

MYP LTD.

(Company Registration Number: 200509721C)

**UNAUDITED QUARTERLY FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2018****PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS**

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

Group

	2Q FY2019 \$'000	2Q FY2018 \$'000	Change %	1 st half FY2019 \$'000	1 st half FY2018 \$'000	Change %
Revenue	5,395	6,960	(22.5)	12,232	13,957	(12.4)
Other income (i)	1	1	-	2	3	(33.3)
Capital gains on disposal of Investment property	2,000	-	n/m	2,000	-	n/m
Depreciation expenses on plant and equipment	(17)	(13)	30.8	(36)	(25)	44.0
Staff costs	(279)	(250)	11.6	(566)	(514)	10.1
Other operating expenses	(4,750)	(1,817)	161.4	(6,369)	(3,719)	71.3
Results from operating activities	2,350	4,881	(51.9)	7,263	9,702	(25.1)
Net finance costs (ii)	(4,407)	(4,257)	3.5	(9,168)	(10,866)	(15.6)
(Loss)/profit before taxation	(2,057)	624	(>100.0)	(1,905)	(1,164)	63.7
Income tax expense (iii)	(52)	(135)	(61.5)	(106)	(248)	(57.3)
(Loss)/profit for the period	(2,109)	489	(>100.0)	(2,011)	(1,412)	42.4
Other comprehensive income, net of tax	231	-	>100.0	369	-	>100.0
Total comprehensive income	(1,878)	489	(>100.0)	(1,642)	(1,412)	16.3
 (Loss)/profit for the period attributable to:						
Owners of the Company	(2,109)	489	(>100.0)	(2,011)	(1,412)	42.4
 Total comprehensive income attributable to:						
Owners of the Company	(1,878)	489	(>100.0)	(1,642)	(1,412)	16.3
 <i>n/m: not meaningful</i>						
 (Loss)/earnings per share, cents						
Basic	(0.13)	0.03		(0.13)	(0.09)	
Diluted	(0.13)	0.03		(0.13)	(0.09)	

2Q: 2nd quarter period ended from 1 July to 30 September1st half: six months period ended from 1 April to 30 September

FY: Financial year ending or ended 31 March

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Note (i) Other income

	2Q FY2019	2Q FY2018	1 st half FY2019	1 st half FY2018
	\$'000	\$'000	\$'000	\$'000
Wage Credit Scheme payout	1	1	2	3
	1	1	2	3

Note (ii) Net finance costs

	2Q FY2019	2Q FY2018	1 st half FY2019	1 st half FY2018
	\$'000	\$'000	\$'000	\$'000
<u>Finance income</u>				
Interest income on deposits with banks	2	2	4	3
<u>Finance costs</u>				
Interest expense on bank borrowings - secured	(4,227)	(4,284)	(9,153)	(8,406)
Ineffective portion of changes in fair value of cash flow hedges	-	207	345	(2,099)
Amortisation of transaction costs related to bank borrowings	(182)	(182)	(364)	(364)
	(4,407)	(4,257)	(9,168)	(10,866)

Note (iii) Income tax expense

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

	2Q FY2019	2Q FY2018	1 st half FY2019	1 st half FY2018
	\$'000	\$'000	\$'000	\$'000
<i>Tax recognised in profit or loss</i>				
Income tax expense				
- current period	52	146	116	302
- prior period	-	(11)	(10)	(54)
	52	135	106	248
<i>Reconciliation of effective tax:</i>				
(Loss)/profit for the period	(2,109)	489	(2,011)	(1,412)
Total tax expense	52	135	106	248
(Loss)/profit before tax	(2,057)	624	(1,905)	(1,164)
Tax using the Singapore tax rate of 17% (FY2018: 17%)	(350)	106	(324)	(198)
Singapore statutory stepped income exemption	(9)	(17)	(18)	(36)
Non-deductible expenses	752	46	801	511
Non-taxable income	(340)	-	(340)	-
Current period tax losses for which no deferred tax asset was recognised	-	11	-	25
(Over)/under-provision in prior year	-	(11)	(10)	(54)
Others	(1)	-	(3)	-
	52	135	106	248

