MYP LTD.
(Company Registration Number: 200509721C)

UNAUDITED QUARTERLY FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 30 JUNE 2019

PART I – INFORMATION REQUIRED FOR ANNOUCEMENTS OF QUARTERLY RESULTS

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

Group

	3 months period ended		
	30.06.2019	30.06.2018	
	FY2020	FY2019	Change
	$'000	$'000	%
Revenue	5,234	6,837	(23.4)
Other income (i)	-	1	(100.0)
Depreciation expense on plant and equipment	(15)	(18)	(16.7)
Staff costs	(267)	(290)	(7.9)
Direct operating expenses of investment properties	(1,172)	(1,427)	(17.9)
Other operating expenses	(213)	(190)	12.1
Results from operating activities	**3,567**	**4,913**	**(27.4)**
Finance income	507	2	25,250
Finance costs	(4,532)	(4,763)	(4.8)
Net finance costs (ii)	(4,025)	(4,761)	(15.5)
(Loss)/Profit before tax	**(458)**	**152**	**(401.3)**
Tax expense (iii)	(50)	(54)	(7.4)
(Loss)/Profit for the period	**(508)**	**98**	**(618.4)**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash Flow hedges	(822)	138	(695.7)
Total comprehensive income for the period	**(1,330)**	**236**	**(663.6)**
(Loss)/Profit for the period attributable to:			
Equity holders of the Company	(508)	98	(618.4)
	(508)	**98**	**(618.4)**
Total comprehensive income attributable to:	(1,330)	236	(663.6)
Equity holders of the Company	**(1,330)**	**236**	**(663.6)**
(Loss)/Earnings per share, cents			
Basic	(0.03)	0.01	
Diluted	(0.03)	0.01	

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

Note (i) Other income

	3 months period ended	
	30.06.2019 FY2020	30.06.2018 FY2019
	$'000	$'000
Wage Credit Scheme payout	-	1
	-	1

Note (ii) Net finance costs

	3 months period ended	
	30.06.2019 FY2020	30.06.2018 FY2019
Finance income	$'000	$'000
Interest income on deposits with banks	507	2
Finance costs		
Interest expense on bank borrowings - secured	(4,327)	(4,926)
Ineffective portion of changes in fair value of cash flow hedges	-	345
Amortisation of transaction costs related to bank borrowings	(205)	(182)
Finance costs	(4,532)	(4,763)
Net finance costs	(4,025)	(4,761)

Note (iii) Tax expense

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

	3 months period ended	
	30.06.2019 FY2020	30.06.2018 FY2019
Tax recognised in profit or loss	$'000	$'000
Tax expense		
- Current period	50	64
- Over provision in prior period	-	(10)
	50	54
Reconciliation of effective tax rate:		
(Loss)/Profit for the period	(508)	98
Total tax expense	50	54
(Loss)/Profit before tax	(458)	152
Tax using the Singapore tax rate of 17% (2018: 17%)	(78)	26
Singapore statutory stepped income exemption	(27)	(9)
Non-deductible expenses	155	49
Over provision of income tax in prior period	-	(10)
Others	-	(2)
	50	54

MYP LTD.
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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	
	30.06.2019	31.03.2019	30.06.2019	31.03.2019
	$'000	$'000	$'000	$'000
Non-current assets				
Plant and equipment	5,920	3,219	0*	1*
Investments in subsidiaries	-	-	345,686	345,686
Investment properties	834,330	834,330	-	-
	840,250	837,549	345,686	345,687
Current assets				
Trade and other receivables	1,603	1,058	311	387
Time deposits	50,000	50,000	-	-
Cash and cash equivalents	48,195	47,553	125	41
	99,798	98,611	436	428
Total assets	**940,048**	**936,160**	**346,122**	**346,115**
Equity				
Share capital	255,318	255,318	262,106	262,106
Other reserves	45,441	46,263	(456)	(456)
Retained earnings	50,833	51,341	2,455	2,574
Total equity	351,592	352,922	264,105	264,224
Non-current liabilities				
Other payables	1,130	1,360	-	-
Bank borrowings - secured	453,905	362,016	-	-
Derivative financial liabilities	2,366	1,544	-	-
	457,401	364,920	-	-
Current liabilities				
Trade and other payables	4,937	3,642	4,658	4,528
Bank borrowings - secured	-	92,146	-	-
Amount owing to a shareholder	125,925	122,386	77,359	77,361
Current tax liabilities	193	144	-	2
	131,055	218,318	82,017	81,891
Total liabilities	588,456	583,238	82,017	81,891
Total equity and liabilities	**940,048**	**936,160**	**346,122**	**346,115**

