



## **SYSMA HOLDINGS LIMITED**

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

**UNAUDITED HALF-YEAR FINANCIAL RESULTS FOR THE SIX-MONTH PERIOD  
ENDED 31 JANUARY 2019**

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**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR RESULTS**

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

	<b>Group</b>		
	<b>Six months ended</b>		
	<b>31/01/2019 Unaudited</b>	<b>31/01/2018 Unaudited (Restated*)</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Revenue</b>	16,226	59,668	(72.8)
Cost of sales	(10,678)	(58,444)	(81.7)
<b>Gross profit</b>	<b>5,548</b>	<b>1,224</b>	<b>353.3</b>
Other gain- net			
- Other income	1,109	746	48.7
Expenses			
- Other operating expenses	(1,291)	(2,109)	(38.8)
- Administrative expenses	(1,388)	(1,381)	0.5
- Finance costs	(15)	(162)	(90.7)
<b>Profit/(loss) before tax</b>	<b>3,963</b>	<b>(1,682)</b>	<b>(335.6)</b>
Income tax expense	(1,243)	(688)	80.7
<b>Profit/(loss) for the year</b>	<b>2,720</b>	<b>(2,370)</b>	<b>(214.8)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>2,720</b>	<b>(2,370)</b>	<b>(214.8)</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the company	3,046	(2,341)	(230.1)
Non-controlling interests	(326)	(29)	n.m.
	<b>2,720</b>	<b>(2,370)</b>	<b>(214.8)</b>
<b>Total comprehensive income/ (loss) attributable to:</b>			
Owners of the company	3,046	(2,341)	(230.1)
Non-controlling interests	(326)	(29)	n.m.
	<b>2,720</b>	<b>(2,370)</b>	<b>(214.8)</b>
<b>Basic and diluted earnings per share (cent)</b> <b>[Note 6]</b>	<b>1.21</b>	<b>(0.93)</b>	<b>(230.1)</b>

*n.m.: not meaningful*

\* The 2018 comparatives are restated as the Group has adopted the Singapore Financial Reporting Standard (International) 15 ("SFRS(I) 15") Revenue from contracts with Customers" with the date of initial application on 1 August 2017.

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 2019**

Profit/(loss) after tax is arrived at:	Group		
	Six months ended		
	31/01/2019 Unaudited	31/01/2018 Unaudited	Increase/ (Decrease)
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>After charging:</b>			
Depreciation of property, plant and equipment	242	413	(41.4)
Operating lease expenses	315	314	0.3
Interest expense	15	162	(90.7)
Net foreign exchange losses	116	491	(76.4)
Provision for defective works	-	2,515	n.m.
Write-off property, plant and equipment	-	7	n.m.
<b>and crediting:</b>			
Rental income	359	405	(11.4)
Interest income from fixed deposits	645	234	175.6
Net foreign exchange gain	-	50	n.m.
Write back of provision for defective works	321	-	n.m.
Write back of provision for foreseeable losses	110	710	(84.5)

*n.m.: not meaningful*

**SY SMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 2019**

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	Group			Company	
	31/01/2019 Unaudited S\$'000	31/07/2018 Restated* S\$'000	1/08/2017 Restated* S\$'000	31/01/2019 Unaudited S\$'000	31/07/2018 Audited S\$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	68,712	71,576	54,388	38,269	42,110
Pledged bank deposits	997	997	995	-	-
Properties held for sale	4,598	4,598	44,114	-	-
Trade and other receivables	4,684	2,979	21,823	2,428	2,259
Contract assets	5,887	6,068	8,242	-	-
Total current assets	84,878	86,218	129,562	40,697	44,369
<b>Non-current assets</b>					
Investment in subsidiaries	-	-	-	9,850	9,850
Property, plant and equipment	680	774	1,154	-	-
Total non-current assets	680	774	1,154	9,850	9,850
<b>Total assets</b>	<b>85,558</b>	<b>86,992</b>	<b>130,716</b>	<b>50,547</b>	<b>54,219</b>
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	16,366	18,065	27,605	5,231	10,834
Contract liabilities	8	76	60	-	-
Provisions	9,272	9,703	906	-	-
Bank Loans	-	-	27,000	-	-
Finance leases	444	545	498	-	-
Income tax payable	1,961	1,566	2,059	-	-
Total current liabilities	28,051	29,955	58,128	5,231	10,834
<b>Non-current liabilities</b>					
Deferred tax liabilities	-	49	49	-	-
Finance leases	313	496	745	-	-
Total non-current liabilities	313	545	794	-	-
<b>Capital and reserves</b>					
Share capital	45,538	45,538	45,538	45,538	45,538
Treasury shares	(1,120)	(1,120)	-	(1,120)	(1,120)
Merger reserve	(3,517)	(3,517)	(3,517)	-	-
Equity reserve	(844)	(844)	(844)	-	-
Accumulated profits	16,328	15,300	27,346	898	(1,033)
Equity attributable to owners of the Company	56,385	55,357	68,523	45,316	43,385
Non-controlling interests	809	1,135	3,271	-	-
Total equity	57,194	56,492	71,794	45,316	43,385
<b>Total liabilities and equity</b>	<b>85,558</b>	<b>86,992</b>	<b>130,716</b>	<b>50,547</b>	<b>54,219</b>