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

	Group		Company	
	30.09.2018	31.03.2018	30.09.2018	31.03.2018
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Plant and equipment	3,249	3,258	1*	1*
Investments in subsidiaries	-	-	345,686	345,686
Investment properties	832,510	1,077,510	-	-
	835,759	1,080,768	345,687	345,687
Current assets				
Trade and other receivables	997	1,539	216	395
Amount owing by a subsidiary	-	-	276	276
Cash and cash equivalents	128,550	20,344	50	353
	129,547	21,883	542	1,024
Total assets	965,306	1,102,651	346,229	346,711
Equity				
Share capital	255,318	255,318	262,106	262,106
Other reserves	47,046	46,677	(456)	(456)
Retained earnings	51,348	53,359	2,876	3,157
Total equity	353,712	355,354	264,526	264,807
Non-current liabilities				
Other payables	1,229	2,015	-	-
Bank borrowings - secured	361,652	361,288	-	-
Derivative financial liabilities	416	1,130	-	-
	363,297	364,433	-	-
Current liabilities				
Trade and other payables	20,336	4,069	339	539
Bank borrowings - secured	92,146	220,146	-	-
Amount owing to a shareholder	135,410	158,090	77,364	77,364
Amounts owing to subsidiaries	-	-	4,000	4,000
Current tax liabilities	405	559	-	1
	248,297	382,864	81,703	81,904
Total liabilities	611,594	747,297	81,703	81,904
Total equity and liabilities	965,306	1,102,651	346,229	346,711

* Amount less than \$1,000

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

As at 30.09.2018		As at 31.03.2018	
Secured	Unsecured	Secured	Unsecured
92,146,000	135,410,000	220,146,000	158,090,000

Amount repayable after one year

As at 30.09.2018		As at 31.03.2018	
Secured	Unsecured	Secured	Unsecured
361,652,000	-	361,288,000	-

Details of any collateral: The secured bank loans of the Group are secured over investment properties with carrying amount of \$819,700,000 (31.03.2018: of \$1,064,700,000).

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

	2Q FY2019 \$'000	2Q FY2018 \$'000	1 st half FY2019 \$'000	1 st half FY2018 \$'000
Cash flow from operating activities				
(Loss)/profit after tax	(2,109)	489	(2,011)	(1,412)
Adjustments for:				
Depreciation expenses on plant and equipment	18	13	36	25
Plant and equipment written off	41	-	41	-
Capital gains on disposal of investment property	(2,000)	-	(2,000)	-
Net finance costs	4,407	4,257	9,168	10,866
Income tax expense	52	135	106	248
Operating cash flow before working capital changes	409	4,894	5,340	9,727
Changes in working capital:				
Trade and other receivables	498	(154)	541	(434)
Trade and other payables	15,079	(189)	15,511	(739)
Cash generated from operations	15,986	4,551	21,392	8,554
Income tax paid	(271)	(316)	(261)	(311)
Net cash generated from operating activities	15,715	4,235	21,131	8,243
Cash flows from investing activities				
Purchase of plant and equipment	(56)	-	(68)	(15)
Proceeds from disposal of investment property	244,530	-	247,000	-
Interest income received	2	1	4	3
Net cash generated from/(used in) investing activities	244,476	1	246,936	(12)
Cash flows from financing activities				
(Decrease)/increase in amount owing to a shareholder	(23,917)	1,573	(22,679)	3,052
Decrease in debt service reserve	(2)	(2)	(4)	(147)
Repayment of bank borrowings	(128,000)	-	(128,000)	-
Interest paid	(4,706)	(4,242)	(9,182)	(8,268)
Net cash used in financing activities	(156,625)	(2,671)	(159,865)	(5,363)
Change in cash and cash equivalents	103,566	1,565	108,202	2,868
Cash and cash equivalents at the beginning of the period	22,295	11,933	17,659	10,630
Cash and cash equivalents at the end of the period	125,861	13,498	125,861	13,498

