

SECOND CHANCE PROPERTIES LTD

UNAUDITED SECOND QUARTER FINANCIAL RESULTS FOR THE PERIOD ENDED 28-02-2019

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

	Group			Group		
	For the 6 months ended			For the 3 months ended		
	28-02-2019	28-02-2018	Change	28-02-2019	28-02-2018	Change
	\$ '000	\$ '000	%	\$ '000	\$ '000	%
Revenue	13,480	12,925	4.29	7,012	6,808	3.00
Cost of sales	(6,583)	(6,365)	3.42	(3,580)	(3,280)	9.15
Gross profit	6,897	6,560	5.14	3,432	3,528	(2.72)
Other income	333	1,578	(78.90)	171	554	(69.13)
<u>Expenses</u>						
Distribution expenses	(236)	(267)	(11.61)	(125)	(193)	35.23
Property operating expenses	(452)	(512)	(11.72)	(214)	(216)	(0.93)
Gold operating expenses	(92)	(92)	-	(36)	(37)	(2.70)
Apparels operating expenses	(334)	(494)	(32.39)	(182)	(215)	(15.35)
Administrative expenses	(1,586)	(1,679)	(5.54)	(1,013)	(837)	21.03
Other operating expenses	-	(29)	nm	-	(6)	nm
	(2,700)	(3,073)	(12.14)	(1,570)	(1,504)	4.39
Profit from operations	4,530	5,065	(10.56)	2,033	2,578	(21.14)
(Loss)/gain on fair valuation of financial assets, at fair value through profit or loss	(1,913)	(351)	445.01	172	(387)	nm
Finance costs	(375)	(277)	35.38	(195)	(121)	61.16
Profit before income tax	2,242	4,437	(49.47)	2,010	2,070	(2.90)
Income tax expense	(195)	(248)	(21.37)	(181)	(112)	61.61
Net profit	2,047	4,189	(51.13)	1,829	1,958	(6.59)

Net profit	2,047	4,189	(51.13)	1,829	1,958	(6.59)
<u>Other Comprehensive Income</u>						
Items that will not be reclassified subsequently to profit or loss:						
Financial assets, at FVOCI						
-Fair value (loss)/gains – equity investments	(3,196)	(2,886)	10.74	1,217	(3,171)	nm
Currency translation differences arising from consolidation - (loss)/gains	(114)	1,243	nm	274	519	(47.21)
Other comprehensive (loss)/income, net of tax	(3,310)	(1,643)	101.46	1,491	(2,652)	nm
Total comprehensive (loss)/income	(1,263)	2,546	nm	3,320	(694)	nm

Notes	Group		Group	
	<u>For the 6 months ended</u>		<u>For the 3 months ended</u>	
	<u>28-02-2019</u>	<u>28-02-2018</u>	<u>28-02-2019</u>	<u>28-02-2018</u>
	\$ '000	\$ '000	\$ '000	\$ '000
Net profit is arrived at after crediting / (charging)				
Dividend/coupon income	1,955	1,841	823	898
Profit on disposal of investment property	-	753	-	153
Profit/(loss) on disposal of financial assets, at fair value through profit or loss	15	(31)	16	(35)
Profit on disposal of property, plant and equipment	-	12	-	12
Expenses include:				
Depreciation of property, plant and equipment	77	105	39	52
Allowance for doubtful trade receivables	6	-	6	-
Total directors' remuneration	628	631	503	325
Directors' CPF	15	14	6	5
Directors' fees	54	64	53	38
Foreign exchange loss/(gain)	48	(709)	(145)	(295)
Finance costs				
Interest expenses:-				
Short-term loans	375	248	195	106
Long-term loans	-	29	-	15
	375	277	195	121

