

MYP LTD.

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

PROPOSED ACQUISITION OF STRAITS TRADING BUILDING AND THE PROPOSED NON-UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**") of MYP Ltd. (the "**Company**") and together with its subsidiaries, the "**Group**") refers to its announcement dated 1 June 2016, 20 June 2016 and 15 August 2016 in relation to the Proposed Acquisition of Straits Trading Building, a Grade A building in the central business district of Singapore ("**Previous Announcements**").

Capitalised terms used herein, unless otherwise defined, shall bear the same meanings given to them in the Previous Announcements.

- 1.2 The Company wishes to further announce that it is proposing to undertake a non-underwritten renounceable rights issue of up to 1,048,155,724 new ordinary shares in the capital of the Company (the "**Rights Shares**") at an issue price of S\$0.18 for each Rights Share (the "**Issue Price**"), on the basis of one (1) Rights Share for every one (1) existing ordinary share in the capital of the Company (the "**Shares**") held by the shareholders of the Company (the "**Shareholders**") as at a time and date to be determined by the directors of the Company (the "**Directors**") for the purpose of determining the entitlements of the Entitled Shareholders (as defined below) under the Rights Issue (the "**Record Date**"), fractional entitlements to be disregarded (the "**Rights Issue**").
- 1.3 The Proposed Acquisition and the Rights Issue are subject to, *inter alia*, the approval of the Shareholders, which will be sought at an extraordinary general meeting of the Company (the "**EGM**") to be convened. A circular to Shareholders containing further information on the Proposed Acquisition and the Rights Issue (the "**Circular**"), together with the notice for the EGM, will be despatched to Shareholders in due course.

2. THE PROPOSED ACQUISITION

2.1 Sources of Fund

The Company wishes to update its Shareholders that the Purchase Consideration of S\$560.0 million for the Proposed Acquisition will be funded as follows:

- (a) net proceeds of S\$168.0 million arising from the Rights Issue; and
- (b) bank financing of S\$392.0 million.

In the event that the Company is unable to raise net proceeds of S\$168.0 million from the Rights Issue, the shortfall in Purchase Consideration of the Proposed Acquisition will be funded by any one or a combination of the following, as the Board shall consider suitable:

- (i) the Company's internal resources; and/or

- (ii) the extension of a Shareholder's loan by Mr. Jonathan Tahir, subject to compliance with Chapter 9 of the Listing Manual.

2.2 Valuation Report

Further to the above, the Company wishes to update its Shareholders that it has appointed Colliers International Consultancy & Valuation (Singapore) Pte Ltd (the "**Independent Valuer**") to conduct and furnish a valuation report (the "**Valuation Report**") on the value of the Property. Information relating to the Independent Valuer and the basis of the valuation will be included in the circular to be despatched to Shareholders in due course. A copy of the Valuation Report will also be made available for inspection by the Shareholders during normal business hours at the registered office of the Company for a period of three (3) months from the date of the circular.

3. PRINCIPAL TERMS OF THE RIGHTS ISSUE

- 3.1 The Company is proposing to issue up to 1,048,155,724 Rights Shares at the Issue Price for each Rights Share pursuant to the Rights Issue in order to raise gross proceeds of up to approximately S\$188.7 million from the Rights Issue. The Rights Issue is proposed to be made on a renounceable basis to Entitled Shareholders (as defined below) on the basis of one (1) Rights Share for every one (1) existing Share held by the Entitled Shareholders (as defined below) as at the Record Date, fractional entitlements to be disregarded.

- 3.2 The Rights Shares are payable in full upon acceptance and application by Entitled Shareholders (as defined below). The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issuance of the Rights Shares. For the purposes herein, the "**record date**" means, in relation to any dividends, rights, allotments or other distributions that may be declared or paid, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such dividends, rights, allotments or other distributions that may be declared or paid.

3.3 Issue Price

The Issue Price per Rights Share is S\$0.18 and represents a discount of approximately 33.3 per cent. to the closing price of S\$0.27 per Share on the SGX-ST on 31 August 2016, being the date of this announcement, and a discount of approximately 20.0 per cent. to the theoretical ex-rights price¹ of S\$0.225 per Share.

3.4 Number of Rights Shares

As at the date of this announcement, the issued share capital of the Company (excluding treasury shares) comprises 1,048,155,724 Shares (the "**Existing Share Capital**"). In addition, based on the Existing Share Capital and assuming that all the Entitled Shareholders subscribe in full for their *pro rata* Rights Shares under the Rights Issue (the "**Maximum**"),

¹ The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the closing price of S\$0.27 per Share on the SGX-ST on 31 August 2016, being the date of this announcement, and the number of Shares following completion of the Rights Issue.