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Note to consolidated statement of cash flows

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

	2Q FY2019	2Q FY2018	1 st half FY2019	1 st half FY2018
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	108,550	15,963	108,550	15,963
Fixed deposit	20,000	-	20,000	-
Cash and cash equivalents in the statement of financial position	128,550	15,963	128,550	15,963
Less: Debt service reserve	(2,689)	(2,465)	(2,689)	(2,465)
Cash and cash equivalents in the statement of cash flows	125,861	13,498	125,861	13,498

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

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

Group**Consolidated Statement of Changes in Equity for period ended 30 September 2018**

	Share capital \$'000	Capital reserve \$'000	Hedging reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 April 2017	255,318	46,677	(1,233)	49,337	350,099
Loss for the period	-	-	-	(1,901)	(1,901)
Other comprehensive income					
Changes in fair value of cash flow hedges transferred to profit or loss	-	-	1,233	-	1,233
Total comprehensive income	-	-	1,233	(1,901)	(668)
At 30 June 2017	255,318	46,677	-	47,436	349,431
Profit for the period, representing total comprehensive income	-	-	-	489	489
At 30 September 2017	255,318	46,677	-	47,925	349,920
At 1 April 2018	255,318	46,677	-	53,359	355,354
Profit for the period	-	-	-	98	98
Other comprehensive income					
Effective portion of changes in fair value of cash flow hedges	-	-	138	-	138
Total comprehensive income for the period	-	-	138	98	236
At 30 June 2018	255,318	46,677	138	53,457	355,590
Loss for the period	-	-	-	(2,109)	(2,109)
Other comprehensive income					
Effective portion of changes in fair value of cash flow hedges	-	-	231	-	231
Total comprehensive income for the period	-	-	231	(2,109)	(1,878)
At 30 September 2018	255,318	46,677	369	51,348	353,712

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Company**Statement of Changes in Equity for period ended 30 September 2017**

	Share capital \$'000	Capital reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 April 2017	262,106	(456)	3,801	265,451
Loss for the period, representing total comprehensive income	-	-	(156)	(156)
At 30 June 2017	262,106	(456)	3,645	265,295
Loss for the period, representing total comprehensive income	-	-	(210)	(210)
At 30 September 2017	262,106	(456)	3,435	265,085
At 1 April 2018	262,106	(456)	3,157	264,807
Loss for the period/Total comprehensive income for the period	-	-	(119)	(119)
At 30 June 2018	262,106	(456)	3,038	264,688
Loss for the period, representing total comprehensive income	-	-	(162)	(162)
At 30 September 2018	262,106	(456)	2,876	264,526

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

	Number of shares	
<u>Company</u>	As at 30.09.2018	As at 30.09.2017
At beginning and end of period	1,592,469,212	1,592,469,212

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.

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

	As at 30.09.2018	As at 31.03.2018
Total number of issued shares (excluding treasury shares)	1,592,469,212	1,592,469,212

There were no shares held as treasury shares as at 30 September 2018 and 31 March 2018.

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

Not applicable.

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

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

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

Not applicable.

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

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 March 2018, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2018 as follows:

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

SFRS(I) 9 Financial Instruments

SFRS(I) 15 Revenue from Contracts with Customers

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

SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because *SFRS(I) 1* requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. *SFRS(I) 1* provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSS applied to the FRS financial statements. The Group has not elected the optional exemptions in *SFRS(I) 1* and thus there are no significant adjustments arising on transition to the new framework. The application of the mandatory exceptions in *SFRS(I) 1* has no significant impact on the Group's consolidated financial statements.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

The Group has completed its initial assessment of the impact of SFRS (I) 9 on the Group's financial statements. Overall, the Group does not expect a significant change to the measurement basis arising from adoption the new classification and measurement model and expected impairment loss model on all of its financial assets measured at amortised cost or fair value through other comprehensive income, lease receivable and financial guarantee. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under SFRS (I) 9. For financial assets and liabilities currently held at fair value, the Group will continue to measure these assets and liabilities at fair value under SFRS (I) 9.

