



MYP LTD.



TOWARDS A

SUSTAINABLE FUTURE

ANNUAL REPORT 2017







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CHAIRMAN'S MESSAGE

We remain unwavering in our strategy to invest in quality real estate to achieve long-term, sustainable growth for the Group, with the ultimate aim of increasing shareholders' returns.

JONATHAN TAHIR
Executive Chairman



DEAR SHAREHOLDERS,

We are pleased to present to you MYP Ltd.'s ("the Group's"), Annual Report 2017. It was another challenging year, with Singapore's economy registering a mere 2.0% growth in GDP in 2016.¹ This was due to the weak global economic conditions, with plummeting oil prices, continued stock market volatility, a moderating Chinese economy, the uncertainty brought about by Brexit and other political upheavals. More particularly, the Group, with a focus on real estate investments, was impacted by the weakened property market, with downward pressures on rentals. Despite these challenges, we are pleased to report a significant growth in revenue for the financial year ended 31 March 2017 ("FY2017"). Furthermore, seizing opportunities amidst a soft property market, we fortified our balance sheet with the acquisition of a prime office building in the heart of the Central Business District.

FY2017 FINANCIAL REVIEW

In FY2017, Group revenue increased by 43.7% to S\$15.6 million from S\$10.8 million for the financial year ended 31 March 2016 ("FY2016"). This was due to rental income contributed by the Group's newly acquired investment property, owned by its subsidiary, Salveur Pte. Ltd. The

Group's operating profit (before revaluation loss and finance costs) increased from S\$5.7 million in FY2016 to S\$9.3 million in FY2017. Revaluation loss of S\$13.9 million resulted from revaluation of investment properties as at financial year ended 31 March 2017. Finance costs in FY2017 were significantly higher compared to FY2016. These costs stemmed from interest on a new bank loan obtained by Salveur Pte. Ltd. during FY2017 to partially finance the acquisition of its new investment property, ineffective portion of changes in fair value of cash flow hedges as well as amortisation of transaction costs for the year, offset by lower interest rates.

Cash generated from operating activities net of working capital changes and tax, stood at S\$11.6 million, as compared to S\$4.6 million in FY2016. Taking into account the cash used in investing activities of S\$577.2 million and cash generated from financing activities of S\$547.6 million, the Group's cash and cash equivalents stood at S\$10.6 million as at 31 March 2017. Net asset value per ordinary share was 22.0 cents.

With a view to maintaining a strong balance sheet for investment opportunities which will eventually lead to the

¹ Ministry of Trade and Industry. "MTI Maintains 2017 GDP Growth Forecast at "1.0 to 3.0 Per Cent". https://www.mti.gov.sg/ResearchRoom/SiteAssets/Pages/Economic-Survey-of-Singapore-2016/PR_4Q2016.pdf

long-term growth of the Group and benefit of shareholders, the Board is not recommending any dividend for this financial year.

INVESTMENT HIGHLIGHTS AND PERFORMANCE

The Group made a significant acquisition in FY2017, boosting its investment property portfolio which includes investments in real estate for rental income and capital appreciation (the “Property Business”). The Group acquired Straits Trading Building (since renamed MYP Centre), a Grade A building in the Central Business District (“CBD”). The S\$560.0 million acquisition was financed through a combination of bank borrowings, proceeds from a Rights Issue, internal resources and shareholder’s loan. With the acquisition of MYP Centre, the Group has a commercial property portfolio valued at \$1.1 billion comprising three commercial buildings. The other two commercial buildings, also situated in prime CBD areas, are ABI Plaza on Keppel Road and MYP Plaza on Cecil Street. The Group’s residential properties, comprising two units in Sky@Eleven and one in Saint Regis Residences, complete its real estate asset portfolio.

This latest acquisition provided an opportunity for the Group to expand its Property Business and diversify its portfolio, as well as to supplement its revenue stream with additional income. It has added another 158,902 sq. ft. of commercial net lettable area, increasing the Group’s total net lettable area by 90.5% to 334,414 sq. ft.. In terms of revenue contribution, in the first three months since the completion of the acquisition in December 2016, the Group has already realised rental income of S\$4.8 million, bringing total rental income of S\$15.6 million from all three commercial properties. In terms of revenue contribution, in FY2017, the commercial and residential properties made up 99.0% and 1.0% of revenue respectively.

The Singapore property market continued to be battered by the weak economic conditions and cautious business outlook. For the whole of 2016, rentals of office space decreased 8.2% (even more than the 6.5% decline in 2015), as office rentals slid on the back of weak demand twinned with over-supply. On the residential front, rentals of private properties fell by 4.0% as compared to 4.6% in the previous year.² Against this backdrop, the Group’s Property Business turned in a respectable performance. As at the fourth quarter of FY2017, ABI Plaza’s average rent had decreased by 0.5% while MYP Plaza’s average rent declined by a mere 0.9% as compared to the same period last year. As at the fourth quarter of FY2017, ABI Plaza and MYP Plaza had occupancy rates of 95.3% and



77.4% respectively (82.4% and 77.4% respectively in the fourth quarter of FY2016). MYP Centre recorded an occupancy rate of 90.7% in the same period. Viewed against the market median occupancy rate³ of 88.2% in the same period, the Group’s commercial properties have held up well. As for our three high-end residential condominium properties, the two units at Sky@Eleven on Thomson Road and the prestigious Saint Regis Residences on Tanglin Road, are tenanted as at the fourth quarter of FY2017 despite the soft private residential real estate rental sector.

OUR INVESTMENT STRATEGY AND OUTLOOK

Despite the current bearish market sentiment surrounding the property market, an eventual rebound in the market is anticipated in land scarce Singapore. Singapore is remaking itself into a smart city and opportunities abound in areas such as financial, legal and educational technology services. Coupled with the Government’s drive to boost entrepreneurship and technology start-ups in potential high-growth areas and the trend towards co-working spaces and serviced offices, the medium to long-term outlook for the commercial property sector is positive. Given that such businesses need prime real estate space out of which to operate, the CBD area would be a natural choice because of proximity to the potential clientele of such firms. In the near term, however, it is anticipated that the market for CBD and Grade A rents will bottom out towards the end of 2017⁴ due to the bumper supply of over 2.35 million sq. ft. of Premium and Grade A office space to be completed

² Urban Redevelopment Authority, “Release of 4th Quarter 2016 real estate statistics”. <https://www.ur.gov.sg/uol/media-room/news/2017/Jan/pr17-06>

³ Refers to buildings located in core business areas in Downtown Core and Orchard Planning Area. <https://www.ur.gov.sg/uol/-/media/User%20Defined/URA%20Online/media-room/2017/Apr/pr17-30a5.pdf>

⁴ Colliers Quarterly, “Singapore Office Q1 2017”.

CHAIRMAN'S MESSAGE



this year⁵ with pick-up in 2018, timed to the recovery of the economy.

We will continue to take a circumspect view in our investment decisions. Anticipated interest rates hikes, the prevailing uncertainty in the macroeconomic environment and the need to balance risk with opportunity in a still weak property market, are some of the concerns that will be factored into our investment and decision-making process. Nevertheless, we remain unwavering in our strategy to achieve long-term, sustainable growth for the Group through an investment portfolio encompassing a diversified spectrum of quality real estate in terms of asset class, location, tenant mix, rental yields and potential for capital appreciation, with the ultimate aim of increasing shareholders' returns. We are well on our way towards achieving this, steadily and confidently.

THE YEAR AHEAD

The Ministry of Trade and Industry has forecasted that Singapore's economy will expand by 1.0 to 3.0%, on the continued strength of the manufacturing sector. The growth is likely to expand to more than 2.0% barring any downside risks.⁶ There has also been improvement in the global economic outlook, with faster growth in the US economy. While China's economy is expected to slow down marginally, its fiscal stimulus will likely provide the support needed to keep momentum. The economies of ASEAN are also projected to pick up on the back of healthy domestic demand and exports. Of course, there are potential risks in the form of

political and economic uncertainties in Europe and the US, the ongoing anti-globalisation and protectionist rhetoric, and the possibility of tighter monetary control in China. As an externally-oriented economy, Singapore will be impacted by any external economic downturn which, in turn, will negatively affect the property sector. We are, nevertheless, confident that with our strong balance sheet of good quality assets and sound business fundamentals, we are in a strong position to continue with our investment strategy, both in Singapore and where opportunity presents, overseas.

IN APPRECIATION

On behalf of the Board of Directors, I would like to thank our management and staff for their relentless hard work, commitment and dedication. Our heartfelt appreciation is also extended to our principals, clients, business partners and our shareholders for their unwavering support of our organisation. I would like to express my gratitude to our Board of Directors for their wise counsel and the strategic vision which they bring to the Group.

We look forward to FY2018 with an anticipation of the recovery of the property sector. With a clear investment roadmap for long-term and sustainable growth, we are optimistic that we will be well-placed to capitalise on the eventual uptake in the economy.

JONATHAN TAHIR

Executive Chairman



⁵ Colliers Quarterly, "Singapore Office Q4 2016".

⁶ Ministry of Trade and Industry. "MTI Maintains 2017 GDP Growth Forecast at "1.0 to 3.0 Per Cent". https://www.mti.gov.sg/ResearchRoom/SiteAssets/Pages/Economic-Survey-of-Singapore-First-Quarter-2017/PR_1Q17.pdf



BOARD OF DIRECTORS



Left to right:

DR CLEMENT WANG KAI

PROFESSOR TAN CHIN TIONG

MR JONATHAN TAHIR

MR KISHORE PRABHAKAR SARDESAI

MRS ELIZABETH HO NEE WONG CHING WAI



MR JONATHAN TAHIR

Executive Chairman

Bachelor of Science in Business Administration,
National University of Singapore

Served on the following Board Committees

Nominating Committee – Member

Background and experience

Mr Tahir is the Chairman of various listed and private companies in Indonesia since 2008. He oversees the operations and business of the Group and provides corporate direction and control.

Present Directorships in other listed companies

PT. Fajar Kharisma Nusantara
PT. Surya Cipta Inti Cemerlang
PT. Media Internusa Promosindo
PT. Ria Citra Karunia

Date of appointment as director:

27 July 2012

Date of last re-appointment as director:

31 July 2015

Length of services as director:

4 years and 8 months
(as at 31 March 2017)



MR KISHORE PRABHAKAR SARDESAI

Independent Non-Executive Director

Fellow Member of Institute of Chartered Accountants, India
Bachelor of Commerce and Law,
University of Mumbai, India

Served on the following Board Committees

Audit Committee – Chairman
Remuneration Committee – Chairman

Background and experience

Mr Sardesai has more than 37 years of experience in finance, management and promoting companies in the field of Financial Services and Information Technology. He is currently on the Board of various companies in India. He is also the Founder and Managing Director of Delphi Computech Group of companies engaged in consulting and training in the field of Enterprise solutions for the past 18 years.

As a Financial Consultant for the past 22 years, Mr Sardesai is expert in IPO management, fund raising and financial advisory to large number of groups mainly in India and South East Asia.