Subscription Scenario”), the Company will issue 1,048,155,724 Rights Shares under the Rights Issue.

Based on the Existing Share Capital and assuming that only the Undertaking Shareholder (as defined below) subscribes for the Rights Shares pursuant to the Rights Issue Irrevocable Undertaking (as defined below) (the “**Minimum Subscription Scenario**”), the Company will issue 886,653,577 Rights Shares under the Rights Issue.

3.5 **Option to Scale Down**

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, and upon the approval of the SGX-ST, scale down the subscription and/or excess applications for the Rights Shares by the Undertaking Shareholder to ensure that the Company maintains its public float requirement of at least 10% pursuant to Rule 723 of the Listing Manual.

3.6 **Non-underwritten Basis of the Rights Issue**

The Rights Issue will not be underwritten. The Company has decided to undertake the Rights Issue on a non-underwritten basis in view of the Rights Issue Irrevocable Undertaking (as defined below) provided by the Undertaking Shareholder (as defined below) and the savings in cost by the Company in respect of underwriting fees.

3.7 **Further Information**

The terms and conditions of the Rights Issue may be subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue will be contained in an offer information statement (the “**Offer Information Statement**”) and its accompanying documents to be lodged with the Monetary Authority Of Singapore (“**MAS**”). The Offer Information Statement will be despatched by the Company to Entitled Shareholders (as defined below) in due course.

4. **RATIONALE FOR THE RIGHTS ISSUE**

The Company intends to utilise the proceeds from the Rights Issue to fund the Proposed Acquisition and associated costs. The Company believes that the Rights Issue will also enable the Company to meet its general corporate funding requirements and will provide Entitled Shareholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Shares. The Rights Issue will increase the number of Shares in issue and accordingly, potentially increase the level of trading liquidity of the Shares after the Rights Issue.

5. **USE OF PROCEEDS**

5.1 The estimated proceeds that will be raised from the Rights Issue are as follows:

(a) Under the Maximum Subscription Scenario, the Rights Issue will raise approximately S\$188.7 million and the net proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$0.5 million, will amount to approximately S\$188.2 million.

(b) Under the Minimum Subscription Scenario, the Rights Issue will raise approximately S\$159.6 million and the net proceeds of the Rights Issue, after deducting estimated

expenses of approximately S\$0.5 million, will amount to approximately S\$159.1 million.

- 5.2 The Company intends to utilise the net proceeds from the Rights Issue, after deduction of the expenses incurred in connection with the issue of Rights Shares pursuant to the Rights Issue, in the following approximate manner:

Maximum Subscription Scenario		
Purpose	S\$ million	Per cent. Of Net Proceeds
Partial funding of the Purchase Consideration of the Acquisition	168.0	89.3%
General working capital	20.2	10.7%
Minimum Subscription Scenario		
Purpose	S\$ million	Per cent. Of Net Proceeds
Partial funding of the Purchase Consideration of the Acquisition	159.1	100.0%

- 5.3 Pending the deployment of the net proceeds raised from the Rights Issue, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities, as the Directors may, in their absolute discretion, deem fit.
- 5.4 The Company will make periodic announcements on the use of the proceeds from the Rights Issue as and when such proceeds are materially disbursed and will provide a status report on the use of proceeds from the Rights Issue in the Company's annual reports until such time the proceeds have been fully utilised.
- 5.5 On the basis that the Rights Issue Irrevocable Undertaking (as defined below) is fulfilled by the Undertaking Shareholder (as defined below), the net proceeds from the Minimum Subscription Scenario will be sufficient to meet the Company's present funding requirements.

6. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

- 6.1 The Company proposes to provisionally allot Rights Shares to all Shareholders who are eligible to participate in the Proposed Rights Issue on the basis of their shareholdings in the Company as at the Record Date ("**Entitled Shareholders**"). The Entitled Shareholders comprise Entitled Depositors and Entitled Scripholders (both as defined below).
- 6.2 "**Entitled Depositors**" are Shareholders with Shares standing to the credit of their securities accounts (the "**Securities Accounts**") and whose registered addresses with CDP are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents.
- 6.3 "**Entitled Scripholders**" are Shareholders whose share certificates are not deposited with CDP and who have tendered to Tricor Barbinder Share Registration Services (the "**Share Registrar**") valid transfers of their Shares and the certificates relating thereto for registration

up to the Record Date, provided that such Entitled Scripholders have registered addresses in Singapore with the Share Registrar as at the Record Date or if they have registered addresses outside Singapore, they have provided the Share Registrar, at 80 Robinson Road, #11-02, Singapore 068898, with a registered address in Singapore no later than 5.00 pm. (Singapore time) on the date being three (3) Market Days prior to the Record Date.

