SECOND CHANCE PROPERTIES LTD

UNAUDITED SECOND QUARTER FINANCIAL RESULTS FOR THE PERIOD ENDED 31 MAY 2018

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 For the 9 months ended			Group For the 3 months ended		
	31-05-2018	31-05-2017	Change	31-05-2018	31-05-2017	Change
	$ '000	$ '000	%	$ '000	$ '000	%
Revenue	**22,635**	**24,463**	**(7.47)**	**9,710**	**9,412**	**3.17**
Cost of sales	**(11,287)**	**(11,744)**	**(3.89)**	**(4,922)**	**(4,444)**	**10.76**
Gross profit	**11,348**	**12,719**	**(10.78)**	**4,788**	**4,968**	**(3.62)**
Other income	1,717	2,258	(23.96)	139	2,824	(95.08)
Expenses						
Distribution expenses	(565)	(588)	(3.91)	(298)	(257)	15.95
Property operating expenses	(740)	(863)	(14.25)	(228)	(273)	(16.48)
Gold operating expenses	(127)	(130)	(2.31)	(35)	(34)	2.94
Apparels operating expenses	(689)	(1,066)	(35.37)	(195)	(492)	(60.37)
Administrative expenses	(2,545)	(3,008)	(15.39)	(866)	(1,034)	(16.25)
Other operating expenses	(29)	(8)	nm	-	(2)	nm
	(4,695)	(5,663)	(17.09)	(1,622)	(2,092)	(22.47)
Profit from operations	**8,370**	**9,314**	**(10.14)**	**3,305**	**5,700**	**(42.02)**
(Loss)/gain on fair valuation of financial assets, at fair value through profit or loss	(1,163)	651	nm	(812)	183	nm
Finance costs	(489)	(579)	(15.54)	(212)	(143)	48.25
Profit before income tax	**6,718**	**9,386**	**(28.43)**	**2,281**	**5,740**	**(60.26)**
Income tax expense	(452)	(744)	(39.25)	(204)	(336)	(39.29)
Net profit	**6,266**	**8,642**	**(27.49)**	**2,077**	**5,404**	**(61.57)**

Net profit	**6,266**	**8,642**	**(27.49)**	**2,077**	**5,404**	**(61.57)**
Other Comprehensive Income						
Items that may be reclassified subsequently to profit or loss:						
Available-for-sale financial assets						
-Fair value (loss)/gains	(5,372)	1,941	nm	(2,486)	1,436	nm
-Reclassification	-	(2,153)	nm	-	(2,153)	nm
Currency translation differences arising from consolidation – gains/(loss)	1,165	(851)	nm	(78)	529	nm
Other comprehensive income, net of tax	(4,207)	(1,063)	295.77	(2,564)	(188)	1,263.83
Total comprehensive income	**2,059**	**7,579**	**(72.83)**	**(487)**	**5,216**	**nm**

Notes	**Group For the 9 months ended**		**Group For the 3 months ended**	
	31-05-2018	31-05-2017	31-05-2018	31-05-2017
	$ '000	$ '000	$ '000	$ '000
Net profit is arrived at after crediting / (charging)				
Dividend/coupon income	3,215	3,001	1,374	1,427
Gain on disposal of available-for-sale financial assets	7	92	7	92
Re-classification from other comprehensive income on disposal of available-for-sale financial assets	-	2,153	-	2,153
Gain on disposal of financial assets, at fair value through profit or loss	11	214	42	200
Gain on disposal of investment property	753	-	-	-
Gain on disposal of property, plant & equipment	12	-	-	-
Foreign exchange gain	669	(498)	(40)	295
Expenses include:				
Depreciation of property, plant and equipment	154	240	49	83
Total directors' remuneration	1,026	1,028	395	416
Directors' CPF	18	22	4	5
Directors' fees	91	100	27	33
Property, plant & equipment written off	79	-	-	-
Finance costs				
Interest expenses:-				
Short-term loans	441	544	193	130
Long-term loans	48	35	19	13
	489	**579**	**212**	**143**