Present Directorships in other listed companies

Nil

Date of appointment as director:

27 July 2012

Date of last re-appointment as director:

25 July 2016

Length of services as director:

4 years and 8 months
(as at 31 March 2017)



DR CLEMENT WANG KAI

Non-Executive Director

PhD in Engineering,
University of Waterloo, Canada

Served on the following Board Committees

Remuneration Committee – Member

Background and experience

Dr Wang is actively involved in a few non-profit organisations both in Asia and the U.S. He was a Visiting Professor with the Department of Strategy and Policy, NUS Business School, National University of Singapore (NUS). He was previously Executive Vice President at Overseas Union Enterprises Limited and had been a Director at Lippo Realty (Singapore) Pte Ltd, Food Junction Holdings Ltd and IPP Financial Services Holdings Ltd.

Present Directorships in other listed companies

Nil

Date of appointment as director:

27 July 2012

Date of last re-appointment as director:

25 July 2016

Length of services as director:

4 years and 8 months
(as at 31 March 2017)

BOARD OF DIRECTORS



**MRS ELIZABETH HO NEE
WONG CHING WAI**
Independent Non-Executive Director

Master of Business Administration
(Accountancy),
Nanyang Technological University,
Singapore
Bachelor of Law, LLB (Hons),
National University of Singapore
Bachelor of Science, University of
Alberta, Canada

**Served on the following Board
Committees**

Nominating Committee – Chairperson
Audit Committee – Member
Remuneration Committee – Member

Background and experience

Mrs Ho is a Director of KT Ho Pte Ltd and 2H Pte Ltd and a Non-Executive Director of Brilliant Bazaar Pte Ltd. Mrs Ho is the co-founder of Ho, Wong & Partners, a partnership of 20 years prior to conversion of the firm to Ho Wong Law Practice, LLC in 2014 where she is one of the Directors of the law corporation. She has diverse experience in corporate real estate and financing practice, corporate and commercial practice and shipping practice.

**Present Directorships in other
listed companies**

Nil

Date of appointment as director:
30 July 2012

**Date of last re-appointment as
director:** 31 July 2015

Length of services as director:
4 years and 8 months
(as at 31 March 2017)



PROFESSOR TAN CHIN TIONG
Independent Non-Executive Director

PhD in Business
Pennsylvania State University, USA

**Served on the following Board
Committees**

Audit Committee – Member
Nominating Committee – Member

Background and experience

Professor Tan is a Senior Advisor to the President of the Singapore Management University. He was the founding Provost and Deputy President of Singapore Management University from 1999 to 2009 and also the founding President of Singapore Institute of Technology from 2009 to 2013. He spent 20 years of his career at the National University of Singapore, where he was heading various initiatives and offices.

Professor Tan was on the board of Citibank Singapore Ltd and several other listed companies. He was the non-executive chairman of Superior Multi-Packaging Ltd and chaired its executive committee. Professor Tan has served on committees of various government bodies.

**Present Directorships in other listed
companies**

Health Management International Ltd

Date of appointment as director:
1 January 2015

**Date of last re-appointment as
director:** 31 July 2015

Length of services as director:
2 years and 3 months
(as at 31 March 2017)

REPORT ON CORPORATE GOVERNANCE

The Board of Directors (the “**Board**”) of MYP LTD. (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 2012 (“**Code**”) through effective self-regulatory corporate practices to protect and enhance the interests of its shareholders.

This report describes the Group’s corporate governance processes and activities in conjunction with the Singapore Exchange Securities Trading Limited’s requirements that issuers describe its corporate governance practices with specific reference to the Code in its annual reports.

1. BOARD MATTERS

a. The Board’s Conduct of Affairs (*Principle 1*)

The Board currently comprises five directors. The principal functions of the Board are as follows:–

- Formulate corporate strategies, financial objectives and directions for the Group;
- Ensure effective management leadership of the highest quality and integrity;
- Provide oversight in the proper conduct of the Group’s businesses;
- Oversee and/or evaluate the adequacy of the internal audit, risk management, financial reporting and compliance processes;
- Oversee and ensure high standards of corporate governance for the Group; and
- Consider sustainability issues such as environmental factors.

All directors exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the best interest of the Group.

The Board also deliberates and makes decisions on material acquisitions and disposal of assets, corporate restructuring, dividend payments and other returns to shareholders and on matters that may involve a conflict of interest for any director.

All new directors are given an orientation of the Group’s business and governance practices, and all directors have access to information and further training on new developments, including new laws, regulations and changing commercial risks, at the Company’s expense.

To efficiently discharge its responsibilities, the Board has established several board committees, namely, Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”). These committees are given specific responsibilities and they are empowered by the Board to deal with matters within the limits of authority set out in the terms of reference of their appointments. They assist the Board operationally without the Board losing authority over major issues.

The Board holds at least four scheduled meetings each year to review and deliberate on the key activities and business strategies of the Group, including significant acquisitions and disposals, annual budget, financial performance and to endorse the release of the quarterly and annual financial results. Where necessary, additional meetings are held to address significant transactions or issues arising from the business operations of the Group.

REPORT ON CORPORATE GOVERNANCE

The Constitution of the Company provide for directors to conduct meetings by teleconferencing or videoconferencing. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions.

The frequency of Board, AC, NC and RC meetings held during the financial year and the attendance at those meetings are set out below:–

Number of meetings attended during the financial year ended 31 March 2017				
Name of Director	Board of Directors	Audit Committee	Nominating Committee	Remuneration Committee
Mr Jonathan Tahir (Executive Chairman)	3	#3	1	#1
Dr Clement Wang Kai (Non-Executive)	4	#4	#1	1
Mr Kishore Prabhakar Sardesai (Non-Executive and Independent)	4	4	#1	1
Mrs Elizabeth Ho Nee Wong Ching Wai ⁽²⁾ (Non-Executive and Independent)	4	4	1	#1
Professor Tan Chin Tiong (Non-Executive and Independent)	4	4	1	#1
Dato' Amin Rafie Bin Othman ⁽¹⁾ (Non-Executive and Independent)	4	#3	#1	1
No. of meetings held	4	4	1	1

(1) Dato' Amin Rafie Bin Othman resigned as an Independent Non-Executive Director with effect from 30 April 2017.

(2) Mrs Elizabeth Ho Nee Wong Ching Wai has been appointed as a member of the Remuneration Committee of the Company in place of Dato' Amin Rafie Bin Othman with effect from 30 April 2017.

By Invitation

b. Board Composition and Guidance (Principle 2)

The Company believes that there should be a strong and independent element on the Board in order for it to exercise objective judgment on corporate and business affairs. Hence, the Board comprises five (5) Directors, four (4) of whom are Non-Executive Directors, of which three (3) are independent, and the AC, the RC and the NC are constituted in compliance with the Code. The Company also believes that the Independent Directors should be selected for their diverse expertise so that they can provide a balance of views.

The Board considers an Independent Director as one that has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company. Under this definition, more than half of the Board is considered independent. Where the Executive Chairman and acting CEO of the Group is the same person, the independent directors should make up at least half of the Board. The Company has complied with the relevant guidelines of the Code as more than half of the Board is made up of independent directors.

REPORT ON CORPORATE GOVERNANCE

Each independent director is required to complete a director's independence confirmation annually based on the relevant guidelines as set out in the Code.

The NC reviews the independence of each Director annually, and as and when circumstances require. The NC adopts the Code's definition of what constitutes an Independent Director in its review and also considers any other salient factors. There is no Director who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him/her not to be independent.

There is no Independent Director who has served on the Board for more than nine (9) years since the date of his/her first appointment. As such, there is no rigorous review in this aspect, taking into account the need for progressive refreshing of the Board.

The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's businesses and the requirements of the business, the NC is of the view that the current board size and the existing 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 interfere, or could appear to interfere, with the exercise of the Director's independent judgement.

Our directors' profiles are set out on pages 6 to 8 of this Annual Report. Our Board members have the appropriate breadth and depth of expertise and experience.

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	5	100%
Business management	5	100%
Legal or corporate governance	3	60%
Relevant industry knowledge or experience	5	100%
Strategic planning experience	5	100%
Customer based experience or knowledge	3	60%
Gender		
Male	4	80%
Female	1	20%

The Non-Executive Directors constructively challenged and helped develop the Group's proposals on business strategies. Management's progress in implementing such agreed business strategies were monitored by the Non-Executive Directors.

The Non-Executive Directors would meet on a need-basis without the presence of the Management to discuss on relevant matters.

REPORT ON CORPORATE GOVERNANCE

c. **Role of Executive Chairman (“Chairman”) and Chief Executive Officer (“CEO”)** **(Principle 3)**

Mr Jonathan Tahir is the Executive Chairman and acting CEO of the Group. His role is to oversee the overall management, strategic planning and business operations and development as well as finance and risk management of the Group.

The Board is of the opinion that it is not necessary to separate the roles of the Chairman and the CEO after taking into account the size, scope and nature of the operations of the Group. Although the roles of Chairman and CEO are not separate, the Board is of the view that there are sufficient independent elements, 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.

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 Committees chaired by the Independent Directors. As more than half of the Board comprise independent directors, no lead independent director has been appointed. The Company will review should such a need arise.

The Chairman is assisted by the management team in the daily operations and administration of the Group’s business activities and in the effective implementation of the Group’s business strategies. Information on key executives is set out on page 16 of this Annual Report.

The Chairman also oversees the workings of the Board, ensuring that the Board is able to perform its duties and that there is a flow of information between the Board and the management. The Chairman reviews most of the board papers before they are presented to the Board. The management staff who have prepared the papers, or who may provide additional insights, are invited to present the papers or attend the board meetings.

d. **Board Membership** **(Principle 4)**

We believe that board renewal must be an on-going process to ensure good governance and maintain relevance to the changing needs of the Group’s businesses.

Nominating Committee

To achieve a formal and transparent process for the appointment and re-appointment of directors to the Board, the NC is responsible for identifying and selecting new directors. The Chairman of the NC is an independent director and is not associated with any substantial shareholder, and the majority of the NC members are independent. The NC currently comprises:-

Mrs Elizabeth Ho Nee Wong Ching Wai	Chairperson
Professor Tan Chin Tiong	Member
Mr Jonathan Tahir	Member

REPORT ON CORPORATE GOVERNANCE

The NC's key terms of reference, describing its responsibilities, include:–

- (a) Reviewing and recommending the appointment and re-appointment of the Directors having regard to the Director's contribution and performance, including attendance, preparedness and participation;
- (b) Determining on an annual basis whether or not a Director is independent in accordance to the Code;
- (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/her duties as Director; and
- (e) Deciding on how the Board's performance is to be evaluated and proposing objective performance criteria, subject to the approval by the Board.

Currently, none of the Directors hold more than four directorships in other listed companies. The Board has not fixed the maximum number of listed company board representations and other principal commitments which any Director may hold. It will do so when deemed necessary.

The Board does not encourage approving the appointment of alternate directors except in exceptional cases. If an alternate director is appointed, the alternate director should be familiar with the Group's affairs and be appropriately qualified. Currently, there is no alternate director on the Board.

All the directors are subject to the provisions of the Company's Constitution whereby one-third of the directors are required to retire and subject themselves to re-election ("**one-third rotation rule**") by the shareholders at every annual general meeting ("**AGM**").

A newly appointed director will have to submit himself for re-election at the AGM immediately following his appointment and, thereafter, he is subjected to the one-third rotation rule.