- 6.4 Entitled Shareholders will be provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Record Date. Entitled Shareholders will be at liberty to accept (in full or in part), decline, renounce (in the case of their provisional allotment of Rights Shares (the “**Rights**”) or, in the case of Entitled Depositors only, trade on the SGX-ST during the Rights trading period prescribed by the SGX-ST) their Rights and will be eligible to apply for additional Rights Shares in excess of their Rights under the Rights Issue (the “**Excess Rights Shares**”). Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders’ entitlements and will, together with the Rights which are not taken up or allotted for any reason, be aggregated and used to satisfy Excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority.
- 6.5 All dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the provisional allotment letters issued to Entitled Scripholders, setting out the provisional allotments of Rights Shares of such Entitled Scripholders under the Rights Issue (the “**PALs**”), which will be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.
- 6.6 The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, will be contained in the Offer Information Statement and in the application form for Rights Shares and Excess Rights Shares issued to Entitled Shareholders in respect of their Rights under the Rights Issue (the “**ARE**”), and the application form for Rights Shares issued to purchasers of the Rights under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system (the “**ARS**”) and the PAL.
- 6.7 Shareholders who have subscribed for or purchased Shares under the Central Provident Fund Investment Scheme (“**CPFIS**”), the Supplementary Retirement Scheme (“**SRS**”) or through a finance company and/or depository agent can only accept their Rights and (if applicable) apply for Excess Rights Shares by instructing the relevant banks in which they hold their CPFIS accounts and/or SRS Accounts, finance company and/or depository agent to do so on their behalf. **ANY APPLICATION MADE BY THE ABOVEMENTIONED SHAREHOLDERS THROUGH CDP OR THROUGH AUTOMATED TELLER MACHINES WILL BE REJECTED.** Such Shareholders should refer to the Offer Information Statement for important details relating to the offer procedure in connection with the Rights Issue.

Foreign Shareholders

- 6.8 The Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (the "**Foreign Purchasers**"). Subject to compliance with applicable laws, Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their depository agents or stockbrokers in Singapore. The Company further reserves the right to reject any acceptances of the Rights Shares and (if applicable) any applications for Excess Rights Shares where it believes, or has reason to believe, that such acceptances or applications may violate the applicable legislation of any jurisdiction.
- 6.9 For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Record Date and who have not, by 5.00 p.m. (Singapore Time) on the date being three (3) Market Days prior to the Record Date, provided to the Share Registrar or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**") and the Offer Information Statement and its accompanying documents will not be despatched to the Foreign Shareholders. Accordingly, no Rights will be made to the Foreign Shareholders and no purported acceptance thereof or application will be valid.
- 6.10 If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Record Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained for the sole benefit of the Company or dealt with as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the CPF Board or the Share Registrar and their respective officers in connection therewith.
- 6.11 If such provisional allotments of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be allotted and issued to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar, CDP or CPF Board and their respective officers in connection therewith.

7. CONDITIONS TO THE RIGHTS ISSUE

7.1 The Rights Issue is subject to, *inter alia*, the following:

- (a) the Rights Issue, including the allotment and issue of the Rights Shares, being approved by the Shareholders at the EGM;
- (b) the approval-in-principle of the SGX-ST for the dealing, listing and quotation of the Rights Shares on the Main Board of the SGX-ST having been obtained (and such approval not having been withdrawn or revoked on or prior to the closing date of the offer of the Rights Shares under the Rights Issue), and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (c) the lodgment of the Offer Information Statement together with all necessary accompanying documents, in connection with the Rights Issue with the MAS.

7.2 An application will be made to the SGX-ST for the listing of and quotation for the Rights Shares on the SGX-ST. Appropriate announcements will be made upon receipt of approval in-principle from the SGX-ST, despatch of the Circular as well as the lodgment of the Offer Information Statement.

