

MYKCO LIMITED

(formerly Mykris Limited)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR
THE SIX MONTHS ENDED 30 SEPTEMBER 2016**

MYKCO LIMITED
(formerly Mykris limited)

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FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30
SEPTEMBER 2016

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MYKCO LIMITED
(formerly Mykris Limited)
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

This period has been a quiet one financially for the company in that there has been very little business activity. We have invested the cash in Bank deposits and some listed Bonds.

The major activity is that we have undertaken is the review of possible listing targets. There have been a number of approaches that we have reviewed. The major issue we have faced is that the businesses are in an early stage and they are not producing profits. When you add the compliance costs of a listed business the results become even more unattractive. Most of these projects will require further funding in the future and with world markets being uncertain that was a risk we are not happy taking at this time. We have rejected most approaches on one or all of the above basis.

We did advance one opportunity and spent time and some funds on the project, however as we were not able to reach an agreement with the vendor the transaction did not proceed.

We will continue to seek opportunities that have a solid business and that can sustain the listing compliance costs. We expect announcements before financial year end.

The Directors wish to thank shareholders for their support and understanding. We will maintain our capital base until the opportunity presents itself .

For more information on our activities, please refer to our website <http://www.mykco.co.nz>

For and on behalf of the Board of Directors, dated 13 December 2016



Chew Choo Soon
Chairman

MYKCO LIMITED (formerly known as Mykris Limited)
Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 September 2016

	Unaudited 6 months 30/09/16 NZ\$	Unaudited 6 months 30/09/15 NZ\$	Audited 12 months 31/03/16 NZ\$
Operating revenue	-	7,405,277	7,405,277
Cost of sales	-	(4,290,109)	(4,290,109)
Gross profit	-	3,115,168	3,115,168
Other revenue	-	28,659	28,659
Selling and distribution expenses	-	528,156	528,156
Administration expenses	137,530	1,716,037	1,813,162
Loss on disposal of subsidiaries	-	2,391,513	2,391,513
Other expenses	-	750,263	751,853
	137,530	5,385,969	5,484,684
Operating loss before financing costs and taxation expense	(137,530)	(2,242,142)	(2,340,857)
Finance income	4,385	4,459	8,461
Finance expense	-	(6,595)	(6,595)
Net finance income	4,385	(2,136)	1,866
Net loss before income taxation benefit	(133,145)	(2,244,278)	(2,338,991)
Taxation benefit	-	130,252	130,251
Net loss after income taxation benefit	(133,145)	(2,114,026)	(2,208,740)
Other comprehensive income			
Unrealised profit / (loss) on investments	(954)	-	954
Movement in foreign currency translation reserve up to 28 September 2015	-	(118,369)	(118,369)
Movement in foreign currency translation reserve on disposal of subsidiaries	-	664,781	664,781
Other comprehensive income / (loss) for the period	(954)	546,412	547,366
Total comprehensive loss for the period	(134,099)	(1,567,614)	(1,661,374)
Loss per share:			
Basic loss per share (cents per share)	(0.97)	(3.50)	(5.36)
Diluted loss per share (cents per share)	(0.97)	(3.50)	(5.36)

The attached selected explanatory notes form an integral part of and are to be read in conjunction with these financial statements.

MYKCO LIMITED (formerly known as Mykris Limited)
Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 September 2016

	Share Capital	Retained Earnings / (Accumulated Losses)	Foreign Exchange Reserve	Treasury Stock	Total
Balance at 31 March 2015	15,000,000	273,388	(546,412)	-	14,726,976
Comprehensive income					
Net loss for the period to 30 September 2016	-	(2,114,026)	-	-	(2,114,026)
Other comprehensive income					
Movement in foreign currency translation reserve up to 28 September 2015	-	-	(118,369)	-	(118,369)
Movement in foreign currency translation reserve on disposal of subsidiaries	-	-	664,781	-	664,781
Total comprehensive income	-	(2,114,026)	546,412	-	(1,567,614)
Transactions with owners					
Shares Issued	374,000	-	-	-	374,000
Shares returned for cancellation or held as treasury stock	(12,260,546)	-	-	(163,474)	(12,424,020)
Total transactions with owners	(11,886,546)	-	-	(163,474)	(12,050,020)
Balance at 30 September 2016	\$ 3,113,454	\$ (1,840,638)	\$ -	\$ (163,474)	\$ 1,109,342

