RC has reviewed the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service and is of the view that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Directors and Key Management Personnel Remuneration

The following table shows the remuneration of the Directors, key management personnel as well as employees who are immediate family members of the Directors, Group CEO and Deputy CEO, whose remuneration exceeds S$50,000 for FY2019.

The Company has disclosed the remuneration of the Directors and key management personnel in bands of S$250,000 with breakdown in percentage of fees, salary, bonus and other benefits instead of disclosing the remuneration of each individual Director and key management personnel to the nearest dollars in the annual report in accordance with Principle 9.2 of the Code as the Board believes that it is not in the best interest of the Company to fully disclose such information given the highly competitive industry conditions for human resource recruitment and retention in the construction and properties development sectors in Singapore.

Remuneration Bands and Name	Fees (%)	Salary (%)	Bonus (%)	Others (%)	Total (%)
Directors					
S$750,000 to S$1,000,000					
Sin Soon Teng	-	85	14	1	100
S$250,001 to S$500,000					
Sin Ee Wuen[(1)]	-	82	13	5	100
Ang Seng Heng	-	83	13	4	100
Below S$250,000					
Chen Timothy Teck-Leng @ Chen Teck Leng	100	-	-	-	100
Heng Yeow Meng Michael	100	-	-	-	100
Richard Tan Kheng Swee	100	-	-	-	100
Andy Goh Beng Kwang[(2)]	-	98	-	2	100
Key Management Personnel					
S$250,001 to S$500,000					
Chong Kim Guan	-	78	19	3	100
Ng Lay Khim	-	83	14	3	100
Below S$250,000					
Lee May Ling	-	73	18	9	100
Mohamed Saleem Mohamed Amanullah	-	92	1	7	100
Immediate family member of Executive Chairman and Group CEO[(5)]					
S$50,000 to S$100,000					
Sinn Mei Chue, Julie[(3)]	-	71	18	11	100
Sin Ee Sze[(4)]	-	83	-	17	100

(1) Sin Ee Wuen, the Deputy CEO and is the son of Sin Soon Teng, the Executive Chairman and Group CEO.

(2) Andy Goh Beng Kwang resigned as Executive Director and Group CFO with effect from 16 August 2018.

(3) Sinn Mei Chue, Julie is the sister of Sin Soon Teng, the Executive Chairman and Group CEO, and the aunt of Sin Ee Wuen, an Executive Director and Deputy CEO.

(4) Sin Ee Sze is the daughter of Sin Soon Teng, the Executive Chairman and Group CEO, and the sister of Sin Ee Wuen, an Executive Director and Deputy CEO.

(5) Save for Sinn Mei Chue, Julie and Sin Ee Sze, there are no other employee who is an immediate family member of a Director or the Executive Chairman and Group CEO, and whose remuneration exceeded S$50,000 in FY2019.

The Board confirms there are only four (4) key management personnel for FY2019 and the aggregate amount of the total remuneration paid to the four (4) key management personnel (who are not Directors or CEO) was approximately S$932,500 in FY2019.

There are no termination, retirement, post-employment benefits that may be granted to the Directors, the Group CEO and key management personnel.

Sysma Performance Share Plan

The Company has a performance share plan under the Sysma Performance Share Plan (the "Share Plan") which was approved by shareholders on 5 July 2012. The committee which administers the Share Plan in accordance with the rules of the Share Plan ("Awards Committee") comprises members of the RC, the names of which are set out in page 29 of this Annual Report. Additionally, the RC reviews whether Executive Directors (who are not controlling shareholders) and key management personnel should be eligible for awards under the Share Plan.

The Share Plan, which forms an integral component of the Company's compensation plan, is to provide an opportunity for Group employees, who have met the performance conditions to be remunerated not just through cash bonuses but also by an equity stake in the Company.

It is primarily a share incentive scheme and recognises the fact that the services of such Group employees are important to the success and continued well-being of the Group. Implementation of the Share Plan will enable the Company to give recognition to the contributions made by such Group employees. At the same time, it will give such Group employees an opportunity to have a direct interest in the Company and will also help to achieve the Share Plan objectives, as enumerated in the Company's Offer Document dated 27 July 2012 (the "Offer Document").

Under the rules of the Share Plan, Group employees who are full-time employees of the Company and/or its subsidiaries who have attained the age of 21 years on or before the date of the award are eligible to participate in the Share Plan at the absolute discretion of the Awards Committee.

Controlling Shareholders and their associates and the Non-Executive Directors are not eligible to participate in the Share Plan.

The aggregate amount of new shares which may be issued pursuant to the vesting of awards granted on any date, when added to the amount of new shares issued and issuable in respect of (i) all awards previously granted under the Share Plan; and (ii) any other share-based incentive scheme of the Company, shall not exceed 15% of the issued and paid-up share capital of the Company on the day preceding the date of grant ("Share Issuance Limit").

The number of existing shares purchased from the market which may be delivered pursuant to the awards granted under the Share Plan, and the amount of cash which may be paid upon the release of such awards in lieu of shares, will not be subject to the Share Issuance Limit, as such methods will not involve the issue of any new shares. The number of shares held as Treasury Shares cannot any time exceed 10% of the total number of issued shares of the Company.

Subject to the foregoing limits, there shall be no other limitation on the number of shares available to participants of the Share Plan.

The Share Plan shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Since the commencement of the Share Plan till the end of the financial year under review and up to the current date of this Report, no shares were granted under the Share Plan to the Group employees. Accordingly, the provisions of Rule 851(1)(b) to (d) are not applicable.

3. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board acknowledges that it is accountable to the Company's shareholders and is mindful of the obligations to furnish timely information and to ensure full disclosure of material information in compliance with statutory reporting requirements. Price-sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings.

The Board, through its announcement of the Group's financial results to shareholders, aims to present a balanced and understandable assessment of the Group's position and prospects.

In preparing the financial statements, the Board has selected suitable accounting policies and applied them consistently. The Board has made judgements and estimates that are reasonable and prudent and ensure that all applicable accounting standards have been followed. The financial statements were prepared on the basis that the Directors have reasonable expectations, having made enquiries, that the Group and Company have adequate resources to continue operations for the foreseeable future.

The Board has taken adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules, for instance, by establishing written policies where appropriate.

Management provides all members of the Board with management accounts and such explanation and information on a monthly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

Principle 11: Risk Management and Internal Controls
Principle 12: Audit Committee

Risk Management and Internal Controls

The Board has required the Management to maintain a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. The Board determines the Company's levels of risk tolerance and risk policies, and oversees Management in the design, implementation and monitoring of the risk management and internal control systems.

Internal Audit

The Group regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as respond appropriately to control and mitigate these risks. The Group engaged Nexia TS Risk Advisory Pte. Ltd. ("Internal Auditor") to assist the Board and AC in their review of the Group's risk management and internal control systems focusing on financial, operational, compliance and information technology controls. Risk Management Assessment as well as Control Self-Assessment were conducted by the Management with the assistance of the Internal Auditor. The key risk areas which have been identified continue to be analysed, monitored and mitigated accordingly. In connection, the Group has developed a register of risks detailing their respective risk ratings and impacts to ensure that the Group's risk management and internal control systems are adequate and effective in FY2019.

Adequacy and Effectiveness of Internal Controls

The Group reviews all significant control policies and procedures and highlights all significant matters to the AC and Board. The Board reviews, at least annually, the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the AC and the Board are of the opinion that the Group's internal controls, addressing major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, and risk management systems, are adequate and effective in FY2019.

The Company consistently improves and adopts the recommendations highlighted by the internal and external auditors as well as the Sponsor to safeguard the Group's internal controls.

Although the Board acknowledges that it is responsible for the overall internal control framework, it also recognises that no cost effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Group CEO and CFO Assurances

The Board has received assurances from the Group CEO and the CFO (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) that the Company's risk management and internal control systems are effective.

Audit Committee

The AC comprises the following Independent Directors:

Heng Yeow Meng Michael	- Chairman
Chen Timothy Teck-Leng @ Chen Teck Leng	- Member
Richard Tan Kheng Swee	- Member

Qualification and Independence of Audit Committee

The Board is satisfied that the members of the AC are appropriately qualified in that they have sufficient accounting or related financial management expertise and experience to discharge their responsibilities.

The Board considers Mr Heng Yeow Meng Michael to have extensive and practical financial management knowledge and experience, well-qualified to chair the AC. The other members of the AC bring with them invaluable experience in accounting, finance and business management.

All members of the AC are independent and non-executive directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.

Authority of Audit Committee

The AC assists the Board in overseeing the adequacy of the overall internal control functions, the internal audit functions within the Group, the relationship of those functions to external audit, the scope of audit by the external auditors as well as their independence. The terms of reference of the AC stipulate that the functions of the AC include the following:

(a) review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to Management and the Management's response, the scope and results of the external audit and the independence and objectivity of the external auditors;

(b) make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors and a breakdown of the fees paid in total for audit and non-audit services respectively, or an appropriate negative statement, herein. The AC will keep the nature and extent of non-audit services under review, seeking to maintain objectivity, review the half yearly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;

(c) review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls; review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and the Management's response;

(d) ensure co-ordination between the external auditors and Management, and review the assistance given by the Management to the external auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the external auditors may wish to discuss (in the absence of the Management, where necessary);

(e) commission an annual internal controls audit that the internal controls of the Group are sufficiently robust and effective in mitigating any internal control weaknesses the Group may have. As the internal audit function is presently undertaken by an outsourced service provider, the AC will review the effectiveness of the internal audit function of the Group and ensure that it is adequately resourced and has appropriate standing within the Group. The Board shall report to the Sponsor and the SGX-ST on the basis for deciding to decommission the annual internal controls audit, as well as the measures taken to rectify key weaknesses in and/or strengthen the internal controls of the Group. Thereafter, the AC shall commission such audits as and when it deems fit for the purposes of satisfying itself that the internal controls of the Group have remained robust and effective. Upon the completion of an internal control audit, the Board shall make the appropriate disclosures via the SGXNET of any weaknesses in the Group's internal controls which may be material or of a price-sensitive nature, as well as any follow-up actions to be taken by the Board;

(f) review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;

(g) review potential conflicts of interest (if any);

(h) review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;

(i) review the policy and arrangements by which staff of the Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, and ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;

(j) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(k) review and establish procedures for receipt, retention and treatment of complaints received by the Group regarding, among others, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; and

(l) generally undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments as may be made thereto from time to time.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or Executive Officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

Meetings between Audit Committee and Auditors

The AC has met with the external auditors, Deloitte & Touche LLP and the internal auditors, Nexia TS Risk Advisory Pte. Ltd., in the absence of the Management in FY2019 to review any matters that might be raised. The AC has full access to and the co-operation of the Management. The external auditors and internal auditors have unrestricted access to the AC.

Independence of External Auditors

The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money considerations. The AC has reviewed the independence of the Company's external auditors and is satisfied with the independence and objectivity of the external auditors. The aggregate amount of fees paid to the external auditors of the Company and subsidiaries for audit services was S$176,000 (92.15%) and non-audit services was S$15,000 (7.85%) for the financial year ended 31 July 2019.

The AC has recommended to the Board the nomination of Messrs Deloitte & Touche LLP for re-appointment as auditors of the Company at the forthcoming AGM.

The Company confirms that Rules 712 and 715 of the Catalist Rules has been complied with.

Whistle-Blowing Policy

The AC has incorporated a whistle blowing policy into the Company's internal control procedures to provide a channel for staff to report in good faith and in confidence, without fear of reprisals, concerns about suspected fraud, corruption, dishonest practices or other similar matters. The objective of the policy is to ensure an independent investigation of such matters and for appropriate follow-up action, all whistle blowing reports will be addressed to the Chairman of the AC. Details of the whistle blowing policy have been made available to all employees through the staff intranet. The Company is also taking steps to publish the whistle blowing policy on the Company's website so that it is available to the public.