The NC selects and recommends the appointment and re-appointment of new directors to the Board after assessing the candidates' qualifications, attributes and past experience. The candidates' independence, expertise, background and skills will also be considered before the NC interviews the shortlisted candidates and makes its recommendations to the Board. This is to ensure a balanced board and to improve its overall effectiveness.

Key information of each director is set out on pages 6 to 8 of this Annual Report.

e. **Board Performance** **(Principle 5)**

The NC is responsible for assessing:–

- the effectiveness of the Board as a whole and its board committees; and
- the contribution by the Chairman and each individual director to the effectiveness of the Board.

The Board's performance is assessed through its ability to steer the Group in the right direction and the support it renders to the management during difficult times. For the purpose of evaluating directors' and board committees' performance, the NC takes into consideration a number of factors including the directors' attendance, participation and contributions at the main board and board committee meetings and other Company's activities.

REPORT ON CORPORATE GOVERNANCE

The NC uses its best efforts to ensure that directors appointed to the Board possess the necessary background, experience, skills and knowledge in management, business and finance, which are critical to the Group's business; and that each director is able to contribute his/her perspective, thus allowing effective decisions to be made. The NC conducts reviews of the Board's performance taking into account inputs from the other Board members.

f. Access to Information (Principle 6)

The Board is provided with timely and complete information prior to Board meetings and on an on-going basis and board papers are distributed in advance of each meeting of Directors. The Company circulates copies of the minutes of the meetings of all board committees to all members of the Board to keep them informed of on-going developments within the Group. New members are briefed on the business activities of the Group.

The appointment and the removal of the Company Secretary are subject to the approval of the Board.

The Board has separate and independent access to the senior management and the Company Secretary at all times. If necessary, the Board may, in furtherance of their duties, obtain independent professional advice at the Company's expense.

The Company Secretary attends all board meetings, ensures that established procedures and regulatory requirements as well as board policies are complied with and that the directors receive appropriate training as necessary.

2. REMUNERATION MATTERS

Procedures for developing remuneration policies (Principle 7)

Level and mix remuneration (Principle 8)

Disclosure on remuneration (Principle 9)

We believe in adopting a formal and transparent procedure for fixing the remuneration packages of the directors and key management so as to ensure that the level of remuneration should be appropriate to attract, retain and motivate the directors and key management needed to run the Group's business successfully.

a. Remuneration Committee

The RC was formed to achieve this formal and transparent process to evaluate the remuneration packages of the directors and key management. The RC comprises entirely of Non-Executive Directors, majority of whom, including the Chairman, are independent:

Mr Kishore Prabhakar Sardesai	Chairman
Dr Clement Wang Kai	Member
Mrs Elizabeth Ho Nee Wong Ching Wai	Member

The RC's key terms of reference, describing its responsibilities, include:

- (a) To recommend to the Board all matters relating to remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, and benefits-in-kind, of the Directors and key management personnel;
- (b) To review and ensure that the level and structure of remuneration of the Directors and key management personnel should be aligned with the long-term interest and risk policies of the Company;

REPORT ON CORPORATE GOVERNANCE

- (c) To structure a significant and appropriate proportion of executive directors' and key management personnel's remunerations so as to link rewards to corporate and individual performance; and to ensure such remunerations should be aligned with the interests of shareholders and promote the long-term success of the Company; and
- (d) To review and ensure the remuneration of non-executive directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the directors, and they should not be over-compensated to the extent that their independence may be compromised.

The RC meets at least once a year. In its deliberations, the RC takes into consideration the industry practices and norms for remuneration packages. The RC may obtain independent professional advice at the Company's expense.

No director is involved in any discussion relating to his own remuneration, the terms and conditions of service or the review of his own performance.

All directors are paid a fixed board fee and no additional fees are payable to a director for appointment as a chairman or member of a particular committee. The recommendations made by the RC in relation to such board fees are subject to approval by shareholders at the AGM.

The RC reviews the Company's obligations arising in the event of termination of the key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

As the Company does not have any long-term incentive in the components of the remuneration packages of the key executives, the RC is of the view that the institution of contractual provisions in the employment to reclaim any incentive components of their remuneration paid in prior years is not necessary.

In determining the remuneration of the key executives, the RC reviewed their respective achievements and assessed their performance for the financial year under review.

b. Disclosure on Directors' Fees and Remuneration

The directors' fees and remuneration paid/payable by the Group are as follows:–

	The Group	
	2017	2016
	\$'000	\$'000
Paid and payable by the Group:		
Directors' fees		
– Directors of the Company	440	500
– Other directors of subsidiaries	–	–
Directors' remuneration		
– Directors of the Company	–	–
– Other directors of subsidiaries	–	–
	440	500

REPORT ON CORPORATE GOVERNANCE

The following table shows the composition (in percentage terms) of the remuneration of the directors for the financial year ended 31 March 2017.

Name of directors	Directors'				Total
	Salaries	Bonuses	Fees	Others	
	%	%	%	%	%
Below \$250,000					
– Mr Jonathan Tahir	–	–	100	–	100
– Dr Clement Wang Kai	–	–	100	–	100
– Mr Kishore Prabhakar Sardesai	–	–	100	–	100
– Mrs Elizabeth Ho Nee Wong Ching Wai	–	–	100	–	100
– Professor Tan Chin Tiong	–	–	100	–	100
– Dato' Amin Rafie Bin Othman ⁽¹⁾	–	–	100	–	100

(1) Dato' Amin Rafie Bin Othman resigned as an Independent Non-Executive Director with effect from 30 April 2017.

For competitive reasons, the Company is only disclosing the bands of remuneration for each Director.

c. Key Executives and Remuneration Policy

The Company adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary and allowances. The variable component is in the form of a variable bonus that is linked to the Company and each individual's performance.

Details of remuneration paid to the key executives of the Group (who are not directors) for the year ended 31 March 2017 are all below \$250,000. A breakdown of the level and mix of the remuneration of the key executives is as follows:–

Name of key executives			Directors'		Total
	Salary	Bonus	fees	Other benefits	
	%	%	%	%	%
Below \$250,000					
– Mr William Neo	92	8	–	–	100
– Ms Beatrice Goh	92	8	–	–	100
– Ms Liang Bo	97	3	–	–	100

In view of the competitive nature of the Company's business and to ensure retention of its key management team, the Company is only disclosing the remuneration for each key executive in the band of S\$250,000.

The aggregate amount of the total remuneration paid to the key executives (who are not Directors or CEO) is S\$205,000 for the financial year ended 31 March 2017 (2016: S\$185,000).

During the financial year ended 31 March 2017, no key executive was an immediate family member of any Director or Executive Chairman of the Company.

REPORT ON CORPORATE GOVERNANCE

3. ACCOUNTABILITY AND AUDIT

Accountability (*Principle 10*)

Audit Committee (*Principle 12*)

The Board is responsible for providing a balanced and understandable assessment of the Company's performance, position and prospects, including interim and other price sensitive reports.

The Board ensures by confirming with Management and the external auditors that the financial statements are prepared according to applicable accounting policies and accounting standards as well as comply with other legislative and regulatory requirements.

The AC comprises entirely of Non-Executive Directors, majority of whom, including the Chairman, are independent, and have accounting or related financial management expertise or experience:–

Mr Kishore Prabhakar Sardesai	Chairman
Mrs Elizabeth Ho Nee Wong Ching Wai	Member
Professor Tan Chin Tiong	Member

The AC's scope of work is governed by written terms of reference. Specifically, the AC meets on a periodic basis to perform the following functions:–

- Nominates the external auditors for appointment or re-appointment and reviews the level of audit fees;
- Reviews the audit plans and scope of work of the internal and external auditors;
- Reviews the findings of the internal and external auditors and the response from management;
- Reviews the effectiveness of the internal audit function;
- Reviews the internal and external auditors' evaluation of the adequacy of the Group's system of accounting and internal controls;
- Reviews any interested person transactions;
- Reviews the Group's quarterly and annual financial results announcements and the financial statements of the Group and of the Company as well as the auditors' report thereon before they are submitted to the Board for approval;
- Reviews legal and regulatory matters that may have a material impact on the financial statements;
- Reports actions and minutes of the AC to the Board; and
- Reviews the cost effectiveness of the audit and the independence and objectivity of the external auditors.

The AC is given full access to, and receives full cooperation from the management. The AC has full discretion to invite any director or management staff to attend its meetings. It is empowered to investigate any matters relating to the Group's accounting, auditing, internal controls and/or financial practices that are brought to its attention; and has full access to records, resources and personnel to enable it to discharge its functions properly and effectively.

REPORT ON CORPORATE GOVERNANCE

During the financial year, the AC met with the external auditors to discuss and review the financial statements as well as the internal auditors on compliance with established internal controls of the Group.

Formal procedures are in place for the internal and external auditors to report their findings and recommendations to the management and AC. The internal and external auditors have unrestricted access to the AC. In addition, the AC meets up with the internal auditors and external auditors at least once a year without the presence of the management, in order to have free and unfiltered access to information that it may require.

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/payable to the external auditors of the Company and subsidiaries for audit services was \$131,000 and \$20,000 was paid to internal auditors for internal audit services. There were no non-audit services provided by the external auditors for the financial year ended 31 March 2017.

The AC has recommended that KPMG LLP be nominated for re-appointment as auditors at the forthcoming Annual General Meeting. In recommending the re-appointment of the auditors, the AC considered and reviewed a number of key factors, including amongst other things, adequacy of the resources and experience of supervisory and professional staff as well as the audit engagement partner to be assigned to the audit, and the size and complexity of the Group and its businesses and operations. The Group has also complied with Rules 712 and 715(1) of the SGX-ST Listing Manual in relation to the appointment of its external auditors.

The Group has in place the Whistle-Blower Policy and Procedures, pursuant to which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. This helps to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action.

The AC members take measures to keep abreast of changes of accounting standards and issues which have a direct impact on financial statements through attending training and seminars as well as receiving updates from the Group's external auditor. No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

4. INTERNAL CONTROLS AND INTERNAL AUDIT

Risk Management and Internal Controls (*Principle 11*)

Internal Audit (*Principle 13*)

The internal audit function of the Group has been outsourced to Foo Kon Tan Advisory Services Pte Ltd to strengthen the internal audit function and promote sound risk management, including financial, operational and compliance controls and good corporate governance.

The IA reports directly to the AC Chairman on audit matters, and to the Executive Chairman on administrative matters. The AC is satisfied that the appointed IA meets and has carried out its function according to the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC is satisfied that the internal audit function is adequately resourced and comprehensively covers the major activities within the Group.

Based on the internal controls established and maintained by the Group, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective.