	Share Capital	Retained Earnings	Foreign Exchange Reserve	Treasury Stock	Total
Balance at 31 March 2015	15,000,000	273,388	(546,412)	-	14,726,976
Comprehensive income					
Net profit for the period to 31 March 2016	-	(2,208,740)	-	-	(2,208,740)
Other comprehensive income					
Unrealised profit on investments	-	954	-	-	954
Movement in foreign currency translation reserve up to 28 September 2015	-	-	(118,369)	-	(118,369)
Movement in foreign currency translation reserve	-	-	664,781	-	664,781
Total comprehensive income	-	(2,207,786)	546,412	-	(1,661,374)
Transactions with owners					
Shares Issued	374,000	-	-	-	374,000
Shares returned for cancellation or held as treasury stock	(12,260,546)	-	-	(163,474)	(12,424,020)
Total transactions with owners	(11,886,546)	-	-	(163,474)	(12,050,020)
Balance at 31 March 2016	\$ 3,113,454	\$ (1,934,398)	\$ -	\$ (163,474)	\$ 1,015,582

The attached selected explanatory notes form an integral part of and are to be read in conjunction with these financial statements.

MYKCO LIMITED (formerly known as Mykris Limited)
Condensed Consolidated Statement of Changes in Equity (continued)
For the six months ended 30 September 2016

	Share Capital	Retained Earnings	Foreign Exchange Reserve	Treasury Stock	Total
Comprehensive income					
Net profit / (loss) for the period	-	(133,145)	-	-	(133,145)
Other comprehensive income					
Unrealised loss on investments	-	(954)	-	-	(954)
Total comprehensive income	-	(134,099)	-	-	(134,099)
Transactions with owners					
Shares Issued	204,342	-	-	-	204,342
Sale of treasury stock	-	-	-	45,773	45,773
Share issue costs	(18,759)	-	-	-	(18,759)
Loss on sale of treasury shaes transferred to retained earnings	-	(117,701)	-	117,701	-
Total transactions with owners	185,583	(117,701)	-	163,474	231,356
Balance at 30 September 2016	\$ 3,299,037	\$ (2,186,198)	\$ -	\$ -	\$ 1,112,839

The attached selected explanatory notes form an integral part of and are to be read in conjunction with these financial statements.

MYKCO LIMITED (formerly known as Mykris Limited)
Condensed Consolidated Statement of Financial Position
As at 30 September 2016

	Unaudited 30/09/16 NZ\$	Unaudited 30/09/15 NZ\$	Audited 31/03/16 NZ\$
SHAREHOLDERS EQUITY			
Share capital	3,299,037	3,113,454	3,113,454
Retained earnings	(2,186,198)	(1,840,638)	(1,934,398)
Treasury Stock	-	(163,474)	(163,474)
Total shareholders equity	\$ 1,112,839	\$ 1,109,342	\$ 1,015,582
<i>Represented by:</i>			
CURRENT ASSETS			
Cash and cash equivalents	489,516	1,254,146	182,974
Prepayments and other current assets	724,662	21,632	730,619
Related party receivables	-	13,552	-
Total current assets	1,214,178	1,289,330	913,593
NON-CURRENT ASSETS			
Listed investments	-	-	141,237
Total non-current assets	-	-	141,237
Total assets	1,214,178	1,289,330	1,054,830
CURRENT LIABILITIES			
Trade and other payables	101,339	179,988	37,448
Related party payables	-	-	1,800
Total current liabilities	101,339	179,988	39,248
Total liabilities	101,339	179,988	39,248
Net assets / (liabilities)	\$ 1,112,839	\$ 1,109,342	\$ 1,015,582
Net Tangible Assets per share (\$ per share)	0.07	0.02	0.08



Chew Choo Soon
Chairman



Brent King
Director

The attached selected explanatory notes form an integral part of and are to be read in conjunction with these financial statements.

MYKCO LIMITED (formerly known as Mykris Limited)
Condensed Consolidated Statement of Cash Flows
For the six months ended 30 September 2016