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	
	31-05-2018	31-08-2017	31-05-2018	31-08-2017
	$ '000	$ '000	$ '000	$ '000
ASSETS				
Current assets				
Cash and cash equivalents	10,131	6,517	237	176
Trade and other receivables	571	647	10,022	10,294
Inventories	15,894	15,716	1,048	1,005
Other current assets	326	402	221	170
Property held for sale	-	9,400	-	-
Income tax recoverable	189	136		
Financial assets, at fair value through profit or loss	32,906	32,774	-	-
Total current assets	60,017	65,592	11,528	11,645
Non-current assets				
Amounts due from subsidiaries	-	-	159,055	168,294
Investments in subsidiaries	-	-	17,231	17,231
Available-for-sale financial assets	55,973	54,574	43,440	47,731
Property, plant and equipment	21,917	20,936	45	61
Investment properties	169,681	171,702	13,500	13,500
Total non-current assets	247,571	247,212	233,271	246,817
Total assets	**307,588**	**312,804**	**244,799**	**258,462**
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	43,213	42,914	18,524	23,912
Trade payables	2,312	4,247	212	250
Other payables	941	2,203	818	1,920
Current income tax liabilities	536	957	5	-
Total current liabilities	47,002	50,321	19,559	26,082
Non-current liabilities				
Borrowings	-	2,876	-	2,876
Deferred income tax liabilities	296	252	9	9
Total non-current liabilities	296	3,128	9	2,885
Total liabilities	**47,298**	**53,449**	**19,568**	**28,967**
Net assets	**260,290**	**259,355**	**225,231**	**229,495**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	138,248	137,108	138,248	137,108
Reserves	122,042	122,247	86,983	92,387
Total equity	**260,290**	**259,355**	**225,231**	**229,495**

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

Amount repayable in one year or less, or on demand

As at 31-05-2018		As at 31-08-2017	
Secured	***Unsecured***	***Secured***	***Unsecured***
$43,212,509	$281,099	$42,914,178	$886,414

Amount repayable after one year

As at 31-05-2018		As at 31-08-2017	
Secured	***Unsecured***	***Secured***	***Unsecured***
-	-	$2,875,690	-

Details of Collateral

The Group's bank borrowings are secured by the mortgage of financial assets at fair value through profit or loss, available-for-sale financial assets, 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 For the 9 months ended		Group For the 3 months ended	
	31-05-2018 $ '000	31-05-2017 $ '000	31-05-2018 $ '000	31-05-2017 $ '000
Cash flows from operating activities				
Net profit	6,266	8,642	2,077	5,404
Adjustments for				
-Income tax expense	452	744	204	336
-Depreciation of property, plant and equipment	154	240	49	83
-Interest income from bank deposits	(196)	(107)	(106)	(61)
-Finance expense	489	579	212	143
-Gain on disposal of available for sale financial assets	(7)	(2,245)	(7)	(2,245)
-Gain on sale of property, plant and equipment	(12)	-	-	-
-Property, plant & equipment written off	79	-	-	-
-Gain on disposal of investment property	(753)	-	-	-
-Unrealised currency translation differences	(311)	270	20	(168)
	6,161	**8,123**	**2,449**	**3,492**
Changes in working capital				
Financial assets at fair value through profit or loss	(132)	3,119	3,322	2,150
-Inventories	16	(1,755)	(1,280)	(2,759)
-Trade and other receivables	164	167	327	1,182
-Trade and other payables	(3,213)	1,139	41	(3,236)
Net cash generated from operations	**2,996**	**10,793**	**4,859**	**829**
Income taxes paid	(919)	(164)	(358)	(72)
Interest received	196	107	106	61
Interest paid	(549)	(535)	(212)	(183)
Net cash provided by operating activities	**1,724**	**10,201**	**4,395**	**635**