\* The 2018 comparatives are restated as the Group has adopted the Singapore Financial Reporting Standard (International) 15 ("SFRS(I) 15") Revenue from contracts with Customers" with the date of initial application on 1 August 2017.

**EXPLANTORY NOTES TO THE BALANCE SHEETS**

	1/8/2017 Restated S\$'000 [a]	31/7/2018 Restated S\$'000 [b]	1/8/2017 Audited S\$'000 [c]	31/7/2018 Audited S\$'000 [d]	1/8/2017 Variance S\$'000 [a] - [c]	31/7/2018 Variance S\$'000 [b] - [d]	Notes
<b>Assets</b>							
<b>Current assets</b>							
Contract Assets	8,242	6,068	2,905	1,251	5,337	4,817	A
<b>Liabilities and equity</b>							
<b>Current liabilities</b>							
Trade and other payables	27,605	18,065	27,666	18,141	(61)	(76)	B
Contract Liabilities	60	76	12,183	3,047	(12,123)	(2,971)	C
Provisions	906	9,703	906	4,565	-	5,138	D
<b>Capital and reserves</b>							
Accumulated profits	27,346	15,300	9,825	12,574	17,521	2,726	E

**Notes:**

The 2018 comparatives are restated as the Group has adopted the Singapore Financial Reporting Standard (International) 15 ("SFRS(I) 15") Revenue from contracts with Customers" with the date of initial application on 1 August 2017.

- A *Reinstatement of Contract retention receivables as Contract Assets as at 01 August 2017 and 31 July 2018.*
- B *Reclassification of advances received from Contract customers from trade and other payables to Contract liabilities as at 01 August 2017 and 31 July 2018.*
- C *Amount Due to Contract Customers which arose from application percentage of completion under output method using of previous standard, FRS 11 Construction Contracts was cleared to retained earnings as at 01 August 2017 and to the Income statement in the financial year ended 31 July 2018.*
- D *Reclassification of accrual provisions embedded in Amount Due to Customers of Ongoing projects were reclassified to Provisions as at 01 August 2017 and 31 July 2018.*
- E *Cumulative effects of the application of Singapore Financial Reporting Standard (International) 15 ("SFRS(I) 15") Revenue from contracts with Customers.*

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

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

As at 31/01/2019 (Unaudited)		As at 31/07/2018 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
444	-	545	-

**Amount repayable after one year**

As at 31/01/2019 (Unaudited)		As at 31/07/2018 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
313	-	496	-

**Details of any collateral**

Finance leases are secured by certain works vehicles and office equipment of the Group with carrying amount of S\$401,000 as at 31/01/2019 (31/07/2018: S\$513,000)