	Unaudited 6 months 30/09/16 NZ\$	Unaudited 6 months 30/09/15 NZ\$	Audited 12 months 31/03/16 NZ\$
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Cash receipts from customers	-	5,686,763	4,980,273
Interest received	4,385	4,459	8,461
Other income received	-	8,768	8,768
<i>Cash was applied to:</i>			
Cash payments to suppliers and employees	(68,648)	(4,279,452)	(4,521,405)
Interest paid	-	(6,595)	(6,595)
Taxation paid	-	(21,230)	(21,230)
Net cash inflow from operating activities	(64,263)	1,392,713	448,272
Cash flows from investing activities			
<i>Cash was provided from:</i>			
Sale of property, plant and equipment	-	34,369	34,369
Sale of subsidiary	-	480,000	480,000
Sale of listed investments	139,449	-	-
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment	-	(130,226)	(130,226)
Purchase of computer software and development expenditure	-	(1,675)	(1,675)
Purchase of listed securities	-	-	(140,283)
Net cash flows from investing activities	139,449	382,468	242,185
Cash flows from financing activities			
<i>Cash was provided from:</i>			
Issue of shares	204,342	374,000	374,000
Sale of treasury stock	45,773	-	-
Related party receivables	-	-	13,552
New borrowings	-	657,885	657,885
<i>Cash was applied to:</i>			
Share issue costs	(18,759)	-	-
Repayment of borrowings	-	(49,287)	(49,287)
Net cash flows from financing activities	231,356	982,598	996,150
Net increase in cash and cash equivalents	306,542	2,757,779	1,686,607
Cash and cash equivalents at the beginning of the period	182,974	839,638	839,638
Cash and cash equivalents disposed through sale of subsidiary	-	(2,343,271)	(2,343,271)
Cash and cash equivalents at end of the period	\$ 489,516	\$ 1,254,146	\$ 182,974

The attached selected explanatory notes form an integral part of and are to be read in conjunction with these financial statements.

MYKCO LIMITED (formerly known as Mykris Limited)

Selected explanatory notes to the Condensed Consolidated Interim Financial Statements For the six months ended 30 September 2016

1. REPORTING ENTITY

Mykco Limited (the "Company") is for company incorporated and domiciled in New Zealand and registered under the *Companies Act 1993*. The company is listed on the Alternative Market of the New Zealand Stock Exchange ("NZAX") and the addresses of its registered office and principal place of business are disclosed in the directory to the interim report. The Company is a FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013 and its financial statements comply with the Companies Act 1993 and the Financial Reporting Act 2013.

The condensed consolidated interim financial statements of Mykco Limited as at and for the period ended 30 September 2016 comprise the Company and its subsidiaries (together referred to as the "Group"). For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP") the Group is a for-profit entity. The Company and the Group has been a shell since discontinuing all operations and selling its operating subsidiaries in September 2015. The company is investigating other investment opportunities.

The principal activity of the Group was that of a managed internet service provider until its operating subsidiaries were sold in September 2015. The Group is now a shell. The assets of the Group are held as cash, cash equivalents or listed securities where the returns are higher than interest on bank deposits.

These consolidated interim financial statements were authorised for issue by the directors on 13 December 2016.

2. BASIS OF PREPARATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Accounting policies and methods of computation

The same accounting policies and methods of computation have been followed in the preparation of these condensed consolidated interim financial statements as compared to the most recent annual financial statements of the Group for the period ended 31 March 2016.

Statement of compliance

The consolidated interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), New Zealand International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34 '*Interim Financial Reporting*' as appropriate for profit-oriented entities

The consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated group financial statements as at and for the period ended 31 March 2016.

Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect that application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by managements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated group financial statements as at and for the period ended 31 March 2015.

3. SEASONALITY/CYCLICALITY OF OPERATIONS

The Group's results are not affected to any significant extent by seasonality or cyclicity factors.

MYKCO LIMITED (formerly known as Mykris Limited)
Selected explanatory notes to the Condensed Consolidated Interim
Financial Statements
For the six months ended 30 September 2016

3. ISSUED SHARE CAPITAL

Share capital	Company Shares Issued No.	Group NZ\$
Balance at 31 March 2015	59,920,100	\$ 15,000,000
Movement to 30 September 2015		
Ordinary shares issued	2,200,000	374,000
Balance at 30 September 2015	62,120,100	\$ 15,374,000
Movement to March 2015		
Ordinary Shares redeemed and cancelled	(49,042,184)	(12,260,546)
Balance at 31 March 2016	13,077,916	3,113,454
Movement to September 2016		
Ordinary shares issued	3,269,479	204,342
Capital raising costs	-	(18,759)
	3,269,479	185,583
Balance at 30 September 2016	16,347,395	\$ 3,299,037

The Shares issued is the issue to Belian Holdings Limited of 3,269,479 ordinary shares that was approved by the directors on 26 August 2016.

4. TREASURY STOCK

Treasury Stock	Company Shares Issued No.	Group NZ\$
Balance at 31 March 2015	-	-
Movement to 30 September 2015		
Shares acquired	(653,896)	(163,474)
Balance at 30 September 2015 and 31 March 2016	(653,896)	(163,474)
Movement to 30 September 2016		
Sale of treasury shares	653,896	45,773
Loss on sale of treasury shares transferred to retained earnings	-	117,701
Balance at 30 September 2016	-	-

MYKCO LIMITED (formerly known as Mykris Limited)
Selected explanatory notes to the Condensed Consolidated Interim
Financial Statements
For the six months ended 30 September 2016

5. OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors, as they make all key strategic resource allocation decisions (such as those concerning acquisition, divestment and significant capital expenditure).