** Amount less than $1,000*

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

Amount repayable in one year or less, or on demand

As at 30.06.2019		As at 31.03.2019	
Secured	Unsecured	Secured	Unsecured
-	125,925,000	92,146,000	122,386,000

Amount repayable after one year

As at 30.06.2019		As at 31.03.2019	
Secured	Unsecured	Secured	Unsecured
453,905,000	-	362,016,000	-

Details of any collateral: The secured bank loans of the Group are secured over investment properties with carrying amount of $821,400,000 (31.03.2019: $821,400,000).

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 3 months period ended	
	30.06.2019 FY2020	**30.06.2018 FY2019**
	$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit for the period	(508)	98
Adjustments for:		
Depreciation expense on plant and equipment	15	18
Finance income	(507)	(2)
Finance costs	4,532	4,763
Income tax expense	50	54
Operating profit before working capital changes	**3,582**	**4,931**
Changes in:		
Trade and other receivables	(203)	43
Trade and other payables	1,419	16,398
Cash generated from operations	**4,798**	**21,372**
Income tax (paid)/refund	(1)	10
Net cash generated from operating activities	**4,797**	**21,382**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(2,716)	(12)
Deposit received for proposed disposal of investment property	-	2,470
Interest income received	165	2
Net cash (used in)/generated from investing activities	**(2,551)**	**2,460**
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in amount owing to a shareholder	3,540	1,238
Increase in debt service reserve	(3)	(2)
Payment of transaction costs related to bank borrowings	(462)	-
Interest paid	(4,682)	(20,442)
Net cash used in financing activities	**(1,607)**	**(19,206)**
Net increase in cash and cash equivalents	**639**	**4,636**
Cash and cash equivalents at beginning of period	44,363	17,659
Cash and cash equivalents at end of period	**45,002**	**22,295**

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:

	3 months period ended	
	30.06.2019	**30.06.2018**
	$'000	$'000
Cash and cash equivalents in the statement of financial position	48,195	24,982
Less: Debt service reserve	(3,193)	(2,687)
Cash and cash equivalents in the statement of cash flows	**45,002**	**22,295**

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 FY2020 1st Quarter ended 30 June 2019

	Share capital	Capital reserve	Hedging reserve	Retained earnings	Total equity
	$'000	$'000	$'000	$'000	$'000
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**
At 1 April 2019	**255,318**	**46,677**	**(414)**	**51,341**	**352,922**
Loss for the period	-	-	-	(508)	(508)
Other comprehensive income					
Effective portion of changes in fair value of cash flow hedges	-	-	(822)	-	(822)
Total comprehensive income for the period	-	-	(822)	(508)	(1,330)
At 30 June 2019	**255,318**	**46,677**	**(1,236)**	**50,833**	**351,592**

Company

Statement of Changes in Equity for FY2020 1st Quarter ended 30 June 2019

	Share capital	Capital reserve	Retained earnings	Total equity
	$'000	$'000	$'000	$'000
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**
At 1 April 2019	**262,106**	**(456)**	**2,574**	**264,224**
Loss for the period/Total comprehensive income for the period	-	-	(119)	(119)
At 30 June 2019	**262,106**	**(456)**	**2,455**	**264,105**

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

	Number of shares	
	As at 30.06.2019	As at 30.06.2018
Company		
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.

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

Company	As at 30.06.2019	As at 31.03.2019
Total number of issued shares (excluding treasury shares)	1,592,469,212	1,592,469,212

There were no shares held as treasury shares as at 30 June 2019 and 31 March 2019.

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

Not applicable.

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

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

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

Not applicable.

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

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements of the current financial reporting period as in the audited financial statements for the financial year ended 31 March 2019.

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

With effect from 1 April 2019, the Group has adopted various new / revised Singapore Financial Reporting Standards (International) (SFRS(I)s) which are relevant to the Group's operations.

