SECOND CHANCE PROPERTIES LTD

UNAUDITED HALF YEAR FINANCIAL RESULTS FOR THE PERIOD ENDED 29-02-2020

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 6 months ended			Group For the 3 months ended		
	29-02-2020	28-02-2019	Change	29-02-2020	28-02-2019	Change
	$ '000	$ '000	%	$ '000	$ '000	%
Revenue	**13,522**	**13,480**	**0.31**	**7,176**	**7,012**	**2.34**
Cost of sales	**(6,342)**	**(6,583)**	**(3.66)**	**(3,629)**	**(3,580)**	**1.37**
Gross profit	**7,180**	**6,897**	**4.10**	**3,547**	**3,432**	**3.35**
Other income	273	333	(18.02)	221	171	29.24
Expenses						
Distribution expenses	(223)	(236)	(5.51)	(142)	(125)	13.60
Property operating expenses	(479)	(452)	5.97	(233)	(214)	8.88
Gold operating expenses	(87)	(92)	(5.43)	(32)	(36)	(11.11)
Apparels operating expenses	(295)	(333)	(11.41)	(132)	(182)	(27.47)
Administrative expenses	(1,569)	(1,586)	(1.07)	(793)	(1,013)	(21.72)
Other operating expenses	(2)	-	nm	-	-	nm
	(2,655)	(2,700)	(1.67)	(1,332)	(1,570)	(15.16)
Profit from operations	**4,798**	**4,530**	**5.92**	**2,436**	**2,033**	**19.82**
(Loss)/gain on fair valuation of financial assets, at fair value through profit or loss	(963)	(1,913)	(49.66)	(717)	172	nm
Finance costs	(184)	(375)	(50.93)	(91)	(195)	(53.33)
Profit before income tax	**3,651**	**2,242**	**62.85**	**1,628**	**2,010**	**(19.00)**
Income tax expense	(120)	(195)	(38.46)	(221)	(181)	22.10
Net profit	**3,531**	**2,047**	**72.50**	**1,407**	**1,829**	**(23.07)**

Net profit	**3,531**	**2,047**	**72.50**	**1,407**	**1,829**	**(23.07)**
Other Comprehensive Income						
Items that may be reclassified subsequently to profit or loss: Currency translation differences arising from consolidation – gains/(loss)	125	(114)	nm	221	274	(19.34)
Items that will not be reclassified subsequently to profit or loss: Fair value (loss)/gains on financial assets, at fair value through other comprehensive income	(902)	(3,196)	(71.78)	(2,401)	1,217	nm
Other comprehensive income, net of tax	(777)	(3,310)	(76.53)	(2,180)	1,491	nm
Total comprehensive income	**2,754**	**(1,263)**	**nm**	**(773)**	**3,320**	**nm**

Notes	**Group For the 6 months ended**		**Group For the 3 months ended**	
	29-02-2020	28-02-2019	29-02-2020	28-02-2019
	$ '000	$ '000	$ '000	$ '000
Net profit is arrived at after crediting / (charging)				
Dividend/coupon income	1,928	1,955	948	823
Foreign exchange gain/(loss)	59	(48)	99	145
Expenses include: Depreciation of property, plant and equipment	73	77	37	39
Depreciation of right-of-use assets	134	-	134	-
Allowance for doubtful trade receivables	-	6	-	6
Total directors' remuneration	633	628	335	503
Directors' CPF	13	15	3	6
Directors' fees	57	54	29	53
Loss/(profit) on disposal of financial assets, at fair value through profit or loss	16	(15)	-	(16)
Finance costs Interest expenses:- Short-term loans	179	375	86	195