Consistent with most recent annual financial statements of the Group, the Group is shell and organised into one reportable operating segment only.

	Unaudited 6 months 30/09/16 NZ\$	Unaudited 6 months 30/09/15 NZ\$	Audited 12 months 31/03/16 NZ\$
External revenue	-	7,405,277	7,405,277
Inter-segment revenue	-	-	-
Total	-	7,405,277	7,405,277
Net segment loss before taxation	(133,145)	(2,244,278)	(2,338,991)
Taxation benefit	-	130,252	130,251
Net profit / (loss) after taxation	\$ (133,145)	\$ (2,114,026)	\$ (2,208,740)
Total segment assets	\$ 1,214,178	\$ 1,289,330	\$ 1,054,830

7. UNUSUAL ITEMS

There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence apart from the items disclosed in these notes.

8. CONTINGENT ASSETS AND LIABILITIES

There were no other material contingencies at reporting date.

MYKCO LIMITED (formerly known as Mykris Limited)
Selected explanatory notes to the Condensed Consolidated Interim
Financial Statements
For the six months ended 30 September 2016

9. RECONCILIATION OF NET LOSS AFTER TAXATION TO NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES

Reconciliation of net loss with cash outflow from operations

	Unaudited 6 months 30/09/16 NZ\$	Unaudited 6 months 30/09/15 NZ\$	Audited 12 months 31/03/16 NZ\$
Profit / (loss) after tax	(133,145)	(2,114,026)	(2,208,740)
<i>Add/(less) non-cash items</i>			
Depreciation of property, plant and equipment	-	459,331	459,331
Amortisation	-	483,212	483,212
Impairment of intangible assets - goodwill	-	112,134	112,134
Bad debts	-	113,649	113,649
Current tax	-	23,715	23,715
Deferred tax	-	(181,730)	(181,730)
Gain on disposal of property, plant & equipment	-	(19,891)	(19,891)
Loss on sale of subsidiary	-	2,391,512	2,391,512
Effects of exchange rate	-	(101,471)	(101,471)
<i>Adjustment for items shown in investment activities</i>			
Disposal of listed investments	834	-	-
<i>Adjustment for items shown in financing activities:</i>			
Movement in related party balances	-	(193,569)	(193,569)
<i>Add / less movements in working capital items:</i>			
Decrease / (increase) in trade receivables	-	(3,179,891)	(3,179,891)
Decrease / (increase) in prepayments and other current assets	5,957	326,104	(382,883)
Decrease / (increase) in tax receivables	-	(23,374)	(23,374)
(Decrease) / increase in deferred income	-	747,370	747,370
(Decrease) / increase in trade and other payables and accruals	63,891	2,519,730	2,378,990
(Decrease) / increase in trade and other payables and accruals	(1,800)		
(Decrease) / increase in tax payable	-	29,908	29,908
Net cash outflow / (inflow) from operating activities	\$ (64,263)	\$ 1,392,713	\$ 448,272

MYKCO LIMITED

COMPANY DIRECTORY

Company Number: 3568071

Issued Capital: 16,347,395 Ordinary Shares (Fully Paid)

Board of Directors: Chew Choo Soon, Chairman
Brent Douglas King, Independent Non-Executive Director
Huei Min Lim, Independent Non-Executive Director

Registered Office: Level 7, 12-26 Swanson Street,, Auckland, 1010, New Zealand

Company Secretary: Garth Ward
Level 7, 12-26 Swanson Street
Auckland, New Zealand

Banker: ANZ National Bank Limited
203 Queen Street,
Cnr Queen & Victoria Streets
Auckland, 1010, New Zealand

Auditor: Crowe Horwath New Zealand Audit Partnership
Level 29, 188 Quay Street, Auckland, 1010, New Zealand

Solicitors: Lowndes Associates
Level 5, Lowndes Associates House, 18 Shortland Street,
PO Box 7311, Auckland, New Zealand

Registrar: Computershare Investor Services Limited,
Level 2,
159 Hurstmere Road,
Takapuna, North Shore City,
Private Bag 92119, Auckland, New Zealand

Listing: New Zealand Alternative Exchange (NZAX)

ISIN: NZMYKE0001S9

Website: www.mykco.co.nz