

**SECOND CHANCE PROPERTIES LTD**  
**(Incorporated in the Republic of Singapore)**  
**Company Registration No.198103193M**

**UNAUDITED FULL YEAR FINANCIAL RESULTS FOR THE YEAR ENDED 31 AUGUST 2019**

*Note: All figures are in Singapore Dollars*

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEARLY AND FULL YEAR RESULTS**

**1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<b>Group</b>			<b>Group</b>		
	<b><u>For the 12 months ended</u></b>			<b><u>For the 3 months ended</u></b>		
	<u>31-08-2019</u>	<u>31-08-2018</u>	<u>Change</u>	<u>31-08-2019</u>	<u>31-08-2018</u>	<u>Change</u>
	\$ '000	\$ '000	%	\$ '000	\$ '000	%
<b>Revenue</b>	<b>30,764</b>	<b>31,614</b>	<b>(2.69)</b>	<b>7,324</b>	<b>8,979</b>	<b>(18.43)</b>
<b>Cost of sales</b>	<b>(14,940)</b>	<b>(16,002)</b>	<b>(6.64)</b>	<b>(3,350)</b>	<b>(4,715)</b>	<b>(28.95)</b>
<b>Gross profit</b>	<b>15,824</b>	<b>15,612</b>	<b>1.36</b>	<b>3,974</b>	<b>4,264</b>	<b>(6.80)</b>
Other income	329	1,776	(81.48)	(106)	2	nm
<u>Expenses</u>						
Distribution expenses	(629)	(653)	(3.68)	4	(88)	(104.55)
Property operating expenses	(937)	(1,000)	(6.30)	(257)	(260)	(1.15)
Gold operating expenses	(161)	(162)	(0.62)	(35)	(35)	-
Apparels operating expenses	(697)	(913)	(23.66)	(189)	(224)	(15.63)
Administrative expenses	(3,452)	(3,550)	(2.76)	(1,091)	(1,005)	8.56
Other operating expenses	-	(29)	(100.00)	-	-	-
	(5,876)	(6,307)	(6.83)	(1,568)	(1,612)	(2.73)
<b>Profit from operations</b>	<b>10,277</b>	<b>11,081</b>	<b>(7.26)</b>	<b>2,300</b>	<b>2,654</b>	<b>(13.34)</b>
Fair value (loss)/gain on investment properties	(1,410)	789	(278.71)	(1,145)	789	(245.12)
Loss on fair valuation of financial assets, at fair value through profit or loss	(2,646)	(2,351)	12.55	(391)	(1,188)	(67.09)
Finance costs	(764)	(700)	9.14	(200)	(154)	29.87
<b>Profit before income tax</b>	<b>5,457</b>	<b>8,819</b>	<b>(38.12)</b>	<b>564</b>	<b>2,101</b>	<b>(73.16)</b>
Income tax expense	(711)	(910)	(21.87)	(202)	(458)	(55.90)
<b>Net profit</b>	<b>4,746</b>	<b>7,909</b>	<b>(39.99)</b>	<b>362</b>	<b>1,643</b>	<b>(77.97)</b>

<b>Net profit</b>	<b>4,746</b>	<b>7,909</b>	<b>(39.99)</b>	<b>362</b>	<b>1,643</b>	<b>(77.97)</b>
<b><u>Other Comprehensive Income</u></b>						
Items that may be reclassified subsequently to profit or loss:						
Financial assets, at FVOCI						
-Fair value (loss)/gains	-	(4,954)	nm	-	408	nm
-Re-classification	-	(10)	nm	-	-	-
Currency translation differences arising from consolidation – (loss)/gain	(277)	969	nm	24	(196)	nm
	(277)	(3,995)	(93.07)	24	212	(88.68)
Items that will not be reclassified subsequently to profit or loss:						
Revaluation gain on property, plant and equipment	118	115	2.61	118	115	2.61
Financial assets, at FVOCI						
-Fair value gains	567	-	nm	1,780	-	-
Other comprehensive income, net of tax	408	(3,880)	nm	1,922	327	487.77
<b>Total comprehensive income</b>	<b>5,154</b>	<b>4,029</b>	<b>27.92</b>	<b>2,284</b>	<b>1,970</b>	<b>15.94</b>

<b>Notes</b>	<b>Group</b>		<b>Group</b>	
	<b><u>For the 12 months ended</u></b>		<b><u>For the 3 months ended</u></b>	
	<u>31-08-2019</u>	<u>31-08-2018</u>	<u>31-08-2019</u>	<u>31-08-2018</u>
	\$ '000	\$ '000	\$ '000	\$ '000
Net profit is arrived at after crediting / (charging)				
Dividend/coupon income	4,259	4,499	1,120	1,284
Gain on disposal of financial assets, at FVOCI	-	17	-	-
Re-classification from other comprehensive income on disposal of financial assets, at FVOCI	-	(10)	-	-
Gain on disposal of financial assets, at FVTPL	12	9	(1)	-
(Loss)/gain on disposal of investment property	(265)	750	(265)	(2)
<b>Expenses include:</b>	-	-		
Depreciation of property, plant and equipment	147	168	33	14
Allowance for doubtful trade receivables	6	23	-	23
Directors' remuneration	1,415	1,399	380	373
Directors' CPF	26	26	8	8
Directors' fees	114	122	31	30
Property, plant & equipment written off	-	117	-	-
Foreign exchange loss/(gain)	145	(605)	11	120
<b>Finance costs</b>				
Interest expenses:-				
Short-term loans	764	652	200	154
Long-term loans	-	48	-	-
	<b>764</b>	<b>700</b>	<b>200</b>	<b>154</b>

