

**MYP LTD.**

(Company Registration Number: 200509721C)

**UNAUDITED QUARTERLY FINANCIAL STATEMENTS****FOR THE FIRST QUARTER ENDED 30 JUNE 2017****PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS**

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

**Group**

	3 months period ended		
	30.06.2017	30.06.2016	
	FY2018	FY2017	Change
	\$'000	\$'000	%
Revenue	6,996	2,671	>100.0
Other income (i)	2	2	-
Depreciation expense on plant and equipment	(12)	(4)	>100.0
Staff costs	(154)	(123)	25.2%
Other operating expenses	(2,011)	(959)	>100.0
Results from operating activities	4,821	1,587	>100.0
Net finance costs (ii)	(6,609)	(1,527)	>100.0
(Loss)/profit before tax	(1,788)	60	>100.0
Tax expense (iii)	(113)	(65)	73.8%
Loss for the period	(1,901)	(5)	>100.0
Other comprehensive income	-	-	-
Total comprehensive income	(1,901)	(5)	>100.0
Loss for the period/Total comprehensive income attributable to:			
Equity holders of the Company	(1,901)	(5)	>100.0
Loss per share, cents			
Basic	(0.12)	(0.0005)	
Diluted	(0.12)	(0.0005)	

1Q: 1st quarter / three (3) months period ended from 1 April to 30 June  
FY: Financial year ending or ended 31 March

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Note (i) Other income

	<b>3 months period ended</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>FY2018</b>	<b>FY2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Wage Credit Scheme payout	2	2
	<b>2</b>	<b>2</b>

Note (ii) Net finance costs

	<b>3 months period ended</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>FY2018</b>	<b>FY2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Finance income</u>		
Interest income on deposits with banks	2	4
<u>Finance costs</u>		
Interest expense on bank borrowings - secured	(4,122)	(1,531)
Ineffective portion of changes in fair value of cash flow hedges	(2,307)	-
Amortisation of transaction costs related to bank borrowings	(182)	-
Net finance costs	<b>(6,609)</b>	<b>(1,527)</b>

Note (iii) Tax expense

The income tax expense on the results of the Group for the financial period varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit/(loss) before taxation, due to the following factors:

	<b>3 months period ended</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>FY2018</b>	<b>FY2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><i>Tax recognised in profit or loss</i></b>		
Tax expense		
- Current period	156	60
- (Over)/under provision in prior period	(43)	5
	<b>113</b>	<b>65</b>
<b><i>Reconciliation of effective tax rate:</i></b>		
Loss for the period	(1,901)	(5)
Total tax expense	113	65
(Loss)/profit before tax	<b>(1,788)</b>	<b>60</b>
Tax using the Singapore tax rate of 17% (2016: 17%)	(304)	10
Singapore statutory stepped income exemption	(19)	(15)
Non-deductible expenses	465	62
Non-taxable income	0*	2
Current period tax losses for which no deferred tax asset was recognised	14	1
(Over)/under-provision of income tax in prior period	(43)	5
	<b>113</b>	<b>65</b>

\* Amount is less than \$1,000

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**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.**

	<b>Group</b>		<b>Company</b>	
	<b>31.06.2017</b>	<b>31.03.2017</b>	<b>31.06.2017</b>	<b>31.03.2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current assets</b>				
Plant and equipment	3,242	3,240	1	1
Investments in subsidiaries	-	-	171,686	171,686
Investment properties	1,073,930	1,073,930	-	-
	<b>1,077,172</b>	<b>1,077,170</b>	<b>171,687</b>	<b>171,687</b>
<b>Current assets</b>				
Trade and other receivables	1,540	1,259	174,387	174,416
Cash and cash equivalents	14,396	12,948	222	239
	<b>15,936</b>	<b>14,207</b>	<b>174,609</b>	<b>174,655</b>
<b>Total assets</b>	<b>1,093,108</b>	<b>1,091,377</b>	<b>346,296</b>	<b>346,342</b>
<b>Equity</b>				
Share capital	255,318	255,318	262,106	262,106
Other reserves	46,677	45,444	(456)	(456)
Retained earnings	47,436	49,337	3,645	3,801
<b>Total equity</b>	<b>349,431</b>	<b>350,099</b>	<b>265,295</b>	<b>265,451</b>
<b>Non-current liabilities</b>				
Other payables	2,254	2,028	-	-
Bank borrowings - secured	580,887	580,705	-	-
Derivative financial liabilities	2,615	1,541	-	-
	<b>585,756</b>	<b>584,274</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	4,072	4,753	3,679	3,569
Amount owing to a shareholder	153,347	151,867	77,321	77,321
Current tax liabilities	502	384	1	1
	<b>157,921</b>	<b>157,004</b>	<b>81,001</b>	<b>80,891</b>
<b>Total liabilities</b>	<b>743,677</b>	<b>741,278</b>	<b>81,001</b>	<b>80,891</b>
<b>Total equity and liabilities</b>	<b>1,093,108</b>	<b>1,091,377</b>	<b>346,296</b>	<b>346,342</b>

