

MYP LTD.

(Company Registration Number: 200509721C)

**UNAUDITED QUARTERLY FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2016****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 FY2017	2Q FY2016	Change	1 st half FY2017	1 st half FY2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	2,667	2,697	(1.1)	5,338	5,530	(3.5)
Other income (i)	1	-	>100.0	4	-	>100.0
Depreciation expense on property, plant and equipment	(5)	(1)	>100.0	(9)	(2)	>100.0
Staff costs	(355)	(393)	(9.7)	(478)	(473)	1.1
Other operating expenses	(757)	(1,029)	(26.4)	(1,717)	(2,215)	(22.5)
Results from operating activities	1,551	1,274	21.7	3,138	2,840	10.5
Net finance costs (ii)	(1,467)	(1,623)	(9.6)	(2,994)	(3,274)	(8.6)
Profit/(loss) before taxation	84	(349)	>100.0	144	(434)	>100.0
Income tax expense (iii)	(75)	(26)	>100.0	(140)	(75)	86.7
Profit/(loss) for the period	9	(375)	>100.0	4	(509)	>100.0
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	9	(375)	>100.0	4	(509)	>100.0
Total comprehensive income attributable to:						
Owners of the Company	9	(375)	>100.0	4	(509)	>100.0
<i>n/m: not meaningful</i>						
Earnings/(loss) per share, cents						
Basic	0.001	(0.04)		0.0004	(0.05)	
Diluted	0.001	(0.04)		0.0004	(0.05)	

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 FY2017	2Q FY2016	1 st half FY2017	1 st half FY2016
	\$'000	\$'000	\$'000	\$'000
Wage Credit Scheme payout	1	-	4	-
	1	-	4	-

Note (ii) Net finance costs

	2Q FY2017	2Q FY2016	1 st half FY2017	1 st half FY2016
	\$'000	\$'000	\$'000	\$'000
Interest income on deposits with banks	-	29	4	53
Unwinding effect from discounting of interest free loan	-	-	-	(343)
Interest expense on bank borrowings - secured	(1,467)	(1,652)	(2,998)	(2,984)
	(1,467)	(1,623)	(2,994)	(3,274)

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 FY2017	2Q FY2016	1 st half FY2017	1 st half FY2016
	\$'000	\$'000	\$'000	\$'000
Tax recognised in profit or loss				
Income tax expense				
- current period	75	26	135	33
- prior period	-	-	5	42
	75	26	140	75
Reconciliation of effective tax:				
Profit/(loss) for the period	9	(375)	4	(509)
Total tax expense	75	26	140	75
Profit/(loss) before tax	84	(349)	144	(434)
Tax using the Singapore tax rate of 17% (2016: 17%)	14	(60)	24	(74)
Singapore statutory stepped income exemption	(12)	(7)	(27)	(18)
Non-deductible expenses	72	13	134	19
Non-taxable income	(2)	(13)	-	(9)
Current period tax losses for which no deferred tax asset was recognised	3	51	4	115
Under provision in prior year	-	42	5	42
	75	26	140	75

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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	
	30.09.2016	31.03.2016	30.09.2016	31.03.2016
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	3,127	3,136	-	-
Investments in subsidiaries	-	-	161,686	161,686
Investment properties	510,730	510,730	-	-
	513,857	513,866	161,686	161,686
Current assets				
Trade and other receivables	18,231	1,100	149	45
Deposits paid for acquisition of asset	28,000	-	-	-
Amount owing by a subsidiary	-	-	12,021	-
Cash and cash equivalents	8,676	28,578	199	12,965
	54,907	29,678	12,369	13,010
Total assets	568,764	543,544	174,055	174,696
Equity				
Share capital	157,613	157,613	164,401	164,401
Capital reserves	46,677	46,677	(456)	(456)
Retained earnings	63,149	63,145	4,324	4,675
Total equity	267,439	267,435	168,269	168,620
Non-current liabilities				
Other payables	1,417	1,706	-	-
Bank borrowings - secured	220,146	220,146	-	-
	221,563	221,852	-	-
Current liabilities				
Trade and other payables	2,438	2,254	281	576
Amount owing to a shareholder	77,169	51,841	5,505	5,500
Current tax liabilities	155	162	-	-
	79,762	54,257	5,786	6,076
Total liabilities	301,325	276,109	5,786	6,076
Total equity and liabilities	568,764	543,544	174,055	174,696