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

	<b>Group</b>		<b>Company</b>	
	<u>31-08-2019</u>	<u>31-08-2018</u>	<u>31-08-2019</u>	<u>31-08-2018</u>
	\$ '000	\$ '000	\$ '000	\$ '000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and cash equivalents	11,117	10,804	458	435
Trade and other receivables	390	418	8,211	9,550
Inventories	14,701	14,051	832	796
Other current assets	492	327	160	138
Financial assets, at fair value through profit or loss	24,045	31,201	-	-
Income tax recoverable	5	62	-	-
<b>Total current assets</b>	<b>50,750</b>	<b>56,863</b>	<b>9,661</b>	<b>10,919</b>
<b>Non-current assets</b>				
Amounts due from subsidiaries	-	-	163,062	181,352
Investments in subsidiaries	-	-	17,231	17,231
Financial assets, at fair value through other comprehensive income	56,527	56,294	44,575	43,959
Property, plant and equipment	21,454	21,749	31	43
Investment properties	159,545	170,470	13,750	13,500
<b>Total non-current assets</b>	<b>237,526</b>	<b>248,513</b>	<b>238,649</b>	<b>256,085</b>
<b>Total assets</b>	<b>288,276</b>	<b>305,376</b>	<b>248,310</b>	<b>267,004</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Borrowings	21,200	39,100	21,200	39,100
Trade payables	1,775	2,243	171	225
Other payables	2,204	796	2,069	643
Current income tax liabilities	381	683	89	144
<b>Total current liabilities</b>	<b>25,560</b>	<b>42,822</b>	<b>23,529</b>	<b>40,112</b>
<b>Non-current liabilities</b>				
Deferred income tax liabilities	589	294	5	7
<b>Total non-current liabilities</b>	<b>589</b>	<b>294</b>	<b>5</b>	<b>7</b>
<b>Total liabilities</b>	<b>26,149</b>	<b>43,116</b>	<b>23,534</b>	<b>40,119</b>
<b>Net assets</b>	<b>262,127</b>	<b>262,260</b>	<b>224,776</b>	<b>226,885</b>
<b><u>EQUITY</u></b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	138,248	138,248	138,248	138,247
Reserves	123,879	124,012	86,528	88,638
<b>Total equity</b>	<b>262,127</b>	<b>262,260</b>	<b>224,776</b>	<b>226,885</b>

**1(b)(ii) Aggregate amount of Group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

As at 31-08-2019		As at 31-08-2018	
<i>Secured</i>	<i>Unsecured</i>	<i>Secured</i>	<i>Unsecured</i>
\$21,200,000	\$733,759	\$39,100,000	\$12,121

**Details of Collateral**

The Group's bank borrowings are secured by the freehold and leasehold lands and buildings of the subsidiaries, investment properties of the Group and assignment of rental proceeds from these properties.

**1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group</b>		<b>Group</b>	
	<b><u>For the 12 months ended</u></b>		<b><u>For the 3 months ended</u></b>	
	<b><u>31-08-2019</u></b>	<b><u>31-08-2018</u></b>	<b><u>31-08-2019</u></b>	<b><u>31-08-2018</u></b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
<b>Cash flows from operating activities</b>				
Net profit	4,746	7,909	362	1,643
Adjustments for				
-Income tax expense	711	910	202	458
-Allowance for doubtful trade receivables	6	23	-	23
-Depreciation of property, plant and equipment	147	168	33	14
-Fair value loss/(gain) on investment properties	1,410	(789)	1,145	(789)
-Interest income from bank deposits	(422)	(317)	(135)	(121)
-Finance expense	764	700	200	154
-Gain on disposal of financial assets, at FVOCI	-	(7)	-	-
-Gain on sale of property, plant and equipment	-	(12)	-	-
-Property, plant & equipment written off	-	117	-	38
-Loss/(gain) on disposal of investment property	265	(750)	265	3
-Unrealised currency translation differences	(15)	(250)	(3)	61
	7,612	7,702	2,069	1,484
Changes in working capital				
-Financial assets at FVTPL	7,156	1,573	2,657	1,705
-Inventories	(651)	1,822	1,737	1,806
-Trade and other receivables	(134)	290	998	126
-Trade and other payables	936	(3,425)	299	(212)
Net cash generated from operations	14,919	7,962	7,760	4,909
Income taxes paid	(662)	(1,074)	(27)	(155)
Interest received	422	317	135	121
Interest paid	(764)	(700)	(200)	(154)
<b>Net cash provided by operating activities</b>	<b>13,915</b>	<b>6,505</b>	<b>7,668</b>	<b>4,721</b>
<b>Cash flows from investing activities</b>				
-Proceeds on disposal of financial assets, at FVOCI	334	708	121	100
-Proceeds on disposal of investment properties	9,250	12,278	9,250	(24)
-Proceeds from disposal of property, plant and equipment	-	14	-	-
-Purchase of financial assets, at FVTPL	-	(7,384)	-	(12)
-Additions to investment properties	-	(11)	-	-
-Additions to property, plant and equipment	(1)	(9)	-	-
Net cash provided by investing activities	<b>9,583</b>	<b>5,596</b>	<b>9,371</b>	<b>64</b>
<b>Cash flows from financing activities</b>				
-Proceeds from issue of shares	-	1,141	-	-
-Dividend paid	(5,285)	(2,265)	(3,020)	-
-Proceeds from short-term bank borrowings	109,535	156,706	21,420	44,703
-Repayment of bank borrowings	(127,435)	(163,396)	(35,320)	(48,815)
Net cash used in financing activities	<b>(23,185)</b>	<b>(7,814)</b>	<b>(16,920)</b>	<b>(4,112)</b>
<b>Net decrease in cash and cash equivalents</b>	313	4,287	119	673
Cash and cash equivalents at beginning of financial year/period	10,804	6,517	10,998	10,131
<b>Cash and cash equivalents at end of financial year/period</b>	<b>11,117</b>	<b>10,804</b>	<b>11,117</b>	<b>10,804</b>
Cash and cash equivalents consist of:				
Cash at bank	11,117	10,804	11,117	10,804
	<b>11,117</b>	<b>10,804</b>	<b>11,117</b>	<b>10,804</b>