REPORT ON CORPORATE GOVERNANCE

This is in turn also supported by the assurance from the Executive Chairman and the Financial Controller:–

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) that the Group's risk management and internal control systems are sufficiently effective.

a. Risk Management

The Group has identified the following key risk areas:–

- Investment risk
- Operational risk
- Compliance and legal risk
- Financial risk

i. Investment risk

Investments and acquisitions are undertaken only after extensive and satisfactory due diligence work has been conducted and must be consistent with the Group's strategies in focusing on the Group's businesses. All major investment proposals are carefully evaluated and must meet minimum threshold hurdles and be assessed to be within tolerable risks parameters and they must be submitted to the Board of Directors for approval.

ii. Operational risk

The Group's operating risk is managed at each operating unit and monitored at the Group level. As operational risk cannot be eliminated completely, the Group has to weigh the cost and benefit in managing these risks. The Group maintains sufficient insurance coverage taking into account the cost of cover and the risk profiles of the business in which it operates. The Internal Audit team complements the management's role by providing an independent perspective on the controls that help to mitigate any operational risks.

iii. Compliance and legal risk

Although the operating business units are responsible for ensuring compliance with the relevant laws and regulations, the Group also obtained advice from external legal advisors where necessary.

iv. Financial risk

The Group's financial risk management's objectives and policies are set out in note 22 of the Notes to the Financial Statements, found on pages 59 to 64 of the Annual Report.

REPORT ON CORPORATE GOVERNANCE

b. Dealings in Company's Securities

The Group has implemented appropriate guidelines on dealings in the Company's securities in compliance with the best practices as set out in Rule 1207(19) of the SGX-ST Listing Manual. All Directors and staff of the Group are not allowed to trade in the Company's securities during the periods commencing two weeks and one month before the announcement of the Company's quarterly and full year financial results respectively. To facilitate compliance, reminders are issued to all directors and staff prior to the applicable trading black-outs. Our directors and staff, who are expected to observe insider trading laws at all times, are also discouraged from dealing in the Company's securities on short-term considerations.

5. COMMUNICATION WITH SHAREHOLDERS (Principles 14 and 15)

The Company's corporate governance practices promote the fair and equitable treatment to all shareholders. To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNET, especially information pertaining to the Company's business development and financial performance which could have a material impact on the price or value of its shares, so as to enable shareholders to make informed decisions in respect of their investments in the Company.

All shareholders receive the annual report and notices of all shareholder meetings. The notices for such meetings are also advertised in a local newspaper and made available on SGXNET. The chairpersons of the various board committees and the external auditors are invited to be present at our general meetings, to address any queries from our shareholders.

The Company is firmly committed to corporate governance and transparency by disclosing to its stakeholders, including its shareholders, as much relevant information as is possible, in a timely, fair and transparent manner as well as to hearing its shareholders' views and addressing their concerns.

By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility.

General meetings have been and are still the principal forum for dialogue with shareholders. At these meetings, shareholders are given opportunities to participate through open discussions and to vote on resolutions tabled.

To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meetings. These meetings provide excellent platform for the Company to obtain shareholders' views on value creation.

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 flow, general business conditions and other factors as the Board may deem appropriate. No dividend was declared in respect of the financial year ended 31 March 2017 as the Company was not profitable.

6. CONDUCT OF SHAREHOLDER MEETINGS (Principles 16)

At general meetings, shareholders of the Company will be given the opportunity to present their views and to put questions regarding the Group to Directors and Management. The Directors and Management will be present at these meetings to address any questions that shareholders may have. The external auditors will also be present to assist the Board in addressing queries by shareholders.

REPORT ON CORPORATE GOVERNANCE

Currently, the Constitution of the Company allows a member of the Company to appoint up to two proxies to attend and vote at general meetings. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), a member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his stead. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

For the time being, the Board is of the view that this is adequate to enable shareholders to participate in general meetings of the Company and is not proposing to amend its Constitution to allow votes in absentia. 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 minutes of general meetings, which include substantial comments or queries from shareholders and responses from the Board are available to shareholders upon written request.

7. INTERESTED PERSON TRANSACTIONS ("IPT")

The Company has established a procedure for recording and reporting interested person transactions. There was no significant interested person transaction for the financial year ended 31 March 2017 except for Mr Jonathan Tahir providing non-interest bearing loans and he and his close family member providing non-interest bearing guarantees to secure our Group's obligations for the bank loans. Mr Jonathan Tahir also provided financial and other support as necessary to the Group.

8. MATERIAL CONTRACTS

There were no other material contracts or loan entered into by the Company and its subsidiaries involving the interests of the Executive Chairman, any director or controlling shareholder, which are either subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year, save for the following:

- (a) The shareholder loans in the aggregate amount of \$151.9 million (as at 31 March 2017) extended by Mr Jonathan Tahir to Grace Shine Pte Ltd, Affreton Pte Ltd, Salveur Pte Ltd and the Company.

9. CORPORATE DISCLOSURE

The Company believes that a high level of disclosure is essential to enhance the standard of corporate governance. Hence, the Company is committed to provide a high level of disclosure in all public announcements, press releases and annual reports.



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DIRECTORS' STATEMENT

YEAR ENDED 31 MARCH 2017

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2017.

In our opinion:

- (a) the financial statements set out on pages 31 to 67 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 31 March 2017, the changes in equity of the Group and the Company, and the financial performance and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, having regard to the continued financial and other support as necessary from a shareholder, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Jonathan Tahir
Clement Wang Kai
Kishore Prabhakar Sardesai
Elizabeth Ho Nee Wong Ching Wai
Tan Chin Tiong

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Jonathan Tahir		
MYP Ltd.		
– ordinary shares		
– interests held	886,653,577	1,374,313,044
– deemed interests	22,687,125	45,374,250
Clement Wang Kai		
MYP Ltd.		
– ordinary shares		
– deemed interests	11,351,250	11,351,250

DIRECTORS' STATEMENT

YEAR ENDED 31 MARCH 2017

By virtue of Section 7 of the Act, Jonathan Tahir and Clement Wang Kai are deemed to have interests in the other subsidiaries of MYP Ltd., all of which are wholly-owned, at the beginning and at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 April 2017.

Except as disclosed under the "Share options" section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

The Share Option Scheme (the "Option Scheme") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 6 January 2006. The Option Scheme is administrated by the Company's Remuneration Committee.

Other information regarding the Option Scheme is set out below:

- (a) The subscription price of the options may be set at:
 - equal to the average of the last dealt prices of the Company's shares on the Singapore Exchange (SGX) for the three consecutive trading days immediately preceding the date of the offer of the option (the Market Price Option); or
 - a discount to the market price of the Company's shares on the SGX provided the maximum discount which may be given does not exceed twenty per cent of the market price in respect of that option (the Incentive Option).
- (b) The Market Price Option may be exercised one year after the relevant date of offer. The Incentive Option may be exercised two years after the relevant date of offer.
- (c) Options granted to Group executives will cease to be exercisable after the tenth anniversary of the relevant date of offer unless they have been cancelled or have lapsed prior to that date. Options granted to non-executive directors and associated companies' executives will cease to be exercisable after the fifth anniversary of the relevant date of offer unless they have been cancelled or have lapsed prior to that date.

Date of grant refers to the vesting date whereby the employees become unconditionally entitled to the options.

No share options were granted during the financial year and there were no share options outstanding as at the reporting date.

There were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

DIRECTORS' STATEMENT

YEAR ENDED 31 MARCH 2017

Share-based incentive

The Company's Performance Share Plan (the "Share Plan") was approved at the Company's Extraordinary General Meeting held on 6 January 2006. The Company's Remuneration Committee administers the Share Plan.

The Share Plan is a share-based incentive to reward participants by the award of new shares (the "Shares") in the Company, which are given free of charge to the participants according to the extent to which their performance targets are achieved at the end of a specified performance period.

The selection of a participant and the number of Shares granted to a participant shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account the participant's rank, job performance, years of service, potential for future development and contributions to the success and development of the Group.

Since the commencement of the Share Plan, no Shares have been awarded.

Audit Committee

The members of the Audit Committee during the year and at the date of this report are:

Kishore Prabhakar Sardesai (Chairman), non-executive director
Elizabeth Ho Nee Wong Ching Wai, non-executive director
Tan Chin Tiong, non-executive director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

YEAR ENDED 31 MARCH 2017

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Jonathan Tahir

Director

Elizabeth Ho Nee Wong Ching Wai

Director

15 June 2017

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
MYP LTD.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MYP Ltd. ('the Company') and its subsidiaries ('the Group'), which comprise the statements of financial position of the Group and the Company as at 31 March 2017, the statements of changes in equity of the Group and the Company for the financial year then ended, the consolidated statement of comprehensive income and the consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 31 to 67.

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 Financial Reporting Standards in Singapore ('FRSs') 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 31 March 2017, the changes in equity of the Group and the Company and the consolidated financial performance and consolidated cash flows of the Group 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 'Auditors' 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.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
MYP LTD.

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 period. 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.

Valuation of investment properties (Refer to Note 11 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
As at 31 March 2017, the Group's investment properties comprise three commercial properties and three units of residential properties. These investment properties are valued at \$1.07 billion which represents 98% of the Group's total assets.	We evaluated the competence, capability and objectivity of the external valuers and understood the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.
The fair values of investment properties are determined by external independent valuers using either the income capitalisation or market comparison approach. The key assumptions used and estimates to be applied in determining the valuation of investment properties involve significant judgement, and as a result, the valuation process is considered as a key audit matter.	We discussed with the valuers to understand the valuation methods and key assumptions used. We considered the appropriateness of the valuation methods adopted and assessed the reasonableness of the key assumptions and estimates used. We compared the key assumptions and estimates used which included capitalisation rate and price per square metre (including adjustments made for differences in key attributes such as location, tenure, time factor, floor level, size and condition) with available industry data, taking into consideration comparability and market forces. Where the key inputs were outside the expected range, we undertook further analysis and held further discussions with the valuers to understand the effects of additional factors that were taken into account in the valuations.
These valuations are reviewed and approved by the Board of Directors.	
Our findings	
The Group has a structured process in appointing the valuers, and in reviewing, challenging and accepting their valuations. The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies used are in line with generally accepted market practices and the key assumptions used are within the range of available industry data.	

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Shareholding statistics ('the Report'), which is expected to be made available to us after that date.

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

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
MYP LTD.

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, 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.

When we read the Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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 FRSs, 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 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.

Auditors' 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 auditors' 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:

- 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 controls.
- Obtain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
MYP LTD.

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 controls 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 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 period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude 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 auditors' report is Tan Yek Lee Doreen.