The AC members take measures to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements through attending training and seminars as well as receiving updates from the external auditors.

Audit Committee's Review of Financial Statements and Interested Person Transactions

The AC has also reviewed the annual audited financial statements of the Company and the Group for the financial year ended 31 July 2019 as well as the Auditors' Reports thereon. Interested person transactions of the Group in FY2019 have also been reviewed by the AC. Every member of the AC shall abstain from voting on any resolutions in respect of matters in which he is or may be interested in.

Key Audit Matters:

The Audit Committee considered a number of key matters during the financial year ended 31 July 2019 taking into account all instances the views of the Company's external auditor.

The key audit matters and how they were addressed by the Audit Committee are detailed as follows:

Significant matters considered	How the issues were addressed by the AC
Valuation of properties held for sale	The AC considered the net realisable value of the completed properties held for sale based on valuation from the independent professional valuer. The valuation process involves significant judgements to determine the appropriate valuation methodologies and adjustments to comparable property prices when using the direct comparison method. The AC reviewed the reasonableness of the assumptions used in the valuation exercise and had also held discussions with the external auditors. The AC was satisfied that the assumptions used were appropriate. The auditors have included the valuation of completed properties held for sale as a key audit matter in the auditor's report for the financial year ended 31 July 2019. This is on page 45 of the annual report.
Provisions	The AC considered the key judgement and assumptions made in management's approach to estimating the provisions for all construction projects taking into consideration management's past experiences in determining the adequacy of such provisions. The AC reviewed Management's estimation process, as well as the involvement of management personnel with suitable knowledge and experience, and was satisfied that these were appropriate. The auditors have included the accounting for construction contracts as a key audit matter in the auditor's report for the financial year ended 31 July 2019. This is on page 45 of the annual report.

Principle 13: Internal Audit

The internal audit function of the Group has been outsourced to Nexia TS Risk Advisory Pte. Ltd. to strengthen the internal audit function and promote sound risk management, including financial, operational, compliance and information technology risks and good corporate governance.

The internal auditor's primary line of reporting is to the AC Chairman although the internal auditor would also report administratively to the Group CEO and CFO.

The AC approves the hiring, removal, evaluation and compensation of the corporation to which the internal audit function is outsourced. The internal auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. The internal auditor is staffed with persons with the relevant qualifications and experience. The internal auditor carries out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The internal auditors plan their internal audit schedules in consultation with the Management and its plans are submitted to the AC for approval. The AC reviews and approves the internal audit plans and confirms that that the internal audit function is independent, effective and adequately resourced for FY2019.

None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.

4. SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights
Principle 15: Communication with Shareholders
Principle 16: Conduct of Shareholder Meetings

The Company does not practice selective disclosures. The Company communicates information, including price-sensitive information, to its shareholders and the investing community through the release of announcements via SGXNET on a timely basis. Results and annual reports are announced or issued within the mandatory periods. Such announcements include the half-year and full-year results, material transactions and other developments relating to the Group requiring disclosure under the corporate disclosure policy of the SGX-ST. The Company does not have a formal investor relations policy.

The Company's main forum for dialogue with shareholders takes place at its AGM, whereat members of the Board, Senior Management and the external auditors are in attendance. At the AGM, shareholders are given the opportunity to express their views and ask questions regarding the Group.

The Company believes in encouraging shareholder participation at its general meetings. The Company's Constitution allows a shareholder entitled to attend and vote at general meetings to appoint not more than two proxies who need not be shareholders of the Company to attend and vote in his stead. Pursuant to Section 181 of the Companies Act, a member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his/her/its stead. "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

Separate resolutions on each distinct issue are tabled at general meetings and voting on each resolution by poll is carried out systematically with proper recording of votes cast and the resolution passed.

The Chairman of the Board and Board Committees are present and available to address questions from shareholders at general meetings.

At the AGMs and other general meetings of shareholders, separate resolutions will be set out on each substantially separate issue for approval by shareholders. The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. These minutes will be available to shareholders upon their request.

Apart from the SGXNet and annual reports, the Company updates shareholders on its developments through www.sysma.com.sg.

Dividend Policy

The Company does not have a formal dividend policy. The form, frequency and amount of dividends declared each year will take into consideration the earnings, general financial condition, results of operations, capital requirements, cash flows, general business conditions and other factors as the Board may deem appropriate.

The Board has proposed a first and final dividend (one-tier tax exempt) of S$0.01 (1.0 Singapore cent) per ordinary share for FY2019 which will be subject to shareholders' approval at the forthcoming AGM.

5. DEALINGS IN SECURITIES

The Company has adopted an internal compliance code which prohibits dealings in the Securities of the Company by Directors and officers while in possession of price-sensitive information. The Company, its Directors and officers should not deal in the Company's securities on short-term considerations and are prohibited from dealing in the securities of the Company during the period beginning one month before the announcement of the half-year and full-year financial results respectively, and ending on the date of the announcement of the results.

The Company, Directors, and officers of the Group are also required to adhere to the provisions of the Securities and Futures Act, Companies Act, the Catalist Rules and any other relevant regulations with regard to their securities transactions.

Directors and officers of the Group are also expected to observe the insider-trading laws at all times even when dealing with securities within the permitted trading period.

6. MATERIAL CONTRACTS

Save for the service agreements between the Company and the Executive Directors as disclosed in this report as well as the interested person transactions, if any, disclosed in the section below, there were no material contracts entered into by the Company and/or its subsidiaries involving the interest of the Group CEO, any Director, or controlling shareholders, either still subsisting as at 31 July 2019 or if not then subsisting, entered during the period under review.

7. INTERESTED PERSONS TRANSACTIONS

The Company has established procedures to govern and ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on an arm's length basis and on normal commercial terms which will not be prejudicial to the interests of the Company and its minority shareholders.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules and there were no interested person transactions of S$100,000 or more entered into during FY2019.

8. NON-SPONSOR FEES (Rule 1204(21))

The Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. did not provide any non-sponsorship services in FY2019.

9. STATEMENT OF COMPLIANCE

The Board confirms that for FY2019 and save as expressly disclosed herein, the Company has adhered to the principles and guidelines as set out in the Code.

FINANCIAL CONTENTS

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended July 31, 2019.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company set out on pages 48 to 99 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at July 31, 2019, and financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Sin Soon Teng
Sin Ee Wuen
Ang Seng Heng
Chen Timothy Teck-Leng @ Chen Teck Leng
Heng Yeow Meng Michael
Richard Tan Kheng Swee

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES OR DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except as disclosed in paragraph 4 of the Directors' statement.

3 DIRECTORS' INTEREST IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
Name of directors and companies in which interests are held	At beginning of year	At end of year	At beginning of year	At end of year
The Company				
(Ordinary shares)				
Sin Soon Teng	-	-	166,600,000	166,600,000
Ang Seng Heng	15,400,000	15,400,000	-	-
Sin Ee Wuen	-	8,703,500	-	-
Ultimate holding company				
Xiang Investment Ltd				
(Ordinary shares)				
Sin Soon Teng	8	8	-	-

By virtue of Section 7 of the Singapore Companies Act, Mr Sin Soon Teng is deemed to have an interest in all the related corporations of the Company.

The directors' interests in the shares of the Company as at August 21, 2019 were the same as at July 31, 2019.

4 SHARE SCHEME

The Sysma Performance Share Plan (The "Share Plan")

(i) The Share Plan was approved and adopted by the shareholders of the Company at an Extraordinary General Meeting held on July 5, 2012.

(ii) The Share Plan is administered by the Awards Committee.

(iii) A participant's award under the Share Plan will be determined at the sole discretion of the Awards Committee. In considering the award to be granted to a participant, the Awards Committee may take into account, *inter alia*, the participant's performance during the relevant period, and the rank, year(s) of service and potential for future development, his contribution to the success and development of the Group and the extent of effort required to fulfill the performance conditions within the performance period of the participant.

(iv) Awards granted under the Share Plan are performance related and will typically vest only after the satisfactory completion of a further period of service beyond the performance target completion date. No minimum vesting periods are prescribed under the Share Plan, and the length of the vesting period(s) is determined on a case-by-case basis.

(v) The total number of new shares which may be issued or shares which may be delivered pursuant to award granted under the Share Plan, when added to the total number of new shares issued and issuable or existing shares delivered and deliverable in respect of:

a. all awards granted under the Share Plan; and

b. all shares, options, or awards granted under any other share scheme of the Company then in force, shall not exceed 15% of the issued capital of the Company (excluding treasury shares) on that day preceding the relevant date of award.

At the end of the reporting period, no awards have been granted under the Share Plan.

5 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

6 AUDIT COMMITTEE

The Audit Committee of the Company, consisting all non-executive directors, is chaired by Mr Heng Yeow Meng Michael, an independent director, and includes Mr Chen Timothy Teck-Leng @ Chen Teck Leng and Mr Richard Tan Kheng Swee, both independent directors. The Audit Committee has met 3 times during the year under review, and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

a) The audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

b) The Group's financial and operating results and accounting policies;

c) The financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements;

d) The semi-annual announcements as well as related press releases on the results and financial position of the Company and the Group;

e) Interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;

f) The co-operation and assistance given by the management to the Group's external auditors; and

g) The re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

7 AUDITORS

The auditors, Deloitte & Touche LLP, Singapore, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Sin Soon Teng

Ang Seng Heng

October 29, 2019

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SYSMA HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sysma Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at July 31, 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 48 to 99.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at July 31, 2019 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Valuation of properties held for sale	
The Group has properties held for sale in Singapore comprising of commercial units. These are stated at the lower of cost and their net realisable value as at July 31, 2019. Fluctuations in the market demand for such properties may continue to impact valuation of these properties. Management estimates the net realisable value based on valuations from independent professional valuer. The valuation process involves significant judgements to determine the appropriate valuation methodologies and adjustments to comparable property prices when using the direct comparison method.	We obtained the valuation report from the external professional valuer and held discussion with the valuer to: • evaluate the independence, qualifications, competence and objectivity of the external professional valuer and the scope of work of the valuer; and • consider the valuation methodologies used, the comparable properties used by the valuers and the judgemental adjustments made by the valuers for differences in property attributes between the Group's properties when using the direct comparison method. We compared the cost and estimated net realisable value of the properties held for sale to assess whether these properties are held at the lower cost and estimated net realisable value. We also evaluated the adequacy of the disclosure of significant accounting policies for valuation of properties held for sale, and their related disclosures in Note 10.
Provisions	
The Group is involved in construction projects and records provisions for such projects. Management's estimates are based on terms as set out in the letter of award or contracts or management's experience. Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Significant assumptions are required in estimating the provisions. In making these estimates, the Group relies on past experience. The carrying amount of provisions is disclosed in Note 17 to the financial statements.	We have performed procedures by obtaining the supporting documents used by management to assess the provisions made. We reviewed the basis of provisions for projects, including understanding and challenging management's assumptions and concurred with management. We have also evaluated the adequacy of the disclosure of provisions made in Note 17.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Aw Xin-Pei.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore