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	
	29-02-2020	31-08-2019	29-02-2020	31-08-2019
	$ '000	$ '000	$ '000	$ '000
ASSETS				
Current assets				
Cash and cash equivalents	10,453	11,117	101	458
Trade and other receivables	419	390	7,546	8,211
Inventories	15,727	14,701	639	832
Other current assets	395	492	116	160
Income tax recoverable	59	5		
Financial assets, at fair value through profit or loss	21,683	24,045	-	-
Total current assets	48,736	50,750	8,402	9,661
Non-current assets				
Amounts due from subsidiaries	-	-	154,429	163,062
Investments in subsidiaries	-	-	17,231	17,231
Financial assets, at fair value through other comprehensive income	55,715	56,527	44,402	44,575
Property, plant and equipment	21,498	21,454	25	31
Investment properties	159,545	159,545	13,750	13,750
Right-of-use Assets	493	-	380	-
Total non-current assets	237,251	237,526	230,217	238,649
Total assets	**285,987**	**288,276**	**238,619**	**248,310**
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	17,281	21,200	12,103	21,200
Lease Liabilities	301	-	233	-
Trade payables	1,726	1,775	168	171
Other payables	419	2,204	335	2,069
Current income tax liabilities	544	381	64	89
Total current liabilities	20,271	25,560	12,903	23,529
Non-current liabilities				
Lease Liabilities	188	-	145	-
Deferred income tax liabilities	593	589	5	5
Total non-current liabilities	781	589	150	5
Total liabilities	**21,052**	**26,149**	**13,053**	**23,534**
Net assets	**264,935**	**262,127**	**225,566**	**224,776**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	138,308	138,248	138,308	138,248
Reserves	126,627	123,879	87,258	86,528
Total equity	**264,935**	**262,127**	**225,566**	**224,776**

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

Amount repayable in one year or less, or on demand

As at 29-02-2020		As at 31-08-2019	
Secured	***Unsecured***	***Secured***	***Unsecured***
$17,280,712	$16,761	$21,200,000	$733,759

Details of Collateral

For the current period ended 29 February 2020, the Group's bank borrowings are secured by the mortgage of financial assets, at fair value through other comprehensive income and financial assets, at fair value through profit or loss. The Group's bank borrowings were secured by the mortgage of freehold, leasehold lands and buildings of the subsidiaries and assignment of rental proceeds from these properties during the prior year ended 31 August 2019.

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 6 months ended		Group For the 3 months ended	
	29-02-2020 $ '000	28-02-2019 $ '000	29-02-2020 $ '000	28-02-2019 $ '000
Cash flows from operating activities				
Net profit	3,531	2,047	1,407	1,829
Adjustments for				
-Income tax expense	120	195	221	181
-Allowance for doubtful trade receivables	-	6	-	6
-Depreciation of property, plant and equipment	73	77	37	39
-Depreciation of right-of-use assets	134	-	134	-
-Interest income from bank deposits	(204)	(116)	(102)	(13)
-Finance expense	184	375	91	195
-Loss/(gain) on disposal of financial assets, at fair value through profit or loss	16	(15)	-	(16)
-Fair value loss/(gain) on financial assets, at fair value through profit or loss	963	1,913	717	(172)
-Unrealised currency translation differences	4	(5)	7	11
	4,821	**4,477**	**2,512**	**2,061**
Changes in working capital				
-Inventories	(1,018)	(68)	(441)	447
-Trade and other receivables	56	(316)	40	(245)
-Trade and other payables	(1,835)	(624)	(282)	66
Net cash generated from operations	**2,024**	**3,469**	**1,829**	**2,329**
Income taxes paid	2	(402)	(160)	(342)
Interest received	204	116	102	13
Interest paid	(179)	(375)	(86)	(196)
Net cash provided by operating activities	**2,051**	**2,808**	**1,685**	**1,804**
Cash flows from investing activities				
-Proceeds from disposal of financial assets, at fair value through other comprehensive income	90	85	69	36
-Proceeds from disposal of financial assets, at fair value through profit or loss	2,094	597	4	222
-Purchase of financial assets, at fair value through other comprehensive income	(186)	-	(108)	-
-Purchase of financial assets, at fair value through profit or loss	(712)	(2)	(45)	-
Net cash provided by/(used in) investing activities	**1,286**	**680**	**(80)**	**258**
Cash flows from financing activities				
-Proceeds from issue of shares	60	-	60	-
-Dividend paid	-	(2,265)	-	(2,265)
-Proceeds from bank borrowings	66,704	97,353	6,231	70,953
-Repayment of bank borrowings	(70,623)	(98,848)	(8,245)	(70,898)
-Repayment of lease liabilities	(142)	-	(142)	-
Net cash used in financing activities	**(4,001)**	**(3,760)**	**(2,096)**	**(2,210)**
Net decrease in cash and cash equivalents	(664)	(272)	(491)	(148)
Cash and cash equivalents at beginning of financial period	11,117	10,804	10,944	10,680
Cash and cash equivalents at end of financial period	**10,453**	**10,532**	**10,453**	**10,532**
Cash and cash equivalents consist of:				
Cash at bank	10,453	10,532	10,453	10,532
	10,453	**10,532**	**10,453**	**10,532**