The Group holds derivative financial instruments to hedge its interest rate exposures. Such interest rate derivatives are classified as cash flow hedges. The Group has performed a detailed analysis under SFRS (I) 9 which will result in changes to the accounting policies relating to the new hedge accounting requirements. In 2QFY2019, the cash flow hedge is considered to be effective based on the effective/ineffectiveness testing. Hence, the effective portion amounting to \$231,000 has been recorded in other comprehensive income and presented in the hedging reserve in equity.

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also establishes principle to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It also introduces new cost guidance which

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requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The application of SFRS(I) 15 has no significant impact on the Group's consolidated financial statements since the Group's main stream of revenue is rental income from investment properties that is recognised in profit or loss on a straight-line basis over the term of the lease which reflects the consideration to which the Group expects to be entitled to under the operating leases with third parties. Moreover, there is unlikely to be any significant financing component arising from the operating leases entered with third parties since the rental is settled as and when they fall due.

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

Please refer to Item 4 above.

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

Basic and diluted earnings/(loss) per share was based on earnings/(loss) attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding, calculated as follows:

	2Q FY2019 S\$'000	2Q FY2018 S\$'000	1 st half FY2019 S\$'000	1 st half FY2018 S\$'000
(Loss)/profit for the period, representing total comprehensive income attributable to: Owners of the Company	(2,109)	489	(2,011)	(1,412)
	2Q FY2019 '000	2Q FY2018 '000	1 st half FY2019 '000	1 st half FY2018 '000
Weighted average number of ordinary shares during the period	1,592,469	1,592,469	1,592,469	1,592,469
	2Q FY2019 Cents	2Q FY2018 Cents	1 st half FY2019 Cents	1 st half FY2018 Cents
(Loss)/earnings per ordinary share based on:- (a) the weighted average number of ordinary shares on issue; and	(0.13)	0.03	(0.13)	(0.09)
(b) a fully diluted basis	(0.13)	0.03	(0.13)	(0.09)

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

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

	Group		Company	
	As at 30.09.2018 Cents	As at 31.03.2018 Cents	As at 30.09.2018 Cents	As at 31.03.2018 Cents
Net asset value per ordinary share based on issued share capital as at the end of the period / year reported on	22.2	22.3	16.6	16.6

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

	3 months ended			6 months ended		
	30.09.2018	30.09.2017		30.09.2018	30.09.2017	
	2Q	2Q	Change	1 st half	1 st half	Change
	FY2019	FY2018		FY2019	FY2018	
	\$'000	\$'000	%	\$'000	\$'000	%
Rental income	5,395	6,960	(22.5)	12,232	13,957	(12.4)

2QFY2019 vs 2QFY2018

Group's rental income for 2Q FY2019 has decreased by (22.5%) as compared to the corresponding period in FY2018. This is mainly attributable to lower occupancy rates. In addition, following the disposal of the investment property, MYP Plaza on 20 July 2018, rental income generated from this asset accounted for less than one month as compared to three months in 2Q FY2018.

1st half FY2019 vs 1st half FY2018

The Group's revenue for 1st half FY2019 decreased by (12.4%) compared to the corresponding period in FY2018. Reason is mentioned in preceding paragraph.

OTHER INCOME2QFY2019 vs 2QFY2018

Other income for 2QFY2019 represents receipt of Wage Credit Scheme payout.

CAPITAL GAINS

With reference to earlier announcement dated 20 July 2018, the Company has on 20 July 2018 completed the sale of its investment property, MYP Plaza at 135 Cecil Street, Singapore. Capital gains arising from the disposal of \$2.0 million represent the difference between sale price of \$247.0 million and carrying amount at market valuation of \$245.0 million.