October 29, 2019

STATEMENTS OF FINANCIAL POSITION

July 31, 2019

	Note	Group			Company		
		July 31, 2019	July 31, 2018	August 1, 2017	July 31, 2019	July 31, 2018	August 1, 2017
		$	$ (Restated)	$ (Restated)	$	$	$
ASSETS							
Current assets							
Cash and cash equivalents	7	64,610,806	72,572,823	55,382,396	34,277,273	42,109,983	23,132,889
Trade and other receivables	8	4,822,987	2,979,678	21,823,503	7,796,484	2,258,753	28,616,899
Contract assets	9	8,389,140	8,882,297	11,906,338	-	-	-
Properties held for sale	10	3,350,000	4,458,960	43,974,450	-	-	-
Total current assets		81,172,933	88,893,758	133,086,687	42,073,757	44,368,736	51,749,788
Non-current assets							
Property, plant and equipment	11	646,961	773,955	1,154,056	-	-	-
Investments in subsidiaries	12	-	-	-	8,186,211	9,850,059	12,988,617
Investment in associate	13	1	-	-	-	-	-
Deferred tax asset	14	202,442	-	-	-	-	-
Total non-current assets		849,404	773,955	1,154,056	8,186,211	9,850,059	12,988,617
Total assets		82,022,337	89,667,713	134,240,743	50,259,968	54,218,795	64,738,405
LIABILITIES AND EQUITY							
Current liabilities							
Trade and other payables	15	16,392,478	18,065,076	27,605,859	2,852,370	10,834,104	15,144,362
Contract liabilities	16	517,107	573,072	557,369	-	-	-
Provisions	17	6,139,745	9,205,815	408,582	-	-	-
Finance leases	18	303,346	544,751	497,616	-	-	-
Bank loans	19	-	-	27,000,000	-	-	-
Income tax payable		551,245	1,566,280	2,059,068	163,013	-	25,869
Total current liabilities		23,903,921	29,954,994	58,128,494	3,015,383	10,834,104	15,170,231
Non-current liabilities							
Deferred tax liabilities	14	-	48,881	48,881	-	-	-
Finance leases	18	192,476	495,822	744,754	-	-	-
Total non-current liabilities		192,476	544,703	793,635	-	-	-

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

July 31, 2019

	Note	Group			Company		
		July 31, 2019	July 31, 2018	August 1, 2017	July 31, 2019	July 31, 2018	August 1, 2017
		$	$ (Restated)	$ (Restated)	$	$	$
Capital, reserves and non-controlling interest							
Share capital	20	45,538,251	45,538,251	45,538,251	45,538,251	45,538,251	45,538,251
Treasury shares	21	(1,120,185)	(1,120,185)	-	(1,120,185)	(1,120,185)	-
Merger reserve		(3,517,117)	(3,517,117)	(3,517,117)	-	-	-
Equity reserve		(844,016)	(844,016)	(844,016)	-	-	-
Accumulated profits (losses)		17,058,412	17,975,530	30,870,485	2,826,519	(1,033,375)	4,029,923
Equity attributable to owners of the Company		57,115,345	58,032,463	72,047,603	47,244,585	43,384,691	49,568,174
Non-controlling interest		810,595	1,135,553	3,271,011	-	-	-
Total equity		57,925,940	59,168,016	75,318,614	47,244,585	43,384,691	49,568,174
Total liabilities and equity		82,022,337	89,667,713	134,240,743	50,259,968	54,218,795	64,738,405

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended July 31, 2019

	Note	Group 2019 $	Group 2018 $ (Restated)
Revenue	22	30,328,387	74,908,084
Cost of sales		(24,531,472)	(79,202,612)
Gross profit/(loss)		5,796,915	(4,294,528)
Other income	23	2,491,717	1,905,544
Other operating expenses		(2,780,595)	(4,948,677)
Administrative expenses		(3,223,136)	(3,315,569)
Finance costs	24	(24,510)	(178,435)
Share of losses of associate	13	(49)	-
Profit (Loss) before income tax	25	2,260,342	(10,831,665)
Income tax expense	26	(1,483,629)	(537,006)
Profit (Loss) for the year, representing total comprehensive income (loss) for the year		776,713	(11,368,671)
Profit (Loss) attributable to:			
Equity holders of the Company		1,101,671	(11,633,213)
Non-controlling interest		(324,958)	264,542
		776,713	(11,368,671)
Basic and diluted earnings (loss) per share (cents)	27	0.44	(4.61)

See accompanying notes to financial statements.

Year ended July 31, 2019	Share capital	Treasury shares	Merger reserve	Equity reserve	Accumulated profits	Equity attributable to owners of the Company	Non-controlling interest	Total
Group	$	$	$	$	$	$	$	$
Balance at August 1, 2017	45,538,251	-	(3,517,117)	(844,016)	9,825,858	51,002,976	3,271,011	54,273,987
Effects of adoption of SFRS(I) 15 (Note 32)	-	-	-	-	21,044,627	21,044,627	-	21,044,627
Balance at August 1, 2017, restated	45,538,251	-	(3,517,117)	(844,016)	30,870,485	72,047,603	3,271,011	75,318,614
Profit (loss) for the year, representing total comprehensive income (loss) for the year	-	-	-	-	(11,633,213)	(11,633,213)	264,542	(11,368,671)
Transactions with owners, recognised directly in equity								
Purchase of treasury shares (Note 21)	-	(1,120,185)	-	-	-	(1,120,185)	-	(1,120,185)
Dividend paid (Note 30)	-	-	-	-	(1,261,742)	(1,261,742)	-	(1,261,742)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	(2,400,000)	(2,400,000)
Total	-	(1,120,185)	-	-	(1,261,742)	(2,381,927)	(2,400,000)	(4,781,927)
Balance at July 31, 2018, restated	45,538,251	(1,120,185)	(3,517,117)	(844,016)	17,975,530	58,032,463	1,135,553	59,168,016
Profit (loss) for the year, representing total comprehensive income (loss) for the year	-	-	-	-	1,101,671	1,101,671	(324,958)	776,713
Dividend paid (Note 30), representing transaction with owners, recognised directly in equity	-	-	-	-	(2,018,789)	(2,018,789)	-	(2,018,789)
Balance at July 31, 2019	45,538,251	(1,120,185)	(3,517,117)	(844,016)	17,058,412	57,115,345	810,595	57,925,940

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended July 31, 2019

Company	Share capital $	Treasury shares $	Accumulated profit (losses) $	Total $
Balance at August 1, 2017	45,538,251	-	4,029,923	49,568,174
Transactions with owners, recognised directly in equity				
Purchase of treasury shares (Note 21)	-	(1,120,185)	-	(1,120,185)
Dividend paid (Note 30)	-	-	(1,261,742)	(1,261,742)
Total	-	(1,120,185)	(1,261,742)	(2,381,927)
Loss for the year, representing total comprehensive income for the year	-	-	(3,801,556)	(3,801,556)
Balance at July 31, 2018	45,538,251	(1,120,185)	(1,033,375)	43,384,691
Dividend paid (Note 30), representing transaction with owners, recognised directly in equity	-	-	(2,018,789)	(2,018,789)
Profit for the year, representing total comprehensive income for the year	-	-	5,878,683	5,878,683
Balance at July 31, 2019	45,538,251	(1,120,185)	2,826,519	47,244,585

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended July 31, 2019

	Group	
	2019	2018
	$	$ (Restated)
Operating activities		
Profit (loss) before tax	2,260,342	(10,831,665)
Adjustments for:		
Depreciation of property, plant and equipment	420,049	790,775
(Reversal) additional provisions	(3,005,819)	8,797,233
Finance costs	24,510	178,435
Interest income	(1,391,737)	(686,927)
Loss allowance	-	321,821
Write back of loss allowance	-	(463,410)
Write-down of properties held for sale to net realisable value	118,728	-
Property, plant and equipment written off	-	6,862
Share of losses of associate	49	-
Loss (gain) on disposal of property, plant and equipment	369	(87,006)
Operating cash flow before movements in working capital changes	(1,573,509)	(1,973,882)
Trade and other receivables	93,502	19,165,113
Contract assets	493,157	3,024,041
Properties held for sale	990,232	39,705,785
Trade and other payables	(1,732,849)	(9,540,783)
Contract liabilities	(55,965)	15,703
Cash (used in) generated from operations	(1,785,432)	50,395,977
Income tax paid	(2,749,987)	(1,029,794)
Net cash (used in) generated from operating activities	(4,535,419)	49,366,183
Investing activities		
Interest received	1,205,119	507,228
Proceeds from disposal of property, plant and equipment	-	93,290
Purchase of property, plant and equipment (Note A)	(293,424)	(112,714)
Bond receivable from associate	(1,750,193)	-
Investment in associate	(50)	-
Net cash (used in) generated from investing activities	(838,548)	487,804

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended July 31, 2019

	Group	
	2019	2018
	$	$ (Restated)
Financing activities		
Repayment of bank borrowings	-	(27,000,000)
Purchase of treasury shares	-	(1,120,185)
Repayment of finance leases	(544,751)	(512,903)
Dividends paid	(2,018,789)	(1,261,742)
Dividends paid to non-controlling interest of a subsidiary	-	(2,400,000)
Interest paid	(24,510)	(368,730)
Decrease (increase) in pledged deposits	3,948	(1,864)
Net cash used in financing activities	(2,584,102)	(32,665,424)
Net (decrease) increase in cash and cash equivalents	(7,958,069)	17,188,563
Cash and cash equivalents at beginning of year	71,576,233	54,387,670
Cash and cash equivalents at end of year	63,618,164	71,576,233

Note A:

During the year, the Group acquired property, plant and equipment with an aggregate cost of $293,424 (2018: $423,820) of which $Nil (2018: $311,106) were acquired by means of finance leases.

Reconciliation of liabilities arising from financing activities

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the company's statement of cash flows as cash flows from financing activities.

Group	Finance leases (Note 18)	Bank borrowings (Note 19)
	$	$
At August 1, 2017	1,242,370	27,000,000
Financing cash flow	(512,903)	(27,000,000)
Interest paid	(34,505)	(334,225)
Non-cash changes		
- New finance leases	311,106	-
- Accrued interest	34,505	334,225
At July 31, 2018	1,040,573	-
Financing cash flow	(544,751)	-
Interest paid	(24,510)	-
Non-cash changes		
- Accrued interest	24,510	-
At July 31, 2019	495,822	-

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration Number 201207614H) is incorporated in Singapore with its principal place of business and registered office at Block 2 Balestier Road, #03-669 Balestier Hill Shopping Centre, Singapore 320002. The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") on August 3, 2012. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended July 31, 2019 were authorised for issue by the Board of Directors on October 29, 2019.

For all periods up to and including the year ended July 31, 2018, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("FRSs"). These financial statements for the year ended July 31, 2019 are the first set that the Group and the Company have prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). Details of first-time adoption of SFRS(I) are included in Note 32.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards International ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 1-17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interest in a subsidiary that do not result in Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in the profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets (Before August 1, 2018)

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Trade and other receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been impacted.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as disclosed in Note 8, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivable where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownerships of a transferred financial asset, the Group continues to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

Financial assets (From August 1, 2018)

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised in profit or loss and is included in the "Other income" line item.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, as well as other publicly available financial information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business regulatory, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and

- an actual or expected significant deterioration in the operating results of the debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 45 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group also considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition; financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full without recourse by the Group to actions such as realising retention held (if any).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 360 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower; or
- a breach of contract, such as a default or past due event; or
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date. For financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with SFRS(I) 1-17 *Leases.*

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors;
- Nature of collaterals for finance lease receivables; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

PROPERTIES HELD FOR SALE - Properties held for sale are completed property projects held for sale in the ordinary course of business. They are stated at lower of cost or net realisable value. Cost is determined by the total land cost, directly identifiable development costs and capitalised borrowing costs. Net realisable value is determined by reference to estimated selling process of properties sold in the ordinary course of business less all estimated selling expenses; or it is estimated by management in the absence of comparable transactions after taking into consideration prevailing market conditions.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rentals are recognised as expenses in the period in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over the estimated useful lives of the assets using the straight-line method, on the following bases:

Furniture and fittings	5 years
Office equipment	5 years
Works vehicles	4 years
Machinery	3 years
Leasehold properties and building improvements	2 to 27 years (over the remaining lease terms)

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimates accounted for on a prospective basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated assets are retained in the book of accounts until they are no longer in use.