nm – not meaningful

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	
	<u>28-02-2019</u>	<u>31-08-2018</u>	<u>28-02-2019</u>	<u>31-08-2018</u>
	\$ '000	\$ '000	\$ '000	\$ '000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	10,532	10,804	175	435
Trade and other receivables	582	418	9,262	9,550
Inventories	14,119	14,051	794	796
Other current assets	471	327	219	138
Income tax recoverable	116	62	-	-
Financial assets, at fair value through profit or loss	28,708	31,201	-	-
Total current assets	54,528	56,863	10,450	10,919
Non-current assets				
Amounts due from subsidiaries	-	-	178,339	181,352
Investments in subsidiaries	-	-	17,231	17,231
Financial assets, at fair value through other comprehensive income	53,013	56,294	41,445	43,959
Property, plant and equipment	21,562	21,749	34	43
Investment properties	170,470	170,470	13,500	13,500
Total non-current assets	245,045	248,513	250,549	256,085
Total assets	299,573	305,376	260,999	267,004
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Borrowings	37,606	39,100	37,606	39,100
Trade payables	1,959	2,243	155	225
Other payables	455	796	328	643
Current income tax liabilities	458	683	85	144
Total current liabilities	40,478	42,822	38,174	40,112
Non-current liabilities				
Borrowings	-	-	-	-
Deferred income tax liabilities	364	294	7	7
Total non-current liabilities	364	294	7	7
Total liabilities	40,842	43,116	38,181	40,119
Net assets	258,731	262,260	222,818	226,885
<u>EQUITY</u>				
Capital and reserves attributable to equity holders of the Company				
Share capital	138,248	138,248	138,248	138,247
Reserves	120,483	124,012	84,570	88,638
Total equity	258,731	262,260	222,818	226,885

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

Amount repayable in one year or less, or on demand

As at 28-02-2019		As at 31-08-2018	
<i>Secured</i>	<i>Unsecured</i>	<i>Secured</i>	<i>Unsecured</i>
\$37,605,672	\$29,266	\$39,100,000	\$12,121

Amount repayable after one year

As at 28-02-2019		As at 31-08-2018	
<i>Secured</i>	<i>Unsecured</i>	<i>Secured</i>	<i>Unsecured</i>
-	-	-	-

Details of Collateral

The Group's bank borrowings are secured by the mortgage of financial assets, at fair value through other comprehensive income, freehold, 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.

	Group		Group	
	<u>For the 6 months ended</u>		<u>For the 3 months ended</u>	
	<u>28-02-2019</u>	<u>28-02-2018</u>	<u>28-02-2019</u>	<u>28-02-2018</u>
	\$ '000	\$ '000	\$ '000	\$ '000
Cash flows from operating activities				
Net profit	2,047	4,189	1,829	1,958
Adjustments for				
-Income tax expense	195	248	181	112
-Allowance for doubtful trade receivables	6	-	6	-
-Depreciation of property, plant and equipment	77	105	39	52
-Interest income from bank deposits	(116)	(90)	(13)	(90)
-Finance expense	375	277	195	121
-Profit on sale of property, plant & equipment	-	(12)	-	(12)
-Write-off of furniture & fittings	-	79	-	1
-Gain on disposal of investment property	-	(753)	-	(153)
-Unrealised currency translation differences	(5)	(331)	11	(135)
	2,579	3,712	2,248	1,854
Changes in working capital				
-Financial assets at fair value through profit or loss	2,493	(3,454)	34	(401)
-Inventories	(68)	1,296	447	908
-Trade and other receivables	(316)	(163)	(245)	(241)
-Trade and other payables	(624)	(3,254)	66	(202)
Net cash generated from operations	4,064	(1,863)	2,550	1,918
Income taxes paid	(402)	(561)	(342)	(415)
Interest received	116	90	13	90
Interest paid	(375)	(337)	(196)	(165)
Net cash provided by/(used in) operating activities	3,403	(2,671)	2,026	1,428

	Group		Group	
	For the 6 months ended		For the 3 months ended	
	28-02-2019	28-02-2018	28-02-2019	28-02-2018
	\$ '000	\$ '000	\$ '000	\$ '000
Cash flows from investing activities				
-Proceeds on disposal of financial assets, at fair value through other comprehensive income	85	104	36	46
-Proceeds on disposal of investment properties held-for-sale	-	12,310	-	2,310
-Proceeds from disposal of property, plant and equipment	-	14	-	14
-Purchase of financial assets, at fair value through other comprehensive income	-	(7,016)	-	(1,119)
-Additions to property, plant and equipment	-	(5)	-	(5)
Net cash provided by investing activities	85	5,407	36	1,246
Cash flows from financing activities				
-Proceeds from issue of shares	-	1,141	-	22
-Dividend paid	(2,265)	(2,265)	(2,265)	(2,265)
-Proceeds from bank borrowings	97,353	71,932	70,953	47,928
-Repayment of bank borrowings	(98,848)	(70,422)	(70,898)	(45,726)
Net cash (used in)/provided by financing activities	(3,760)	386	(2,210)	(41)
Net (decrease)/increase in cash and cash equivalents	(272)	3,122	(148)	2,633
Cash and cash equivalents at beginning of financial period	10,804	6,517	10,680	7,006
Cash and cash equivalents at end of financial period	10,532	9,639	10,532	9,639
Cash and cash equivalents consist of:				
Cash at bank	10,532	9,639	10,532	9,639
	10,532	9,639	10,532	9,639