**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**

	Share Capital	Assets Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance as at 31 August 2018</b>	<b>138,248</b>	<b>7,964</b>	<b>3,825</b>	<b>(5,703)</b>	<b>117,926</b>	<b>262,260</b>
Total comprehensive (loss)/income for the period	-	-	(4,414)	(388)	218	(4,584)
<b>Balance as at 30 November 2018</b>	<b>138,248</b>	<b>7,964</b>	<b>(589)</b>	<b>(6,091)</b>	<b>118,144</b>	<b>257,676</b>
Dividends paid	-	-	-	-	(2,265)	(2,265)
Total comprehensive income for the period	-	-	1,217	274	1,829	3,320
<b>Balance as at 28 February 2019</b>	<b>138,248</b>	<b>7,964</b>	<b>628</b>	<b>(5,817)</b>	<b>117,708</b>	<b>258,731</b>
Total comprehensive income/(loss) for the period	-	-	1,982	(187)	2,337	4,132
<b>Balance as at 31 May 2019</b>	<b>138,248</b>	<b>7,964</b>	<b>2,610</b>	<b>(6,004)</b>	<b>120,045</b>	<b>262,863</b>
Dividends paid	-	-	-	-	(3,020)	(3,020)
Total comprehensive income for the period	-	118	1,780	24	362	2,284
<b>Balance as at 31 August 2019</b>	<b>138,248</b>	<b>8,082</b>	<b>4,390</b>	<b>(5,980)</b>	<b>117,387</b>	<b>262,127</b>

	Share capital	Assets revaluation reserve	Fair value reserve	Translation reserve	Retained earnings	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance as at 31 August 2017</b>	<b>137,107</b>	<b>7,849</b>	<b>8,789</b>	<b>(6,672)</b>	<b>112,282</b>	<b>259,355</b>
Issue of share capital	1,119	-	-	-	-	1,119
Total comprehensive income for the period	-	-	285	724	2,231	3,240
<b>Balance as at 30 November 2017</b>	<b>138,226</b>	<b>7,849</b>	<b>9,074</b>	<b>(5,948)</b>	<b>114,513</b>	<b>263,714</b>
Issue of share capital	22	-	-	-	-	22
Dividends paid	-	-	-	-	(2,265)	(2,265)
Total comprehensive (loss)/income for the period	-	-	(3,171)	519	1,958	(694)
<b>Balance as at 28 February 2018</b>	<b>138,248</b>	<b>7,849</b>	<b>5,903</b>	<b>(5,429)</b>	<b>114,206</b>	<b>260,777</b>
Total comprehensive (loss)/income for the period	-	-	(2,486)	(78)	2,077	(487)
<b>Balance as at 31 May 2018</b>	<b>138,248</b>	<b>7,849</b>	<b>3,417</b>	<b>(5,507)</b>	<b>116,283</b>	<b>260,290</b>
Total comprehensive income/(loss) for the period	-	115	408	(196)	1,643	1,970
<b>Balance as at 31 August 2018</b>	<b>138,248</b>	<b>7,964</b>	<b>3,825</b>	<b>(5,703)</b>	<b>117,926</b>	<b>262,260</b>

## Company

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance as at 31 August 2018</b>	<b>138,248</b>	<b>5,288</b>	<b>83,350</b>	<b>226,886</b>
Total comprehensive (loss)/income for the period	-	(3,775)	585	<b>(3,190)</b>
<b>Balance as at 30 November 2018</b>	<b>138,248</b>	<b>1,513</b>	<b>83,935</b>	<b>223,696</b>
Dividends paid	-	-	(2,265)	<b>(2,265)</b>
Total comprehensive income for the period	-	1,347	40	<b>1,387</b>
<b>Balance as at 28 February 2019</b>	<b>138,248</b>	<b>2,860</b>	<b>81,710</b>	<b>222,818</b>
Total comprehensive income for the period	-	1,438	719	<b>2,157</b>
<b>Balance as at 31 May 2019</b>	<b>138,248</b>	<b>4,298</b>	<b>82,429</b>	<b>224,975</b>
Dividends paid	-	-	(3,020)	<b>(3,020)</b>
Total comprehensive income for the period	-	1,940	881	<b>2,821</b>
<b>Balance as at 31 August 2019</b>	<b>138,248</b>	<b>6,238</b>	<b>80,290</b>	<b>224,776</b>

