SECOND CHANCE PROPERTIES LTD

UNAUDITED FIRST QUARTER FINANCIAL RESULTS FOR THE PERIOD ENDED 30-11-2019

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 3 months ended		
	30-11-2019	30-11-2018	Change
	$ '000	$ '000	%
Revenue	**6,346**	**6,468**	**(1.89)**
Cost of sales	**(2,713)**	**(3,003)**	**(9.66)**
Gross profit	**3,633**	**3,465**	**4.85**
Other income	52	162	(67.90)
Expenses			
Distribution expenses	(81)	(111)	(27.03)
Property operating expenses	(246)	(238)	3.36
Gold operating expenses	(55)	(56)	(1.79)
Apparels operating expenses	(163)	(152)	7.24
Administrative expenses	(776)	(573)	35.43
Other operating expenses	(2)	-	Nm
	(1,323)	(1,130)	17.08
Profit from operations	**2,362**	**2,497**	**(5.41)**
Loss on fair valuation of financial assets, at fair value through profit or loss	(246)	(2,085)	(88.20)
Finance costs	(93)	(180)	(48.33)
Profit before income tax	**2,023**	**232**	**771.98**
Income tax credit/(expense)	101	(14)	nm
Net profit	**2,124**	**218**	**874.31**

Net profit	**2,124**	**218**	**874.31**
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation - loss	(97)	(388)	(75.00)
	(97)	(388)	(75.00)
Items that will not be reclassified subsequently to profit or loss:			
Fair value gains/(loss) on financial assets, at fair value through other comprehensive income	1,499	(4,414)	nm
Other comprehensive income/(loss), net of tax	1,402	(4,802)	nm
Total comprehensive income/(loss)	**3,526**	**(4,584)**	**nm**

Notes	**Group For the 3 months ended**	
	30-11-2019	30-11-2018
	$ '000	$ '000
Net profit is arrived at after crediting / (charging)		
Dividend/coupon income	980	1,132
Expenses include:		
Depreciation of property, plant and equipment	36	38
Total directors' remuneration	298	125
Directors' CPF	9	9
Directors' fees	28	1
Loss on disposal of financial assets, at fair value through profit or loss	16	1
Foreign exchange loss	40	193
Finance costs		
Interest expenses:-		
Short-term loans	93	180

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	
	30-11-2019	31-08-2019	30-11-2019	31-08-2019
	$ '000	$ '000	$ '000	$ '000
ASSETS				
Current assets				
Cash and cash equivalents	10,944	11,117	164	458
Trade and other receivables	417	390	8,121	8,211
Inventories	15,272	14,701	761	832
Other current assets	450	492	175	160
Income tax recoverable	32	5	-	-
Financial assets, at fair value through profit or loss	22,359	24,045	-	-
Total current assets	49,474	50,750	9,221	9,661
Non-current assets				
Amounts due from subsidiaries	-	-	160,507	163,062
Investments in subsidiaries	-	-	17,231	17,231
Financial assets, at fair value through other comprehensive income	58,083	56,527	45,352	44,575
Property, plant and equipment	21,327	21,454	28	31
Investment properties	159,545	159,545	13,750	13,750
Total non-current assets	238,955	237,526	236,868	238,649
Total assets	**288,429**	**288,276**	**246,089**	**248,310**
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	19,295	21,200	19,295	21,200
Trade payables	1,755	1,775	160	171
Other payables	670	2,204	562	2,069
Current income tax liabilities	469	381	80	89
Total current liabilities	22,189	25,560	20,097	23,529
Non-current liabilities				
Deferred income tax liabilities	587	589	5	5
Total non-current liabilities	587	589	5	5
Total liabilities	**22,776**	**26,149**	**20,102**	**23,534**
Net assets	**265,653**	**262,127**	**225,987**	**224,776**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	138,248	138,248	138,248	138,248
Reserves	127,405	123,879	87,739	86,528
Total equity	**265,653**	**262,127**	**225,987**	**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 30-11-2019		As at 31-08-2019	
Secured	***Unsecured***	***Secured***	***Unsecured***
$19,294,909	$152,322	$21,200,000	$733,759