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 2019	**138,248**	**7,964**	**628**	**(5,817)**	**117,708**	**258,731**
Total comprehensive income/(loss) for the period	-	-	1,982	(187)	2,337	**4,132**
Balance as at 31 May 2019	**138,248**	**7,964**	**2,610**	**(6,004)**	**120,045**	**262,863**
Dividends paid	-	-	-	-	(3,020)	**(3,020)**
Total comprehensive income for the period	-	118	1,780	24	362	**2,284**
Balance as at 31 August 2019	**138,248**	**8,082**	**4,390**	**(5,980)**	**117,387**	**262,127**
Total comprehensive income/(loss) for the period	-	-	1,499	(97)	2,124	**3,526**
Balance as at 30 November 2019	**138,248**	**8,082**	**5,889**	**(6,077)**	**119,511**	**265,653**
Issue of share capital	60	-	-	-	-	**60**
Transfer	-	-	-	-	(5)	**(5)**
Total comprehensive income for the period	-	-	(2,401)	221	1,407	**(773)**
Balance as at 29 February 2020	**138,308**	**8,082**	**3,488**	**(5,856)**	**120,913**	**264,935**

	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**

Company

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000
Balance as at 28 February 2019	**138,248**	**2,860**	**81,710**	**222,818**
Total comprehensive income for the period	-	1,438	719	**2,157**
Balance as at 31 May 2019	**138,248**	**4,298**	**82,429**	**224,975**
Dividends paid	-	-	(3,020)	**(3,020)**
Total comprehensive income for the period	-	1,940	881	**2,821**
Balance as at 31 August 2019	**138,248**	**6,238**	**80,290**	**224,776**
Total comprehensive income for the period	-	749	462	**1,211**
Balance as at 30 November 2019	**138,248**	**6,987**	**80,752**	**225,987**
Issue of share capital	60	-	-	**60**
Transfer	-	5	(5)	-
Total comprehensive income for the period	-	(991)	510	**(481)**
Balance as at 29 February 2020	**138,308**	**6,001**	**81,257**	**225,566**

	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**

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

Share capital increased by $59,778.50 during the period ended 29 February 2020 due to exercise of old warrants. The old warrants which were issued on 23 January 2017 expired on 23 January 2020. The company issued new warrants on 6 February 2020 which will expire on 7 March 2023. The number of shares that may be issued on conversion of the convertibles is as follows:

	29-02-2020	**28-02-2019**
Warrants – Old	-	747,709,180
Warrants - New	2,265,814,014	-

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 29-02-2020	As at 31-08-2019
Total number of issued shares	755,271,338	755,032,224
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	755,271,338	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

The figures have neither been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter)

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

The latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

Except as disclosed under paragraph 5 below, 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

In the current financial period, the Group and the Company have adopted SFRS(I) 16 Leases which took effect in the current financial year, using the modified retrospective approach, where comparative amounts for the year prior to first adoption will not be restated. Under SFRS(I) 16, the Group is required to recognise on the balance sheet a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). The Group is also required to separately recognise the interest expense on the lease liability and depreciation expense on the right-of-use asset. The adoption has resulted in increases in total assets, total liabilities, depreciation expense and finance cost.

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 6 months ended		Group For the 3 months ended	
	29-02-2020	28-02-2019	29-02-2020	28-02-2019
Earnings per share	0.47 cents	0.27 cents	0.19 cents	0.24 cents
Earnings per share on fully diluted basis	0.47 cents	0.27 cents	0.19 cents	0.24 cents

The calculation of earnings per share for the period ended 29 February 2020 and 28 February 2019 are based on the weighted average number of shares in issue of 755,111,929 and 755,032,224 respectively.