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 2019**

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	Six months ended	Six months ended
	Unaudited 31/01/2019 S\$'000	Unaudited 31/01/2018 S\$'000 (Restated)
<b>Operating activities</b>		
<b>Profit/ (loss) before tax</b>	<b>3,963</b>	<b>(1,682)</b>
<b>Adjustments for:-</b>		
Depreciation of property plant and equipment	242	413
Write-back of provision for foreseeable losses	(110)	(710)
Provision for defective works	-	2,515
Write-back of provision for defective works	(321)	-
Interest income	(645)	(234)
Finance costs	15	162
Write-off of property plant and equipment	-	7
<b>Operating cash flows before movements in working capital</b>	<b>3,144</b>	<b>471</b>
<b>Changes</b>		
Development properties and property held for sale	-	37,717
Trade and other receivables	(1,477)	(2,909)
Contract assets	181	1,858
Trade and other payables	(1,699)	(5,109)
Contract liabilities	(68)	(29)
<b>Cash generated from operations</b>	<b>81</b>	<b>31,999</b>
Tax paid	(897)	(864)
<b>Net cash (used in)/ from operating activities</b>	<b>(816)</b>	<b>31,135</b>
<b>Investing activities</b>		
Interest received	417	173
Purchase of property, plant and equipment	(148)	-
<b>Net cash from investing activities</b>	<b>269</b>	<b>173</b>
<b>Financing activities</b>		
Repayment of bank borrowings	-	(27,000)
Interest paid	(15)	(162)
Repayment of finance leases	(284)	(247)
Decrease in pledged deposits	-	1
Purchase of treasury shares	-	(1,120)
Dividend paid	(2,018)	(1,262)
<b>Net cash used in financing activities</b>	<b>(2,317)</b>	<b>(29,790)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(2,864)</b>	<b>1,518</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>71,576</b>	<b>54,388</b>
<b>Cash and cash equivalents at end of year</b>	<b>68,712</b>	<b>55,906</b>

**SYMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 2019**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

The Group (Unaudited)	Share Capital S\$'000	Treasury Shares S\$'000	Merger Reserve S\$'000	Equity reserve S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
<b>Balance at 01 August 2018 (Restated)</b>	45,538	(1,120)	(3,517)	(844)	15,300	55,357	1,135	56,492
Profit/(loss) for the period, representing total comprehensive income/(loss) for the financial period	-	-	-	-	3,046	3,046	(326)	2,720
Dividends	-	-	-	-	(2,018)	(2,018)	-	(2,018)
<b>Balance at 31 January 2019</b>	<b>45,538</b>	<b>(1,120)</b>	<b>(3,517)</b>	<b>(844)</b>	<b>16,328</b>	<b>56,385</b>	<b>809</b>	<b>57,194</b>

The Group (Unaudited)	Share Capital S\$'000	Treasury Shares S\$'000	Merger Reserve S\$'000	Equity reserve S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
<b>Balance at 01 August 2017 (Audited)</b>	45,538	-	(3,517)	(844)	9,826	51,003	3,271	54,274
Adjustments arising from SFRS(I) 15 application	-	-	-	-	17,518	17,518	-	17,518
<b>Balance at 01 August 2017 (Restated)</b>	45,538	-	(3,517)	(844)	27,344	68,521	3,271	71,792
Profit/(loss) for the period, representing total comprehensive income/(loss) for the financial period	-	-	-	-	(2,341)	(2,341)	(29)	(2,370)
Purchase of treasury shares	-	(1,120)	-	-	-	(1,120)	-	(1,120)
Dividend	-	-	-	-	(1,262)	(1,262)	-	(1,262)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	(2,400)	(2,400)
<b>Balance at 31 January 2018 (Restated)</b>	<b>45,538</b>	<b>(1,120)</b>	<b>(3,517)</b>	<b>(844)</b>	<b>23,741</b>	<b>63,798</b>	<b>842</b>	<b>64,640</b>



**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 2019**

	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Accumulated Profits</b>	<b>Total Equity</b>
<b>The Company (Unaudited)</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance at 01 August 2018</b>	45,538	(1,120)	(1,033)	43,385
Profit for the period, representing total comprehensive income for the financial period	-	-	3,949	3,949
Dividend paid	-	-	(2,018)	(2,018)
<b>Balance at 31 January 2019</b>	<b>45,538</b>	<b>(1,120)</b>	<b>898</b>	<b>45,316</b>

	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Accumulated Profits</b>	<b>Total Equity</b>
<b>The Company (Unaudited)</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance at 01 August 2017</b>	45,538	-	4,029	49,567
Loss for the period, representing total comprehensive income for the financial period	-	-	(2,534)	(2,534)
Purchase of treasury shares	-	(1,120)	-	(1,120)
Dividend paid	-	-	(1,262)	(1,262)
<b>Balance at 31 January 2018</b>	<b>45,538</b>	<b>(1,120)</b>	<b>233</b>	<b>44,651</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	<b>Number of shares</b>	<b>Share Capital (S\$)</b>
Number of ordinary shares as at 31 July 2018 and 31 January 2019	252,348,600	44,418,066

There were 8,651,400 treasury shares (representing 3.4% of the Company's 252,348,600 ordinary shares (excluding treasury shares) as at 31 January 2019 and 31 January 2018.