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

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

	3 months period ended	
	30.06.2019 FY2020	30.06.2018 FY2019
	Cents	Cents
(Loss)/Earnings per ordinary share based on:-		
(i) the weighted average number of ordinary shares in issue ; and	(0.03)	0.01
(ii) fully diluted basis	(0.03)	0.01

Weighted average number of ordinary shares:-

	Number of shares	
	30.06.2019	30.06.2018
	'000	'000
Weighted average number of ordinary shares during the period	1,592,469	1,592,469

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

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

	Group		**Company**	
	As at 30.06.2019	As at 31.03.2019	As at 30.06.2019	As at 31.03.2019
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital as at the end of the period / year reported on	22.1	22.2	16.6	16.6

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

REVENUE

	3 months period ended		
	30.06.2019 FY2020	30.06.2018 FY2019	Change
	$'000	$'000	%
Rent and service income	5,234	6,837	(23.4)

Group's revenue mainly consists of rental income and income from services provided to tenants.

Group's revenue for 1QFY2020 decreased by (23.4%) compared to 1QFY2019. This is mainly due to the absence of income from one investment property, MYP Plaza at 135 Cecil Street, Singapore which was divested in July 2018.

EXPENSES

	3 months period ended		
	30.06.2019 FY2020	30.06.2018 FY2019	Change
	$'000	$'000	%
Depreciation expense on plant and equipment	15	18	(16.7)
Staff costs	267	290	(7.9)
Direct operating expenses of investment properties	1,172	1,427	(17.9)
Other operating expenses	213	190	12.1
Net finance costs	4,025	4,761	(15.5)
Taxation	50	54	(7.4)
Total	**5,742**	**6,740**	**(14.8)**

Total expenses of the Group for 1QFY2020 have decreased by 14.8% compared to the same period in the preceding year, mainly due to the following factors:

- Lower depreciation on plant and equipment.
- Decrease in staff costs is mainly attributable to lower headcount.
- Lower direct operating expenses of investment properties mainly due to the disposal of an investment property in July 2018.
- Other operating expenses are expenses other than depreciation, staff costs and direct operating expenses of investment properties. These expenses comprised mainly audit and tax agent fees, corporate secretarial fees, legal and professional fees and administrative expenses. The increase in 1QFY2020 by 12.1% is mainly due to non-recurring expenses incurred in respect of the Group's investment properties.
- Net finance costs is 15.5% lower compared to 1QFY2019, mainly due to higher interest income earned on deposits placed with banks and financial institution, decrease in interest expense on bank borrowings following the repayment of a bank loan of $128.0 million in July 2018, absence of ineffective portion of changes in fair value of cash flow hedges, offset by higher amortisation of costs related to bank borrowings.
- Lower tax expense is resulted from decrease in estimated chargeable income.

RESULTS FROM OPERATING ACTIVITIES

The Group's operating profits decreased by 27.4% in 1QFY2020 compared to 1QFY2019. Reasons are mentioned in the preceding paragraphs.

EARNINGS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Group incurred a net loss of approximately ($0.5 million) in 1QFY2020 as compared to a net profit of approximately $0.1 million in the preceding period 1QFY2019. Reasons are mentioned in the preceding paragraphs.

GROUP'S STATEMENT OF FINANCIAL POSITION

Plant and equipment increased due mainly to purchase of new plant and equipment amounting to $2.7 million.

Investment properties as at 30 June 2019 remained the same amount as at 31 March 2019.

The increase in trade and other receivables from the last financial year ended 31 March 2019 is mainly due to higher amount of accrued income, increase in deposits, partly offset by decrease in trade receivables and prepaid operating expenses.

Time deposits as at 30 June 2019 remained the same amount as at 31 March 2019.

As at 30 June 2019, share capital remained the same as the last financial year ended 31 March 2019 at approximately $255.3 million.

Other reserves of the Group and Company comprise the following items:-

	Group		Company	
	30.06.2019	31.03.2019	30.06.2019	31.03.2019
	$'000	$'000	$'000	$'000
Capital reserve	46,677	46,677	(456)	(456)
Hedging reserve	(1,236)	(414)	–	–
	45,441	46,263	(456)	(456)

Hedging reserve of the Group represents the effective portion of the change in fair value of cash flow hedges at reporting date.