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
Balance as at 28 February 2018	138,248	7,849	5,903	(5,429)	114,206	260,777
Total comprehensive (loss)/income for the period	-	-	(2,486)	(78)	2,077	(487)
Balance as at 31 May 2018	138,248	7,849	3,417	(5,507)	116,283	260,290
Total comprehensive income/(loss) for the period	-	115	408	(196)	1,643	1,970
Balance as at 31 August 2018	138,248	7,964	3,825	(5,703)	117,926	262,260
Total comprehensive (loss)/income for the period	-	-	(4,414)	(388)	218	(4,584)
Balance as at 30 November 2018	138,248	7,964	(589)	(6,091)	118,144	257,676
Dividends paid	-	-	-	-	(2,265)	(2,265)
Total comprehensive (loss)/income for the period	-	-	1,217	274	1,829	3,320
Balance as at 28 February 2019	138,248	7,964	628	(5,817)	117,708	258,731

	Share Capital	Assets Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 28 February 2017	136,725	9,439	10,112	(6,807)	106,044	255,513
Total comprehensive (loss)/income for the period	-	-	(717)	529	5,404	5,216
Balance as at 31 May 2017	136,725	9,439	9,395	(6,278)	111,448	260,729
Issue of share capital	382	-	-	-	-	382
Total comprehensive (loss)/income for the period	-	(1,590)	(606)	(394)	834	(1,756)
Balance as at 31 August 2017	137,107	7,849	8,789	(6,672)	112,282	259,355
Issue of share capital	1,119	-	-	-	-	1,119
Total comprehensive income for the period	-	-	285	724	2,231	3,240
Balance as at 30 November 2017	138,226	7,849	9,074	(5,948)	114,513	263,714
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)
Balance as at 28 February 2018	138,248	7,849	5,903	(5,429)	114,206	260,777

Company

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 28 February 2018	138,248	6,721	81,873	226,842
Total comprehensive (loss)/income for the period	-	(2,053)	442	(1,611)
Balance as at 31 May 2018	138,248	4,668	82,315	225,231
Total comprehensive income for the period	-	620	1,035	1,655
Balance as at 31 August 2018	138,248	5,288	83,350	226,886
Total comprehensive (loss)/income for the period	-	(3,775)	585	(3,190)
Balance as at 30 November 2018	138,248	1,513	83,935	223,696
Dividends paid	-	-	(2,265)	(2,265)
Total comprehensive (loss)/income for the period	-	1,347	40	1,387
Balance as at 28 February 2019	138,248	2,860	81,710	222,818

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 28 February 2017	136,725	7,976	83,416	228,117
Total comprehensive income for the period	-	1,432	1,411	2,843
Balance as at 31 May 2017	136,725	9,408	84,827	230,960
Issue of share capital	382	-	-	382
Total comprehensive loss for the period	-	(594)	(1,254)	(1,848)
Balance as at 31 August 2017	137,107	8,814	83,573	229,494
Issue of share capital	1,119	-	-	1,119
Total comprehensive (loss)/income for the period	-	(101)	252	151
Balance as at 30 November 2017	138,226	8,713	83,825	230,764
Issue of share capital	22	-	-	22
Dividends paid	-	-	(2,265)	(2,265)
Total comprehensive (loss)/income for the period	-	(1,992)	313	(1,679)
Balance as at 28 February 2018	138,248	6,721	81,873	226,842

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 the share capital for the period ended 28 February 2019.

The company had issued new 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 may be issued on conversion of the convertibles is as follows:

	28-02-2019	28-02-2018
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>28-02-2019</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

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.

