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

PROPOSED DISPOSAL OF THE PROPERTY AT 12 HAIG ROAD, #01-323, SINGAPORE 430012

The Board of Directors of Second Chance Properties Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company's subsidiary, Super Chance Properties Pte Ltd ("**SCP**") has granted an option ("**Option**") to Fok Chuen Yin and/or Nominee (the "**Purchaser**") to purchase SCP's property at 12 Haig Road, #01-323, Singapore 430012 situated on Lot U12166X of Mukim 25 (the "**Property**") for a total consideration of S$10,000,000 excluding GST (the "**Sale Price**") ("**Proposed Disposal**"). The Sale Price was arrived at on a willing-buyer and a willing-seller basis after taking into consideration the valuation performed by Jones Lang Lasalle on 31 August 2016 and was to be satisfied in cash.

An option fee of 1 per cent. of the Sale Price was paid to SCP's solicitors to be held by them as stakeholder in accordance with the terms of the Option. The Option will expire on 4 July 2017 and if the Option is not exercised before it expires, the option fee will be forfeited by SCP. If the Option is exercised, the parties agreed that the Option shall constitute a binding contract for the sale and purchase of the Property and no further contracts or agreements shall be entered.

RATIONALE

In the last couple of years, re-development has increased in the Paya Lebar area where our retail unit 12 Haig Road #01-323 Singapore is located. New malls like the "One KM" and "Paya Lebar Square" have increased the supply of retail space in this area. The Malay population, which predominantly visits this area for Halal food now has many more options and as a result the footfall in the area where our unit is located has been decreasing. Further, there is one more upcoming "Mega Project" in the Paya Lebar area which will further increase the supply of retail space in the vicinity. Also, there were newspaper reports about the gloomy outlook for the retail sector in this area. In fact, many tenants in the newly opened malls are struggling to get good business and meet their targets.

All of the above will tend to have downward pressure on the rental income and have negative impact on our unit.

Therefore, when the Company received an unsolicited offer to sell the property, the management was of the view that it was a good opportunity as well as a prudent business decision for the company to sell off its property and utilize the proceeds to reduce the debts of the Group.

The Sale Price of S$10,000,000 is S$600,000 above the valuation performed by Jones Lang Lasalle on 31 August 2016.

THE SALE PRICE

The sale price of S$10,000,000 of the Property was determined at arm's length and on a willing buyer-willing seller basis. Upon exercise of the Option on 4 July 2017, a deposit of S$400,000 and the balance amount of S$9,500,000 will be paid on completion.

The completion of the Proposed Disposal is expected to be on 26 September 2017 (subject to HDB/SSSD final approval).

FINANCIAL EFFECTS

For illustrative purposes only, the financial effects of the Proposed Disposal on the net tangible assets ("**NTA**") per share and earnings per share ("**EPS**"), based on the audited consolidated financial statements of the Group for the financial year ended 31 August 2016, are set out below:

NTA

Assuming that the Proposed Disposal had been completed on 1 September 2015, being the end of the most recently completed financial year, and based on the Group's audited consolidated financial statements as at 31 August 2016, the effect on the NTA per share of the Group as at 31 August 2016 would be as follows:

	Before Proposed Disposal	Adjusted for Proposed Disposal
NTA	256,254,448	246,854,448
No. of Shares	755,396,152	755,396,152
NTA per share (cents)	33.92	32.68

EPS

Assuming that the Proposed Disposal had been completed on 1 September 2015, being the beginning of the most recently completed financial year, and based on the Group's audited consolidated financial statements for the financial year ended 31 August 2016, the effect on the EPS of the Group for the financial year ended 31 August 2016 would be as follows:

	Before Proposed Disposal	Adjusted for Proposed Disposal
Earnings	6,972,120	6,523,962
Weighted No. of Shares	722,818,680	722,818,680
EPS (cents)	0.96	0.90

RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 ("Rule 1006") of the Listing Manual, are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the Disposal Properties compared with net asset value of the Group based on the latest announced consolidated accounts	3.67%
(b)	Net profits attributable to the Disposal Properties compared with the Group's net profits based on the latest announced consolidated accounts	6.43%
(c)	Aggregate value of the total purchase consideration compared with market capitalisation of the Company	5.14%
(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable

As the relative figures under Rule 1006(b) and (c) exceed 5%, the Proposed Disposal is considered a Discloseable Transaction as defined under Chapter 10 of the Listing Manual and does not require shareholders' approval.

INSPECTION OF DOCUMENTS

A copy of the Option to Purchase is available for inspection during normal business hours at the Company's registered office at 845 Geylang Road, #04-22 Tanjong Katong Complex, Singapore 400845.

INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any direct or indirectly interest in the aforesaid transactions, other than through their respective shareholdings in the Company.

The Company will make a further announcement in relation to the Proposed Disposal in due course, upon the exercise or the expiry of the Option, as the case may be.

BY ORDER OF THE BOARD

Mohamed Salleh s/o Kadir Mohideen Saibu Maricar
Executive Chairman & Chief Executive Officer

22 June 2017