The Company did not have any outstanding options or convertibles as at 31 January 2019 and 31 January 2018. There were no subsidiary holdings as at 31 January 2019 and 31 January 2018.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>31/01/2019 No. of shares</b>	<b>31/07/2018 No. of shares</b>
<b>Total number of issued shares of the company (excluding treasury shares)</b>	252,348,600	252,348,600

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

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

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

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

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

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

Except as disclosed in note 5 below, the Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current reporting period as compared with the audited annual financial statements for the financial year ended 31 July 2018.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted a new financial reporting framework - Singapore Financial Reporting Standards (International) ("SFRS(I)", that is identical to the International Financial Reporting Standards with effect from 1 January 2018. Changes to the Group's accounting policies have been made as required, in accordance with the respective SFRS(I) and SFRS(I) INT.

The Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from 1 August 2018 as follows:

SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*

SFRS(I) 9 *Financial Instruments*

SFRS(I) 15 *Revenue from Contracts with Customers*

**SFRS(I) 1**

SFRS(I) 1 requires that the Group applies SFRS(I) on a retrospective basis and restatement of comparatives may be required because SFRS(I) requires both the opening statement of financial position and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, different from those specific transition provisions in individual FRSs applied to FRS financial statements. The application of the mandatory exceptions and the optional exemptions in SFRS(I) does not have any significant impact on the Group's financial statements as the Group has not made any allowable transition adjustment that have impact on the financial statements.

**SFRS(I) 9**

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Overall, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement method under SFRS(I) 9.

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime expected losses on all trade receivables and contract assets. The impairment calculated using the expected credit loss model does not have a significant impact on the financial statements.

**SFRS(I) 15**

The adoption of SFRS(I) 15 will result in impact on the Group's cost of construction. Revenue is determined using percentage of completion ("POC") based on the output method. Prior to the adoption of SFRS(I) 15, contract costs were recognised based on POC. On adoption of SFRS(I) 15, contract costs are recognised in the period in which they are incurred.

Following the adoption of in SFRS(I) 15, the Group has presented amount due from customer as contract assets and amount due to and advances received from customers arising from construction contract customers as part of contract liabilities.

As a result of the above, accumulated profit have been restated.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group	
	31/01/2019	31/01/2018
	Unaudited	Restated
<b>Profit for the year attributable to equity holders of the Company (S\$'000):</b>	3,046	(2,341)
Weighted average number of ordinary shares ('000)	252,348	252,348
Basic and diluted earnings per ordinary share (Singapore cents)	1.21	(0.93)

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

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

	Group		Company	
	31/01/2019	31/07/2018	31/01/2019	31/07/2018
	(Unaudited)	(Restated)	(Unaudited)	(Audited)
	(Singapore cents)	(Singapore cents)	(Singapore cents)	(Singapore cents)
Net asset value per ordinary share attributable to owners of the company based on the total number of issued shares as at the end of the financial year	22.34	21.94	17.96	17.19

As at 31 January 2019, the number of ordinary shares issued (excluding treasury shares) is 252,348,600 (31 July 2018: 252,348,600).

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

**Review of Group Performance for the six months ended 31 January 2019 ("HY2019") vs the six months ended 31 January 2018 ("HY2018")**

The Group has adopted the Singapore Financial Reporting Standard (International) 15 ("*SFRS(I) 15*") *Revenue from contracts with Customers*" with the date of initial application on 1 August 2017. The adoption of SFRS(I) 15 has had an impact on the recognition of Group's cost of construction. Revenue is determined using percentage of completion ("POC") based on the output method. Prior to the adoption of SFRS(I) 15, contract costs were recognised based on POC. On adoption of SFRS(I) 15, contract costs are recognised in the period in which they are incurred. As a consequence, it is expected that costs incurred may not necessarily match the revenue recognised during the financial period, resulting in swings in the profit margins.