	Group For the 9 months ended		Group For the 3 months ended	
	31-05-2018 $ '000	31-05-2017 $ '000	31-05-2018 $ '000	31-05-2017 $ '000
Cash flows from investing activities				
-Proceeds on disposal of available-for-sale financial assets	608	6,940	504	6,844
-Proceeds on disposal of investment properties held for sale	12,302	-	(8)	-
-Proceeds from disposal of property, plant and equipment	14	-	-	-
-Purchase of available-for-sale financial assets	(7,372)	(973)	(356)	(949)
-Additions to investment properties	(11)	-	(11)	-
-Additions to property, plant and equipment	(9)	(115)	(4)	(3)
Net cash provided by investing activities	**5,532**	**5,852**	**125**	**5,892**
Cash flows from financing activities				
-Proceeds from issue of shares	1,141	-	-	-
-Cash used in Share Buyback	-	(1,594)	-	-
-Dividend paid	(2,265)	(1,511)	-	-
-Proceeds from short-term bank borrowings	112,063	94,478	40,131	36,515
-Repayment of bank borrowings	(114,581)	(107,368)	(44,159)	(42,344)
Net cash used in by financing activities	**(3,642)**	**(15,995)**	**(4,028)**	**(5,829)**
Net increase in cash and cash equivalents	3,614	58	492	698
Cash and cash equivalents at beginning of financial period	6,517	5,492	9,639	4,852
Cash and cash equivalents at end of financial period	**10,131**	**5,550**	**10,131**	**5,550**
Cash and cash equivalents consist of:				
Cash at bank	10,131	5,550	10,131	5,550
	10,131	**5,550**	**10,131**	**5,550**

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 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**
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**

	Share Capital	Assets Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Balance as at 31 May 2016	**138,319**	**9,592**	**7,813**	**(5,563)**	**104,113**	**254,274**
Total comprehensive (loss)/income for the period	-	(153)	1,794	135	204	1,980
Balance as at 31 August 2016	**138,319**	**9,439**	**9,607**	**(5,428)**	**104,317**	**256,254**
Total comprehensive (loss)/income for the period	-	-	**(2,050)**	**(1,165)**	**1,261**	**(1,954)**
Balance as at 30 November 2016	**138,319**	**9,439**	**7,557**	**(6,593)**	**105,578**	**254,300**
Share buyback	(1,594)	-	-	-	-	**(1,594)**
Dividends paid	-	-	-		(1,511)	**(1,511)**
Total comprehensive income/(loss) for the period	-	-	2,555	(214)	1,977	**4,318**
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**

Company

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000
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**
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**

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000
Balance as at 31 May 2016	**138,319**	**6,732**	**82,275**	**227,326**
Total comprehensive income for the period	-	1,994	2,012	**4,006**
Balance as at 31 August 2016	**138,319**	**8,726**	**84,287**	**231,332**
Total comprehensive (loss)/ income for the period	-	(2,026)	130	**(1,896)**
Balance as at 30 November 2016	**138,319**	**6,700**	**84,417**	**229,436**
Share buyback	(1,594)	-	-	**(1,594)**
Dividends paid	-	-	(1,511)	**(1,511)**
Total comprehensive income/(loss) for the period	-	1,276	510	**1,786**
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**

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

The old warrants which were issued on 25 July 2012 expired on 24 July 2017.

The company issued new warrants on 23 January 2017 which will expire on 23 January 2020. The exercise price of these new warrants is $0.25. Share capital increased by $1,139,918 during the period ended 31 May 2018 due to exercise of new warrants.

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

	31-05-2018	**31-05-2017**
Warrants – Old	-	577,024,950
Warrants – New	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.

	As at 31-05-2018	As at 31-08-2017
Total number of issued shares	755,032,224	750,472,552
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	755,032,224	750,472,552

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.

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

Not applicable.

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 For the 9 months ended		Group For the 3 months ended	
	31-05-2018	31-05-2017	31-05-2018	31-05-2017
Earnings per share	0.83 cents	1.15 cents	0.28 cents	0.72 cents
Earnings per share on fully diluted basis	0.83 cents	1.15 cents	0.28 cents	0.72 cents

The calculation of earnings per share for the period ended 31 May 2018 and 31 May 2017 are based on the weighted average number of shares in issue of 754,429,543 and 752,083,208 respectively.

There was an insignificant impact on the dilution of shares for the period ended 31 May 2018 as the average market price of the shares was almost equal to the exercise price of the new warrants of $0.25.

There was no dilution in earnings per share for the prior period ended 31 May 2017 as the average market price of the Company's shares for the year was less than the exercise price of the old warrants of $0.40.

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

	Group 31-05-2018	Group 31-08-2017	Company 31-05-2018	Company 31-08-2017
Net asset value per share	34.47 cents	34.56 cents	29.83 cents	30.58 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 2018 refers to the financial period of nine months ended 31 May 2018. FP 2017 refers to the nine months period ended 31 May 2017.

