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

PROPOSED SALE AND LEASEBACK OF PROPERTIES – UPDATE

The Board of Directors (the "**Board**") of Second Chance Properties Ltd (the "**Company**" and together with its subsidiaries the "**Group**") refers to the announcement dated 6 February 2014 and the circular to shareholders dated 2 June 2014 in respect of the Proposed Sale and Leaseback of the Properties ("**Circular**"). All capitalised terms used and not defined herein shall have the same meanings given to them in the Circular.

The Company would like to update shareholders that it has recently been informed by Celestine REIT that due to a realignment of Celestine REIT's investment strategy, it has decided not to proceed with the purchase of the 45 Properties at $175,376,412.00, as advised by its professional advisors. Celestine REIT has instead offered to purchase 13 Properties at $55,086,774.00, which the Company has agreed to. The Company is of the view that this proposed sale is still in line with the Company's present strategy.

In addition, the Company has agreed in principle with Celestine REIT to extend the completion date from 29 August 2014 to 31 December 2014 upon signing the relevant supplemental agreements which will encapsulate the aforesaid changes. The said extension is to allow Celestine REIT to facilitate its realignment process.

The Company shall update shareholders in due course when there are further material developments in this regard.

By Order of the Board

Mohamed Salleh s/o Kadir Mohideen Saibu Maricar
Founder & CEO

7 August 2014