There was no dilution in earnings per share for the period ended 29 February 2020 and 28 February 2019 as the average market price of the Company's shares for the period was less than the exercise price of the warrants 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

	Group 29-02-2020	Group 31-08-2019	Company 29-02-2020	Company 31-08-2019
Net asset value per share	35.08 cents	34.72 cents	29.87 cents	29.77 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 2020 refers to the financial period of six months ended 29 February 2020. FP 2019 refers to the six months period ended 28 February 2019.

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 increased by $1.48 million from $2.05 million in FP 2019 to $3.53 million in FP 2020. The net profit was lower in the prior FP 2019 mainly because of higher unrealised loss of $1.91 million on fair valuation of financial assets, at fair value through profit or loss as compared to an unrealised loss of $0.96 million in the current FP 2020.

Revenue increased marginally by $0.04 million to $13.52 million in FP 2020 from $13.48 million in FP 2019.

Adjusted EBITDA increased by $1.11 million from $2.74 million in FP 2019 to $3.85 million in FP 2020.

REVENUE

Revenue increased by $0.04 million to $13.52 million in FP 2020 from $13.48 million in FP 2019.

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

Revenue	FP 2020	FP 2019	Variance	
	$ million	$ million	$ million	%
Apparel	1.16	1.39	(0.23)	(16.55)
Gold	7.36	6.88	0.48	6.98
Properties	3.07	3.26	(0.19)	(5.83)
Securities	1.93	1.95	(0.02)	(1.03)

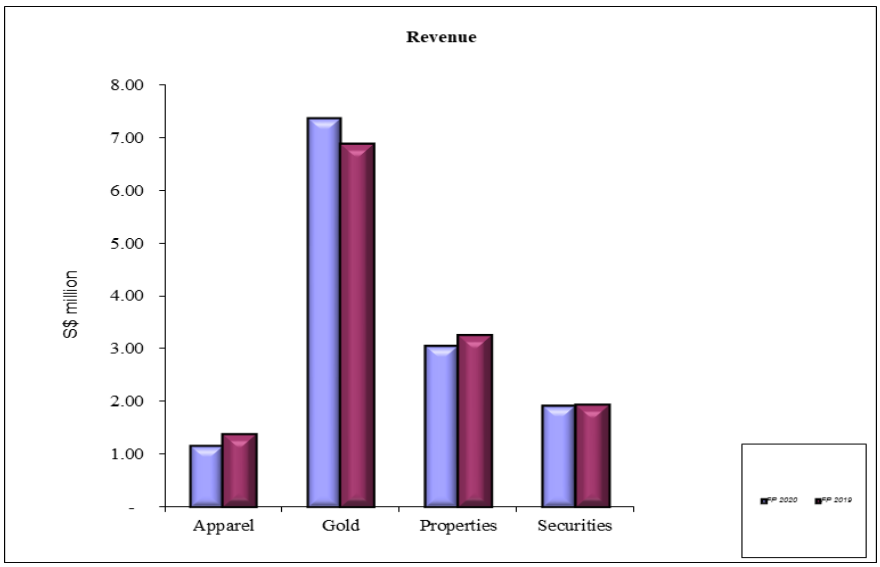
The revenue from apparel business decreased by $0.23 million from 1.39 million in FP 2019 to $1.16 million in FP 2020. Of the $1.16 million in FP 2020, Malaysian apparel business contributed $0.74 million as compared to $0.84 million in FP 2019. The closure of our biggest outlet in Singapore at Tanjong Katong Complex, reduction in selling price of apparels, change in consumer

preferences and the increasing trend of online shopping mainly contributed to the decreased revenue from this business segment.

The revenue from gold business increased by $0.48 million from $6.88 million in FP 2019 to $7.36 million in FP 2020 because of higher retail price of gold. Further, this segment witnessed good business in the current period ended 29 February 2020 resulting in higher revenue.

Rental revenue from properties decreased by $0.19 million from $3.26 million in FP 2019 to $3.07 million in FP 2020. There was a loss of rental income mainly on account of sale of an investment property as well as lower rentals received on some lease renewals.

The revenue from securities business witnessed a marginal decline of $0.02 million from $1.95 million in FP 2019 to $1.93 million in FP 2020.