Decrease in retained earnings is due to net loss incurred in the current period reported on.

Non-current other payables comprise security deposits collected from tenants which are refundable after one year from 30 June 2019. The decrease is mainly attributable to deposits for occupancy agreements that are expiring within the next 12 months from 30 June 2019 have been reclassified to current liabilities.

The increase of in non-current bank borrowings is due a bank loan of $92.1 million which was extended for a period of five years has been reclassified from current to non-current liabilities, offset by amortisation of transaction costs.

Derivative financial liabilities represent the fair value of interest rate swap contracts entered by the Group through its subsidiary company, to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on its borrowings from floating rates to fixed rates. As at 30 June 2019, the Group has interest rate swap contracts with a total notional amount of $182.0 million (31.03.2019: $182.0 million) which mature in December 2021. Under the contracts, the Group pays fixed interest rates ranging from 1.95% to 2.25% (FY2019: 1.95% - 2.25%) per annum and receives interest at one-month Singapore Dollar SOR.

Trade and other payables in current liabilities of the Group have increased compared to balances at 31 March 2019. This is mainly due to higher amount of accrued expenses, increase in advance billings, trade payables as well as security deposits for occupancy agreements that are expiring with 12 months from 30 June 2019 have been reclassified from non-current to current liabilities.

A bank borrowing of $92.1 million under current liabilities as at 31 March 2019 has been subsequently extended in April 2019, for a period of five years till March 2024. Consequently, it has been reclassified to non-current liabilities as at 30 June 2019.

Amount owing to a shareholder is unsecured, non-interest bearing and has no fixed term of repayment. The increase is mainly due to payments made on behalf of the Group in 1QFY2020.

The increase in current tax liabilities is due mainly to provision for income tax based on estimated chargeable income, offset by tax paid in 1QFY2020.

As at 30 June 2019, the Group has a negative working capital of approximately ($31.3 million), mainly due to amount owing to a shareholder included as current liabilities. Notwithstanding this, a shareholder has undertaken, save for repayment of certain amounts of shareholder's loan, to provide continuous financial and other support as necessary, to enable the Group to continue its operations and meet its financial obligations as and when they fall due.

COMPANY'S STATEMENT OF FINANCIAL POSITION

As at 30 June 2019, investments in subsidiaries remained the same as the last financial year ended 31 March 2019, at approximately $345.7 million, representing costs of investments in the three subsidiaries of the Company.

Trade and other receivables has decreased compared to 31 March 2019, mainly attributed to lower amount due from subsidiaries, decrease in prepaid expenses, partly offset by higher accrued income.

Increase in cash and cash equivalents is mainly due to payment received on amount due from a subsidiary in 1Q FY2020, partly offset by payments made for operating expenses.

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

Increase in trade and other payables is mainly due to higher amount of accrued operating expenses as at 30 June 2019.

Amount owing to a shareholder mainly comprises payments made on behalf of the Group. This amount is unsecured, non-interest bearing and has no fixed term of repayment.

Decrease in current tax liabilities is due to payment of tax in 1QFY2020.

GROUP'S STATEMENT OF CASH FLOWS

Cash and cash equivalents for 1QFY2020 have increased by approximately $0.6 million, mainly attributable to:

- Decrease in net cash generated from operating activities mainly due to lower revenue;
- Decrease in cash generated from investing activities due to purchase of new plant and equipment in 1QFY2020, partly offset by non-recurring deposit received for proposed disposal of investment property in 1QFY2019 and higher interest income received; and
- Net cash used in financing activities mainly comprised payments made on behalf of the Group by a shareholder, change in debt service reserve, payment of transaction costs in relation to renewal of a bank borrowing and interest payment 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.

The Group did not make any forecast or prospect statement to shareholders.

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

The Group 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 proposed for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Tax on dividend

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

Given the Group's investment strategy of keeping a strong balance sheet with sufficient resources for future investment purposes for long-term and sustainable growth, the Board is not recommending any dividend for this financial period ended 30 June 2019.

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

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

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

On behalf of the Board of Directors of the Company, we confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 30 June 2019 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

26 July 2019