

**GYP PROPERTIES LIMITED**  
(Company Registration No. 200304719G)  
(Incorporated in the Republic of Singapore)

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**RESPONSE TO SGX QUERIES ON THE FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 30 JUNE 2019**

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The Board of Directors (the “**Board**”) of GYP Properties Limited (the “**Company**”) refers to the following queries raised by the Singapore Exchange Securities Trading Limited on 5 September 2019 in relation to the Company’s financial statements for the full year ended 30 June 2019 (the “**Results Announcement**”) and wishes to clarify as follows:

**SGX Query 1:**

We refer to the Company's financial statements for the full year ended 30 June 2019 announced on 28 August 2019. It was disclosed that "(o)ther losses of S\$1.9 million for 12MFY19 mainly relates to fair value losses of S\$1.2 million on investment properties, foreign exchange losses of S\$0.4 million and impairment loss on other receivables of S\$0.3 million".

Please provide details on these "other receivables" and explain why there was a S\$0.3mil impairment loss.

**Company’s Response:**

The other receivables relate to management fee receivable from eFusion Solutions Pte Ltd (“eFusion”) as part of the Company’s disposal of eFusion pursuant to the Company’s announcement dated 19 May 2017 whereby eFusion would pay a minimum \$1.5 million in management fees to the Company over a three-year term from 1 June 2017 to 31 May 2020 on a monthly basis.

As of 30 June 2019, eFusion has paid \$0.9 million and \$0.6 million remains outstanding. In view of the operating losses incurred by eFusion and delayed payment record in FY2019, the Company assessed the potential credit losses of this other receivables balance and recorded an impairment loss of \$0.3m.

**SGX Query 2:**

It was disclosed that fair value losses on investment properties amounts to S\$1.2mil. Please elaborate on the significant amount incurred and on the factors that caused the significant fluctuation from a fair value gain of S\$4.5mil to a fair value loss of S\$1.2mil.

**Company’s Response:**

The fair value gains and losses on investment properties relate mainly to the Group’s property at Pakuranga Plaza. The independent valuation of this property over FY2016, FY2017, FY2018 and FY2019 was NZD93.4m, NZD90.3m, NZD95.0m and NZD93.5m respectively.

The property’s valuation over the last four financial years excluding FY2017 averaged NZD93.97m. The decline in valuation of FY2017 was attributed mainly to an anchor tenant lease expiry which was subsequently extended during FY2018 resulting in an increase in valuation. The fair value loss of S\$1.2 million for FY2019 is a marginal 1.6% decline attributed to the local property market environment.

BY ORDER OF THE BOARD

Lee Wei Hsiung  
Company Secretary

6 September 2019