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance as at 31 August 2017</b>	<b>137,107</b>	<b>8,814</b>	<b>83,573</b>	<b>229,494</b>
Issue of share capital	1,119	-	-	<b>1,119</b>
Total comprehensive (loss)/income for the period	-	(101)	252	<b>151</b>
<b>Balance as at 30 November 2017</b>	<b>138,226</b>	<b>8,713</b>	<b>83,825</b>	<b>230,764</b>
Issue of share capital	22	-	-	<b>22</b>
Dividends paid	-	-	(2,265)	<b>(2,265)</b>
Total comprehensive (loss)/income for the period	-	(1,992)	313	<b>(1,679)</b>
<b>Balance as at 28 February 2018</b>	<b>138,248</b>	<b>6,721</b>	<b>81,873</b>	<b>226,842</b>
Total comprehensive (loss)/income for the period	-	(2,053)	442	<b>(1,611)</b>
<b>Balance as at 31 May 2018</b>	<b>138,248</b>	<b>4,668</b>	<b>82,315</b>	<b>225,231</b>
Total comprehensive income for the period	-	620	1,035	<b>1,655</b>
<b>Balance as at 31 August 2018</b>	<b>138,248</b>	<b>5,288</b>	<b>83,350</b>	<b>226,886</b>

**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 maybe 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**

There was no movement in share capital for the current year ended 31 August 2019. Share capital increased by \$1,139,918 during the prior year ended 31 August 2018 due to exercise of new warrants.

The Company had issued warrants having an exercise price of \$0.25 on 23 January 2017. These new warrants will expire on 23 January 2020.

The number of shares that maybe issued on conversion of the convertibles is as follows:

	<b>31-08-2019</b>	<b>31-08-2018</b>
Warrants – New	747,709,180	747,709,180

**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.**

	<u>As at</u> <u>31-08-2019</u>	<u>As at</u> <u>31-08-2018</u>
Total number of issued shares	755,032,224	755,032,224
Less: Treasury shares	-	-
<hr/>		
Total number of issued shares excluding treasury shares	755,032,224	755,032,224
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**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.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 (eg. The Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have neither 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 matter)**

Not applicable.

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

All accounting policies and methods of computation applied are the same as those in the most recently audited annual financial statements.

**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**

The Group has adopted all applicable Singapore Financial Reporting Standards (International) ("SFRS(I)s") that become effective for the financial periods beginning on or after 1 September 2018. The adoption of these standards did not result in substantial changes to the Group's accounting policies and methods of computation, and there is no material impact to the financial statements of the Group for the current financial period reported on.

**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**

	<b>Group</b>		<b>Group</b>	
	<b><u>For the 12 months ended</u></b>		<b><u>For the 3 months ended</u></b>	
	<u>31-08-2019</u>	<u>31-08-2018</u>	<u>31-08-2019</u>	<u>31-08-2018</u>
Earnings per share	0.63 cents	1.05 cents	0.05 cents	0.22 cents
Earnings per share on fully diluted basis	0.63 cents	1.05 cents	0.05 cents	0.22 cents

The calculation of earnings per share for the year ended 31 August 2019 and 31 August 2018 is based on the weighted average number of shares in issue of 755,032,224 and 754,580,213 respectively.

There was no dilution in earnings per share for the year ended 31 August 2019 and 31 August 2018 as the average market price of the Company's shares for the year was less than the exercise price of the new warrants of \$0.25.

**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**

	<b><u>Group</u></b>	<b><u>Group</u></b>	<b><u>Company</u></b>	<b><u>Company</u></b>
	<u>31-08-2019</u>	<u>31-08-2018</u>	<u>31-08-2019</u>	<u>31-08-2018</u>
Net asset value per share	34.72 cents	34.73 cents	29.77 cents	30.05 cents

**8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must include a discussion of any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on**

*Notes:*

*1. Throughout the review in this section, FY 2019 refers to the financial year ended 31 August 2019. FY 2018 refers to the financial year ended 31 August 2018.*

*2. EBITDA is the operating earnings before interest expenses, tax, depreciation, divestment and revaluation gains/deficits on non-current assets and foreign exchange differences.*

## **OVERVIEW**

The Group net profit decreased by \$3.16 million from \$7.91 million in FY 2018 to \$4.75 million in FY 2019.

Revenue has decreased by \$0.85 million or 2.69% from \$31.61 million in FY 2018 to \$30.76 million in FY 2019.

Adjusted EBITDA increased by \$0.65 million from \$7.54 million in FY 2018 to \$8.19 million in FY 2019.

## **REVENUE**

Revenue has decreased by \$0.85 million or 2.69% from \$31.61 million in FY 2018 to \$30.76 million in FY 2019.