**Revenue**

Our revenue in HY2019 of approximately S\$16.2 million was S\$43.5 million or 72.8% lower than the revenue of approximately S\$59.7 million in HY2018.

The decrease in revenue was mainly due to nil contribution from property development projects in HY2019 compared to S\$39.6 million in HY2018 as they were substantially sold in the prior financial years. The construction projects also experienced decrease in revenue contribution from our construction projects (including Additions and Alterations projects) amounting to S\$16.2 million in HY2018 compared to S\$20.1 million in HY2018.

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

Our cost of sales of approximately S\$10.7 million in HY2019 was approximately S\$47.8 million or 81.7% lower than the cost of sales of approximately S\$58.4 million in HY2018.

The decrease in cost of sales of approximately S\$47.8 million was mainly due to nil cost of sales attributable to property development projects in HY2019 compared to S\$38.7 million in HY2018 (Restated). The decrease in construction projects (including Additions and Alterations projects) cost of sales of S\$9.1 million was mainly due to lower construction segment revenue as well as write back of provisions for defective works and foreseeable losses amounting to S\$0.4 million. Additionally, S\$6.7 million in costs were recognised in HY2018 (Restated) as a result of adoption of SFRS(I) 15.

Consequently, we registered a gross profit and a gross profit margin of approximately S\$5.5 million and 34.2% respectively in HY2019 (HY2018 (Restated): S\$1.2 million and 2.1% respectively).

**Other income**

Our other income of approximately S\$1.1 million in HY2019 was S\$0.4 million or 48.7% higher than S\$0.7 million in HY2018 mainly due to higher interest income of S\$0.6 million.

**Other operating expenses**

Our other operating expenses of approximately S\$1.3 million in HY2019 was S\$0.8 million or 38.8% lower than our operating expenses of approximately S\$2.1 million in HY2018, due to lower unrealised net foreign exchange losses and lower depreciation expenses.

**Administrative expenses**

Our administrative expenses remained unchanged at approximately S\$1.4 million in HY2019 (HY2018: S\$1.4 million) which mainly comprises of corporate office staff costs.

**Finance costs**

Decrease in finance costs of approximately S\$0.1 million was mainly due to repayment of bank loans in previous financial period.

**Income tax**

Our income tax expense was approximately S\$1.2 million in HY2019. The effective tax rate of 31.4% in HY2019 was higher than statutory rate of 17% due to higher provision of prior years' taxes. We registered an income tax expense of approximately S\$0.6 million in HY2018. The effective tax rate in HY2018 was higher compared to the prevailing statutory rate of 17% mainly due to higher provision of prior years' taxes.

**Net Profit**

As a result of the above, our net profit increased by approximately S\$5.1 million from a net loss of S\$2.4 million in HY2018 (Restated) to a net profit of S\$2.7 million in HY2019.

**Review of Group Financial Position**

**Non-Current Assets**

As at 31 January 2019, non-current assets totalled S\$0.7 million or approximately 0.8% total assets. Non-current assets decreased by approximately S\$0.1 million due to depreciation of property, plant and equipment ("PPE") of S\$0.2 million offset against purchase of PPE of S\$0.1 million.

**Current Assets**

As at 31 January 2019, current assets stood at S\$84.9 million or approximately 99.2% total assets. Current assets decreased by approximately S\$1.5 million.

Decrease in cash and cash equivalents of approximately S\$2.9 million was mainly due to net cash outflow from operating activities of approximately S\$0.8 million and net cash used in financing activities of S\$2.3 million. The decrease was offset against net cash from investing activities of S\$0.2 million.

As at 31 January 2019, properties held for sale remained unchanged at S\$4.6 million.

Increase in trade and other receivables of S\$1.7 million was mainly due lower trade and other receivables from building construction business in line with decrease in contribution from construction projects, offset by increase in unbilled receivables.

Decrease in contract assets was due to collections of contract retention receivables.