IMPAIRMENT OF TANGIBLE ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

ASSOCIATE - An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. Any goodwill representing the excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the investee at date of acquisition is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 9 *Financial Instruments* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. The carrying amount of the investment is reduced by the amount of impairment loss. Impairment loss is reversed to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the sum of fair value of any retained interest and any proceeds from disposing of a part interest in the associate, is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income, relating to that reduction in ownership interest, if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

MERGER RESERVE - Merger reserve represents the difference between the nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Group and the nominal amount of the share capital issued as consideration for the acquisition.

EQUITY RESERVE - Equity reserve arises from acquiring non-controlling interests from subsidiary without involving a change in control. The negative balance in the equity reserve represents the net excess of purchase consideration over the carrying amount of non-controlling interests acquired in the subsidiary at the date of acquisition.

TREASURY SHARES - If an entity reacquires its own equity instruments, those instruments ('treasury shares') shall be deducted from equity. No gain or loss shall be recognised in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. Such treasury shares may be acquired and held by the entity or by other members of the consolidated Group. Consideration paid or received shall be recognised directly in equity.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The Group recognises revenue when it transfers control of a product or service to a customer.

Construction contracts

Revenue is recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion of contract value of work performed to date certified by independent architects relative to the estimated total contract value. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Sale of properties held for sale

Revenue from sale of completed properties is recognised when control of the property has been transferred to the purchaser, at a point in time, through the transfer of legal title.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively) or where they arise from the initial accounting for a business combination.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency of the consolidated financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand, cash at bank and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has not made any judgements that will have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations as discussed below.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

<u>Valuation of properties held for sale</u>

The properties held for sale are held at the lower of the cost and net realisable value. The net realisable value is determined based on assessment by an independent professional valuer. The valuation process involves significant judgements to determine the appropriate valuation methodologies and adjustments to comparable property prices when using the direct comparison method.

The carrying amounts of the properties held for sale are disclosed in Note 10 to the financial statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Provisions

The Group is involved in construction projects and records provisions for projects. Management's estimates are based on terms as set out in the letter of award or contracts or management's experience. Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Significant assumptions are required in estimating the provisions. In making these estimates, the Group relies on past experience. The carrying amount of provisions is disclosed in Note 17 to the financial statements.

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amount of trade and other receivables is disclosed in Note 8 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

a) Categories of financial instruments

	Group			Company		
	July 31, 2019	July 31, 2018	August 1, 2017	July 31, 2019	July 31, 2018	August 1, 2017
	$	$ (Restated)	$ (Restated)	$	$	$
Financial assets						
Financial assets at amortised cost	69,255,251	76,650,629	79,951,380	42,062,959	44,368,736	51,749,788
Financial liabilities						
Payables, at amortised cost	16,888,300	19,105,649	53,730,946	2,852,370	10,834,104	15,144,362

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

b) *Financial instruments subject to offsetting, enforceable matter netting arrangements and similar agreements*

Company

Financial assets

Type of financial asset	(a) Gross amounts of recognised financial assets	(b) Gross amounts of recognised financial liabilities set off in the statement of financial position	(c) = (a) - (b) Net amounts of financial assets presented in the statement of financial position
	$	$	$
Trade and other receivables			
- as at July 31, 2019	15,696,389	(7,899,905)	7,796,484
- as at July 31, 2018	5,284,576	(3,025,823)	2,258,753

Financial liabilities

Type of financial liability	(a) Gross amounts of recognised financial liabilities	(b) Gross amounts of recognised financial liabilities set off in the statement of financial position	(c) = (a) - (b) Net amounts of financial assets presented in the statement of financial position
	$	$	$
Trade and other payables			
- as at July 31, 2019	10,752,275	(7,899,905)	2,852,370
- as at July 31, 2018	13,859,927	(3,025,823)	10,834,104

In reconciling the 'Net amounts of financial assets and financial liabilities presented in the statement of financial position' to the line item amounts presented in the statement of financial position, the above amounts represent only those which are subject to offsetting, enforceable master netting arrangements and similar agreements. The residual amounts relate to those that are not in scope of the offsetting disclosures.

c) *Financial risk management policies and objectives*

The Group is exposed to a variety of financial risk comprising market risk (including foreign exchange risk, interest rate risk), credit risk and liquidity risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

c) Financial risk management policies and objectives (cont'd)

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group operates principally in Singapore dollars. Foreign currency exchange rate risk derived mainly from fixed deposits denominated in United States dollars and a bond receivable denominated in Pound sterling.

At the reporting date, the carrying amounts of monetary assets denominated in US dollars and Pound sterling, the principal non-functional currencies are as follows:

	Group			Company		
	July 31, 2019	July 31, 2018	August 1, 2017	July 31, 2019	July 31, 2018	August 1, 2017
	$	$	$	$	$	$
US dollar	15,080,750	10,800,000	10,800,000	7,983,872	5,700,000	5,700,000
Pound sterling	1,817,803	-	-	-	-	-

The sensitivity rate used when reporting foreign currency risk to key management personnel is 5%, which is the change in foreign exchange rate that management deems reasonably possible that will affect outstanding foreign currency denominated monetary items at year end.

If the US dollars were to weaken/strengthen by 5% against the Singapore dollar, Group's profit before tax will decrease/increase by $754,037 (2018: loss before tax will increase/decrease by $540,000) and the Company's profit before tax will decrease/increase by $399,194 (2018: loss before tax will increase/decrease by $285,000).

If the Pound sterling were to weaken/strengthen by 5% against the Singapore dollar, Group's profit before tax will decrease/increase by $90,890 (2018: $Nil) and the Company's loss before tax will decrease/increase by $Nil (2018: $Nil).

(ii) Interest rate risk management

Summary quantitative data of the Group's interest-bearing financial instruments can be found in Section (v) of this Note. The Group's policy is to maintain fixed rate borrowings to reduce volatility. However, it sometimes borrows at variable rates when considered economical to do so.

Interest rate sensitivity

The primary source of the Group's interest rate risk relates to its interest bearing fixed deposit (Note 7) and finance leases (Note 18).

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on the interest-bearing financial instruments at the end of the reporting period.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

c) *Financial risk management policies and objectives (cont'd)*

(iii) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group.

As at July 31, 2019 and July 31, 2018, the carrying amounts of financial assets and contract assets as stated in the statements of financial position and the exposure to calls on corporate guarantees below, represents the Group's and Company's maximum exposure to credit risk without taking into account the value of any collateral which can reduce the exposure.

To measure the exposures to credit risk, trade receivables and contract assets have been grouped based on characteristics and the days past due derived from the Group's own trading records. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group uses its trading records to rate its major customers and other debtors.

The tables below detail the credit quality of the Group's and Company's financial assets as well as maximum exposure to credit risk:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Trade receivables and contract assets: lifetime ECL - not credit impaired Other receivables: 12-month ECL
Doubtful	Amount is >45 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >360 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

Further details on the credit quality and maximum exposure to credit risk of the Group's and Company's financial assets are detailed in Notes 8 and 9.

Cash and cash equivalents held with reputable financial institutions are subject to immaterial credit loss.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

c) *Financial risk management policies and objectives (cont'd)*

(iv) Credit risk management

The Group has concentration of credit risk relating to cash and cash equivalents that constitutes approximately 92% (2018: 95%) of the financial assets of the Group that is held with 9 (2018: 3) financial institutions. The Group's principal financial assets are cash and cash equivalents, pledged bank deposits and trade and other receivables.

Bank balances and fixed deposits are held with reputable financial institutions.

The Group carries out construction work for private sectors. Credit risks are taken into consideration in the decision to participate in tenders for construction contracts.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(v) Liquidity risk management

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due. The Group finances its liquidity through internally generated cash flows and bank loans. All bank borrowings are repayable within the next 12 months from the end of the reporting period. The Group has performance guarantees to third parties (Note 6). Management is of the view that the Group has sufficient funds to meet all its potential liabilities as they fall due.

Liquidity risk analysis

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	More than 5 years	Adjustment	Total
	%	$	$	$	$	$
Group						
July 31, 2019						
Non-interest bearing	-	16,392,478	-	-	-	16,392,478
Fixed interest rate instruments	3.22	313,740	200,552	-	(18,470)	495,822
		16,706,218	200,552	-	(18,470)	16,888,300

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

c) *Financial risk management policies and objectives (cont'd)*

(v) Liquidity risk management (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	More than 5 years	Adjustment	Total
	%	$	$	$	$	$
Group						
July 31, 2018						
Non-interest bearing	-	18,065,076	-	-	-	18,065,076
Fixed interest rate instruments	3.18	569,261	514,292	-	(42,980)	1,040,573
		18,634,337	514,292	-	(42,980)	19,105,649
August 1, 2017						
Non-interest bearing	-	25,488,576	-	-	-	25,488,576
Fixed interest rate instruments	3.17	529,487	764,157	-	(51,274)	1,242,370
Variable interest rate instruments	2.71	27,306,713	-	-	(306,713)	27,000,000
		53,324,776	764,157	-	(357,987)	53,730,946

All financial assets of the Group as at July 31, 2019 and 2018 and August 1, 2017 are repayable on demand or current. All financial assets and liabilities of the Company as at July 31, 2019 and 2018 and August 1, 2017 are repayable on demand or current.

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, pledged bank deposits, trade and other receivables and payables approximate their respective fair values, either due to their relatively short term maturity or that they are floating rate instruments that are re-priced to market interest rates on or near the end of reporting period.

The fair values of the other financial assets and liabilities are disclosed in the respective notes to the financial statements.

d) *Capital management policies and objectives*

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of equity balance. The Group's overall strategy remains unchanged from the previous financial year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued capital and accumulated profits.

The Group reviews the capital structure on an annual basis. The Group is not subject to any externally imposed capital requirements.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of Xiang Investment Ltd, incorporated in British Virgin Islands, which is also the Company's ultimate holding company. The ultimate controlling party is Mr Sin Soon Teng whose interest in the Company is held through his shareholdings in Xiang Investment Ltd.

Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the Group's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free, repayable on demand and are to be settled in cash.

6 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

As at July 31, 2019, the directors provided performance guarantees of $2,273,250 (2018: $2,273,250) to third parties in relation to the Group's performance obligations.

During the year, the Group entered into the following significant transactions with related parties:

	2019	2018
	$	$
Revenue earned relating to a construction contract from a director of a subsidiary	2,694,369	2,253,974

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2019	2018
	$	$
Short-term benefits	2,444,531	2,864,809
Post-employment benefits	83,045	96,269
	2,527,576	2,961,078

7 CASH AND CASH EQUIVALENTS

	Group			Company		
	July 31, 2019	July 31, 2018	August 1, 2017	July 31, 2019	July 31, 2018	August 1, 2017
	$	$	$	$	$	$
Cash on hand	5,004	3,273	14,904	-	-	-
Cash at bank	11,582,552	10,605,253	11,666,393	4,943,542	1,749,034	2,898,331
Fixed deposits	53,023,250	61,964,297	43,701,099	29,333,730	40,360,949	20,234,558
	64,610,806	72,572,823	55,382,396	34,277,272	42,109,983	23,132,889
Less: Pledged bank deposits	(992,642)	(996,590)	(994,726)	-	-	-
Cash and cash equivalents in the consolidated statement of cash flows	63,618,164	71,576,233	54,387,670	34,277,272	42,109,983	23,132,889

Cash and cash equivalents comprise cash held by the Group and short-term unpledged bank deposits with an original maturity of twelve months or less and an average interest rate of 2.52% (July 31, 2018: 1.98%; August 1, 2017: 1.21%) per annum.

Pledged bank deposits have an original maturity of twelve months or less, an average interest rate of 1.27% (July 31, 2018: 1.06%; August 1, 2017: 0.90%) per annum and are pledged against banking facilities.

In 2017, the cash and cash equivalents of the Group includes an amount of $1,959,575 held under the Housing Developers (Project Account) Rules, withdrawals from which are restricted to payments for expenditure incurred on the property projects (Note 10).