Different business segments contributed to the decrease as illustrated below:

<b>Revenue</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>Variance</b>	
	<b>\$ million</b>	<b>\$ million</b>	<b>\$ million</b>	<b>%</b>
Apparel	4.99	5.40	(0.41)	(7.59)
Gold	15.06	15.13	(0.07)	(0.46)
Properties	6.46	6.58	(0.12)	(1.82)
Securities	4.26	4.50	(0.24)	(5.33)

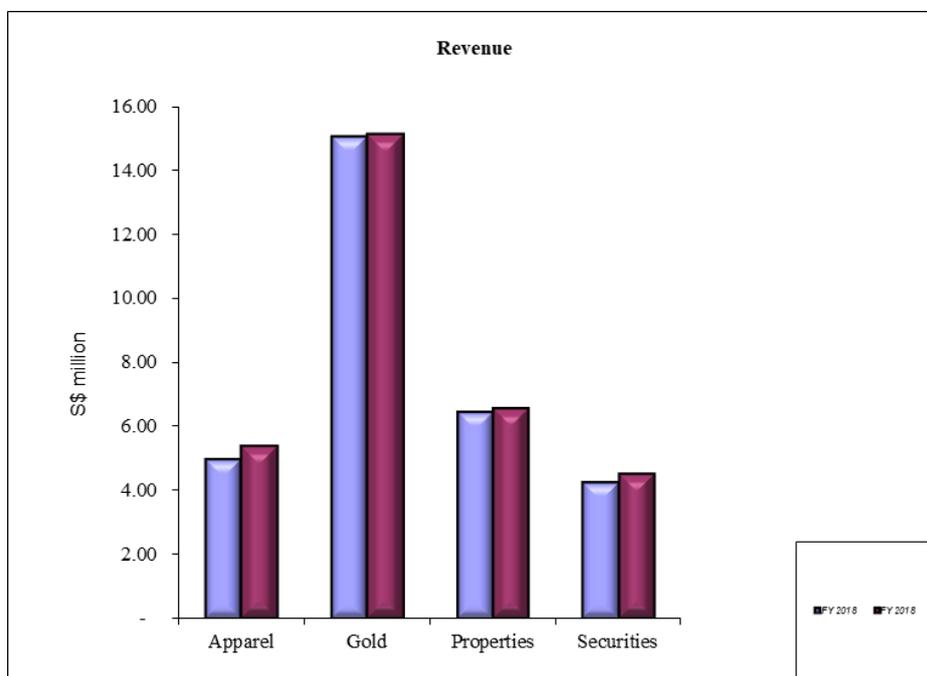
The revenue from apparel business was \$5.40 million in FY 2018 as compared to \$4.99 million in FY 2019. Of the \$4.99 million, Malaysian apparel business contributed \$3.04 million.

In Singapore, the revenue from this business segment increased. However in Malaysia, the closure of all retail apparel outlets except the flagship First Lady store has resulted in decrease in revenue from this business segment there. In addition, the intense competition and the increasing trend of online shopping with changed consumer preferences has also contributed to decrease in revenue from apparel business.

Due to general slowdown in the gold market, our revenue from gold business declined marginally by \$0.07 million or 0.46% to \$15.06 million in FY 2019 from \$15.13 million in FY 2018.

Rental revenue from properties also reduced marginally by \$0.12 million to \$6.46 million in FY 2019 from \$6.58 million in FY 2018 primarily due loss of rental income on disposal of two properties.

The securities business witnessed decline in revenue of \$0.24 million from \$4.50 million in FY 2018 to \$4.26 million in FY 2019 mainly on account of loss of coupon income upon redemption of few bonds.



Other income consists mainly of unrealised foreign exchange gain/(loss), interest on fixed deposits and profit from sale of investment properties. For FY 2018, there was unrealised foreign exchange gain of \$0.61 million as compared to unrealised foreign exchange loss of \$0.15 million for the current year ended 31 August 2019. Moreover, gain of \$0.75 million realised on sale of two investment properties in the prior year ended 31 August 2018 as compared to loss of \$0.27 million in the current FY 2019 resulted in higher other income in FY 2018 as compared to the current year.

## **PROFIT**

**The Group net profit decreased by \$3.16 million from \$7.91 million in FY 2018 to \$4.75 million in FY 2019.**

The contribution from various business segments are illustrated below (the contributions are before interest, tax and unallocated expenses).