1st half FY2019 vs 1st half FY2018

Other income for 1st half of FY2019 represents receipt of Wage Credit Scheme payout.

EXPENSES

	3 months ended			6 months ended		
	30.09.2018	30.09.2017		30.09.2018	30.09.2017	
	2Q	2Q	Change	1 st half	1 st half	Change
	FY2019	FY2018		FY2019	FY2018	
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation	(17)	(13)	30.8	(36)	(25)	44.0
Staff costs	(279)	(250)	11.6	(566)	(514)	10.1
Other operating expenses	(4,750)	(1,817)	161.4	(6,369)	(3,719)	71.3
Net finance costs	(4,407)	(4,257)	3.5	(9,168)	(10,866)	(15.6)
Income tax expense	(52)	(135)	(61.5)	(106)	(248)	(57.3)
Total	(9,505)	(6,472)	46.9	(16,245)	(15,372)	5.7

2QFY2019 vs 2QFY2018

Total expenses for 2QFY2019 increased by approximately \$3.0 or 46.9% primarily due to following factors:

- Increase in depreciation is resulted from purchase of new plant and equipment.
- Increase in staff costs is mainly attributable to higher headcounts.
- Increase in other operating expenses is mainly due to legal and professional fees and commission incurred in respect of the disposal of investment property which is non-recurring in nature.
- Net finance costs have increased mainly due to a favourable change in fair values of cash flow hedges in 2QFY2018 whereas no such item in 2QFY2019.
- Lower tax expense is resulted from decrease in estimated chargeable income for 2QFY2019.

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1st half FY2019 vs 1st half FY2018

Total expenses for 2QFY2019 increased by approximately \$0.9 million or 5.7% primarily due to following factors:

- Increase in depreciation is resulted from purchase of new plant and equipment.
- Increase in staff costs is mainly attributable to higher headcounts.
- Increase in other operating expenses is mainly due to legal and professional fees and commission incurred in respect of the disposal of investment property which is non-recurring in nature.
- Net finance costs have decreased significantly mainly due to favourable change in fair values of cash flow hedges, offset by higher loan interests on bank borrowings.
- Lower tax expense is resulted from decrease in estimated chargeable income for 1st half FY2019.

RESULTS FROM OPERATING ACTIVITIES

The Group's operating profits decreased by (51.9%) and (25.1%) in 2QFY2019 and 1st half FY2019 respectively. Reasons are mentioned in the preceding paragraphs.

(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

2QFY2018 vs 2QFY2019

The Group incurred a net loss in 2QFY2019 and in 1st half FY2019. Reasons are mentioned in the preceding paragraphs.

GROUP'S STATEMENT OF FINANCIAL POSITION

Plant and equipment decreased due mainly to depreciation charge for the period, offset by additions during the period under review.

As at 30 September 2018, investment properties decreased significantly by (\$245.0 million) or (22.7%) as compared the last financial year ended 31 March 2018. This is due to disposal of an office building at 135 Cecil Street, Singapore 069536.

The decrease in trade and other receivables from the last financial year ended 31 March 2018 is mainly due to decrease in accrued income and prepaid operating expenses, offset by higher amount of deposits.

As at 30 September 2018, share capital remained the same as the last financial year ended 31 March 2018 at approximately \$255.3 million.

Other reserves of the Group and Company comprise capital reserve and hedging reserve as follows:

	Group		Company	
	30.09.2018	31.03.2018	30.09.2018	31.03.2018
	\$'000	\$'000	\$'000	\$'000
Capital reserve	46,677	46,677	(456)	(456)
Hedging reserve	369	—	—	—
	47,046	46,677	(456)	(456)

The increase for the Group is due to hedging reserve of approximately \$0.4 million as at 30 September 2018, being the effective portion of change in fair value of cash flow hedges.

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

Other payables in non-current liabilities included security deposits collected from tenants which are refundable after one year from 30 September 2018. The decrease mainly consists of deposits for leases expiring in one year or less from 30 September 2018 being reclassified from non-current to current liabilities.