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore

15 June 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2017

	Note	Group	
		2017 \$'000	2016 \$'000
Revenue	4	15,562	10,831
Other income		21	13
Revaluation (loss)/gain from investment properties	11	(13,860)	40
Depreciation expense on plant and equipment	9	(23)	(6)
Staff costs		(1,014)	(974)
Direct operating expenses of investment properties		(3,735)	(2,976)
Other expenses		(1,551)	(1,244)
Results from operating activities		(4,600)	5,684
Finance income		4	122
Finance costs		(8,842)	(6,931)
Net finance costs	6	(8,838)	(6,809)
Loss before tax		(13,438)	(1,125)
Tax expense	7	(370)	(270)
Loss for the year	5	(13,808)	(1,395)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Effective portion of changes in fair value of cash flow hedges		(1,233)	–
Total other comprehensive income for the year, net of income tax		(1,233)	–
Total comprehensive income for the year		(15,041)	(1,395)
Earnings per share:	8		
Basic loss per share (cents)		(1.07)	(0.12)*
Diluted loss per share (cents)		(1.07)	(0.12)*

* These figures have been restated for the effect of the rights issue undertaken by the Company in December 2016.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2017

		Group		Company	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Assets					
Plant and equipment	9	3,240	3,136	1	–
Subsidiaries	10	–	–	171,686	161,686
Investment properties	11	1,073,930	510,730	–	–
Non-current assets		1,077,170	513,866	171,687	161,686
Trade and other receivables	12	1,259	1,100	174,416	45
Cash and cash equivalents	13	12,948	28,578	239	12,965
Current assets		14,207	29,678	174,655	13,010
Total assets		1,091,377	543,544	346,342	174,696
Equity					
Share capital	14	255,318	157,613	262,106	164,401
Reserves	15	45,444	46,677	(456)	(456)
Retained earnings		49,337	63,145	3,801	4,675
Total equity		350,099	267,435	265,451	168,620
Liabilities					
Other payables	18	2,028	1,706	–	–
Bank borrowings – secured	16	580,705	220,146	–	–
Derivative financial liabilities	19	1,541	–	–	–
Non-current liabilities		584,274	221,852	–	–
Trade and other payables	18	4,753	2,254	3,569	576
Amount owing to a shareholder	17	151,867	51,841	77,321	5,500
Current tax liabilities		384	162	1	–
Current liabilities		157,004	54,257	80,891	6,076
Total liabilities		741,278	276,109	80,891	6,076
Total equity and liabilities		1,091,377	543,544	346,342	174,696

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2017

Group	Note	Share capital \$'000	Capital reserve \$'000	Hedging reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 April 2015		157,613	46,677	–	65,588	269,878
Total comprehensive income						
Loss for the year/Total comprehensive income for the year		–	–	–	(1,395)	(1,395)
Transaction with owners, recognised directly in equity						
Contribution by and distribution to owners						
Dividends paid	20	–	–	–	(1,048)	(1,048)
Total transaction with owners		–	–	–	(1,048)	(1,048)
At 31 March 2016		157,613	46,677	–	63,145	267,435
At 1 April 2016		157,613	46,677	–	63,145	267,435
Total comprehensive income for the year						
Loss for the year		–	–	–	(13,808)	(13,808)
Other comprehensive income						
Effective portion of changes in fair value of cash flow hedges		–	–	(1,233)	–	(1,233)
Total other comprehensive income		–	–	(1,233)	–	(1,233)
Total comprehensive income for the year		–	–	(1,233)	(13,808)	(15,041)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Issue of ordinary shares	14	97,976	–	–	–	97,976
Transaction costs related to rights issue	14	(271)	–	–	–	(271)
Total transactions with owners		97,705	–	–	–	97,705
At 31 March 2017		255,318	46,677	(1,233)	49,337	350,099

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2017

Company	Note	Share capital \$'000	Capital reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 April 2015		164,401	(456)	4,904	168,849
Total comprehensive income					
Profit for the year/Total comprehensive income for the year		–	–	819	819
Transaction with owners, recognised directly in equity					
<i>Distribution to owners</i>					
Dividends paid	20	–	–	(1,048)	(1,048)
Total transaction with owners		–	–	(1,048)	(1,048)
At 31 March 2016		164,401	(456)	4,675	168,620
At 1 April 2016		164,401	(456)	4,675	168,620
Total comprehensive income					
Loss for the year/Total comprehensive income for the year		–	–	(874)	(874)
Transactions with owners, recognised directly in equity					
<i>Contributions by and distributions to owners</i>					
Issue of ordinary shares	14	97,976	–	–	97,976
Transaction costs related to rights issue	14	(271)	–	–	(271)
Total transactions with owners		97,705	–	–	97,705
At 31 March 2017		262,106	(456)	3,801	265,451

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2017

		Group	
	Note	2017 \$'000	2016 \$'000
Cash flows from operating activities			
Loss for the year		(13,808)	(1,395)
Adjustments for:			
Depreciation of plant and equipment	9	23	6
Net finance costs	6	8,838	6,809
Revaluation loss/(gain) from investment properties	11	13,860	(40)
Tax expense	7	370	270
		9,283	5,650
Changes in:			
Trade and other receivables		(190)	20
Trade and other payables		2,680	(569)
Cash generated from operations		11,773	5,101
Tax paid		(148)	(512)
Net cash from operating activities		11,625	4,589
Cash flows from investing activities			
Acquisition of plant and equipment	9	(127)	(157)
Acquisition of investment property	11	(577,060)	–
Interest received		33	122
Net cash used in investing activities		(577,154)	(35)
Cash flows from financing activities			
Increase in amount owing to a shareholder		100,026	5,975
Net proceeds from issue of ordinary shares in relation to rights issue		97,705	–
Debt service reserve	13	(2,318)	–
Proceeds from drawdown of bank borrowings		364,000	–
Payment of transaction costs related to bank borrowings		(3,640)	–
Interest paid		(8,192)	(6,109)
Dividends paid	20	–	(1,048)
Net cash from/(used in) financing activities		547,581	(1,182)
Net change in cash and cash equivalents		(17,948)	3,372
Cash and cash equivalents at beginning of the year		28,578	25,206
Cash and cash equivalents at end of the year	13	10,630	28,578

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 15 June 2017.

1 DOMICILE AND ACTIVITIES

MYP Ltd. (the “Company”) is a company incorporated in Singapore and listed on the Singapore Exchange. The address of the Company’s registered office is 135 Cecil Street, #14-01 MYP Plaza, Singapore 069536.

The financial statements of the Group as at and for the year ended 31 March 2017 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

The principal activity of the Company is that of investment holding. The principal activities of the Group are those of investment holding and investment in real-estate properties.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies set out in note 3.

(c) Going concern

As at 31 March 2017, the Group has net current liabilities of \$142,797,000 (2016: \$24,579,000) and had incurred a loss before taxation of \$13,438,000 (2016: \$1,125,000). Notwithstanding this, the financial statements of the Group have been prepared on a going concern basis, as a shareholder has undertaken to provide continuous financial and other support as necessary, to the Group at least for the next twelve months from the date of this report to enable the Group to continue its operations and meet its financial obligations as and when they fall due.

(d) Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless stated otherwise.

(e) Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in note 23 – Determination of fair values.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group entities.

(a) Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the date of acquisition, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (Continued)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from the intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

(b) Foreign currencies

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of transaction. Foreign currency differences arising on translation are recognised in the profit or loss, except for differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation, which are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Dividend income is recognised when the right to receive payment is established.

(d) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

(e) Finance income and finance costs

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on non-current amount due to a shareholder, losses on hedging instruments that are recognised in profit or loss and amortisation of transaction costs related to bank borrowings.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(f) Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Tax (Continued)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(g) (Loss)/Earnings per share

The Group presents basic and diluted (loss)/earnings per share data for its ordinary shares. Basic (loss)/earnings per share, is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year. Diluted (loss)/earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

(h) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Art pieces	Indefinite
Renovations, furniture and fittings	3 – 5 years
Office equipment and computers	3 – 5 years
Motor vehicle	10 years

Depreciation methods and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(k) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies its non-derivative financial assets as loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Non-derivative financial assets (Continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(l) Impairment of non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy and adverse changes in the payment status of borrowers or issuers.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Derivative financial liabilities, including hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be 'highly effective' in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80% – 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Derivative financial liabilities, including hedge accounting (Continued)

Derivatives are initially measured at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the non-financial item affects profit or loss. In other cases as well, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

(o) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the date of acquisition. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The Group classifies non-derivative financial liabilities into other financial liabilities which comprise trade and other payables. Other financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, amount owing to a shareholder and trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are initially measured at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantee is transferred to profit or loss.

(q) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or employees' entitlements to annual leave when they accrue to employees, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(r) Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

When an operating lease is terminated before the lease term expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Operating lease payments (Continued)

Determining whether an arrangement contains a lease (Continued)

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(s) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(t) New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2016 and earlier application is permitted; however, the Group has not early adopted the following new or amended standards in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group in future financial periods, the Group has evaluated the transition options and the potential impact on its financial statements, and to implement these standards.

Applicable to 2019 financial statements

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*.

FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2019 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transitions.

The Group completed its initial assessment of the impact on the Group's financial statements. Based on its initial assessment, the Group does not expect significant changes to the basis of revenue recognition. Certain additional disclosures would be required by FRS 115.

Transition – The Group plans to adopt the standard when it becomes effective in 2019.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) New standards and interpretations not adopted (Continued)

FRS 109 *Financial Instruments*

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 April 2018.

The Group performed its initial assessment of the impact on the Group's financial statements. The Group's initial assessment of the three elements of FRS 109 is as described below.

Classification and measurement – The Group does not expect significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109.

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using the amortised cost model under FRS 109.

For financial assets and liabilities currently held at fair value, the Group expects to continue measuring these assets and liabilities at fair value under FRS 109.

Impairment – The Group is evaluating the approach to adopt in respect of recording expected impairment losses on loans and receivables. On adoption of FRS 109, the Group does not expect a significant impact to the impairment loss allowance.

Hedge accounting – The Group expects that all its existing hedges that are designated in effective hedging relationships will continue to qualify for hedge accounting under FRS 109.

Transition – The Group plans to adopt the standard by the effective date without restating comparative information and is gathering data to quantify the potential impact arising from the adoption.

Convergence with International Financial Reporting Standards (IFRS)

In addition, the Accounting Standards Council (ASC) announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018 onwards.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) New standards and interpretations not adopted (Continued)

The Group is currently assessing the impact of SG-IFRS 1 First-time adoption of International Financial Reporting Standards for the transition to the new reporting framework and performing an analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1.

Other than arising from the adoption of new and revised standards, the Group does not expect to change its existing accounting policies on adoption of the new framework.

The Group is currently performing a detailed analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1 and the preliminary assessment may be subject to changes arising from the detailed analyses.

Applicable to 2020 financial statements

FRS 116 Leases

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied.