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 $2.37 million from $8.64 million in FP 2017 to $6.27 million in FP 2018.

Revenue reduced by 7.47% or $1.82 million to $22.64 million in FP 2018 from $24.46 million in FP 2017.

Adjusted EBITDA decreased by $2.54 million from $8.46 million in FP 2017 to $5.92 million in FP 2018.

REVENUE

Revenue decreased by 7.47% or $1.82 million to $22.64 million in FP 2018 from $24.46 million in FP 2017.

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

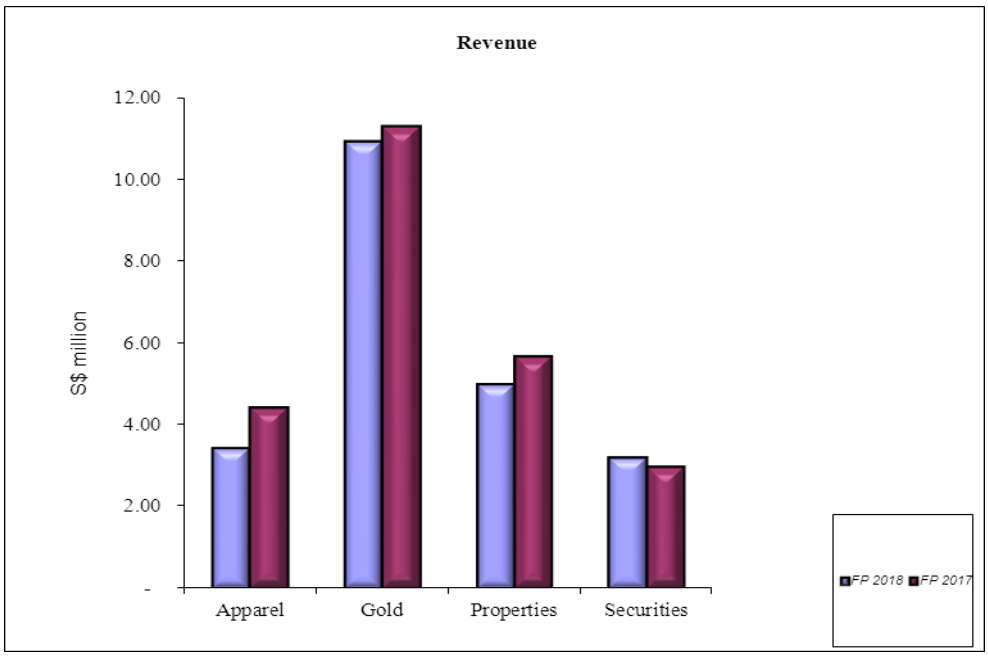
Revenue	FP 2018	FP 2017	Variance	
	$ million	$ million	$ million	%
Apparel	3.45	4.45	(1.00)	-22.47%
Gold	10.95	11.33	(0.38)	-3.35%
Properties	5.02	5.68	(0.66)	-11.62%
Securities	3.22	3.00	0.22	7.33%

The revenue from apparel business decreased by $1 million from $4.45 million in FP 2017 to $3.45 million in FP 2018. Of the $3.45 million, Malaysian apparel business contributed $2.28 million. The primary reason for this decrease was the closure of fifteen shops in Malaysia since the end of FP 2017. In addition to this, the intense competition especially due to increased trend in online shopping decreased revenue in both, Singapore and Malaysia.

The revenue from gold business also declined by $0.38 million from $11.33 million in FP 2017 to $10.95 million in FP 2018 due to general shift in our customers' spending habits.

Rental revenue from properties decreased by $0.66 million from $5.68 million in FP 2017 to $5.02 million in FP 2018. There was a loss of rental income on account of sale of two investment properties since the end of the prior period as well as lower rentals received on some lease renewals.

The revenue from securities business increased by $0.22 million from $3 million in FP 2017 to $3.22 million in FP 2018 because of increase in dividend income on purchase of equity securities during the current period.



For FP 2018, other income consists mainly of unrealised foreign exchange gain and profit from sale of investment properties. In FP 2018, because of the strengthening of Malaysian Ringgit, the unrealised foreign exchange gain was $0.67 million as compared to an unrealised foreign exchange loss of $0.50 million in FP 2017. Moreover, in FP 2018 there was a profit of $0.75 million recorded on sale of two investment properties. In FP 2017, other income comprised mainly of profit on disposal of securities as the company had accepted cash offer on de-listing of one of the available-for sale equity securities resulting in a profit of $2.24 million.