PROFIT

The Group net profit increased by $1.48 million from $2.05 million in FP 2019 to $3.53 million in FP 2020.

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

	FP 2020	FP 2019	Variance	
	$ million	$ million	$ million	%
Apparel	(0.87)	(0.62)	(0.25)	nm
Gold	1.54	0.88	0.66	75.00
Properties	2.61	2.93	(0.32)	(10.92)
Securities	0.97	0.06	0.91	nm

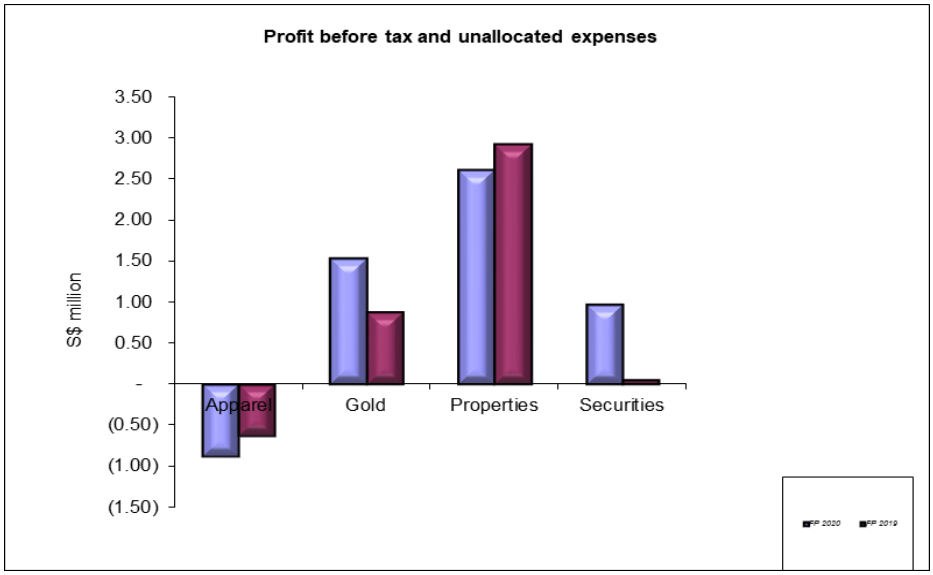
The loss from apparel business increased by $0.25 million from $0.62 million in FP 2019 to $0.87 million in FP 2020 mainly because of reduced selling price of goods resulting in lower gross profit

margin from the apparels business. Further, the fixed costs almost remain unchanged despite decreased revenue from this business segment.

The gold business contributed $1.54 million in FP 2020 which was higher by $0.66 million from the $0.88 million generated in FP 2019. The increased revenue which was attributable to good business witnessed in FP 2020 along with higher GP ratio on account of higher sales price resulted in increased profit from this segment.

Properties segment witnessed $2.61 million profit in FP 2020 which was $0.32 million lesser as compared to the prior period. This is attributed mainly to lower rental income in the current period ended 29 February 2020 as compared to that in the prior financial period.

The securities segment reported a profit of $0.97 million in FP 2020 as compared to $0.06 million in FP 2019. This was mainly because unrealized loss on financial assets, at fair value through profit or loss reduced by $0.95 million from $1.91 million in FP 2019 to $ 0.96 million in FP 2020.



The income tax expense declined by $0.08 million to $0.12 million in FP 2020 from $0.20 million in FP 2019 mainly because of income tax credit received in one of the companies on account of group relief claimed.

Interest expenses decreased from $0.37 million in FP 2019 to $0.18 million in FP 2020 because of lower short-term borrowings as well as lower interest rates in the current period ended 29 February 2020 as compared to the prior period ended 28 February 2019.

Adjusted EBITDA

Adjusted EBITDA increased by $1.11 million from $2.74 million in FP 2019 to $3.85 million in FP 2020. 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 prior period as compared to unrealized loss of $0.96 million in the current period.

The details of Adjusted EBITDA calculation is as below:

Adjusted EBITDA*	**FP 2020**	**FP 2019**
	$ '000	$ '000
Net Profit	3,531	2,047
Add/(Less):		
Interest expenses	184	375
Taxes	120	195
Depreciation	73	77
Exchange differences	(59)	48
	3,849	**2,742**

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

CASH FLOW

The net cash generated from operating activities was $2.05 million in FP 2020.