8. RIGHTS ISSUE IRREVOCABLE UNDERTAKING

8.1 As at the date of this announcement, Mr. Jonathan Tahir (the “**Undertaking Shareholder**”), the Executive Chairman and Controlling Shareholder of the Company, legally and beneficially owns an aggregate of 886,653,577 Shares, representing his direct interest of approximately 84.59% based on the Existing Share Capital.

8.2 To demonstrate his support for the Rights Issue, the Undertaking Shareholder has given an irrevocable undertaking dated 30 August 2016 in favour of the Company (the “**Rights Issue Irrevocable Undertaking**”) to, *inter alia*, subscribe and pay for, a certain number of Rights Shares.

8.3 The details of the Rights Issue Irrevocable Undertaking are set out below:

- (a) The Undertaking Shareholder will vote and/or procure to be voted all the Shares held directly and beneficially by him in favour of the resolutions for the Rights Issue to be tabled at the EGM.
- (b) The Undertaking Shareholder will subscribe and pay for 886,653,577 Rights Shares, being his *pro rata* entitlements under the Rights Issue (the “**Undertaken Rights Shares**”).
- (c) The Undertaking Shareholder has also undertaken, *inter alia*, that none of his Shares are sold, transferred or otherwise disposed of during the period commencing from the date of the Rights Issue Irrevocable Undertaking until the issue and listing on the SGX-ST of the Rights Shares.

9. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND THE RIGHTS ISSUE

The *pro forma* financial effects of the Proposed Acquisition and the Rights Issue, based on the audited consolidated financial statements of the Group for the financial year ended 31

March 2016 are set out below. The information presented below has been prepared based on *inter alia*, the assumption of the (a) Maximum Subscription Scenario; and (b) Minimum Subscription Scenario. It further assumes that there is no return earned from the net proceeds raised from the Rights Issue. The *pro forma* financial effects are only presented for illustration purposes, and are not intended to reflect the actual future financial situation of the Company or the Group after completion of the Proposed Acquisition and the Rights Issue.

9.1 Earnings per Share

Assuming that the Proposed Acquisition and the Rights Issue have been completed on 1 April 2015, the effect on the earnings per share (“EPS”) of the Company for the financial year ended 31 March 2016 will be as follows:

Maximum Subscription Scenario

	Before the Proposed Acquisition and the Rights Issue	After the Rights Issue but before the Proposed Acquisition	After the Proposed Acquisition and the Rights Issue
Profit after tax and minority interest (S\$'000)	(1,395)	(1,395)	1,246
Number of Shares ('000)	1,048,156	2,096,311	2,096,311
EPS	(0.13)	(0.07)	0.06

Minimum Subscription Scenario

	Before the Proposed Acquisition and the Rights Issue	After the Rights Issue but before the Proposed Acquisition	After the Proposed Acquisition and the Rights Issue
Profit after tax and minority interest (S\$'000)	(1,395)	(1,395)	1,246
Number of Shares ('000)	1,048,156	1,934,809	1,934,809
EPS	(0.13)	(0.07)	0.06

9.2 Net Tangible Assets

Assuming that the Proposed Acquisition and the Rights Issue have been completed on 31 March 2016, the effect on the net tangible assets (“NTA”) per share of the Company as at 31 March 2016 will be as follows:

Maximum Subscription Scenario

	Before the Proposed Acquisition and the Rights Issue	After the Rights Issue but before the Proposed Acquisition	After the Proposed Acquisition and the Rights Issue
NTA (S\$'000)	267,434	455,602	458,286
Number of Shares ('000)	1,048,156	2,096,311	2,096,311
NTA per share	25.5	21.7	21.9

Minimum Subscription Scenario

	Before the Proposed Acquisition and the Rights Issue	After the Rights Issue but before the Proposed Acquisition	After the Proposed Acquisition and the Rights Issue
NTA (S\$'000)	267,434	426,532	429,216
Number of Shares ('000)	1,048,156	1,934,809	1,934,809
NTA per share	25.5	22.0	22.2

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein and in the Previous Announcements, none of the Directors and substantial Shareholders has any interests, direct or indirect, in the Proposed Acquisition and the Rights Issue, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

11. DESPATCH OF SHAREHOLDERS CIRCULAR

The Company will in due course despatch a circular to the Shareholders containing information relating to the Proposed Acquisition and the Rights Issue, as well as to seek approval for the same at an EGM to be convened.

12. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Rights Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board
MYP LTD.

Jonathan Tahir
Executive Chairman

31 August 2016