PROFIT

The Group net profit decreased by $2.37 million from $8.64 million in FP 2017 to $6.27 million in FP 2018.

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

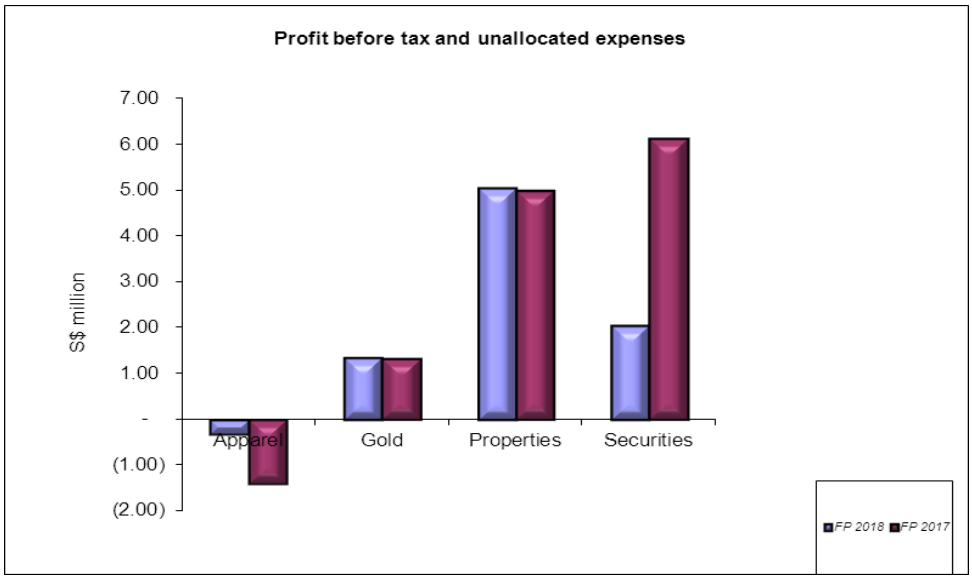
	FP 2018	FP 2017	Variance	
	$ million	$ million	$ million	%
Apparel	(0.31)	(1.38)	1.07	-77.54%
Gold	1.36	1.33	0.03	2.26%
Properties	5.03	4.97	0.06	1.21%
Securities	2.05	6.10	(4.05)	-66.39%

The loss from apparel business decreased by $1.07 million from $1.38 million in FP 2017 to $0.31 million in FP 2018. Though the closure of fifteen shops in Malaysia increased the business loss from this segment during the current period, the unrealised foreign exchange gain arising from the appreciating Malaysian Ringgit in FP 2018 helped to partially off-set this loss.

The contribution from gold business increased marginally by $0.03 million to $1.36 million in FP 2018. Though the revenue from this segment decreased during the current period, reduction in operating expense resulted in increase in profit from this business.

Properties segment witnessed $5.03 million profit in FP 2018 which is $0.06 million higher than that in prior period. Though the rental income decreased during the current period, the profit on disposal of two investment properties helped to partially off-set the decreased revenue.

The contribution from securities segment was $2.05 million in FP 2018 which was $4.05 million lower than the profit of $6.10 million in FP 2017. Despite increased revenue from this segment during the current period, a profit of $2.44 million realised on acceptance of cash offer on de-listing of one of the equity securities in the prior period resulted in higher profits from this segment in FP 2017 as compared to FP 2018. Further, the unrealised loss of $1.16 million recorded on financial assets, at fair value through profit or loss in FP 2018 as compared to an unrealised gain of $0.65 million recorded in FP 2017 added to the lower profits from this business in the current period.



The income tax expense decreased by $0.29 million from $0.74 million in FP 2017 to $0.45 million in FP 2018 due to decreased taxable profits in the current period.

Interest expenses decreased from $0.58 million in FP 2017 to $0.49 million in FP 2018. This was mainly because of unrealised foreign exchange loss of $0.04 million on currency translation being included under this expense in the prior period. In the current period however there was an unrealised foreign exchange gain of $0.06 million on this account.