Proceeds from disposal of financial assets, at fair value through other comprehensive income including capital distribution generated $0.09 million. In addition, proceeds from disposal of financial assets, at fair value through profit or loss generated $2.09 million. This included redemption of bonds amounting to $1.37 million, sale of equities totaling $0.71 million and capital distribution amounting to $0.01 million. Proceeds from issue of shares due to warrant conversion generated $0.06 million. Further, the Group had drawn down an amount of $66.70 million from banks.

Of the above, an amount of $0.90 million was used for rights subscription while an amount of $70.62 million was utilized to repay bank borrowings and $0.14 million was used in the repayment of lease liabilities. Cash and cash equivalents at the end of the period i.e. 29 February 2020 was $10.45 million while it was $11.12 million at the beginning of the period i.e. 31 August 2019. Thus, there was a decrease of $0.67 million through the period.

FINANCIAL POSITION AS AT 29 FEBRUARY 2020

Investment properties of the Group totaled $159.55 million. In addition, $21.50 million worth of property owned by the group was classified as Property, Plant and equipment because it was self-occupied. Thus the total value of the properties was $181.05 million. In accordance with SFRS(I) 16 Leases, an amount of $0.49 million was recognized as Right-of-use assets.

As at 29 February 2020, financial assets at fair value through other comprehensive income comprised of equities valued at $55.72 million and financial assets at fair value, through profit or loss comprised of fixed income securities and equities valued at $2.41 million and $19.28 million respectively. There was a decrease of $0.90 million in the market value of financial assets at fair value through other comprehensive income at 29 February 2020 as compared to 31 August 2019 and this loss was taken directly to equity. For financial assets at fair value, through profit or loss, there was an unrealised loss of $0.96 million during FP 2020 which was taken to the income statement.

Inventories at 29 February 2020 totaled $15.73 million of which $14.09 million was gold stock.

WORKING CAPITAL

The Group had a positive working capital of $28.47 million as at 29 February 2020 while the working capital stood at $25.19 million as at 31 August 2019.

BANK BORROWINGS

The short term borrowings of the Group totaled $17.28 million at 29 February 2020 as compared to $21.20 million at 31 August 2019. The gearing ratio of the Group improved marginally from 0.04 at 31 August 2019 to 0.03 at 29 February 2020.

SHARE CAPITAL

Share capital stood at $138.31 million as at 29 February 2020 as compared to $138.25 million as at 31 August 2019. The movement in share capital was due to exercise of warrants by shareholders. There were 755.27 million shares in float as at 29 February 2020 as compared to 755.03 million as at 31 August 2019. Total shareholders' equity amounted to $264.94 million and NTA per share was 35.08 cents as at 29 February 2020.

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

The Covid-19 pandemic has created economic uncertainty worldwide. This coupled with the already slow global economic growth might pose challenges to the Group's operations going forward.

The retail apparel business remains very challenging in both, Singapore and Malaysia. Malaysia is under complete lockdown from 18 March 2020 to 14 April 2020 and there is no certainty after that also. Further, Malaysia's lockdown and precautionary measures taken by Singapore Government due to Covid-19 are expected to affect our festive season Hari Raya sales.

The gold business is expected to continue being profitable.

Due to Covid-19 outbreak, we have given rental rebates to our existing tenants in Singapore and we expect that a few tenants will not renew their leases. In Malaysia, we will be unable to collect rent from our existing tenants for the lockdown period. Further, if ever there is a complete lockdown in Singapore, we will not be able to collect rental from our existing tenants in Singapore too. All these will result in lower rental income for the Group.

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)***

Yes

(i) Name of Dividend: Interim
(ii) Dividend type: Cash
(iii) Dividend Amount per share (in cent): 0.45 cent per ordinary share
(iv) Tax Rate: Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(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)***

One-tier tax exempt

(d) The date the dividend is payable

22 April 2020

(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

13 April 2020

12. If no dividend has been declared (recommended), a statement to that effect

Not Applicable

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 29 February 2020 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

30 March 2020