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)") 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

	Group <u>For the 6 months ended</u>		Group <u>For the 3 months ended</u>	
	<u>29-02-2019</u>	<u>29-02-2018</u>	<u>29-02-2019</u>	<u>29-02-2018</u>
Earnings per share	0.27 cents	0.56 cents	0.24 cents	0.26 cents
Earnings per share on fully diluted basis	0.27 cents	0.55 cents	0.24 cents	0.26 cents

The calculation of earnings per share for the half year ended 28 February 2019 and 28 February 2018 are based on the weighted average number of shares in issue of 755,032,224 and 754,128,203 respectively.

There was no dilution in earnings per share for the period ended 28 February 2019 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.

The diluted earnings per share for the previous period ended 28 February 2018 was computed considering the average number of shares that would have been issued at fair value if all the new warrants were exercised at the exercise price 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

	<u>Group</u>	<u>Group</u>	<u>Company</u>	<u>Company</u>
	<u>29-02-2019</u>	<u>31-08-2018</u>	<u>29-02-2019</u>	<u>31-08-2018</u>
Net asset value per share	34.27 cents	34.73 cents	29.51 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, FP 2019 refers to the financial period of six months ended 28 February 2019. FP 2018 refers to the six months period ended 28 February 2018.

2. Adjusted 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 \$2.14 million from \$4.19 million in FP 2018 to \$2.05 million in FP 2019.

Revenue increased by \$0.55 million to \$13.48 million in FP 2019 from \$12.93 million in FP 2018.

Adjusted EBITDA decreased by \$0.62 million from \$3.36 million in FP 2018 to \$2.74 million in FP 2019.

REVENUE

Revenue increased by \$0.55 million to \$13.48 million in FP 2019 from \$12.93 million in FP 2018.

Below is the contribution of the various business segments to revenue:

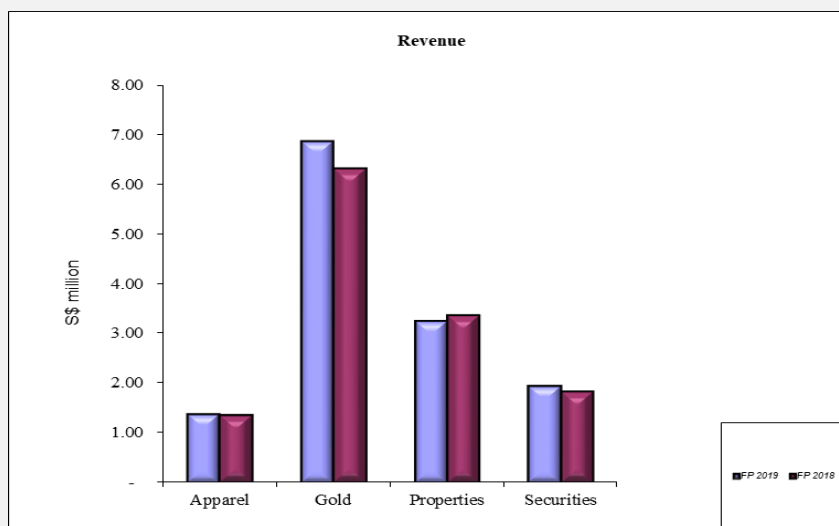
Revenue	FP 2019	FP 2018	Variance	
	\$ million	\$ million	\$ million	%
Apparel	1.39	1.37	0.02	1.46%
Gold	6.88	6.34	0.54	8.52%
Properties	3.26	3.38	(0.12)	-3.55%
Securities	1.95	1.84	0.11	5.98%

The revenue from apparel business increased marginally by \$0.02 million from \$1.37 million in FP 2018 to \$1.39 million in FP 2019. Of the \$1.39 million in FP 2019, Malaysian apparel business contributed \$0.81 million as compared to \$0.95 million in FP 2018. The closure of all outlets except the First Lady Mega Mall in Malaysia resulted in lower revenue there. However, this was off-set by the better sales from apparel business in Singapore resulting in overall increase in revenue from this business segment.

The revenue from gold business increased by \$0.54 million from \$6.34 million in FP 2018 to \$6.88 million in FP 2019 due to general market and economic conditions.

Rental revenue from properties decreased by \$0.12 million from \$3.38 million in FP 2018 to \$3.26 million in FP 2019 primarily due to lower rentals received on some lease renewals.