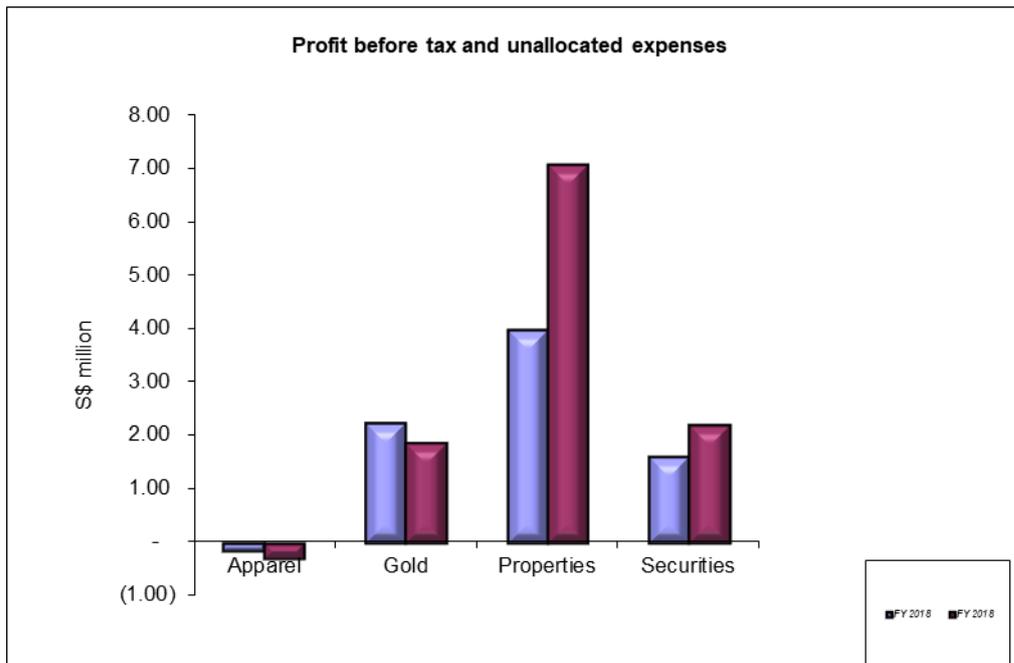
	FY 2019	FY 2018	Variance	
	\$ million	\$ million	\$ million	%
Apparel	(0.14)	(0.28)	0.14	(50.00)
Gold	2.23	1.86	0.37	19.89
Properties	3.97	7.06	(3.09)	(43.77)
Securities	1.60	2.20	(0.60)	(27.27)

The closure of all retail apparel outlets except the flagship First Lady store in Malaysia helped in lowering losses from the apparel business segment in Malaysia as fixed costs were eliminated there. The loss from this business segment reduced by \$0.14 million from \$0.28 million in FY 2018 to \$0.14 million in FY 2019.

The profit from gold business increased by \$0.37 million from \$1.86 million in FY 2018 to \$2.23 million in FY 2019 mainly because of increasing prices of gold in the current year.

Properties segment contributed \$3.97 million in FY 2019 as compared to \$7.06 million in FY 2018. This was primarily because of unrealised loss of \$1.41 million recorded on revaluation of properties in FY 2019 as compared to revaluation gain of \$0.79 million in FY 2018. Furthermore, loss of \$0.27 million on sale of an investment property in FY 2019 as compared to profit of \$0.75 million in FY 2018 also pushed the profit downwards from this business segment in the current year.

Securities segment recorded a profit of \$1.60 million in FY 2019 which is \$0.60 million lesser than the profit of \$2.20 million in FY 2018. In addition to lower revenue from this business on account of lower coupon income in the current year, the unrealised loss of \$2.65 million recorded on financial assets, at fair value through profit or loss i.e. the financial assets held for trading purpose in the current year as compared to an unrealised loss of \$2.35 million in the prior year contributed to lower profits from this segment.



The income tax expense decreased by \$0.20 million from \$0.91 million in FY 2018 to \$0.71 million in FY 2019 mainly because of group relief claimed during the current year.

Interest expenses increased from \$0.70 million in FY 2018 to \$0.76 million in FY 2019 due to increased bank loan rates during the current year.

## **ADJUSTED EBITDA**

Adjusted EBITDA increased by \$0.65 million from \$7.54 million in FY 2018 to \$8.19 million in FY 2019.

The details of Adjusted EBITDA calculation are as below:

<b><u>Adjusted EBITDA*</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2018</u></b>
	<u>\$ '000</u>	<u>\$ '000</u>
Net Profit	4,745	7,909
<b><u>Add/(Less):</u></b>		
Interest expenses	764	700
Taxes	711	910
Depreciation	147	168
Fair valuation deficit/(gain) of properties	1,410	(789)
Gain on disposal of financial assets, at FVOCI	-	(7)
Divestment loss/( gains) of investment property	265	(750)
Exchange differences	145	(605)
	<b>8,187</b>	<b>7,536</b>

*\*Adjusted earnings before interest, tax, depreciation, exchange gains/losses, revaluation gains/deficit, divestment profits/losses*

## **CASH FLOW**

The net cash flow from operating activities was \$13.92 million in FY 2019.

Capital distribution made by various REITs generated \$0.33 million. Proceeds from disposal of investment properties generated \$9.25 million. Further, the Group had drawn down an amount of \$109.54 million from banks.

An amount of \$127.44 million was utilised to repay bank borrowings. The above funds were also deployed to distribute dividends totaling \$5.29 million.

Cash and cash equivalents at the end of the period i.e. 31 August 2019 was \$11.11 million while it was \$10.80 million at the beginning of the period i.e. 31 August 2018. Thus, there was an increase of \$0.31 million through the year.

## **FINANCIAL POSITION AS AT 31 AUGUST 2019**

Investment properties of the group totaled \$159.55 million. In addition, \$21.38 million worth of property owned by the group was classified as Property, Plant and equipment because it was self-occupied. Thus the total value of the properties was \$180.93 million.

As at 31 August 2019, financial assets, at fair value through other comprehensive income comprised of shares valued at \$56.53 million while financial assets at fair value through profit or loss comprised of fixed income securities and equities valued at \$3.82 million and \$20.22 million respectively. There was an increase of \$0.57 million in the market value of financial assets, at fair value through other comprehensive income as at 31 August 2019 as compared to 31 August 2018 and this profit was taken directly to equity. For financial assets, at fair value through profit or loss, there was an unrealised loss of \$2.65 million during the current financial year which was taken to the income statement.