**Non-Current Liabilities**

As at 31 January 2019, non-current liabilities totalled S\$0.3 million or approximately 1.1% total liabilities. Non-current liabilities decreased by S\$0.2 million as a result of repayment of finance leases of S\$0.1 million and decreased of deferred tax liabilities S\$0.1 million.

**Current Liabilities**

As at 31 January 2019, current liabilities stood at S\$28.1 million or approximately 98.9% of our total liabilities. Current liabilities include trade and other payables, provisions, current portion of finance leases and income tax payable.

Current liabilities decreased by approximately S\$1.9 million which was mainly due to decrease in trade and other payables of S\$1.7 million in line with decrease in contribution from construction projects, decreases in contract liabilities of S\$0.1 million, provisions of S\$0.4 million, finance leases of S\$0.1 million, offset against increase in income tax payable of S\$0.4 million.

**Review of Statement of Cash Flows**

**Net cash used in operating activities**

In HY2019, net cash outflows from operating activities of approximately S\$0.8 million was a result of operating cash inflows before working capital changes of approximately of S\$3.2 million, adjusted for net working capital outflows of approximately S\$4.0 million.

The net working capital outflows of approximately S\$4.0 million were mainly due to increase in trade and other receivables of S\$1.5 million, decreases in trade and other payables of S\$1.7 million, contract liabilities of S\$0.1 million, and tax paid of S\$0.9 million, offset by decrease in contract assets of S\$0.2 million.

**Net cash from investing activities**

Net cash inflow from investing activities amounted to S\$0.3 million arising from bank interest received of S\$0.4 million partially offset against purchase of property, plant and equipment of S\$0.1 million.

**Net cash used in financing activities**

Net cash outflow from financing activities amounted to approximately S\$2.3 million was mainly due to dividends paid of S\$2.0 million and repayment of finance leases of S\$0.3 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

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

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group has adopted the Singapore Financial Reporting Standard (International) 15 ("*SFRS(I) 15*") *Revenue from contracts with Customers*" with the date of initial application on 1 August 2017. The adoption of SFRS(I) 15 has had an impact on the recognition of Group's cost of construction. Revenue is determined using percentage of completion ("POC") based on the output method. Prior to the adoption of SFRS(I) 15, contract costs were recognised based on POC. On adoption of SFRS(I) 15, contract costs are recognised in the period in which they are incurred. As a consequence, it is expected that costs incurred may not necessarily match the revenue recognised during the financial period, which may result in swings in the profit margins.

For the financial period ended 31 January 2019 ("HY2019"), the Group reported a net profit of S\$2.7 million, which is a reversal from the net loss of S\$2.4 million recorded in the restated previous financial period ended 31 January 2018 ("HY2018").

The Group's revenue declined by approximately 72.8% to S\$16.2 million in HY2019, compared to S\$59.7 million in HY2018 as our property development projects have been substantially sold.

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

***Building Construction Business***

The Group's building construction business remained stable in HY2019, as it focused on timely execution and delivery of its order book which amounted to S\$60.9 million as at 31 January 2019.

In HY2018, the Group secured one contract worth S\$18.6 million to erect a 2-storey detached dwelling house with a basement, attic and swimming pool. This contract is for a period of 20 months, and work has commenced in December 2018.

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

***Property Development Business***

As at 31 January 2019, 100% of the residential units at all of our property developments have been sold and all have received their T.O.P. Going forward, the Group will continue to market the remaining commercial units in 28 RC Suites.

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

**11. Dividend**

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

Any dividend declared for the current financial period reported on?

None.

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

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

None.

**(c) Date payable.**

Not applicable.

**(e) Book closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the financial period. Declaration of dividends for the financial year will be determined at year end.

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

The Group does not have a general mandate for interested person transactions. There were no interested person transactions of S\$100,000 or more entered into during HY2019.

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

The Board of Directors confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the six months ended 31 January 2019 to be false or misleading in any material aspect.

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

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

**BY ORDER OF THE BOARD**

**SIN SOON TENG**  
**EXECUTIVE CHAIRMAN AND GROUP CEO**  
**13 March 2019**

**ANG SENG HENG**  
**EXECUTIVE DIRECTOR**  
**13 March 2019**

**SYSMA HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 JANUARY 2019**

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte.Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

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