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**1(b)(ii) Aggregate amount of the group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 30.06.2017		As at 31.03.2017	
Secured	Unsecured	Secured	Unsecured
-	153,347,000	-	151,867,000

**Amount repayable after one year**

As at 30.06.2017		As at 31.03.2017	
Secured	Unsecured	Secured	Unsecured
580,887,000	-	580,705,000	-

**Details of any collateral:** The secured bank loans of the Group are secured over investment properties with carrying amount of \$1,062,000,000 (31.03.2017: \$1,062,000,000).

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

	<b>Group</b>	
	<b>3 months period ended</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>FY2018</b>	<b>FY2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	(1,901)	(5)
Adjustments for:		
Depreciation expense on plant and equipment	12	4
Net finance costs	6,609	1,527
Income tax expense	113	65
<b>Operating profit before working capital changes</b>	<b>4,833</b>	<b>1,591</b>
Changes in:		
Trade and other receivables	(280)	(311)
Trade and other payables	(550)	308
<b>Cash generated from operations</b>	<b>4,003</b>	<b>1,588</b>
Income tax refund	5	-
<b>Net cash generated from operating activities</b>	<b>4,008</b>	<b>1,588</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(15)	-
Deposits paid for acquisition of asset	-	(28,000)
Interest income received	2	4
<b>Net cash used in investing activities</b>	<b>(13)</b>	<b>(27,996)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in amount owing to a shareholder	1,479	7,070
Increase in debt service reserve	(145)	-
Interest paid	(4,026)	(1,620)
<b>Net cash (used in)/generated from financing activities</b>	<b>(2,692)</b>	<b>5,450</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,303</b>	<b>(20,958)</b>
Cash and cash equivalents at beginning of period	10,630	28,578
<b>Cash and cash equivalents at end of period</b>	<b>11,933</b>	<b>7,620</b>

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**Note to consolidated statement of cash flows**

For the purpose of the consolidated statement of cash flows, the group's cash and cash equivalents comprise the following:

	<b>3 months period ended</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents in the statement of financial position	14,396	7,620
Less: Debt service reserve	(2,463)	-
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>11,933</b>	<b>7,620</b>

Debt service reserve represents bank balances maintained for the purpose of a bank loan obtained by a subsidiary.

- 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.**

**Group****Consolidated Statement of Changes in Equity for FY2018 1<sup>st</sup> Quarter ended 30 June 2017**

	Share capital \$'000	Capital reserve \$'000	Hedging reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 April 2016</b>	<b>157,613</b>	<b>46,677</b>	<b>-</b>	<b>63,145</b>	<b>267,435</b>
Loss for the period/Total comprehensive income	-	-	-	(5)	(5)
<b>At 30 June 2016</b>	<b>157,613</b>	<b>46,677</b>	<b>-</b>	<b>63,140</b>	<b>267,430</b>
<b>At 1 April 2017</b>	<b>255,318</b>	<b>46,677</b>	<b>(1,233)</b>	<b>49,337</b>	<b>350,099</b>
Loss for the period	-	-	-	(1,901)	(1,901)
Other comprehensive income					
Changes in fair value of cash flow hedges transferred to profit or loss	-	-	1,233	-	1,233
Total comprehensive income	-	-	1,233	(1,901)	(668)
<b>At 30 June 2017</b>	<b>255,318</b>	<b>46,677</b>	<b>-</b>	<b>47,436</b>	<b>349,431</b>

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**Company****Statement of Changes in Equity for FY2018 1<sup>st</sup> Quarter ended 30 June 2017**

	Share capital \$'000	Capital reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 April 2016</b>	<b>164,401</b>	<b>(456)</b>	<b>4,675</b>	<b>168,620</b>
Loss for the period/Total comprehensive income	-	-	(150)	(150)
<b>At 30 June 2016</b>	<b>164,401</b>	<b>(456)</b>	<b>4,525</b>	<b>168,470</b>
<b>At 1 April 2017</b>	<b>262,106</b>	<b>(456)</b>	<b>3,801</b>	<b>265,451</b>
Loss for the period/Total comprehensive income	-	-	(156)	(156)
<b>At 30 June 2017</b>	<b>262,106</b>	<b>(456)</b>	<b>3,645</b>	<b>265,295</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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	Number of shares	
	As at 30.06.2017	As at 31.06.2016
<u>Company</u>		
At beginning and end of period/year	1,592,469,212	1,048,155,724

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

- 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.