The Group is currently assessing the impact of the new standard. Based on its initial assessment, the Group does not expect significant changes to the classification of leases. The Group plans to adopt the standard when it becomes effective in 2020. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

4 REVENUE

	Group	
	2017	2016
	\$'000	\$'000
Rental income	15,562	10,831

5 LOSS FOR THE YEAR

The following items have been included in arriving at loss for the year:

	Group	
	2017	2016
	\$'000	\$'000
Other income – government grants	21	13
Audit fees paid to external auditors of the Company	(131)	(92)
Audit fees paid to internal auditors of the Company	(20)	(20)
Contributions to defined contribution plans included in staff costs	(79)	(58)
Direct operating expenses of investment properties	(3,735)	(2,976)
Professional fees	(368)	(106)

6 NET FINANCE COSTS

	Group	
	2017	2016
	\$'000	\$'000
<u>Finance income</u>		
Interest income on deposits with banks	4	122
<u>Finance costs</u>		
Ineffective portion of changes in fair value of cash flow hedges	(308)	–
Amortisation of transaction costs related to bank borrowings	(200)	–
Interest expense on bank borrowings – secured	(8,334)	(6,245)
Unwinding of discounting effect of interest-free loan	–	(686)
	(8,842)	(6,931)
Net finance costs	(8,838)	(6,809)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

7 TAX EXPENSE

	Group	
	2017	2016
	\$'000	\$'000
Tax recognised in profit or loss		
Income tax expense		
– Current year	365	162
– Under provision in prior years	5	108
	370	270
Reconciliation of effective tax rate:		
Loss before tax	(13,438)	(1,125)
Tax using the Singapore tax rate of 17% (2016: 17%)	(2,284)	(191)
Singapore statutory stepped income exemption	(74)	(42)
Non-deductible expenses	3,369	460
Non-taxable income	(588)	(79)
Current year tax losses for which no deferred tax asset was recognised	–	14
Utilisation of unrecognised deferred tax assets	(58)	–
Under provision in prior years	5	108
	370	270

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2017	2016
	\$'000	\$'000
Tax losses carried forward	–	80

The tax losses, which are subject to agreement by the tax authorities and compliance with tax regulations, do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

8 EARNINGS PER SHARE

The calculation of basic and diluted loss per share at 31 March 2017 was based on the loss attributable to ordinary shareholders of approximately \$13,808,000 (2016: \$1,395,000), and a weighted average number of ordinary shares during the year of 1,295,631,715 (2016: 1,159,086,466), calculated as follows:

Loss attributable to ordinary shareholders

	Group	
	2017 \$'000	2016 \$'000
Loss attributable to equity holders of the Company	(13,808)	(1,395)

Weighted-average number of ordinary shares

	Group	
	2017 '000	2016 Restated* '000
Issued ordinary shares as at 1 April	1,048,156	1,048,156
Effect of shares issued in December 2016	247,476	110,930
Weighted-average number of ordinary shares during the year	1,295,632	1,159,086

* Weighted average number of ordinary shares were restated due to retrospective adjustments for Rights Issue in December 2016.

9 PLANT AND EQUIPMENT

	Art pieces \$'000	Renovations, furniture and fittings \$'000	Office equipment and computers \$'000	Motor vehicle \$'000	Total \$'000
Group					
Cost					
At 1 April 2015	2,971	32	1	–	3,004
Additions	–	–	2	155	157
At 31 March 2016	2,971	32	3	155	3,161
Additions	–	124	3	–	127
At 31 March 2017	2,971	156	6	155	3,288
Accumulated depreciation					
At 1 April 2015	–	19	–	–	19
Depreciation for the year	–	3	1	2	6
At 31 March 2016	–	22	1	2	25
Depreciation for the year	–	7	2	14	23
At 31 March 2017	–	29	3	16	48
Carrying value					
At 1 April 2015	2,971	13	1	–	2,985
At 31 March 2016	2,971	10	2	153	3,136
At 31 March 2017	2,971	127	3	139	3,240

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

9 PLANT AND EQUIPMENT (CONTINUED)

Assets held in trust

At 31 March 2017, art pieces of the Group are held in trust by a shareholder.

	Office equipment and computers \$'000	Total \$'000
Company		
Cost		
At 1 April 2015 and 31 March 2016	–	–
Additions	2	2
At 31 March 2017	2	2
Accumulated depreciation		
At 1 April 2015 and 31 March 2016	–	–
Depreciation for the year	1	1
At 31 March 2017	1	1
Carrying value		
At 1 April 2015 and 31 March 2016	–	–
At 31 March 2017	1	1

10 SUBSIDIARIES

	Company	
	2017	2016
	\$'000	\$'000
Unquoted equity shares, at cost	171,686	161,686

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective interest held by the Company	
		2017	2016
		%	%
Grace Shine Pte. Ltd.	Singapore	100	100
Affreton Pte. Ltd.	Singapore	100	100
Salveur Pte. Ltd.	Singapore	100	–

KPMG LLP is the auditor of all the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

11 INVESTMENT PROPERTIES

	Group	
	2017 \$'000	2016 \$'000
At 1 April	510,730	510,690
Acquisition of investment property	577,060	–
Changes in fair value	(13,860)	40
At 31 March	1,073,930	510,730

Investment properties comprise three (2016: two) commercial buildings and three (2016: three) residential units that are leased to third parties. Each of the leases contains an initial non-cancellable period of 1 to 5 years. Subsequent renewals are negotiated with the lessee.

Acquisition of investment property

On 23 December 2016, the acquisition of MYP Centre (formerly known as Straits Trading Building) through the Group's wholly-owned subsidiary, Salveur Pte. Ltd., was completed. The acquisition price of \$560,000,000 was based on the valuation report by an independent valuer dated 30 September 2016. Transaction costs incurred in relation to the acquisition of \$17,060,000 were capitalised upon acquisition. The acquisition was funded as follows:

	\$'000
Bank borrowings – secured	364,000
Net proceeds from rights issue	97,705
Internal resources	26,476
Shareholder's loan	71,819
Acquisition price of investment property	560,000
Add: Transaction costs	17,060
Total acquisition amount of investment property	577,060

The fair value of MYP Centre remained at \$560,000,000 as at 31 March 2017 and accordingly, the transaction costs relating to the acquisition of the investment property have been taken to profit or loss as fair value changes as at year end.

Security

At 31 March 2017, investment properties of the Group with carrying amount of approximately \$1,062,000,000 (2016: \$498,520,000) are pledged as security to secure the bank loans (see note 16).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Trade receivables	7	183	–	–
Non-trade amount due from a subsidiary	–	–	174,276	–
Deposits	178	34	10	1
Accrued interest receivable	–	29	–	29
Accrued income	698	647	115	–
Loans and receivables	883	893	174,401	30
Prepayments	376	207	15	15
	1,259	1,100	174,416	45

The non-trade amount due from a subsidiary is unsecured, interest-free, and are repayable on demand. There is no allowance for impairment loss arising from these outstanding balances.

Impairment loss

The aging of loans and receivables at the reporting date is as follows:

	Group		Company	
	Gross	Impairment	Gross	Impairment
	2017	losses	2016	losses
	\$'000	\$'000	\$'000	\$'000
Group				
Not past due	878	–	887	–
Past due 1-30 days	5	–	6	–
	883	–	893	–
Company				
Not past due	174,401	–	30	–

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of the receivables. These receivables mainly arise from parties that have good credit records with the Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

13 CASH AND CASH EQUIVALENTS

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash at bank and on hand	12,948	16,578	239	965
Fixed deposits	–	12,000	–	12,000
Cash and cash equivalents in the statements of financial position	12,948	28,578	239	12,965
Debt service reserve	(2,318)	–	–	–
Cash and cash equivalents in the statement of cash flows	10,630	28,578	239	12,965

In 2016, interest rates on the fixed deposits were repriced at intervals of 3 months.

Debt service reserve represents bank balances maintained for the purpose of a bank loan obtained by a subsidiary (see note 16).

14 SHARE CAPITAL

	Company	
	2017 Number of shares '000	2016 Number of shares '000
Fully paid ordinary shares, with no par value:		
At 1 April	1,048,156	1,048,156
Issuance of new ordinary shares in relation to rights issue	544,313	–
At 31 March	1,592,469	1,048,156

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.

Issuance of ordinary shares

On 7 December 2016, 544,313,488 new ordinary shares ("rights issue") were issued at an issue price of \$0.18 per share amounting to \$97,976,428, pursuant to the renounceable non-underwritten rights issue undertaken by the Company on the basis of one rights share for every one existing ordinary share of the Company.

Transaction costs of approximately \$271,000 in relation to the rights issue have been included in share capital.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

15 RESERVES

The reserves of the Group and the Company comprise the following balances:

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Capital reserve	46,677	46,677	(456)	(456)
Hedging reserve	(1,233)	–	–	–
	45,444	46,677	(456)	(456)

Reserves

(a) Capital reserve

The capital reserve represents the excess of fair value of identifiable net assets acquired over the purchase consideration resulting from acquisition of remaining shareholding in a subsidiary and the share issue/transaction costs related to the acquisitions in prior years.

(b) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

16 BANK BORROWINGS – SECURED

	Group	
	2017 \$'000	2016 \$'000
Secured bank loans	580,705	220,146

Terms and debt repayment schedule

Terms and conditions of secured bank loans in accordance with loan agreements are as follows:

Group	Maturity date	2017	2016	2017 \$'000	2016 \$'000
		Effective interest rate per annum			
Secured bank loan 1	March 2019	2.55%	2.76%	92,146	92,146
Secured bank loan 2	July 2018	2.79%	2.89%	128,000	128,000
Secured bank loan 3	December 2021	2.47%	–	360,559	–
				580,705	220,146

Secured bank loans 1 and 2 of the Group are interest-bearing at a floating rate of 1.85% per annum above Singapore Interbank Offered Rate (“SIBOR”), which are repriced on a regular basis. The secured bank loan 3 is interest-bearing at a floating rate from 1.80% to 2.00% per annum above one-month Singapore Dollar Swap Offer Rate (“SOR”) which are repriced on a regular basis.

The secured bank loans of the Group are secured over investment properties (see note 11) and guaranteed by a shareholder and his close family member.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

17 AMOUNT OWING TO A SHAREHOLDER

The amount owing to a shareholder is unsecured, interest-free and repayable on demand.

18 TRADE AND OTHER PAYABLES

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Non-current				
Security deposits	2,028	1,706	–	–
Current				
Non-trade amount due to a subsidiary	–	–	3,000	–
Sundry creditors	419	244	40	31
Security deposits	1,684	480	–	–
Interest payable to banks	1,053	786	–	–
Accrued operating expenses	936	710	529	545
	4,092	2,220	3,569	576
Unearned revenue	661	34	–	–
Total current	4,753	2,254	3,569	576
Total current and non-current	6,781	3,960	3,569	576

The non-trade amount due to a subsidiary is unsecured, interest-free, and is repayable on demand.

19 DERIVATIVE FINANCIAL LIABILITIES

The Group uses interest rate swaps to manage its exposure to interest rate movements on certain floating rate interest-bearing bank loans by swapping the interest expense of bank loans from floating rates to fixed rates.

At the reporting date, the Group has interest rate swap contracts with a total notional amount of \$91,000,000 (2016: nil). The interest rate swap contracts end in December 2021. Under the contracts, the Group pays fixed interest rates of 2.23% to 2.25% per annum (2016: nil) and receives interest at the one-month Singapore Dollar SOR.

20 DIVIDENDS

	Group	
	2017 \$'000	2016 \$'000
Dividends paid		
Final one-tier tax-exempt dividend of nil cent (2016: 0.1 cents) per share (in respect of the previous financial year)	–	1,048

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

21 RELATED PARTIES

Other than as disclosed elsewhere in the financial statements, there were no other significant transactions with related parties.

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Board of Directors of the Group are considered as key management of the Group.

Key management personnel compensation

Key management personnel compensation comprised:

	2017 \$'000	2016 \$'000
Directors of the Company		
– paid and payable by the Group	440	500
Other key management personnel		
– paid and payable by the Group	205	185
Total	645	685

22 FINANCIAL INSTRUMENTS

(a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

(b) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

22 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and cash and cash equivalents.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has in place policies to ensure that services are rendered to customers with an appropriate credit history and rating. At the end of reporting period, the loans and receivables of the Group and the Company that were not past due or not impaired, are assessed to be at acceptable risks.

The Group places its cash and fixed deposits with banks and financial institutions which are regulated, to limit its credit exposure.

The carrying amount of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk. The Group and the Company do not hold any collateral in respect of their financial assets.