8 TRADE AND OTHER RECEIVABLES

	Group			Company		
	July 31, 2019	July 31, 2018	August 1, 2017	July 31, 2019	July 31, 2018	August 1, 2017
	$	$ (Restated)	$ (Restated)	$	$	$
Trade receivables from third parties	2,424,908	2,643,570	18,814,990	-	-	-
Less: Loss allowance	(321,821)	(321,821)	(463,410)	-	-	-
	2,103,087	2,321,749	18,351,580	-	-	
Other receivables from third parties	437,187	302,683	3,115,220	140,210	111,790	38,454
Other receivables from subsidiaries (Note 5)	-	-	-	7,645,477	2,146,963	28,578,445
Bond receivable from associate	1,817,803	-	-	-	-	-
Tender deposits	142,177	193,378	111,413	-	-	-
Deposits	204,873	65,973	85,081	-	-	-
Prepayments	117,860	95,895	160,209	10,797	-	-
	4,822,987	2,979,678	21,823,503	7,796,484	2,258,753	28,616,899

8 TRADE AND OTHER RECEIVABLES (cont'd)

The average credit period is 45 days (July 31, 2018: 45 days; August 1, 2017: 45 days). No interest is charged on the outstanding balance. Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor. The Company has recognised a loss allowance of 100% against all receivables over 1 year past due because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. None of the trade receivables that have been written off is subject to enforcement activities.

Bond receivable from associate has maturity date of twelve months with a fixed interest rate of 10% (July 31, 2018: Nil%; August 1, 2017: Nil%).

The following table details the risk profile of trade receivables and contract assets based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns from individual and collective assessment, the provision for loss allowance based on past due status is not further distinguished individually and collectively.

July 31, 2019	Expected weighted credit loss rate	Estimated total gross carrying amount at default	Lifetime ECL	Total
	%	$	$	$
Current (not past due)	*	10,401,344	-	10,401,344
1 to 90 days past due	*	44,916	-	44,916
91 to 180 days past due	*	45,967	-	45,967
181 to 360 days past due	*	-	-	-
More than 360 days past due	100	321,821	(321,821)	-
		10,814,048	(321,821)	10,492,227

* The weighted credit loss rate is assessed as negligible.

For trade receivables and contract assets (Note 9), the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

In determining the ECL, the Group has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

For the purpose of impairment assessment, other receivables including bond receivable from associate are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

8 TRADE AND OTHER RECEIVABLES (cont'd)

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

Based on the Group's historical credit loss experience with the relevant counterparties, as well as available forward-looking information, the Group has assessed the expected credit loss rate on other receivables to be insignificant.

Previous accounting policy for impairment of trade receivables

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date and the past collection history of each customer.

The table below is an analysis of trade receivables as at the end of each reporting period:

	Group	
	2018	2017
	$	$
Not past due and not impaired [i]	1,678,788	16,612,211
Past due but not impaired		
- 2 months to 6 months	234,283	1,283,467
- 6 months to 12 months	393,682	-
- > 12 months	14,996	455,902
	2,321,749	18,351,580
Impaired receivables - individually assessed [ii]	321,821	463,410
Less: Allowance for doubtful debts	(321,821)	(463,410)
	2,321,749	18,351,580

[i] There has not been a significant change in credit quality of these trade receivables that are not past due and not impaired.

[ii] These amounts are stated before any deduction for impairment losses.

Movements in allowance for doubtful debts:

	Group	
	2018	2017
	$	$
At the beginning of the year	463,410	203,316
Amount written-off during the year	-	(46,729)
Allowance made during the year	321,821	358,099
Amount recovered during the year	(463,410)	(51,276)
At end of year	321,821	463,410

9 CONTRACT ASSETS

	Group		
	July 31, 2019	July 31, 2018	August 1, 2017
	$	$ (Restated)	$ (Restated)
Retention monies on contract work	6,015,998	6,068,145	8,242,024
Unbillled receivables	2,373,142	2,814,152	3,664,314
	8,389,140	8,882,297	11,906,338

Unbilled receivables are balances owe by customers under construction contracts that arise for work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. Retention sums are classified as current as they are expected to be received within the Group's normal operating cycle.

Management always estimates the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry. None of the contract assets at the end of the reporting period is past due and no loss allowance is recognised as the credit loss rate is assessed as negligible.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

10 PROPERTIES HELD FOR SALE

	Group		
	July 31, 2019	July 31, 2018	August 1, 2017
	$	$ (Restated)	$ (Restated)
Properties held for sale	3,350,000	4,458,960	43,974,450

In 2019, there was a write-down of properties held for sale to net realisable value amounting to $118,728 as a result of a decrease in value (2018: $Nil; 2017: reversal of $4,267,780 as a result of increase in value).

The properties held for sale were mortgaged to bank as security for bank borrowings obtained by the Group (Note 19) in 2017.

10 PROPERTIES HELD FOR SALE (cont'd)

Particulars of the properties held for sales, wholly owned by the Group as at July 31, 2019, July 31, 2018 and August 1, 2017 are as follows:

Description	Location	Tenure	Site area (square meter)	Gross floor area (square meter)	TOP date
Residential-cum-Commercial Development (28 RC Suites)	Race Course Lane, Singapore	Freehold	710	2,690	November 17, 2016
Residential Development (Charlton 18) (79&81 Semi-detached at Charlton Lane)	Charlton Lane/ Upper Serangoon Road, Singapore	Freehold	3,114	Nil (July 31, 2018 : Nil; August 1, 2017 : 4,384)	Terraces: August 1, 2016 Semi-detached Houses: August 17, 2015
Residential Development (8M Residences at Margate Road)	8 Margate Road, Singapore	Freehold	2,230	Nil (July 31, 2018 : Nil; August 1, 2017 : 5,025)	April 13, 2016

11 PROPERTY, PLANT AND EQUIPMENT

Group	Furniture and fittings	Office equipment	Works vehicles	Machinery	Leasehold properties and building improvements	Total
	$	$	$	$	$	$
Cost:						
At August 1, 2017	214,461	361,585	2,443,049	2,344,530	1,192,300	6,555,925
Additions	855	3,700	419,265	-	-	423,820
Write-off	(8,180)	-	-	-	-	(8,180)
Disposals	(105)	(6,800)	(501,837)	-	-	(508,742)
At July 31, 2018	207,031	358,485	2,360,477	2,344,530	1,192,300	6,462,823
Additions	1,350	278,974	-	13,100	-	293,424
Disposals	(700)	(26,887)	-	(32,000)	-	(59,587)
At July 31, 2019	207,681	610,572	2,360,477	2,325,630	1,192,300	6,696,660
Accumulated depreciation:						
At August 1, 2017	98,792	233,063	1,776,540	2,101,174	1,192,300	5,401,869
Depreciation	33,235	51,413	496,237	209,890	-	790,775
Eliminated on write-off	(1,318)	-	-	-	-	(1,318)
Eliminated on disposals	(105)	(6,800)	(495,553)	-	-	(502,458)
At July 31, 2018	130,604	277,676	1,777,224	2,311,064	1,192,300	5,688,868
Depreciation	26,890	68,521	296,061	28,577	-	420,049
Eliminated on disposals	(700)	(26,518)	-	(32,000)	-	(59,218)
At July 31, 2019	156,794	319,679	2,073,285	2,307,641	1,192,300	6,049,699
Carrying amount:						
At July 31, 2019	50,887	290,893	287,192	17,989	-	646,961
At July 31, 2018	76,427	80,809	583,253	33,466	-	773,955
At August 1, 2017	115,669	128,522	666,509	243,356	-	1,154,056

The carrying amount of the Group's property, plant and equipment includes an amount of $292,356 (July 31, 2018: $602,987; August 1, 2017: $873,024) secured in respect of assets held under finance leases (Note 18).

12 INVESTMENTS IN SUBSIDIARIES

	Company		
	July 31, 2019	July 31, 2018	August 1, 2017
	$	$	$
Unquoted equity shares, at cost	16,977,119	16,977,119	16,977,119
Deemed capital investment	1,800,000	1,800,000	1,800,000
Impairment loss	(10,590,908)	(8,927,060)	(5,788,502)
	8,186,211	9,850,059	12,988,617

Management is of the view that the amount due from a subsidiary of $1,800,000 represents deemed capital investment in a subsidiary as there is no contractual obligation for repayment by the subsidiary.

Movement in the impairment loss:

	Company		
	July 31, 2019	July 31, 2018	August 1, 2017
	$	$	$
At beginning of year	8,927,060	5,788,502	5,379,008
Allowance made during the year	1,663,848	3,138,558	409,494
At end of year	10,590,908	8,927,060	5,788,502

Management assess annually whether the investment in subsidiaries show any indication of impairment in accordance with the accounting policy. If such indication exists, the management estimates the recoverable amount based on the higher of fair value less costs to sell and value in use.

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held			Principal activity
		July 31, 2019	July 31, 2018	August 1, 2017	
		%	%	%	
Held by the Company					
Sysma Construction Pte. Ltd. (1)	Singapore	100	100	100	Building and construction services
Sysma Land Pte. Ltd. (1)	Singapore	100	100	100	Investment holding
Sysma Properties Pte. Ltd. (1)	Singapore	100	100	100	Property development
De Paradiso Development Pte. Ltd. (1)	Singapore	100	100	100	Property development
Gcap Properties Pte. Ltd. (1)	Singapore	60	60	60	Property development
Sysma Capital Pte. Ltd. (1)	Singapore	100	100	100	Investment holding

12 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held			Principal activity
		July 31, 2019	July 31, 2018	August 1, 2017	
		%	%	%	
Held by Sysma Construction Pte. Ltd.					
Goodtrade Holdings Pte. Ltd. (1)	Singapore	100	100	100	Investment holding
North Shore Investments Pte. Ltd. (1)	Singapore	100	100	100	Investment holding
Held by Sysma Capital Pte. Ltd.					
East Development Pte. Ltd. (1)	Singapore	100	100	100	Investment holding
Sysma Capital One Pte. Ltd. (f.k.a Coastline Pte. Ltd). (1)	Singapore	100	100	100	Investment holding

Note

(1) Audited by Deloitte & Touche LLP, Singapore.