Inventories at financial year ended 31 August 2019 totaled \$14.70 million of which \$12.59 million was gold stock.

## **WORKING CAPITAL**

The Group had a positive working capital of \$25.19 million as at 31 August 2019 as compared to working capital of \$14.04 million as at 31 August 2018.

## **BANK BORROWINGS**

As at 31 August 2019, the Group has short-term borrowings of \$21.20 million as compared to \$39.10 million as at prior year ended 31 August 2018. The gearing ratio of the Group improved from 0.11 at 31 August 2018 to 0.04 at 31 August 2019.

## **SHARE CAPITAL**

There was no movement in the share capital during the current year and it stood at \$138.25 million as at end August 2019. The number of shares in float was 755.03 million as at 31 August 2019. Total shareholders' equity stood at \$262.13 million and NTA per share was 34.72 cents as at 31 August 2019.

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

The full year results are in line with disclosures made in the previous announcement of results of the Group.

**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**

In the wake of increasing trade protectionism, the economic outlook for the Singapore economy in the coming year looks bleak with a possibility of global recession taking place.

The challenges from the increasing trend of online sales and poor consumer spending are expected to continue in the apparel business.

We are confident that our gold business will continue to remain profitable.

There has been a downward pressure on the property business from lower rentals because of negative rental revisions which is expected to continue for some time.

Market forces will continue to determine the performance of the financial instruments sector.

**11. If a decision regarding dividend has been made**

**(a) *Whether an interim (final) ordinary dividend has been declared (recommended)***

No

**(b) *Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

(i) Name of Dividend: First and Final

(ii) Dividend type: Cash

(iii) Dividend Amount per share (in cents): 0.3 cents per ordinary share

(iv) Tax Rate: Tax exempt

**(c) *Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)***

Not Applicable

**(d) *The date the dividend is payable***

Not Applicable

*(e ) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined*

Not Applicable

**12. If no dividend has been declared (recommended), a statement to that effect**

No dividend has been declared or recommended by the Board of Directors of the company for the current financial period ended 31 August 2019 as the company has declared an interim dividend of 0.4 cent per ordinary share in the 3<sup>rd</sup> quarter of FY 2019.

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

There were no interested person transactions for the full year under review. The Company does not have a general mandate from its shareholders for the interested person transaction.

## **PART II Additional information required for full year announcement**

### **14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Attached (Annexure A)

### **15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

#### **Segment Performance**

##### **APPAREL**

Revenue was \$4.99 million in FY 2019 as compared to \$5.40 million in FY 2018. The revenue from this business segment increased in Singapore but this was offset by the decrease of revenue in Malaysia on account of closure of all retail outlets except the flagship First Lady store there.

The loss from this segment however reduced from \$0.28 million in the prior year to \$0.14 million in the current year.

##### **GOLD**

The revenue from this segment declined marginally by \$0.07 million from \$15.13 million in FY 2018 to \$15.06 million in FY 2019.

The profit before tax increased from \$1.86 million in FY 2018 to \$2.23 million in FY 2019 due to higher gross profit margin in the current year.