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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 30.09.2016		As at 31.03.2016	
Secured	Unsecured	Secured	Unsecured
-	77,169,000	-	51,841,000

Amount repayable after one year

As at 30.09.2016		As at 31.03.2016	
Secured	Unsecured	Secured	Unsecured
220,146,000	-	220,146,000	-

Details of any collateral: The secured bank loans of the Group are secured over investment properties with carrying amount of \$498,520,000 (31.03.2016: \$498,520,000).

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 FY2017 \$'000	2Q FY2016 \$'000	1 st half FY2017 \$'000	1 st half FY2016 \$'000
Cash flow from operating activities				
Profit/(loss) after tax	9	(375)	4	(509)
Adjustments for:				
Depreciation expense on property, plant and equipment	5	1	9	2
Net finance cost	1,467	1,623	2,994	3,274
Income tax expense	75	26	140	75
Operating cash flow before working capital changes	1,556	1,275	3,147	2,842
Changes in working capital				
Trade and other receivables	(16,821)	163	(17,132)	10
Trade and other payables	(290)	(497)	18	(828)
Cash (used in)/generated from operations	(15,555)	941	(13,967)	2,024
Tax paid	(147)	(409)	(147)	(409)
Net cash (used in)/generated from operating activities	(15,702)	532	(14,114)	1,615
Cash flows from investing activities				
Purchase of plant and equipment	-	(1)	-	(3)
Deposit paid for acquisition of asset	-	-	(28,000)	-
Interest income received	-	29	4	53
Net cash generated from/(used in) investing activities	-	28	(27,996)	50
Cash flows from financing activities				
Increase in amount owing to a shareholder	18,258	1,500	25,328	2,990
Interest paid	(1,500)	(1,512)	(3,120)	(2,968)
Dividends paid	-	(1,048)	-	(1,048)
Net cash generated from /(used in) financing activities	16,758	(1,060)	22,208	(1,026)
Change in cash and cash equivalents	1,056	(500)	(19,902)	639
Cash and cash equivalents at the beginning of the period	7,620	26,345	28,578	25,206
Cash and cash equivalents at the end of the period	8,676	25,845	8,676	25,845

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- 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 2016**

	Share capital \$'000	Capital reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 April 2016	157,613	46,677	63,145	267,435
Total comprehensive income	-	-	(5)	(5)
At 30 June 2016	157,613	46,677	63,140	267,430
Total comprehensive income	-	-	9	9
At 30 September 2016	157,613	46,677	63,149	267,439
At 1 April 2015	157,613	46,677	65,588	269,878
Total comprehensive income	-	-	(134)	(134)
At 30 June 2015	157,613	46,677	65,454	269,744
Total comprehensive income	-	-	(375)	(375)
Total distribution to owners				
Dividends paid	-	-	(1,048)	(1,048)
At 30 September 2015	157,613	46,677	64,031	268,321

Company**Statement of Changes in Equity for period ended 30 September 2016**

	Share capital \$'000	Capital reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 April 2016	164,401	(456)	4,675	168,620
Total comprehensive income	-	-	(150)	(150)
At 30 June 2016	164,401	(456)	4,525	168,470
Total comprehensive income	-	-	(201)	(201)
At 30 September 2016	164,401	(456)	4,324	168,269

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	Share capital \$'000	Capital reserve \$'000	Retained earnings \$'000	Total \$'000
At 1 April 2015	164,401	(456)	4,904	168,849
Total comprehensive income	-	-	(138)	(138)
At 30 June 2015	164,401	(456)	4,766	168,711
Total comprehensive income	-	-	1,293	1,293
Distribution to owners				
Dividends paid	-	-	(1,048)	(1,048)
At 30 September 2015	164,401	(456)	5,011	168,956

- 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.**

Nil

- 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 30.09.2016	As at 31.03.2016
Total number of issued shares (excluding treasury shares)	1,048,155,724	1,048,155,724

There were no shares held as treasury shares as at 30 September 2016 and 31 March 2016.

- 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 2016.