	As at 30.06.2017	As at 31.03.2017
Total number of issued shares (excluding treasury shares)	1,592,469,212	1,592,469,212

There were no shares held as treasury shares as at 30 June 2017 and 31 March 2017.

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

Not applicable.

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

The figures have not been audited nor reviewed by the Company's auditors.

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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 annual financial statements have been applied.**

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements of the current financial reporting period as in the audited financial statements for the financial year ended 31 March 2017.

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

With effect from 1 April 2017, the Group has adopted various new / revised Singapore Financial Reporting Standards (FRSs) which are relevant to the Group's operations.

The adoption of these new standards and amendments has no significant effect on the consolidated financial statements of the Group.

6. **Loss 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.**

Loss per ordinary share based on:-

- (i) the weighted average number of ordinary shares in issue ; and  
(ii) fully diluted basis

3 months period ended	
30.06.2017 FY2018	30.06.2016 FY2017
Cents	Cents
(0.12)	(0.0005)
(0.12)	(0.0005)

Weighted average number of ordinary shares:-

Number of shares	
30.06.2017	30.06.2016
'000	'000
1,592,469	1,048,156

Weighted average number of ordinary shares during the period

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) **current financial period reported on; and**  
(b) **immediately preceding year**

	Group		Company	
	As at 30.06.2017	As at 31.03.2017	As at 30.06.2017	As at 31.03.2017
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital as at the end of the period/year reported on	21.9	22.0	16.7	16.7

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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business.

REVENUE

	3 months period ended		
	30.06.2017 FY2018	30.06.2016 FY2017	Change
	\$'000	\$'000	%
Rental income	6,996	2,671	>100.0

The Group's revenue for 1QFY2018 grew by more than 100.0% compared to the same period in the preceding financial year. The increase is mainly contributed by rental income from the newly acquired investment property belonging to a subsidiary, Salveur Pte Ltd ("Salveur").

EXPENSES

	3 months period ended		
	30.06.2017 FY2018	30.06.2016 FY2017	Change
	\$'000	\$'000	%
Depreciation	12	4	>100.0
Staff costs	154	123	25.2
Directors' remuneration	110	110	-
Other operating expenses	1,901	849	>100.0
Net finance costs	6,609	1,527	>100.0
Taxation	113	65	73.8
<b>Total</b>	<b>8,899</b>	<b>2,678</b>	<b>&gt;100.0</b>

Total expenses of the Group for 1QFY2018 have increased significantly by over 100.0% compared to the same period in the preceding year, mainly due to the results of the new subsidiary, Salveur which commenced operations in 4QFY2017.

Increased depreciation is resulted from purchase of new plant and equipment.

Increase in staff costs for 1QFY2018 is mainly attributable to higher headcounts.

Increase in other operating expenses is mainly due to operating costs incurred by new subsidiary, Salveur which commenced operations in 4QFY2017.

Net finance costs have increased significantly mainly due to interest incurred on new bank loan obtained by Salveur in 4QFY2017, ineffective portion of changes in fair values of cash flow hedges as a result of interest rate swaps as well as amortisation of transaction costs related to bank borrowings. There were no such items in 1QFY2017.

The ineffective portion of changes in fair value of cash flow hedges arose from interest rate swaps (IRSs) entered by the Group in 4QFY2017 to manage its exposure to interest rate movements on its floating rate interest bearing borrowings by swapping the interest expense on its borrowings from floating rates to fixed rates. As at 30 June 2017, the Group held interest rate swaps with a total notional amount of \$91.0 million (1QFY2017: nil) to provide fixed rate funding for a term of 5 years. For the 1QFY2018, fair value changes of approximately \$2.3 million relating to the ineffective portion are recorded in profit or loss.

Higher tax expense is resulted from increase in estimated chargeable income for 1QFY2018.

RESULTS FROM OPERATING ACTIVITIES

The Group's operating profits increased in 1QFY2018 compared to 1QFY2017. Reasons are mentioned in the preceding paragraphs.

LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

Overall, despite revenue growth, the Group incurred a net loss of \$1.9 million in 1QFY2018. This is mainly due to higher finance costs incurred on bank borrowings.



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**GROUP'S STATEMENT OF FINANCIAL POSITION**

Plant and equipment increased due mainly to purchase of new assets, offset by depreciation charge for the period.