Guarantees

The Group's policy is to provide financial guarantees only for wholly-owned subsidiaries' liabilities.

The maximum exposure of the Company in respect of the intra-group financial guarantee at the reporting date is \$364,000,000 (2016: nil). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantee.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This is achieved through monitoring the cash flow requirements closely.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

At the reporting date, the Group has contractual commitment to repay the trade and other payables, secured bank borrowings and amount owing to a shareholder. The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

22 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity risk (Continued)

	Note	Carrying amount \$'000	Contractual cash flow \$'000	0-12 months \$'000	1-2 years \$'000	> 2 years \$'000
Group						
Non-derivative and derivative financial liabilities						
2017						
Trade and other payables [#]	18	6,120	6,120	4,091	786	1,243
Amount owing to a shareholder	17	151,867	151,867	151,867	–	–
Bank borrowings – secured	16	580,705	638,299	14,898	140,523	482,878
Derivative financial liabilities	19	1,541	1,249	(1,239)	(301)	2,789
		740,233	797,535	169,617	141,008	486,910
2016						
Trade and other payables [#]	18	3,926	3,926	2,220	1,210	496
Amount owing to a shareholder	17	51,841	51,841	51,841	–	–
Bank borrowings – secured	16	220,146	236,407	6,242	6,243	223,922
		275,913	292,174	60,303	7,453	224,418

[#] Excludes unearned revenue

	Note	Carrying amount \$'000	Contractual cash flow \$'000	0-12 months \$'000	1-2 years \$'000	> 2 years \$'000
Company						
Non-derivative financial liabilities						
2017						
Trade and other payables [#]	18	3,569	3,569	3,569	–	–
Amount owing to a director	17	77,321	77,321	77,321	–	–
		80,890	80,890	80,890	–	–
2016						
Trade and other payables [#]	18	576	576	576	–	–
Amount owing to a director	17	5,500	5,500	5,500	–	–
		6,076	6,076	6,076	–	–

[#] Excludes unearned revenue

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

22 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to interest rate risk arises primarily from bank borrowings of \$580,705,000 (2016: \$220,146,000) with variable interest rate. The Group adopts a policy of managing its interest rate exposure by maintaining a debt portfolio with both fixed and floating interest rates. Where appropriate, the Group uses interest rate derivatives to hedge interest rate exposure for specific underlying debt obligations.

Interest rate derivatives are used to manage interest rate risk, to the extent that the perceived cost is considered to outweigh the benefit from the flexibility of variable borrowings, and the Group actively monitors the need and timing for such derivatives.

Where used, interest rate derivatives are classified as cash flow hedges and stated at fair value within the Group's statement of financial position.

Sensitivity analysis for interest rate risk

As at reporting date, if interest rates had been 50 basis points lower/higher with all other variables held constant, the Group's loss before tax would be approximately \$2,466,000 (2016: \$1,041,000) lower/higher, arising as a result of lower/higher interest income/expense from bank borrowings.

The sensitivity analysis above excludes the financial effect of transaction costs recognised against the financial liabilities.

Management is of the view that the above sensitivity analysis may not be representative of the inherent interest rate risk as year-end exposure may not reflect the actual exposure and circumstances during the year.

(f) Capital management

The primary objective of the Group's capital management is to have a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group defines capital to include funds raised through the issuance of ordinary share capital and accumulated profits.

The Group manages its capital to ensure entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance. The Group actively reviews its capital structure and considers the cost of capital and the associated risks. The Group balances its overall capital structure through the payment of dividends, return of capital to shareholders, new share issues as well as the issue of new debt or the redemption of existing debt.

The Group and the Company are not subjected to any externally imposed capital requirement.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

22 FINANCIAL INSTRUMENTS (CONTINUED)

(g) Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities are as follows:

	Note	Loans and receivables \$'000	Financial liabilities at amortised cost \$'000	Total carrying amount \$'000	Fair value \$'000
2017					
Group					
Trade and other receivables*	12	883	–	883	883
Cash and cash equivalents	13	12,948	–	12,948	12,948
		13,831	–	13,831	13,831
Bank borrowings – secured	16	–	(580,705)	(580,705)	(580,705)
Derivative financial liabilities	19	–	–	(1,541) [^]	(1,541)
Trade and other payables [#]	18	–	(6,120)	(6,120)	(6,120)
Amount owing to a shareholder	17	–	(151,867)	(151,867)	(151,867)
		–	(738,692)	(740,233)	(740,233)
Company					
Trade and other receivables*	12	174,401	–	174,401	174,401
Cash and cash equivalents	13	239	–	239	239
		174,640	–	174,640	174,640
Trade and other payables [#]	18	–	(3,569)	(3,569)	(3,569)
Amount owing to a shareholder	17	–	(77,321)	(77,321)	(77,321)
		–	(80,890)	(80,890)	(80,890)

* Excludes prepayments

Excludes unearned revenue

[^] Being financial liabilities measured at fair value

	Note	Loans and receivables \$'000	Financial liabilities at amortised cost \$'000	Total carrying amount \$'000	Fair value \$'000
2016					
Group					
Trade and other receivables*	12	893	–	893	893
Cash and cash equivalents	13	28,578	–	28,578	28,578
		29,471	–	29,471	29,471
Bank borrowings – secured	16	–	(220,146)	(220,146)	(220,146)
Trade and other payables [#]	18	–	(3,926)	(3,926)	(3,926)
Amount owing to a shareholder	17	–	(51,841)	(51,841)	(51,841)
		–	(275,913)	(275,913)	(275,913)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

22 FINANCIAL INSTRUMENTS (CONTINUED)

(g) Accounting classifications and fair values (Continued)

	Note	Loans and receivables \$'000	Financial liabilities at amortised cost \$'000	Total carrying amount \$'000	Fair value \$'000
2016					
Company					
Trade and other receivables*	12	30	–	30	30
Cash and cash equivalents	13	12,965	–	12,965	12,965
		12,995	–	12,995	12,995
Trade and other payables#	18	–	(576)	(576)	(576)
Amount owing to a shareholder	17	–	(5,500)	(5,500)	(5,500)
		–	(6,076)	(6,076)	(6,076)

* Excludes prepayments

Excludes unearned revenue

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and amount owing to a shareholder) are assumed to approximate their fair values because of the short period to maturity. Bank borrowings are assumed to approximate their fair value because they are repriced on a regular basis. The fair value of derivative financial liabilities is based on broker quotes at the reporting date.

23 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in note 22(g) and below.

Investment properties

External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued, values the Group's investment property portfolio annually. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted acknowledgeably, prudently and without compulsion.

In determining the fair value, the valuers have used valuation techniques which involved certain estimates. The valuers have considered the market comparison approach and income capitalisation approach in arriving at the open market value as at date of valuation.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

23 DETERMINATION OF FAIR VALUES (CONTINUED)

Investment properties (Continued)

The market comparison approach involves using price per square metre of buildings derived from observable market data of comparable sales of similar property from an active and transparent market. Adjustments have been made to the key assumptions of comparable properties for differences on key attributes such as location, tenure, time factor, condition, size, floor level and floor size (quality of the building). The income capitalisation approach capitalises an income stream into a present value using capitalisation rates. The income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment properties. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

Fair value hierarchy

Fair value information on financial instruments are disclosed in note 22(g).

The table below analyses recurring non-financial assets and derivative financial liabilities carried at fair value. The different levels are defined as follows:

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2017				
Commercial properties for leasing	–	–	1,062,000	1,062,000
Residential properties for leasing	–	–	11,930	11,930
Total investment properties	–	–	1,073,930	1,073,930
 Interest rate swaps used for hedging	–	1,541	–	1,541
2016				
Commercial properties for leasing	–	–	498,520	498,520
Residential properties for leasing	–	–	12,210	12,210
Total investment properties	–	–	510,730	510,730

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

23 DETERMINATION OF FAIR VALUES (CONTINUED)

Level 3 fair value

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements.

	2017 \$'000	2016 \$'000
Investment properties for leasing		
Balance at 1 April	510,730	510,690
Acquisition	577,060	–
Changes in fair value	(13,860)	40
Balance at 31 March	1,073,930	510,730

The following table shows the key unobservable inputs used in the valuation models:

Type	Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties			
Properties for leasing where price per square metre for comparable buildings or units are available	Market comparison approach	Price per square metre. (\$15,877 to \$26,136 (2016: \$16,114 to \$25,933))	The estimated fair value would increase if the price per square meter were higher.
Commercial property for leasing	Income capitalisation approach	Capitalisation rate (3% (2016: Note applicable))	The estimated fair value varies inversely against the capitalisation rate.

Valuation processes applied by the Group

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuers provide the fair value of the Group's investment property portfolio at the end of the financial year.

Key unobservable inputs

Key unobservable inputs correspond to price per square meter, premium or discount on the quality of the buildings or units and capitalisation rate. The price per square meter is derived from specialised publications from the related markets and comparable transactions. The premium or discount on the quality of the buildings or units and the capitalisation rate are derived based on professional judgement of the valuers, taking into account key attributes such as location, tenure, time factor, condition, size, floor level and floor size (quality of the buildings or units).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

24 OPERATING LEASES

Leases as lessor

The Group leases out its investment properties (note 11). The future minimum lease payments under non-cancellable leases are as follows:

	Group	
	2017 \$'000	2016 \$'000
Within one year	25,350	9,522
Between one to five years	38,940	7,909
After five years	–	339
	64,290	17,770

During the year, \$15,562,000 (2016: \$10,831,000) was recognised as rental income in profit or loss by the Group. Direct operating expenses (including repairs and maintenance) arising from investment property were as follows:

	2017 \$'000	2016 \$'000
Income-generating properties	3,066	2,415
Vacant properties	669	561
	3,735	2,976

25 SEGMENT REPORTING

(a) Operating segments

For the years ended 31 March 2017 and 2016, the Group engages only in the business of property investment. As such, no segment information by operating segment has been presented.

(b) Geographical segments

No segment information by geographical location has been presented as the Group's activities are primarily carried out in Singapore.

(c) Information about major customers

Rental income of approximately \$4,531,000 (2016: \$2,037,000) are derived from 2 (2016: 1) external tenants.

For the purpose of this disclosure, a major customer is defined as one in which revenue from transactions with a single customer amounts to 10 per cent or more of the Group's revenue.

26 USE OF PROCEEDS

The use of proceeds from the Rights Issue is in accordance with the use of proceeds and percentage allocation stated in the Offer Information Statement dated 14 November 2016.