Total bank borrowings of the Group as at 30 September 2018 amounted to approximately \$453.8 million. This amount consists of non-current and current portion of \$361.7 million and \$92.1 million respectively. The increase in the non-current portion of approximately \$0.4 million represents amortisation of transaction costs for 1st half FY2019. The decrease in the current portion is due to repayment of \$128.0 million upon disposal of investment property at 135 Cecil Street, Singapore 069536.

Derivative financial liabilities as at 30 September 2018 showed a decrease of approximately \$0.7 million compared to 31 March 2018. The decrease represents a favourable net change in fair value of cash flow hedges as at 30 September 2018, arising from interest rates swaps.

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Trade and other payables in current liabilities of the Group have increased significantly by \$16.3 million compared to balances at 31 March 2018. This is mainly due to GST payable in respect of the disposal of investment property.

Amount owing to a shareholder represents loan granted to the Group and payments made on behalf of the Group. This amount is unsecured, non-interest bearing and has no fixed term of repayment. The decrease is due to partial repayment made in the 1st half of FY2019.

The decrease in current tax liabilities is due mainly to payment of tax in 1st half FY2019, offset by provision for income tax based on estimated chargeable income for the period under review.

As at 30 September 2018, the Group has a negative working capital of approximately (\$118.8 million) mainly due to amount owing to a shareholder included as current liabilities. Notwithstanding this, the shareholder undertakes to provide financial support to the Group to enable it to continue its operations and to meet its financial obligations as and when due.

COMPANY'S STATEMENT OF FINANCIAL POSITION

As at 30 September 2018, investments in subsidiaries remained the same as the last financial year ended 31 March 2018, at approximately \$345.7 million, representing costs of investments in the three subsidiaries of the Company.

Decrease in trade and other receivables is mainly due to lower amount of accrued income, partly offset by increase in prepaid operating expenses.

Decrease in cash and cash equivalents is mainly due to payments of operating expenses in 2QFY2019.

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

Decrease in trade and other payables is mainly due to lower accrued operating expenses.

GROUP'S CASH FLOW STATEMENT

Group's cash and cash equivalents in the statement of cash flows as at 30 September 2018 stood at approximately \$125.9 million with an increase of \$108.2 million in the 1st half of FY2019 as compared to \$2.9 million in the corresponding period ended 30 September 2017.

2QFY2019 vs 2QFY2018

The increase is mainly attributable to:

- Increase in net cash from operating activities mainly due to a non-recurring GST payable in respect of the disposal of investment property included in trade and other payables;
- Increase in net cash generated from investing activities is mainly contributed by net proceeds from disposal of an investment property; and
- Increase in net cash used in financing activities mainly consists of partial repayment of shareholder's loan, repayment of bank borrowings as well as payments of interest on bank borrowings.

1st half FY2019 vs 1st half FY2018

The increase is mainly attributable to:

- Increase in net cash from operating activities mainly due to a non-recurring GST payable in respect of the disposal of investment property included in trade and other payables;
- Increase in net cash generated from investing activities is mainly contributed by net proceeds from disposal of an investment property; and
- Increase in net cash used in financing activities mainly consists of partial repayment of shareholder's loan, repayment of bank borrowings as well as payments of interest on bank borrowings.

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

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

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

The Group is closely monitoring external factors that might impact the performance of the Group, such as the softening of the office rental market and the fluctuation of bank interest rates.

The Group continues to explore strategic investments into value assets with the potential to generate attractive returns.

- 11. Dividends**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Tax on dividend

Whether the dividend is before tax, net of tax or tax exempt? Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend has been declared or recommended.

- 13. Interested person transactions (IPT)**

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

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

On behalf of the Board of Directors of the Company, I confirm that to the best of our knowledge, nothing has come to our attention which may render the financial results for the period ended 30 September 2018 to be false or misleading.

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

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

BY ORDER OF THE BOARD

Jonathan Tahir
Executive Chairman

12 November 2018