The securities segment witnessed a rise in revenue of \$0.11 million from \$1.84 million in FP 2018 to \$1.95 million in FP 2019 because of increased dividends received from some equity securities during the current period.



Other income consists mainly of unrealised foreign exchange gain/(loss) and profit from sale of investment properties. In the previous period ended 28 February 2018, there was unrealised foreign exchange gain of \$0.71 million as compared to unrealised foreign exchange loss of \$0.05 million for the current period ended 28 February 2019. Moreover, profit of \$0.75 million on sale of two investment properties in the prior period resulted in higher other income in FP 2018 as compared to the current period.

PROFIT

The Group net profit decreased by \$2.14 million from \$4.19 million in FP 2018 to \$2.05 million in FP 2019.

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

	FP 2019	FP 2018	Variance	
	\$ million	\$ million	\$ million	%
Apparel	(0.62)	(0.55)	(0.07)	12.73%
Gold	0.88	0.74	0.14	18.92%
Properties	2.93	3.58	(0.65)	-18.16%
Securities	0.06	1.47	(1.41)	-95.92%

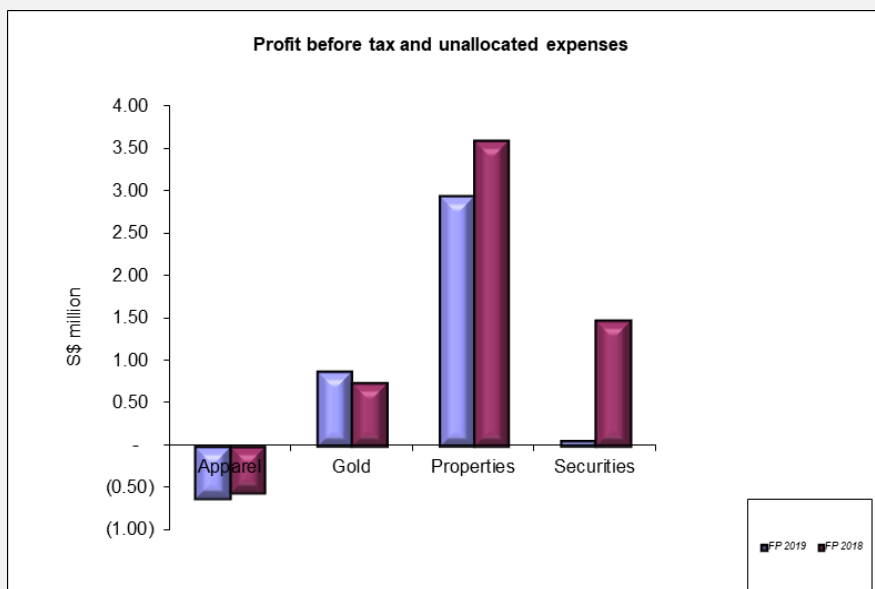
The loss from apparel business increased marginally by \$0.07 million from \$0.55 million in FP 2018 to \$0.62 million in FP 2019. The closure of all retail apparel outlets except the flagship First

Lady store in Malaysia helped in lowering losses from the apparel business segment in Malaysia as fixed costs were eliminated. However, the unrealized foreign exchange loss in the current period as compared to unrealized foreign exchange gain in the prior period resulted in overall higher loss in FP 2019.

Due to increased revenue from gold business during the current period, this segment contributed \$0.88 million in FP 2019 which was \$0.14 million higher than the \$0.74 million in FP 2018.

Properties segment witnessed \$2.93 million profit in FP 2019 which is \$0.65 million lower than the prior period. This is mainly due to lower rental income in FP 2019 as compared to the previous financial period. Further, profit on sale of two investment properties recorded in the prior financial period contributed to higher profits then.

The securities segment witnessed lower profit of \$0.06 million in FP 2019 as compared to a profit of \$1.47 million in FP 2018. Despite increased revenue from this segment in the current period, unrealized loss of \$1.91 million recorded on financial assets, at fair value through profit or loss in FP 2019 as compared to relatively lower loss of \$0.35 million recorded in FP 2018 resulted in decreased profits from this segment.



The income tax expense decreased by \$0.05 million from \$0.25 million in FP 2018 to \$0.20 million in FP 2019 mainly due to decreased taxable profits in the current period.

