Second Chance Properties Ltd
(Company Registration No.198103193M)

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED IN RELATION TO ANNUAL REPORT FOR FINANCIAL YEAR ENDED 31 AUGUST 2014

The Board of Directors (the "**Board**") of Second Chance Properties Ltd (the "**Company**" and together with its subsidiaries the "**Group**") refers to the queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 18 December 2014 in relation to the Annual Report for Financial Year ended 31 August 2014 (the "**Annual Report FY2014**") and wish to provide further information as follows.

SGX Query

We refer to the Company's Annual Report for FY2014.

At page 35, it is stated that the Board has three Directors who are independent members and the criteria for independence are determined based on the definition as provided in the Code of Corporate Governance. We note that Ms. Geetha Padmanabhan worked as Finance Manager in the Company up to January 2012, was appointed as Non-Executive Director in March 2012 and thereafter appointed as Audit Committee Chairman and Independent Director in December 2013.

Please explain how the disclosure in the Annual Report complies with Guideline 2.3(a) of the Code of Corporate Governance which requires the Board to state its reasons if it determines that a director is independent, notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, including – she being employed by the company or any of its related corporations for the current or any of the past 3 financial years.

Please provide the explanation by way of SGXNet announcement, before the AGM. The explanation should be incorporated in the Company's future annual reports.

Response

Ms. Geetha Padmanabhan ("Ms Geetha") resigned from the Group on 31 January 2012. She was appointed as Non-Executive Director ("NED") on 1 March 2012 and was appointed as a member of the Audit Committee ("AC").

On 30 November 2013 she was re-designated as Independent Director ("ID") of the Company and was appointed Chairman of the AC on 30 December 2013.

Her appointment as NED was reviewed and recommended by the Nominating Committee ("NC") which recommendation was then adopted and approved by the Board.

Her redesignation from NED to ID was determined and recommended by the NC which was then adopted and approved by the Board. The determination of the redesignation was based on Guideline 2.3 of the Code of Corporate Governance 2012 (the "Code").

The Board wishes to reiterate its determination and approval of Ms Geetha's redesignation to ID as follows:.

- Notwithstanding Ms Geetha being employed by the Company or any of its relevant corporations for the current or any of the past 3 financial years (Guideline 2.3(a) of the Code), Ms Geetha has no relationship with the Company, its related corporation, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of her independent business judgement with a view to the best interest of the Company. Further Ms Geetha is independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, her judgement. Ms Geetha has committed to disclose in full on the existence of relationships or circumstances which may appear relevant to the Board's determination of her redesignation from NED to ID. So far, Ms Geetha has confirmed there has been no existence of any such relationships and circumstances.

- The independence element of the Company is continuously and consistently strengthened by the existence of the other current IDs of the Company, Mr Peter Choo and Mr Bobby Jayaraman. Mr Peter Choo was appointed as the Lead ID with effect from 30 December 2013.

In view of the above and notwithstanding the existence of relationships or circumstances which may appear relevant to the Board's determination of her independence, including – she being employed by the company or any of its related corporations for the current or any of the past 3 financial years, the Board firmly believes that Ms Geetha, as an ID, is able to exercise independent business judgement with a view to the best interest of the Company.

BY ORDER OF THE BOARD

Mohamed Salleh s/o Kadir Mohideen Saibu Maricar

Founder and CEO

Singapore, 22 December 2014