Adjusted EBITDA

Adjusted EBITDA decreased by $2.54 million from $8.46 million in FP 2017 to $5.92 million in FP 2018.

The unrealised loss of $1.16 million on financial assets, at fair value through profit or loss in FP 2018 as compared to unrealised gain of $0.65 million in FP 2017 mainly contributed to the decrease in the adjusted EBITDA.

The details of Adjusted EBITDA calculation is as below:

Adjusted EBITDA*	**FP 2018**	**FP 2017**
	$ '000	$ '000
Net Profit	6,266	8,642
Add/(Less):		
Interest expenses	489	579
Income tax expense	452	744
Depreciation	154	240
Gain on disposal of available-for-sale securities	(7)	(2,245)
Gain on disposal of property, palnt and equipment	(12)	-
Gains on disposal of investment property	(753)	-
Exchange differences	(669)	498
	5,920	**8,458**

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

CASH FLOW

The net cash provided by operating activities was $1.72 million in FP 2018.

Proceeds from divestment of financial assets, available-for-sale including capital distribution made by various REITs generated $0.60 million.and the Group had drawn down an amount of $112.06 million from banks. Disposal of investment properties generated $12.30 million and proceeds from issue of shares due to warrants conversion amounted to $1.14 million.

The Group purchased securities worth $6.96 million and subscribed to scrip dividend and rights issue totaling $0.05 million and $0.36 million respectively which were classified as available-for-sale. An amount of $114.58 million was utilised 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. 31 May 2018 was $10.13 million which was an increase of $3.61 million from the $6.52 million at the beginning of the period i.e. 31 August 2017.

FINANCIAL POSITION AS AT 31 MAY 2018

Investment properties of the Group totaled $169.68 million.

As at 31 May 2018, available-for-sale financial assets comprised of equities valued at $55.97 million and financial assets, at fair value through profit or loss comprised of fixed income securities and equities valued at $8.52 million and $24.39 million respectively. There was a decrease of $5.37 million in the market value of available-for-sale financial assets at 31 May 2018 as compared to 31 August 2017 and this loss was taken directly to equity. For financial assets, at fair value through profit or loss, there was an unrealised loss of $1.16 million during FP 2018 which was taken to the income statement.

Inventories at 31 May 2018 totaled $15.89 million of which $12.28 million was gold stock.

WORKING CAPITAL

The Group had a positive working capital of $13.01 million as at 31 May 2018. The working capital stood at $15.27 million as at 31 August 2017.

BANK BORROWINGS

There was no long-term borrowing as at 31 May 2018 as the Group repaid the outstanding amount of $3.05 million during the current period. The short-term borrowings of the Group were $43.21 million at 31 May 2018 while the borrowings (both short-term and long-term) totaled $45.79

million at 31 August 2017. The gearing ratio of the Group improved marginally from 0.15 at 31 August 2017 to 0.13 at 31 May 2018.

SHARE CAPITAL

Share capital was $138.25 million as at 31 May 2018 as compared to $137.11 million as at 31 August 2017**.** The movement in share capital was due to the issue of shares pursuant to exercise of warrants by shareholders. There were 755.03 million shares in float as at 31 May 2018. Total shareholders' equity amounted to $260.29 million and NTA per share was 34.47 cents as at 31 May 2018.

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

The third 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

Despite the overall optimism about the growth prospects of Singapore economy for 2018, our different business segments continue to be negatively affected in the current scenario.

The apparel business continues to be affected by increasing trend of online sales as well as poor consumer spending. However, the losses from this business segment are expected to be lower this year. To prevent future losses, 4 more stores will be closed in 2018 leaving only one First Lady Store in Singapore and our flagship company owned store in Malaysia.

The gold business is expected to continue to be profitable but the profit for the current financial year is expected to be lower as compared to recent past.

The tight labour laws continue to put downward pressure on retail rental. This coupled with loss of rental income from properties sold will result in lower rental income for the Group.

Interest rates are expected to continue their trend of upward movement.in the near future.

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 31 May 2018.

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 nine months period ended 31 May 2018 to be false or misleading in any material aspect.

15. Confirmation of undertakings from directors and executive officers

The Company has procured undertakings from all its Directors and Executive Officers under Rule 720(1) of the SGX 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

28 June 2018