Interest expenses increased from \$0.28 million in FP 2018 to \$0.38 million in FP 2019 because of higher interest rates during the current period as compared to the prior period. Further, unrealized foreign exchange gain of \$0.06 million was included in the interest expense in the prior period which also contributed to the lower interest expense during that period.

Adjusted EBITDA

Adjusted EBITDA decreased by \$0.62 million from \$3.36 million in FP 2018 to \$2.74 million in FP 2019. This was mainly because of the unrealized loss of \$1.91 million recorded on financial assets, at fair value through profit or loss in the current period.

The details of Adjusted EBITDA calculation is as below:

<u>Adjusted EBITDA*</u>	<u>FP 2019</u>	<u>FP 2018</u>
	<u>\$ '000</u>	<u>\$ '000</u>
Net Profit	2,047	4,189
<u>Add/(Less):</u>		
Interest expenses	375	277
Taxes	195	248
Depreciation	77	105
Divestment gains on property held- for-sale	-	(753)
Exchange differences	48	(709)
	2,742	3,357

**Earnings before interest, tax, depreciation, exchange gains/losses, revaluation gains/deficit, divestment profits/losses*

CASH FLOW

The net cash generated from operating activities was \$3.40 million in FP 2019.

Capital distribution from financial assets, at fair value through other comprehensive income generated \$0.09 million and the Group had drawn down an amount of \$97.35 million from banks while an amount of \$98.85 million was utilized to repay bank borrowings. The above funds were also deployed to distribute dividends totaling \$2.26 million.

Cash and cash equivalents at the end of the period i.e. 28 February 2019 was \$10.53 million which was a decrease of \$0.27 million from the \$10.80 million at the beginning of the period i.e. 31 August 2018.

FINANCIAL POSITION AS AT 28 FEBRUARY 2019

Investment properties of the Group totaled \$170.47 million.

As at 28 February 2019, financial assets at fair value through other comprehensive income comprised of equities valued at \$53.01 million and financial assets at fair value, through profit or loss comprised of fixed income securities and equities valued at \$7.46 million and \$21.25 million respectively. There was a decrease of \$3.20 million in the market value of financial assets, at fair value through other comprehensive income as at 28 February 2019 as compared to 31 August 2018 and this unrealised loss was taken directly to equity. For financial assets at fair value, through profit or loss, there was an unrealised loss of \$1.91 million during FP 2019 which was taken to the income statement.

Inventories as at 28 February 2019 totaled \$14.12 million of which \$11.73 million represents gold stock.

WORKING CAPITAL

The Group had a positive working capital of \$14.05 million as at 28 February 2019 which was almost the same as at 31 August 2018 where it stood at \$14.04 million.

BANK BORROWINGS

The short term borrowings of the Group totaled \$37.61 million as at 28 February 2019 while the borrowings totaled \$39.10 million as at 31 August 2018. The gearing ratio of the Group improved marginally from 0.11 as at 31 August 2018 to 0.10 as at 28 February 2019.

SHARE CAPITAL

There was no movement in the share capital during the current period and it stood at \$138.25 million as at 28 February 2019. There were 755.03 million shares in float as at 28 February 2019. Total shareholders' equity amounted to \$258.73 million and NTA per share was 34.27 cents as at 28 February 2019.

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

The second quarter 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

Rising trade protectionism and the uncertainty over US-China relations are expected to continue to be the key risks to the Singapore economy and slowdown the pace of economic growth in 2019.

The apparel business is expected to be profitable this year in Malaysia as only our flagship First Lady store will be operational there. First Lady Singapore is facing great challenges mainly from stiff competition and changes have been implemented to mitigate these challenges.

The gold business will continue to remain profitable.

The rental income will remain lacklustre due to weakening rental market as well as loss of rental income from properties sold.

Interest rates are expected to continue their upward movement.

Market forces will 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)

(i) Amount per share cents – Not applicable

(ii) Previous corresponding period cents - Not applicable

(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 for the current period ended 28 February 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 quarter under review. The Company does not have a general mandate from its shareholders for the interested person transaction.

14. Negative confirmation pursuant to Rule 705(5)

To the best of our knowledge, nothing has come to the attention of the Board of Directors, which may render the financial statements for the six months period ended 28 February 2019 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

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

29 March 2019