As at 30 June 2017, investment properties remained the same as the last financial year ended 31 March 2017 at approximately \$1.07 billion, comprising three office buildings and three residential units.

The increase in trade and other receivables from the last financial year ended 31 March 2017 is mainly due to increase in accrued income, trade receivables and deposits, partly offset by decrease in prepaid operating expenses.

As at 30 June 2017, share capital remained the same as the last financial year ended 31 March 2017 at approximately \$255.3 million.

Other reserves of the Group comprise capital reserve and hedging reserve. The decrease is due to reclassification from hedging reserve of approximately \$1.2 million to profit or loss in 1QFY2018, being the ineffective portion of change in fair value of cash flow hedges.

Retained earnings have decreased due to net loss incurred in the current quarter reported on.

Other payables in non-current liabilities included security deposits collected from tenants which are refundable after one year from 30 June 2017. The increase is mainly contributed by renewal of certain existing occupancy agreements in 1QFY2018.

Bank borrowings of approximately \$580.9 million as at 30 June 2017 represent the aggregate of bank loans of the three subsidiaries, net of transaction costs. The decrease of approximately \$0.2 million represents amortisation of transaction costs for 1QFY2018. There was no such item in 1QFY2017.

Increase in derivative financial liabilities of approximately \$1.1 million represents change in fair value of cash flow hedges as at 30 June 2017, arising from IRSS.

Trade and other payables in current liabilities of the Group have decreased compared to balances at 31 March 2017. This is mainly due to security deposits collected from tenants being reclassified from current liabilities to non-current liabilities as a result of renewal of certain occupancy agreements in 1QFY2018, lower amount of rental collected in advance, partly offset by higher accrued operating expenses.

Amount owing to a shareholder has increased mainly due to payments made on behalf of the Group in 1QFY2018. This amount is non-interest bearing and has no fixed repayment terms.

The increase in current tax liabilities is due mainly to provision for income tax based on estimated chargeable income for the period under review.

As at 30 June 2017, the Group has a negative working capital of approximately (\$142.0 million) mainly due to amount owing to a shareholder included as current liabilities. Notwithstanding this, the shareholder undertakes to provide financial support to the Group to enable it to continue its operations and to meet its financial obligations as and when due.

**COMPANY'S STATEMENT OF FINANCIAL POSITION**

As at 30 June 2017, investments in subsidiaries remained the same as the last financial year ended 31 March 2017, at approximately \$171.7 million, representing costs of investments in the three subsidiaries of the Company.

Decrease in trade and other receivables is mainly due to lower amount of accrued income and prepaid operating expenses.

Decrease in cash and cash equivalents is mainly due to payments of operating expenses in 1QFY2018.

Retained earnings have decreased due to net loss incurred in the current quarter reported on.

Increase in trade and other payables is mainly due to higher amount of accrued operating expenses as at 30 June 2017.

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**GROUP'S STATEMENT OF CASH FLOWS**

Comparing with 1QFY2017, cash and cash equivalents for 1QFY2018 have increased by approximately \$4.3 million, mainly attributable to:

- Increase in cash generated from operations as a result of higher revenue, offset by higher operating expenses;
- Lower net cash used in investing activities due to deposit of \$28.0 million paid for acquisition of investment property in 1QFY2017 which is non-recurring item; and offset by
- Higher net cash used in financing activities due to payment of loan interest, increase in debt service reserve, offset by payments made on behalf of the Group by a shareholder.

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

There is no forecast or prospect statement which has been previously disclosed.

**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 is closely monitoring the external factors such as the softening trend of the office rental market and the fluctuating bank interest rates that might impact the performance of the Group.

The Group will continue to look into making strategic investments should good value assets with the potential to generate attractive returns become available.

**11. Dividends**

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

Any dividend proposed for the current financial period reported on? No

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

Any dividend declared for the corresponding period of the immediately preceding financial period?  
No

***(c) Tax on dividend***

Not applicable.

***(d) Date payable***

Not applicable.

***(e) Books closure date***

Not applicable.

**12. If no dividend has been declared / recommended, a statement to that effect.**

No dividend has been declared or recommended.

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

The Group has not obtained a general mandate from shareholders for IPTs.

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**14. Negative confirmation pursuant to Rule 705(5) of the SGX Listing Rules.**

On behalf of the Board of Directors of the Company, we confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 30 June 2017 to be false or misleading.

**15. Confirmation pursuant to Rule 720(1) of the SGX Listing Rules.**

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers under Rule 720(1) of the SGX Listing Rules.

**BY ORDER OF THE BOARD**

Jonathan Tahir

Executive Chairman

28 July 2017