##### **PROPERTIES**

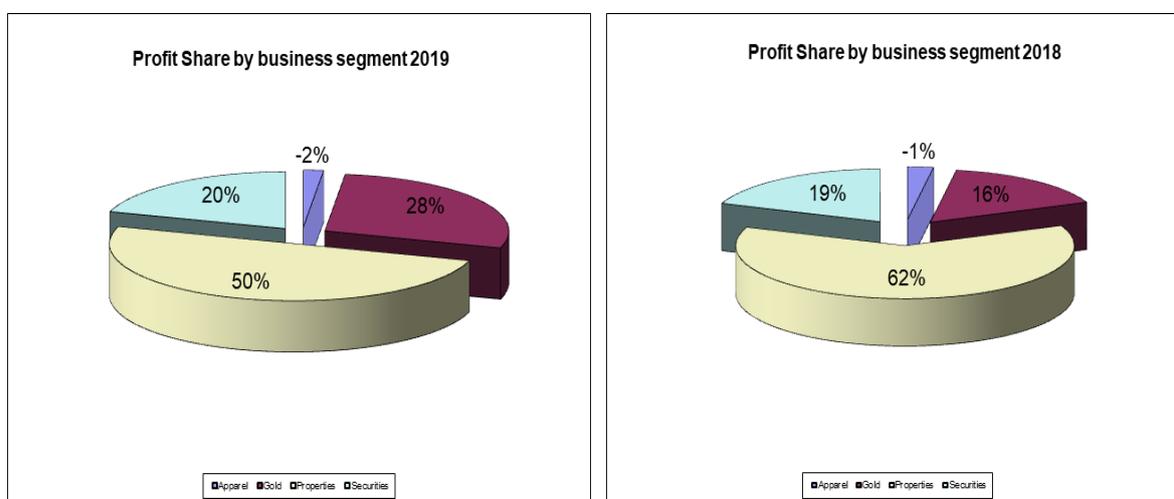
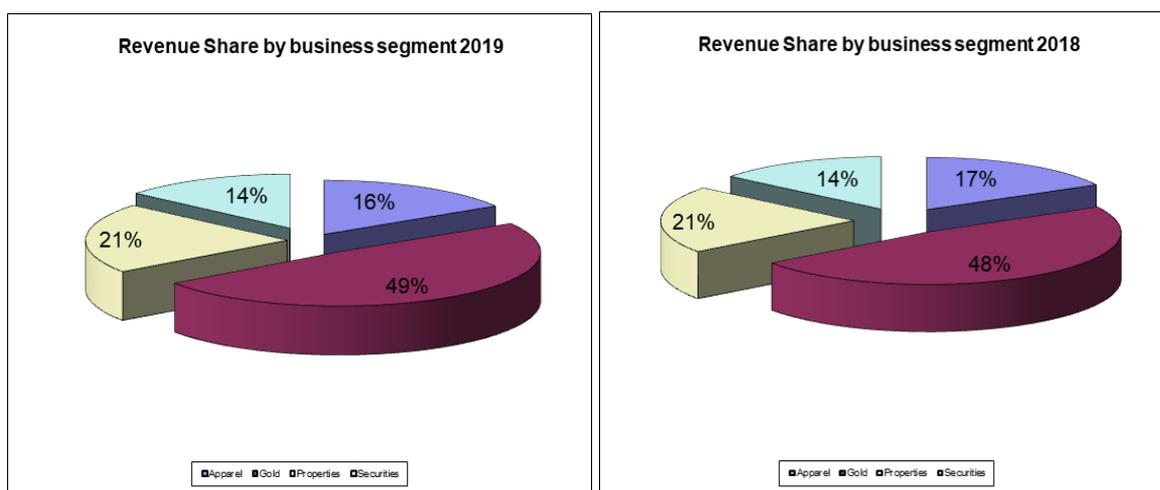
The properties business recorded a decrease in revenue of \$0.12 million in FY 2019 from \$6.58 million in FY 2018 to \$6.46 million in FY 2019. The decrease was due to loss of rental income on sale of two properties.

Earnings from the properties segment also decreased from \$7.06 million in FY 2018 to \$3.97 million in FY 2019. This was attributed to revaluation loss of \$1.41 million in the current year as against revaluation gain of \$ 0.79 million in FY 2018. In addition, there was a loss of \$0.27 million recorded on sale of property in FY 2019 as compared to profit of \$0.75 million recorded on sale of property in FY 2018.

## QUOTED SECURITIES

The securities segment recorded a decrease in revenue of \$0.24 million from \$4.50 million in FY 2018 to \$4.26 million in FY 2019. This was mainly due to loss in coupon income from the bonds that were redeemed during the year.

The profit before tax also decreased by \$0.60 million from \$2.20 million in FY 2018 to \$1.60 million in FY 2019. The decreased revenue from this segment together with the unrealised loss of \$2.65 million recorded on financial assets, at fair value through profit or loss i.e. the financial assets held for trading purpose in the current year as compared to an unrealised loss of \$2.35 million in the prior year contributed to lower profits from this segment.



**16. A breakdown of sales**

	<b>31/08/2019</b>	<b>31/08/2018</b>	<b>(decrease)/ increase</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>%</b>
	<b>Group</b>	<b>Group</b>	<b>Group</b>
Sales reported for first half year	13,480	12,925	4.29
Operating profit after tax before deducting minority interests reported for first half year	2,047	4,189	(51.13)
Sales reported for second half year	17,284	18,689	(7.52)
Operating profit after tax reported for second half year	2,699	3,720	(27.45)

**17. A breakdown of the total annual dividend (in dollar value) for issuer's latest full year and its previous full year**

	<b>31-08-2019</b>	<b>31-08-2018</b>
Ordinary	\$3,020,129	\$2,265,097
Preference	-	-
<b>Total</b>	<b>\$3,020,129</b>	<b>\$2,265,097</b>

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder or the issuer pursuant to rule 704(13)**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and positions held, if any, during the year</b>
Mdm Aisamar Binte Kadil Mydin Syed Marikiah	72	Sister of Mr.Mohamed Salleh, CEO and substantial shareholder	Director in subsidiary – First Lady Apparels (Malaysia) Sdn Bhd. The position was first held in 2001.	Nil
Mr.Azhar Bin Abul Hasan	45	Nephew of Mr.Mohamed Salleh, CEO and substantial shareholder	Director in subsidiary – First Lady Apparels (Malaysia) Sdn Bhd. The position was first held in 2001.	Nil
Mr.Mohamed Amal Bin Mohamed Salleh Maricar	32	Son of Mr.Mohamed Salleh, CEO and substantial shareholder	Executive Director in subsidiary – First Lady Apparels (Malaysia) Sdn Bhd. Assisting the CEO in the Malaysian operations. The position was first held in 2010.	Nil

**19. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Listing Manual of SGX-ST**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers, in the format as set out in Appendix 7.7 pursuant to Rule 720(1).

**On behalf of the Board of Directors**

Mohamed Salleh  
s/o Kadir Mohideen Saibu Maricar  
CEO

Mohamed Hasan Marican  
s/o Kadir Mohideen Saibu Maricar  
Deputy CEO

24 October 2019