Information about the composition of the Group at the end of the financial year as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned Subsidiaries		
		July 31, 2019	July 31, 2018	August 1, 2017
Investment holding	Singapore	6	6	6
Building and construction services	Singapore	1	1	1
Property development	Singapore	2	2	2
		9	9	9

Details of non wholly-owned subsidiary that has material non-controlling interests to the Group are disclosed below:

Name of subsidiary	Pace of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interest			(Loss) Profit attributable to non-controlling interest			Accumulated non-controlling interest		
		July 31, 2019	July 31, 2018	August 1, 2017	July 31, 2019	July 31, 2018	August 1, 2017	July 31, 2019	July 31, 2018	August 1, 2017
		%	%	%	$	$	$	$	$	$
Gcap Properties Pte. Ltd.	Singapore	40	40	40	(324,958)	264,542	(443,882)	810,595	1,135,553	3,271,011

12 INVESTMENTS IN SUBSIDIARIES (cont'd)

Summarised financial information in respect of subsidiary that has material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Gcap Properties Pte. Ltd.		
	July 31, 2019	July 31, 2018	August 1, 2017
	$	$	$
Current assets	1,369,517	2,208,061	9,246,120
Current liabilities	(12,000)	(38,148)	(1,737,562)
Total equity	1,357,517	2,169,913	7,508,558
Equity attributable to:			
Owner of the company	814,510	1,301,948	4,505,135
Non-controlling interest	543,007	867,965	3,003,423
Revenue	-	56,000	20,205,064
(Loss) Profit for the year, representing total comprehensive (loss) income for the year	(812,396)	661,355	(1,109,706)
Total comprehensive (loss) income attributable to:			
Owner of the company	(487,438)	396,813	(665,824)
Non-controlling interest	(324,958)	264,542	(443,882)
Dividend paid to non-controlling interest of a subsidiary	-	(2,400,000)	-
Net cash inflow (outflow) from:			
Operating activities	(838,544)	6,516,008	21,983,004
Financing activities	-	(6,000,000)	(10,053,243)
Net cash (outflow) inflow	(838,544)	516,008	11,929,761

13 INVESTMENT IN ASSOCIATE

	Group
	July 31, 2019
	$
Cost of investment in associate	50
Share of post-acquisition losses	(49)
	1

Details of the Group's associate at July 31, 2019 are as follows:

Name of associate	Country of incorporation (or residence)	Proportion of ownership interest and voting power held	Principal activity
Lascelles Park Limited.	England	30%	Property development

14 DEFERRED TAX

	Group		
	July 31, 2019	July 31, 2018	August 1, 2017
	$	$	$
Deferred tax assets	202,442	-	-
Deferred tax liabilities	-	(48,881)	(48,881)
	202,442	(48,881)	(48,881)

The following are the major deferred tax assets and liabilities by the Group and movement thereon during the year:

	Provisions	Accelerated tax depreciation	Total
	$	$	$
Group			
At August 1, 2017 and July 31, 2018	-	(48,881)	(48,881)
Credit to profit or loss (Note 26)	202,442	48,881	251,323
At July 31, 2019	202,442	-	202,442

15 TRADE AND OTHER PAYABLES

	Group			Company		
	July 31, 2019	July 31, 2018	August 1, 2017	July 31, 2019	July 31, 2018	August 1, 2017
	$	$ (Restated)	$ (Restated)	$	$	$
Trade payables to third parties	13,866,814	15,064,008	19,300,094	-	-	-
Other payables to subsidiaries (Note 5)	-	-	-	2,155,971	10,055,876	13,081,700
Other payables to third parties	394,819	260,505	422,120	88,753	204,148	325,033
Deposits received from tenants	65,490	124,367	134,494	-	-	-
Deferred revenue	-	-	2,117,283	-	-	-
Accruals for operating expenditure	2,065,355	2,616,196	5,631,868	607,646	574,080	1,737,629
	16,392,478	18,065,076	27,605,859	2,852,370	10,834,104	15,144,362

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and sub-contractor costs. Deferred revenue relates to payments received from customers who signed the option to purchase.

The average credit period on purchases of goods is 60 days (2018: 60 days; 2017: 60 days). No interest is charged on the outstanding balance.

16 CONTRACT LIABILITIES

	Group		
	July 31, 2019	July 31, 2018	August 1, 2017
	$	$ (Restated)	$ (Restated)
Amounts received in advance	20,107	76,072	60,369
Provision for liquidated damages	497,000	497,000	497,000
	517,107	573,072	557,369

There were no significant changes in the contract liability balances during the reporting period.

17 PROVISIONS

The provision for defective works and warranty represents management's best estimate of the cost of work to be carried out for construction contracts based on the past experience and assessment for each project.

Movement for provision for defective works and warranty of the Group during the year are as follows:

	Group		
	July 31, 2019	July 31, 2018	August 1, 2017
	$	$	$
At beginning of year	9,205,815	408,582	487,062
(Reversal) allowance made during the year	(3,005,819)	8,797,233	(78,480)
Utilisation during the year	(60,251)	-	-
At end of year	6,139,745	9,205,815	408,582

18 FINANCE LEASES

	Group					
	Minimum lease payments			Present value of minimum lease payments		
	July 31, 2019	July 31, 2018	August 1, 2017	July 31, 2019	July 31, 2018	August 1, 2017
	$	$	$	$	$	$
Amounts payable under finance leases:						
Current	313,740	569,261	529,487	303,346	544,751	497,616
Non-current	200,552	514,292	764,157	192,476	495,822	744,754
	514,292	1,083,553	1,293,644	495,822	1,040,573	1,242,370
Less: Future finance charges	(18,470)	(42,980)	(51,274)			
Present value of lease obligations	495,822	1,040,573	1,242,370			
Less: Amount due for settlement within 12 months (shown under current liabilities)				(303,346)	(544,751)	(497,616)
Amount due for settlement after 12 months				192,476	495,822	744,754

The average lease term is 5 years. The average effective interest rate is 3.22% (2018: 3.18%; 2017: 3.17%) per annum. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. The finance leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair values of the Group's lease obligations approximate their carrying amounts. The Group's obligations under finance lease are secured by the lessor's title to the leased assets (Note 11).

19 BANK BORROWINGS

	Group		
	July 31, 2019	July 31, 2018	August 1, 2017
	$	$	$
Bank loans	-	-	27,000,000

The bank loans as at August 1, 2017, which were denominated in Singapore dollars, were arranged at floating interest rates of 1.90% per annum above the bank's swap rate and are reset on a quarterly basis. The weighted average effective interest rate charged in 2018 was 2.90% to 2.98%.

19 BANK BORROWINGS (cont'd)

The bank loans were secured by:

- First legal mortgage of the properties held for sale (Note 10);
- Legal assignment of the Group's rights, title, benefits and interests in connection with any construction contracts, performance bonds, insurance policies, tenancy agreements and/or sale and purchase agreements with respect to the development properties;
- Legal assignment of the project accounts to be opened with the bank where all sales proceeds relating to the development properties shall be credited and first legal charges over all monies standing to the credit of the project accounts;
- Financial guarantee bond for $5,250,000 favouring the bank as beneficiary to be taken up with an insurance company approved by the bank;
- Corporate guarantee provided by the Company; and
- Deed of subordination of all present and future shareholder's existing and future loans and advances.

The carrying amount of the bank loan approximated its fair value as the interest rate approximated the prevailing market rate.

The bank loans were fully repaid in 2018.

20 SHARE CAPITAL

	Group and Company					
	July 31, 2019	July 31, 2018	August 1, 2017	July 31, 2019	July 31, 2018	August 1, 2017
	Number of ordinary shares			$	$	$
Issued and paid up:						
At the beginning and end of the year	261,000,000	261,000,000	261,000,000	45,538,251	45,538,251	45,538,251

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

21 TREASURY SHARES

	Group and Company					
	July 31, 2019	July 31, 2018	August 1, 2017	July 31, 2019	July 31, 2018	August 1, 2017
	Number of ordinary shares			$	$	$
At the beginning of the year	8,651,400	-	-	1,120,185	-	-
Repurchased during the year	-	8,651,400	-	-	1,120,185	-
At the end of the year	8,651,400	8,651,400	-	1,120,185	1,120,185	-

In 2018, the Company acquired 8,651,400 of its own shares through purchases on the Singapore Exchange during the year. The total amount paid to acquire the shares was $1,120,185 and has been deducted from shareholders' equity. The shares are held as 'treasury shares'.

22 REVENUE

	Group	
	2019	2018
	$	$ (Restated)
Revenue from construction contracts over time	29,098,387	32,325,932
Revenue from property development at a point in time	1,230,000	42,582,152
	30,328,387	74,908,084

Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

	2019
	$
Construction contracts	73,470,786

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amount presented above.

As permitted under SFRS(I) 1, the transaction price allocated to (partially) unsatisfied performance obligations as of July 31, 2018 is not disclosed, using the transition provisions of SFRS(I) 15.

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

Management expects that the transaction price allocated to the unsatisfied contracts as of July 31, 2019 will be recognised as revenue over the next 2 years.

23 OTHER INCOME

	Group	
	2019	2018
	$	$ (Restated)
Interest income	1,391,737	686,927
Gain on disposal of property, plant and equipment	-	87,006
Rental income	604,121	835,086
Miscellaneous income	495,859	296,525
	2,491,717	1,905,544

24 FINANCE COSTS

	Group	
	2019	2018
	$	$
Interest on bank borrowings	-	143,930
Interest on obligations under finance leases	24,510	34,505
	24,510	178,435

25 PROFIT (LOSS) BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	Group	
	2019	2018
	$	$ (Restated)
Directors' fees	146,000	146,711
Directors' remuneration	1,178,032	1,176,000
Costs of defined contribution plans included in staff costs	533,147	558,121
Staff costs (including directors' remuneration)	10,732,116	11,247,492
Statutory audit fees paid to auditors of the Company	176,000	176,000
Non-audit fee paid to auditors of the Company	15,000	-
Write-down of properties held for sale to net realisable value	118,728	-
(Write back) of provisions	(3,005,819)	8,797,233
Loss (Gain) on disposal of property, plant and equipment	369	(87,006)
Write back of loss allowance	-	(463,410)
Loss allowance	-	321,821

26 INCOME TAX EXPENSE

	Group	
	2019	2018
	$	$
Current:		
- Income tax	479,031	1,561,115
- Deferred tax (Note 14)	(251,323)	-
	227,708	1,561,115
- Under (Over) provision in prior years	1,255,921	(1,024,109)
	1,483,629	537,006

Domestic income tax is calculated at 17% (2018: 17%) of the estimated assessable income for the financial year.

26 INCOME TAX EXPENSE (cont'd)

The total charge for the year can be reconciled to the accounting profits as follows:

	Group	
	2019	2018
	$	$ (Restated)
Profit (Loss) before tax	2,260,342	(10,831,665)
Income tax expense at statutory rate of 17%	384,258	(1,841,383)
Non-allowable items	2,776,024	1,274,086
Non-taxable items	(2,814,939)	(463,631)
Under (Over) provision of current tax in prior years	1,255,921	(1,024,109)
Exempt income	(70,340)	(68,609)
Tax rebate	-	(18,063)
Utilisation of deferred tax benefits previously not recognised	(1,204,669)	-
Effects of adoption of SFRS(I) 15	918,192	2,659,395
Deferred tax benefits not recognised	100,784	-
Others	138,398	19,320
	1,483,629	537,006

As at the end of the reporting period, the Group has tax losses of approximately $287,030 (July 31, 2018: $353,276; August 1, 2017: $493,677) and deductible temporary differences of $305,814 (July 31, 2018: $7,038,828; August 1, 2017: $1,459,879), that are available for offset against future taxable profits of the companies in the Group in which the losses and deductible temporary differences arose for which no deferred tax asset is recognised due to uncertainty of recoverability. The use of these tax losses and deductible temporary differences is subject to the agreement of the tax authorities.

27 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to the owners of the Company is based on the following data:

	Group	
	2019	2018
	$	$ (Restated)
Earnings (Loss)		
Earnings (loss) for the purposes of basic and diluted earnings per share (profit (loss) for the year attributable to equity holders of the Company)	1,101,671	(11,633,213)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings (loss) per share	252,348,600	252,504,404
	cents	cents
Basic and diluted earnings (loss) per share	0.44	(4.61)

27 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (cont'd)

Basic and diluted earnings (loss) per ordinary share is calculated by dividing the profit (loss) attributable to members of Sysma Holdings Limited by the weighted average number of ordinary shares in issue, excluding treasury shares held, during the financial year.

28 OPERATING LEASE ARRANGEMENTS

The Group as lessee

	Group	
	2019	2018
	$	$
Minimum lease payments under operating leases recognised as an expense in the financial year	572,097	697,389

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2019	2018
	$	$
Within one year	514,749	419,022
In the second to fifth year inclusive	96,667	153,769
	611,416	572,791

Operating lease payments represent rentals payable by the Group for office and warehouse premises and certain office equipment. The leases are negotiated for terms between 1 to 3 years and rentals are fixed during the term of the lease.

The Group as lessor

	Group	
	2019	2018
	$	$
Rental income	604,121	835,086

29 SEGMENT INFORMATION

For the purpose of the resource allocation and assessment of segment performance, the Group's chief operating decision maker has focused on the business operating units which in turn, are segregated based on their services. This forms the basis of identifying the operating segments of the Group under SFRS (I) 8 *Operating Segments*.