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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 2016, the Group has adopted various new / revised Singapore Financial Reporting Standards (FRSs) which are relevant to the Group's operations.

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

6. **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.**

	2Q FY2017 Cents	2Q FY2016 Cents	1 st half FY2017 Cents	1 st half FY2016 Cents
Earnings/(loss) per ordinary share based on:-				
(a) the weighted average number of ordinary shares on issue; and	0.001	(0.04)	0.0004	(0.05)
(b) a fully diluted basis	0.001	(0.04)	0.0004	(0.05)
Weighted average number of ordinary shares:-				
	2Q FY2017 '000	2Q FY2016 '000	1 st half FY2017 '000	1 st half FY2016 '000
Weighted average number of ordinary shares during the period	1,048,156	1,048,156	1,048,156	1,048,156

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 30.09.2016 Cents	As at 31.03.2016 Cents	As at 30.09.2016 Cents	As at 31.03.2016 Cents
Net asset value per ordinary share based on issued share capital as at the end of the period / year reported on	25.5	25.5	16.1	16.1

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

REVENUE2QFY2017 vs 2QFY2016

The Group's revenue mainly relates to rental income. Revenue for the current quarter decreased by 1.1% compared with the corresponding period of FY2016 mainly due to non-renewal of certain occupancy agreements.

1st half FY2017 vs 1st half FY2016

Revenue for first half of FY2017 decreased by 3.5% compared with the corresponding period of FY2016. Reason is mentioned in preceding paragraph.

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OTHER INCOME

2QFY2017 vs 2QFY2016

Other income for 2QFY2017 represents receipt of Wage Credit Scheme payout. No such receipt occurred in the corresponding period of FY2016.

1st half FY2017 vs 1st half FY2016

Other income for 1st half of FY2017 represents receipt of Wage Credit Scheme payout. No such receipt occurred in the corresponding period of FY2016.

EXPENSES

	2Q FY2017 \$'000	2Q FY2016 \$'000	Change %	1 st half FY2017 \$'000	1 st half FY2016 \$'000	Change %
Depreciation	(5)	(1)	>100.0	(9)	(2)	>100.0
Staff costs	(355)	(393)	(9.7)	(478)	(473)	1.1
Other operating expenses	(757)	(1,029)	(26.4)	(1,717)	(2,215)	(22.5)
Net finance costs	(1,467)	(1,623)	(9.6)	(2,994)	(3,274)	(8.6)
Income tax expense	(75)	(26)	>100.0	(140)	(75)	86.7
Total	(2,659)	(3,072)	(13.4)	(5,338)	(6,039)	(11.6)

2QFY2017 vs 2QFY2016

Total expenses for 2QFY2017 decreased by approximately \$0.4 million or 13.4% primarily due to following factors:

- lower amount of provision for directors' fees for FY2017.
- operating expenses decreased due to lower non-recurring maintenance costs incurred on investment properties.
- lower effective interest rates on bank borrowings as well as no finance cost arising from discounting of shareholder loans in 2QFY2017 compared with 2QFY2016.
- increase in income tax expense due to higher amount of estimated chargeable income.

1st half FY2017 vs 1st half FY2016

Total expenses for 1st half FY2017 decreased by approximately \$0.7 million or 11.6% primarily due to following factors:

- lower amount of provision for directors' fees for FY2017, offset by higher headcounts and increments for staff salary.
- operating expenses decreased due to lower non-recurring maintenance costs incurred on investment properties.
- lower effective interest rates on bank borrowings as well as no finance cost arising from discounting of shareholder loans in 1st Half FY2017 compared with 1st Half FY2016.
- increase in income tax expense due to higher amount of estimated chargeable income.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Group's net profit for 2QFY2017 and 1st half FY2017 increased by approximately \$0.4 million and \$0.5 million respectively as compared with the same period of FY2016, mainly due to decrease in operating expenses, lower finance costs, offset by a higher amount of income tax expense.

GROUP'S STATEMENT OF FINANCIAL POSITION

Trade and other receivable increased significantly by \$17.1 million mainly due to stamp duties and professional fees incurred during the current period in relation to the proposed acquisition of Straits Trading Building ("STB"). Upon completion, these costs together with the purchase consideration will be classified as investment property of the Group.