DESCRIPTIONS OF PROPERTIES

Property	Location	Tenure	Nature of property	Held for	Fair value \$'000
MYP Centre	9 Battery Road Singapore 049910	999 years leasehold commencing from 20 April 1826	Commercial	Investment	560,000
ABI Plaza	11 Keppel Road Singapore 089057	Freehold	Commercial	Investment	257,000
MYP Plaza	135 Cecil Street Singapore 069536	Freehold	Commercial	Investment	245,000
A unit of Sky@Eleven	09 Thomson Lane Singapore 297726	Freehold	Residential	Investment	3,350
A unit of Sky@Eleven	11 Thomson Lane Singapore 297727	Freehold	Residential	Investment	3,070
A unit of Saint Regis Residences	33 Tanglin Road Singapore 247913	999 years leasehold commencing from 24 November 1995	Residential	Investment	5,510
					1,073,930

SHAREHOLDING STATISTICS

AS AT 16 JUNE 2017

SHARE CAPITAL AS AT 16 JUNE 2017

Number of Shares in issue :	1,592,469,212
Number of Shareholders :	5,918
Class of Shares :	Ordinary Shares
Treasury Shares :	Nil
Voting Rights :	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS BY SIZE OF SHAREHOLDINGS AS AT 16 JUNE 2017

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	109	1.84	5,883	0.00
100 – 1,000	2,109	35.64	1,222,075	0.08
1,001 – 10,000	2,677	45.23	10,019,227	0.63
10,001 – 1,000,000	1,013	17.12	52,347,153	3.29
1,000,001 and above	10	0.17	1,528,874,874	96.00
Total	5,918	100	1,592,469,212	100

TWENTY LARGEST SHAREHOLDERS AS AT 16 JUNE 2017

No.	Name	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	1,375,235,856	86.36
2	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	115,705,462	7.27
3	HL BANK NOMINEES (S) PTE LTD	13,398,500	0.84
4	UOB KAY HIAN PTE LTD	5,872,700	0.37
5	NG CHUI YEN	4,750,000	0.30
6	CHU SIEW HOONG CHRISTOPHER	3,939,000	0.25
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,262,500	0.20
8	DBS NOMINEES PTE LTD	3,192,781	0.20
9	HT OFFSHORE PTE. LTD.	2,000,000	0.13
10	OCBC NOMINEES SINGAPORE PTE LTD	1,518,075	0.10
11	PHILLIP SECURITIES PTE LTD	984,075	0.06
12	CHIA HONG THYE	700,000	0.04
13	ONG CHYE HIN	688,000	0.04
14	NG PENG CHIANG OR KOH EE HOON	671,000	0.04
15	YAP HOCK BENG	653,800	0.04
16	OCBC SECURITIES PRIVATE LTD	600,150	0.04
17	PEH CHIN CHIONG	600,000	0.04
18	WOON HEE CHOY	600,000	0.04
19	LEE AH LENG	595,500	0.04
20	TEO HOCK HENG	594,100	0.04
Total:		1,535,561,499	96.44

SHAREHOLDING STATISTICS

AS AT 16 JUNE 2017

SUBSTANTIAL SHAREHOLDERS AS AT 16 JUNE 2017

Substantial Shareholders	Direct Interest		Deemed Interest		Total	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Jonathan Tahir ⁽¹⁾	1,374,313,044	86.30	45,374,250	2.85	1,419,687,294	89.15

Note:

- (1) By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Mr Jonathan Tahir is deemed interested in the Shares held by Mayapada Corporation Pte. Ltd.

PUBLIC FLOAT

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited requires that at least 10% of the total number of issued shares (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. Based on information available to the Company as at 16 June 2017 approximately 10.14% of the issued ordinary shares of the Company was held by the public and therefore, Rule 723 of the Listing Manual has been complied with.

NOTICE OF ANNUAL GENERAL MEETING



MYP LTD.

(Company Registration No. 200509721C)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of MYP Ltd. (the “Company”) will be held at Canary Room 1 & 2, Level 4, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Friday, 28 July 2017 at 3.00 p.m. to transact the following business:–

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2017, the Statement of Directors and the Report of the Auditors thereon. **(Resolution 1)**
2. To approve the payment of Directors’ Fees of S\$440,227.00 for the financial year ended 31 March 2017. **(Resolution 2)**
3. To re-elect the following Directors retiring pursuant to Article 115 of the Company’s Constitution:–
 - (a) Mr Jonathan Tahir; and **(Resolution 3)**
 - (b) Mrs Elizabeth Ho Nee Wong Ching Wai. **(Resolution 4)**

(See Explanatory Note 1)
4. To re-appoint Messrs KPMG 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, with or without modifications, the following resolutions as Ordinary Resolution:–

5. AUTHORITY TO ALLOT AND ISSUE SHARES

“THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, 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 that:–

NOTICE OF ANNUAL GENERAL MEETING

- (a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued Shares (excluding treasury shares) in the share capital of the Company;
- (b) for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (a) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) of the Company as at the date of the passing of this Resolution, after adjusting for:–
 - (i) new Shares arising from the conversion or exercise of convertible securities;
 - (ii) new Shares arising from exercising share options or vesting of Share awards outstanding or subsisting at the time this Resolution is passed; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (c) and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force until:–
 - (i) the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier; or
 - (ii) in the case of Shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of such convertible securities."

(See Explanatory Note 2)

(Resolution 6)

- 6. To transact any other business which may properly be transacted at an Annual General Meeting of the Company.

On behalf of the Board

Jonathan Tahir
Executive Chairman
12 July 2017

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:–

1. Mrs Elizabeth Ho Nee Wong Ching Wai (Independent Non-Executive Director) will, upon re-election as Director of the Company, continue to serve as the Chairperson of the Nominating Committee as well as a member of the Audit Committee and Remuneration Committee. She is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Detailed information of Mr Jonathan Tahir and Mrs Elizabeth Ho Nee Wong Ching Wai can be found under the “Board of Directors” section in the Company’s Annual Report 2017.

2. The proposed Ordinary Resolution 6, if passed, will empower the Directors from the date of the Annual General Meeting until the date of the next Annual General Meeting, to allot and issue Shares and convertible securities in the Company up to an amount not exceeding fifty per centum (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro-rata basis. For the purpose of this resolution, the total number of issued Shares (excluding treasury shares) is based on the Company’s total number of issued Shares (excluding treasury shares) at the time this proposed Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this proposed Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

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 on his behalf. Where such member appoints more than one (1) proxy, he/she shall specify the proportion or number of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named. A proxy need not be a member of the Company. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
(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 on his behalf. Where such member appoints more than one (1) proxy, the number 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 of Singapore.

2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
3. The instrument appointing a proxy must be deposited at the registered office of the Company at 135 Cecil Street, #14-01 MYP Plaza, Singapore 069536 not later than 48 hours before the time appointed for the Annual General Meeting.

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.



MYP LTD.

(Company Registration No. 200509721C)
(Incorporated in the Republic of Singapore)

PROXY FORM

Important:

1. For investors who have used their CPF monies ("CPF Investors") and/or their SRS monies ("SRS Investors") to buy shares in the capital of MYP Ltd., this Annual Report 2017 is forwarded to them at the request of their CPF and/or SRS Approved Nominees (as the case may be) and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors and SRS Investors may attend and cast their votes at the Annual General Meeting in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees (as the case may be) to appoint the Chairman of the Annual General Meeting to act as their proxy, in which case, the respective CPF Investors and/or SRS Investors shall be precluded from attending the Annual General Meeting.

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 12 July 2017.

I/We _____ (Name)

_____ (NRIC No./Passport No./Company Registration No.)

of _____ (Address)

being a *member/members of **MYP LTD.** (the "Company"), hereby appoint:-

Name	NRIC/Passport No.	Proportion of Shareholding(s)	
		No. of Shares	%
Address			

*and/or

Name	NRIC/Passport No.	Proportion of Shareholding(s)	
		No. of Shares	%
Address			

or failing *him/them, the Chairman of the Annual General Meeting ("AGM") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the AGM of the Company to be held at Canary Room 1 & 2, Level 4, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Friday, 28 July 2017 at 3.00 p.m., and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

* Please delete accordingly.

Resolution No.	Ordinary Resolutions	For	Against
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 March 2017, the Statement of Directors and the Report of the Auditors thereon.		
2.	Approval of the payment of Directors' Fees of S\$440,227.00 for the financial year ended 31 March 2017.		
3.	Re-election of Mr Jonathan Tahir as Director pursuant to Article 115 of the Company's Constitution.		
4.	Re-election of Mrs Elizabeth Ho Nee Wong Ching Wai as Director pursuant to Article 115 of the Company's Constitution.		
5.	Re-appointment of Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	Authority to allot and issue shares.		

Note:

If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Member	

Signature(s) of Member(s)/Common Seal



Affix
Postage
Stamp
Here

The Company Secretary
MYP LTD.
135 Cecil Street
#14-01 MYP Plaza
Singapore 069536

Fold along this line

IMPORTANT: PLEASE READ BELOW NOTES BEFORE COMPLETING THIS PROXY FORM

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 Future Act, (Chapter 289) of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. 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 of shares. If no number is inserted, the instrument appointing a proxy or proxies shall 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 AGM 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, the appointments shall be invalid unless he/she shall specify the proportion or number of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named. A proxy need not be a member of the Company. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
(b) A member of the Company who is entitled to attend and vote at the AGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote on his behalf. Where such member appoints more than one (1) proxy, the number 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, 50 of Singapore.
- 3 The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 135 Cecil Street, #14-01 MYP Plaza, Singapore 069536 not less than 48 hours before the time appointed for the AGM.
- 4 The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
- 5 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- 6 A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
- 7 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.



CORPORATE INFORMATION

BOARD OF DIRECTORS

MR JONATHAN TAHIR (Executive Chairman)

DR CLEMENT WANG KAI (Non-Executive Director)

MR KISHORE PRABHAKAR SARDESAI (Independent Non-Executive Director)

MRS ELIZABETH HO NEE WONG CHING WAI (Independent Non-Executive Director)

PROFESSOR TAN CHIN TIONG (Independent Non-Executive Director)

AUDIT COMMITTEE

Mr Kishore Prabhakar Sardesai (*Chairman*)

Mrs Elizabeth Ho Nee Wong Ching Wai

Professor Tan Chin Tiong

NOMINATING COMMITTEE

Mrs Elizabeth Ho Nee Wong Ching Wai (*Chairperson*)

Professor Tan Chin Tiong

Mr Jonathan Tahir

REMUNERATION COMMITTEE

Mr Kishore Prabhakar Sardesai (*Chairman*)

Dr Clement Wang Kai

Mrs Elizabeth Ho Nee Wong Ching Wai

JOINT COMPANY SECRETARIES

Ms Pan Mi Keay

Mr Lee Wei Hsiung

REGISTERED OFFICE

135 Cecil Street

#14-01 MYP Plaza

Singapore 069536

PRINCIPAL PLACE OF BUSINESS

135 Cecil Street

#14-01 MYP Plaza

Singapore 069536

SHARE REGISTRAR

Tricor Barbinder Share Registration Services

80 Robinson Road

#02-00

Singapore 068898

AUDITORS

KPMG LLP

Public Accountants and Chartered Accountants

16 Raffles Quay

#22-00 Hong Leong Building

Singapore 048581

Partner-in-Charge: Ms Tan Yek Lee Doreen

Date of Appointment: 1 April 2015

PRINCIPAL BANKERS

Malayan Banking Berhad, Singapore Branch

2 Battery Road #16-01 Maybank Tower

Singapore 049907

Hong Leong Finance Limited

16 Raffles Quay #01-05 Hong Leong Building

Singapore 048581

RHB Bank Berhad, Singapore Branch

90 Cecil Street #03-00 RHB Bank Building

Singapore 069531

Oversea-Chinese Banking Corporation Limited

65 Chulia Street

OCBC Centre

Singapore 049513



MYP LTD.

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