Operating segments are aggregated into a single operating segment if they have similar economic characteristics. The Group's reportable segments under SFRS (I) 8 *Operating Segments* are set out below:

Building construction

General builders and construction contractors and general engineering.

Property development

Development of residential and commercial projects.

Investment holding

Investment in unquoted equity shares of subsidiaries.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment and is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible and financial assets and liabilities attributable to each segment.

All assets and liabilities are allocated to reportable segments. Assets and liabilities, if any, used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

	Building construction	Property development	Investment holding	Elimination	Group
2019	$	$	$	$	$
Revenue					
External customers	29,098,387	1,230,000	-	-	30,328,387
Inter-segment	-	3,350,000	8,100,000	(11,450,000)	-
Total revenue	29,098,387	4,580,000	8,100,000	(11,450,000)	30,328,387
Results					
Segment results:					
Profit before tax	1,215,483	359,149	5,748,223	(5,062,513)	2,260,342
Income tax expense					(1,483,629)
Profit for the year					776,713

29 SEGMENT INFORMATION (cont'd)

	Building construction	Property development	Investment holding	Group
	$	$	$	$
2019				
Assets and liabilities				
Segment assets	38,993,680	2,818,378	40,210,279	82,022,337
Segment liabilities	22,546,298	608,959	941,140	24,096,397
Other information				
Depreciation of property, plant and equipment	(420,049)	-	-	(420,049)
Write back of provisions	3,005,819	-	-	3,005,819
Finance costs	(24,510)	-	-	(24,510)
Interest income	540,906	-	850,831	1,391,737
Additions to non-current assets	293,424	-	-	293,424
Write-down of properties held to sale	-	(118,728)	-	(118,728)

	Building construction	Property development	Investment holding	Elimination	Group
	$	$	$	$	$
2018	(Restated)				(Restated)
Revenue					
External customers	32,325,932	42,582,152	-	-	74,908,084
Inter-segment	-	-	6,600,000	(6,600,000)	-
Total revenue	32,325,932	42,582,152	6,600,000	(6,600,000)	74,908,084
Results					
Segment results:					
(Loss) Profit before tax	(11,874,819)	895,338	(3,741,930)	3,889,746	(10,831,665)
Income tax expense					(537,006)
(Loss) for the year					(11,368,671)

29 SEGMENT INFORMATION (cont'd)

	Building construction	Property development	Investment holding	Group
	$ (Restated)	$ (Restated)	$	$
2018				
Assets and liabilities				
Segment assets	38,637,657	7,337,086	43,692,970	89,667,713
Segment liabilities	29,221,576	435,047	843,074	30,499,679
Other information				
Depreciation of property, plant and equipment	(790,775)	-	-	(790,775)
Loss allowance	(321,821)	-	-	(321,821)
Write back of loss allowance	463,410	-	-	463,410
Provisions	(8,797,233)	-	-	(8,797,233)
Finance costs	(34,505)	(143,930)	-	(178,435)
Interest income	342,633	983	343,311	686,927
Additions to non-current assets	423,820	-	-	423,820

Geographical information

The Group operates only in Singapore.

Information about major customer

In 2019, the Group does not have revenue from transactions with a single customer amounting to 10% or more of the Group's total revenue, and accordingly, no information on major customer is presented.

In 2018, the revenue from construction contracts to a property developer amounted to $11,017,500.

30 DIVIDENDS

On December 11, 2018, a final one-tier tax exempt dividend of 0.8 (cents) per share amounting to $2,018,789 in respect of the financial year ended July 31, 2018 was paid to shareholders.

On December 7, 2017, a final one-tier tax exempt dividend of 0.5 (cents) per share amounting to $1,261,742 in respect of the financial year ended July 31, 2017 was paid to shareholders.

31 EVENT AFTER THE REPORTING PERIOD

The Company has proposed a final one-tier tax exempt dividend of 1.0 (cents) per share amounting to $2,523,486 in respect of the financial year ended July 31, 2019. The tax-exempt dividends are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

32 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK

The Group and the Company adopted the new financial reporting framework–Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first time for financial year ended July 31, 2019 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

As a first-time adopter of SFRS(I), the Group and the Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at the end of the first SFRS(I) reporting period (July 31, 2019), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended July 31, 2019, an additional opening statement of financial position as at date of transition (August 1, 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (August 1, 2017) and as at the end of last financial period under FRS (July 31, 2018), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended July 31, 2018). Additional disclosures are made for specific transition adjustments if applicable.

There is no change to the Group's and the Company's previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the application SFRS(I) 15 *Revenue for Contracts with Customers.* There is no material adjustment arising from adoption of SFRS(I) and application of SFRS(I) 9 *Financial Instruments* other than the enhanced disclosures.

Management has elected the following transition exemptions:

- As permitted under SFRS(I) 1, the transaction price allocated to (partially) unsatisfied performance obligations as of July 31, 2018 is not disclosed using the transition provisions of SFRS(I) 15.

- Completed contracts which began and ended in the same annual reporting period in 2018 and contracts completed at August 1, 2017 are not restated

- The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on August 1, 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended July 31, 2018. At the same time, the Group is exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that the disclosures required by the SFRS(I) 7 relate to the items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 Financial Instruments: Disclosures relating to items within the scope of FRS 39 are provided for the comparative periods.

SFRS(I) 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Group has adopted the terminology used in SFRS(I) 15 to describe such balances.

32 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (cont'd)

Reconciliations of equity and total comprehensive income

The effects of initial application of SFRS(I) 15 are presented and explained below.

		As previously reported under FRS	Initial application of SFRS(I) 15	As adjusted under SFRS(I)
		$	$	$
Group				
Statement of financial position as at August 1, 2017				
Trade and other receivables	(a)	24,729,193	(2,905,690)	21,823,503
Contract assets	(b)	-	11,906,338	11,906,338
Properties held for sale	(c)	44,113,845	(139,395)	43,974,450
Trade and other payables	(d),(e)	39,849,602	(12,243,743)	27,605,859
Contract liabilities	(e),(f)	-	557,369	557,369
Provisions	(f)	905,582	(497,000)	408,582
Accumulated Profits		9,825,858	21,044,627	30,870,485
Statement of financial position as at July 31, 2018				
Trade and other receivables	(a)	4,230,213	(1,250,535)	2,979,678
Contract assets	(b)	-	8,882,297	8,882,297
Properties held for sale	(c)	4,598,355	(139,395)	4,458,960
Trade and other payables	(d),(e)	21,188,132	(3,123,056)	18,065,076
Contract liabilities	(e),(f)	-	573,072	573,072
Provisions	(f),(g)	4,564,591	4,641,224	9,205,815
Accumulated Profits		12,574,403	5,401,127	17,975,530
Statement of comprehensive income for the year ended July 31, 2018				
Cost of sales	(d)	(63,798,204)	(15,643,500)	(79,441,704)

(a) Under SFRS(I) 15, revenue recognised prior to the date on which it is invoiced to the customer is recognised as a contract asset. This balance was previously recognised as part of trade and other receivables (amounts due from contract customers) and so has been re-classified.

(b) Under SFRS(I) 15, retention receivables and unbilled receivables is recognised as a contract assets. This balance was previously recognised as part of the trade and others receivables and payables and so has been re-classified.

(c) Under SFRS(I) 15, interest expense which was previously capitalised in properties held for sale (under FRS 2 *Inventories*) is now expensed off to profit and loss.

32 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (cont'd)

(d) Under SFRS(I) 15, cost of sales is actual cost incurred. Under FRS 11, cost of sales was based on deemed percentage of completion (per architect certification) of budgeted cost and was previously recognised as part of trade payables (progress billings in excess of the Group's right to the consideration) and so has been adjusted.

(e) Under SFRS(I) 15, advances received from customers is recognised as a contract liability. This balance was previously recognised as part of trade payables and so has been reclassified.

(f) Under SFRS(I) 15, provisions for liquidated damages for ongoing projects is reclassified from provisions to contract liabilities.

(g) Under SFRS(I) 15, provisions for ongoing projects is reclassified from trade payables (amounts due to customers under construction contracts) to provisions.

The transition to SFRS(I) and initial application of SFRS(I) 9 and SFRS(I) 15 do not have a material impact on the statement of cash flows.

33 RECLASSIFICATIONS AND COMPARATIVE FIGURES (OTHER THAN ARISING FROM FIRST-TIME ADOPTION)

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been amended in the consolidated statement of profit or loss and other comprehensive income, and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

The items were reclassified as follows:

	Group			
	As previously reported	Reclassification	Initial application of SFRS(I) 15	As restated
	$	$	$	$
Revenue	75,152,065	(243,981)	-	74,908,084
Cost of sales	(63,798,204)	239,092	(15,643,500)	(79,202,612)
Other income	1,900,655	4,889	-	1,905,544

34 PRONOUNCEMENT ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, SFRS(I) 16 *Leases* pronouncement was issued and expected to have an impact to the Group and the Company in the periods of their initial application effective from annual periods beginning on or after August 1, 2019.

SFRS(I) 16 *Leases*

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

As at July 31, 2019, the Group has non-cancellable operating lease commitments as disclosed in Note 28. Certain leases will meet the definition of a lease under SFRS(I) 16 and hence, the Group will have to recognise a right-of-use asset and a corresponding lease liability in respect of all these leases unless they qualify for low value or short-term leases upon the applicability of SFRS(I) 16. The new requirement to recognise a right-of-use asset and a related liability is expected to have an impact on the amount recognised in the Group's financial statements. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Other than as disclosed above, the management anticipates that the adoption of the above SFRS (I) and amendments to SFRS (I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

STATISTICS OF SHAREHOLDINGS
As at 21 October 2019

STATISTICS OF SHAREHOLDINGS AS AT 21 OCTOBER 2019

Total Number of Issued Shares	: 261,000,000
Total Number of Issued Shares (excluding Treasury Shares)	: 252,348,600
Number of Treasury Shares	: 8,651,400
Class of Shares	: Ordinary Shares
Voting Rights	: One Vote Per Share

The Company does not have any subsidiary holdings

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 21 OCTOBER 2019

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1-99	19	5.54	262	0.00
100-1,000	31	9.04	25,033	0.01
1,001-10,000	63	18.37	404,800	0.16
10,001-1,000,000	219	63.85	27,151,705	10.76
1,000,001 and above	11	3.20	224,766,800	89.07
TOTAL	**343**	**100.00**	**252,348,600**	**100.00**

Note:
%: Based on 252,348,600 shares (excluding shares held as treasury shares) as at 21 October 2019

TWENTY LARGEST SHAREHOLDERS AS AT 21 OCTOBER 2019

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	CITIBANK NOMINEES SINGAPORE PTE LTD	172,877,600	68.51
2	ANG SENG HENG	15,400,000	6.10
3	SIN EE WUEN	8,703,500	3.45
4	LOI WIN YEN	8,500,000	3.37
5	DBS NOMINEES PTE LTD	6,873,900	2.72
6	HONG LEONG FINANCE NOMINEES PTE LTD	5,140,000	2.04
7	UOB KAY HIAN PTE LTD	1,684,600	0.67
8	OCBC SECURITIES PRIVATE LTD	1,666,600	0.66
9	LIM HOCK TAI @ GAVIN	1,533,100	0.61
10	HONG PIAN TEE	1,317,000	0.52
11	RAFFLES NOMINEES (PTE) LIMITED	1,070,500	0.42
12	TAN HAI PENG MICHEAL	1,000,000	0.40
13	WEN NANFEI	1,000,000	0.40
14	NG KOK KEONG	995,700	0.39
15	ABN AMRO CLEARING BANK N.V.	994,200	0.39
16	LIM POH LUAN	949,600	0.38
17	JAMES ALVIN LOW YIEW HOCK	917,100	0.36
18	NG SIEW KEOW	880,000	0.35
19	SOH ENG TAI	844,000	0.33
20	ONG LIANG HONG	791,000	0.31
	Total:	**233,138,400**	**92.38**

Note:
%: Based on 252,348,600 shares (excluding shares held as treasury shares) as at 21 October 2019

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 21 October 2019.