Deposits paid during the current period of \$28.0 million represent 5% of the purchase consideration of \$560.0 million for the proposed acquisition of STB. Out of \$28.0 million, an amount of \$22.4 million was paid from the Group's cash and cash equivalents and the remaining \$5.6 million was paid on behalf by a shareholder of the Company.

Other payables included in non-current liabilities represent security deposits collected from tenants which are refundable after one year from 30 September 2016. The decrease is due reclassification of amount repayable within one year from non-current liabilities to current liabilities.

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Bank borrowings as at 30 September 2016 consist of Grace Shine's and Affreton's bank borrowings.

Trade and other payables mainly comprise security deposits collected from tenants which are refundable within twelve months from 30 September 2016, advanced rental paid by tenants, accruals for interests on bank loans, directors' fees, legal and professional fees as well as operating expenses incurred during the current period. The increase is mainly due to security deposits repayable within one year being reclassified from non-current to current liabilities, increase in accrual for legal and professional fees incurred in relation to the proposed acquisition of STB, partly offset by payments of trade and other payables made during the current period.

Increase in amount owing to a shareholder is mainly due to payments made on behalf of the Group during the current period. This includes payment of \$5.6 million being 1% initial deposit and approximately \$16.8 million in stamp duties in relation to the acquisition of STB.

The decrease in current tax liabilities is due mainly to provision for income tax based on estimated chargeable income, offset by tax payment made during the current period.

As at 30 September 2016, the Group has a negative working capital of approximately (\$24.9 million) mainly due to shareholder's loan agreements expiring within twelve months after period end. 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

In addition to the two existing subsidiaries namely Grace Shine and Affreton, the Company's investments in subsidiaries include an initial investment cost of \$1 representing 100% of the equity interest in a newly acquired subsidiary, Salveur Pte Ltd for the purpose of the proposed acquisition of STB.

Increase in trade and other receivables is mainly due to amount receivable from subsidiaries in relation to management fee for the period, increase in prepaid operating expenses, partly offset by decrease in fixed deposit interest as a result of withdrawal of fixed deposits during the period.

Amount owing by a subsidiary represents payment made on behalf of a newly owned subsidiary, Salveur Pte Ltd of approximately \$12.0 million in relation to partial payment of deposit for the proposed acquisition of STB. This has resulted in a decrease in cash and cash equivalents as at 30 September 2016.

Decrease in trade and other payables is mainly due to payment made for FY2016 directors' fees, offset by lower accrued operating expenses.

Increase in amount owing to a shareholder is mainly due to payment made on behalf of the company.

GROUP'S CASH FLOW STATEMENT

2QFY2017 vs 2QFY2016

Change in cash and cash equivalents for 2QFY2017 represents a net cash inflow for the Group of approximately \$1.1 million which is mainly attributable to:

- decrease in net cash from operating activities as a result of stamp duties and professional fees incurred and payment of accrued operating expenses during the current period; and
- Increase in net cash generated from financing activities as a result of an increase in payments made on behalf of the Group by a shareholder which include an amount of \$5.6 million and stamp duties of approximately \$16.8 million, offset by interest paid on bank borrowings.

1st half FY2017 vs 1st half FY2016

Change in cash and cash equivalents for 1st half FY2017 represents a net cash outflow for the Group of approximately \$19.9 million which is mainly attributable to:

- decrease in net cash from operating activities as a result of stamp duties and professional fees incurred and payment of accrued operating expenses during the current period;
- deposit paid for the proposed acquisition of STB; and
- Increase in net cash generated from financing activities as a result of an increase in payments made on behalf of the Group by a shareholder which include an amount of \$5.6 million and stamp duties of approximately \$16.8 million, offset by interest paid on bank borrowings.

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

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

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

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

With reference to the Group's recent announcements made on 1 June 2016, 20 June 2016, 15 August 2016, 31 August 2016 and 12 October 2016 in relation to the proposed acquisition of STB, the Group is in the midst of finalising the sources of funds for the acquisition and will update its shareholders on any material developments and will make such necessary announcements as and when appropriate.

- 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.

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

On behalf of the Board of Director 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 September 2016 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

14 October 2016