	Direct Interest		Deemed Interest		Total	
Name	Number of Shares	%*	Number of Shares	%*	Number of Shares	%*
Xiang Investment Ltd.(1)	166,600,000	66.02	-	-	166,600,000	66.02
Sin Soon Teng(1)	-	-	166,600,000	66.02	166,600,000	66.02
Ang Seng Heng	15,400,000	6.10	-	-	15,400,000	6.10

Notes:

(1) Xiang Investment Ltd. is an investment holding company incorporated in the British Virgin Islands on 2 March 2012. The shareholders of Xiang Investment Ltd. are Sin Soon Teng (89%) and Ng Lay Khim (11%). Sin Soon Teng is deemed to have a deemed interest in the Shares held by Xiang Investment Ltd. in the Company pursuant to Section 7 of the Companies Act.

* Percentages are calculated based on the issued number of shares of the Company of 252,348,600 shares (excluding treasury shares and subsidiary holdings) as at 21 October 2019.

TREASURY SHARES

Number of ordinary shares purchased and held in treasury shares as at 21 October 2019: 8,651,400

Percentage of such holding against the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings): 3.43%

PUBLIC FLOAT

As at 21 October 2019, approximately 24.23% of the issued ordinary shares of the Company was held in the hands of the public (on the basis of information available to the Company). Accordingly, the Company had complied with Rule 723 of the Rules of Catalist of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETNG

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Sysma Holdings Limited (the "**Company**") will be held at Casuarina Room, Level 1 Main Lobby, Serangoon Gardens Country Club, 22 Kensington Park Road, Singapore 557271 on Thursday, 28 November 2019 at 10:00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 July 2019 together with the Statement of Directors and the Independent Auditor's Report thereon. **Resolution 1**

2. To declare a first and final dividend tax exempt one-tier dividend of 1.0 Singapore cent per ordinary share for the financial year ended 31 July 2019. **Resolution 2**

3. To approve the payment of Directors' Fees of S$146,000 for the financial year ending 31 July 2020, to be paid quarterly in arrears. (FY2019: S$160,000) **Resolution 3**

4. To note the retirement of Mr Ang Seng Heng as a Director pursuant to Article 107 of the Company's Constitution who will not be seeking for re-election.
   [See Explanatory Note (i)]

5. To re-elect Mr Heng Yeow Meng Michael, a Director who is retiring pursuant to Article 107 of the Company's Constitution. **Resolution 4**
   [See Explanatory Note (i)]

6. To re-appoint Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications: -

7. **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE SYSMA PERFORMANCE SHARE PLAN** **Resolution 6**

   "THAT pursuant to Section 161 of the Companies Act and the provisions of the Sysma Performance Share Plan ("**PSP**"), approval be and is hereby given to the Directors of the Company Shares to allot and issue from time to time such number of issued ordinary shares in the share capital of the Company ("**Shares**") as may be required to be issued pursuant to the vesting of awards granted under the PSP, provided always that the aggregate number of additional ordinary Shares to be allotted and issued pursuant to the PSP shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time."

   [See Explanatory Note (ii)]

8. **PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE** **Resolution 7**

"THAT:

(1) for the purposes of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") and the Companies Act, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

(a) on-market purchases transacted on the Catalist through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buyback ("**Market Purchase**"); and/or

(b) off-market purchases ("**Off-Market Purchase**") effected pursuant to an equal access scheme which the Directors may impose such terms and conditions, which are consistent with the Share Buyback Mandate (as defined below), the Catalist Rules, the Companies Act and the Constitution of the Company, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(2) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(a) the date on which the next annual general meeting of the Company ("**AGM**") is held or required by law to be held;

(b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting;

(3) in this Resolution:

"**Maximum Limit**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares shall be taken to be the total number of Shares as altered. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit;

"**Relevant Period**" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, or the date the said mandate is revoked or varied by the Company in a general meeting, whichever is the earlier, after the date of this Resolution; and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last 5 Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5 Market Days period;

"**Market Day**" means a day on which the SGX-ST is open for securities trading;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

[See Explanatory Note (iii)]

AS SPECIAL RESOLUTION

9. **AUTHORITY TO ALLOT AND ISSUE SHARES** **Resolution 8**

"THAT pursuant to Section 161 of the Companies Act and subject to Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to issue and allot new shares ("**Shares**") in the capital of the Company (whether by way of rights, bonus or otherwise) and/or make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS that:

(1) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below), whether on pro-rata or non pro-rata basis;

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time such authority was conferred, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercise of share options which are outstanding or subsisting at the time such authority was conferred; and

(c) any subsequent bonus issue, consolidation or subdivision of the Shares;

and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and

(4) (unless revoked or varied by the Company in a general meeting) the authority so conferred shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (iv)]

BY ORDER OF THE BOARD

Pan Mi Keay
Company Secretary
Singapore

6 November 2019

Explanatory Notes:

(i) In accordance with Article 107 of the Constitution of the Company, Mr Ang Seng Heng retires from office as Director of the Company and will not be seeking for re-election. Accordingly, Mr Ang Seng Heng will relinquish his position as Executive Director of the Company.

Mr Heng Yeow Meng Michael, upon re-election as Director of the Company, remains as the Chairman of Audit Committee as well as a member of the Nominating Committee and Remuneration Committee. He is considered independent for the purposes of Rule 704(7) of the Catalist Rules. There are no relationships including family relationships between Mr Heng Yeow Meng Michael and the other Directors, the Company or its 5% shareholders.

Detailed information of Mr Heng Yeow Meng Michael and Mr Ang Seng Heng can be found under the "Board of Directors" and "Disclosure of Information on Director seeking re-election pursuant to Rule 720(5) of the Catalist Rules" sections in the Company's Annual Report 2019.

(ii) Ordinary Resolution 6 proposed in item 7 above, if passed, will empower the Directors of the Company to allot and issue Shares pursuant to the Sysma Performance Share Plan of up to an amount not exceeding 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the share capital of the Company from time to time. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

(iii) Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting is held or is required by law to be held, to purchase or acquire up to 10% of the issued Shares of the Company as at the date of the passing of this Resolution. Details of the proposed renewal of the Share Buyback Mandate, including the sources of funds to be used for the purchase or acquisition, the amount of financing (if any) and the illustrative financial impact on the Company's financial position, are set out in the Appendix to this Notice of Annual General Meeting.

(iv) Special Resolution 8 proposed in item 9 above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting, to allot and issue shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted) which the Directors may issue under this Resolution would not exceed 100% of the issued share capital of the Company whether on pro-rata or non pro-rata basis at the time of passing this Resolution. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

Notes:-

(1) (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

Where a member appoints more than a proxy, he shall specify the percentage of his shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and any second named proxy shall he deemed to be an alternate to the first named proxy.

(b) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(2) A proxy need not be a member of the Company.

(3) A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf.

(4) The instrument or form appointing a proxy, duly executed, must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898 not less than 48 hours before the time appointed for holding the Annual General Meeting in order for the proxy to be entitled to attend and vote at the Annual General Meeting.

(5) In the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited ("CDP") to the Company. In view of section 81SJ(4) of the SFA, a depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the CDP at least seventy-two (72) hours before the AGM. Any Shareholder who is holding his shares via the CDP but whose name is not registered with the CDP seventy-two (72) hours before the AGM will not be entitled to attend and vote at the AGM. Accordingly, even if such shareholder deposits his proxy form forty-eight (48) hours before the AGM, his proxy will not be entitled to attend and vote at the AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")

The Director is seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 November 2019 ("**AGM**") (the "**Retiring Director**").

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Retiring Director as set out in Appendix 7F to the Catalist Rules is as follows:

1) Mr Heng Yeow Meng Michael

Date of Appointment	6 July 2012
Date of last re-appointment	18 November 2016
Age	47
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Heng Yeow Meng Michael as the Independent Non-Executive was recommended by the NC, and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of Audit Committee as well as a member of the Nominating Committee and Remuneration Committee.
Professional qualifications	• Bachelor of Commerce degree from the University of Melbourne • Fellow member of the Institute of Singapore Chartered Accountants, CPA Australia, and the Chartered Institute of Management Accountants • Member of the Singapore Institute of Directors
Working experience and occupation(s) during the past 10 years	Over 20 years of experience in auditing, accounting and tax services and is currently managing partner of Heng Lee Seng LLP, a mid-sized public accounting firm that provides a range of services including audit and assurance, tax, internal audit, corporate secretarial, business services, payroll administration and other advisory services
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No

Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships Past (for the last 5 years) Present	 Corporate Health Advisors Pte Ltd Heng Lee Seng LLP – Managing Partner HLS Corporate Services Pte Ltd – Director HLS Tax Advisory Services Pte Ltd – Director HLS Risk Advisory Services Pte Ltd – Director Safe & Sound Pte Ltd – Director

a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c)	Whether there is any unsatisfied judgment against him?	No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

Disclosure applicable to the appointment of Director only	
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.

SYSMA HOLDINGS LIMITED

Company Registration No. 201207614H
(Incorporated in the Republic of Singapore)

PROXY FORM

Important

1) For investors who have used their SRS monies ("**SRS Investors**") to buy the Company's shares, this Annual Report 2019 is sent to them at the request of their SRS Approved Nominees solely FOR INFORMATION ONLY.
2) This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3) SRS Investors may attend and cast their votes at the AGM in person. SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Approved Nominees (as the case may be) to appoint the Chairman of the AGM to act as their proxy, in which case, the SRS Investors shall be precluded from attending the AGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 November 2019.

I/We ____ (Name)

____ *(NRIC No./Passport No./Company Registration No.)

of ____ (Address)

being a *member/ members of **Sysma Holdings Limited** (the "Company"), hereby appoint:-

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	**%**
Address			

and/or (delete where appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	**%**
Address			

as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at Casuarina Room, Level 1 Main Lobby, Serangoon Gardens Country Club, 22 Kensington Park Road, Singapore 557271 on Thursday, 28 November 2019 at 10:00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

**delete where appropriate*

No.	Resolutions relating to:	For	Against
ORDINARY RESOLUTIONS			
Ordinary Business			
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 July 2019, together with the Statement of Directors and the Independent Auditor's Report thereon.		
2.	To declare a first and final tax exempt one-tier dividend of Singapore cent 1.0 per ordinary share for the financial year ended 31 July 2019.		
3.	To approve the payment of Directors' Fees of S$146,000 for the financial year ending 31 July 2020, to be paid quarterly in arrears. (FY2019: S$160,000)		
4.	To re-elect Mr Heng Yeow Meng Michael as a Director under Article 107 of the Company's Constitution.		
5.	To re-appoint Messrs Deloitte & Touche LLP as Auditors and to authorise the Directors to fix their remuneration.		
Special Business			
6.	To authorise the allotment and issuance of shares under the Sysma Performance Share Plan.		
7.	To approve the proposed renewal of the Share Buyback Mandate.		
SPECIAL RESOLUTION			
8.	To authorise the allotment and issuance of shares pursuant to Section 161 of the Companies Act, Chapter 50.		

Dated this __________ day of __________________ 2019

Total no. of Shares in:	No. of Shares held
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Shareholder(s)/
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap 289) of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

   Where a member appoints more than a proxy, he shall specify the percentage of his shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and any second named proxy shall he deemed to be an alternate to the first named proxy.

   (b) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. The instrument appointing a proxy or proxies together with the letter of power of attorney, if any, under which it is signed or a duly certified copy thereof, must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 at least 48 hours before the time appointed for the Annual General Meeting.

4. A corporation which is a member may authorise by resolution of its directors or other governing body such a person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

5. Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit.

6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

7. In the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

SYSMA HOLDINGS LIMITED

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