Details of Collateral

For the current period ended 30 November 2019, the Group's bank borrowings are secured by the mortgage of financial assets, at fair value through other comprehensive income. The Group's bank borrowings were secured by the mortgage of freehold, leasehold lands and buildings of the subsidiaries, investment properties of the Group 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 3 months ended	
	30-11-2019	**30-11-2018**
	$ '000	**$ '000**
Cash flows from operating activities		
Net profit	2,124	218
Adjustments for:		
-Income tax credit/(expense)	(101)	14
-Depreciation of property, plant and equipment	36	38
-Finance expense	93	180
-Loss on disposal of financial assets, at fair value through profit or loss	16	1
-Interest income from bank deposits	(102)	(103)
-Fair value loss on financial assets, at fair value through profit or loss	246	2,085
-Unrealised currency translation differences	(3)	(16)
	2,309	**2,417**
Changes in working capital		
-Inventories	(577)	(515)
-Trade and other receivables	16	(71)
-Trade and other payables	(1,553)	(690)
Net cash generated from operations	**195**	**1,141**
Income taxes refund/(paid)	162	(60)
Interest received	102	103
Interest paid	(93)	(180)
Net cash provided by operating activities	**366**	**1,004**
Cash flows from investing activities		
-Proceeds from disposal of financial assets, at fair value through other comprehensive income	21	49
-Proceeds from disposal of financial assets, at fair value through profit or loss	2,090	375
-Purchase of financial assets, at fair value through other comprehensive income	(78)	-
-Purchase of financial assets, at fair value through profit or loss	(667)	(2)
Net cash provided by investing activities	**1,366**	**422**
Cash flows from financing activities		
-Proceeds from short-term bank borrowings	60,473	26,400
-Repayment of bank borrowings	(62,378)	(27,950)
Net cash used in financing activities	**(1,905)**	**(1,550)**
Net decrease in cash and cash equivalents	(173)	(124)
Cash and cash equivalents at beginning of financial period	11,117	10,804
Cash and cash equivalents at end of financial period	**10,944**	**10,680**
Cash and cash equivalents consist of:		
Cash at bank	**10,944**	**10,680**

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 30 November 2018	**138,248**	**7,964**	**(589)**	**(6,091)**	**118,144**	**257,676**
Dividends paid	-	-	-	-	(2,265)	**(2,265)**
Total comprehensive 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**
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**

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

Company

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000
Balance as at 30 November 2018	**138,248**	**1,513**	**83,935**	**223,696**
Dividends paid	-	-	(2,265)	**(2,265)**
Total comprehensive income for the period	-	1,347	40	**1,387**
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**

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

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

There was no movement in the share capital for the current period ended 30 November 2019.

The company had issued warrants having an exercise price of $0.25 on 23 January 2017. These new warrants will expire on 23 January 2020. The number of shares that may be issued on conversion of the convertibles is as follows:

	30-11-2019	**30-11-2018**
Warrants – New	747,709,180	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 30-11-2019	As at 31-08-2019
Total number of issued shares	755,032,224	755,032,224
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	755,032,224	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 (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

The Group has adopted all applicable Singapore Financial Reporting Standards (International) ("SFRS(I)") that become effective for the financial periods beginning on or after 1 September 2018. The adoption of these standards did not result in substantial changes to the Group's accounting policies and methods of computation, and there is no material impact to the financial statements of the Group for the current financial period reported on.

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 3 months ended	
	30-11-2019	30-11-2018
Earnings per share	0.28 cents	0.03 cents
Earnings per share on fully diluted basis	0.28 cents	0.03 cents

The calculation of earnings per share for the period ended 30 November 2019 and 30 November 2018 are based on the weighted average number of shares in issue of 755,032,224.

There was no dilution in earnings per share for the quarter ended 30 November 2019 as well as 30 November 2018 as the average market price of the Company's shares for the period was less than the exercise price of the new 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 30-11-2019	**Group** 31-08-2019	**Company** 30-11-2019	**Company** 31-08-2019
Net asset value per share	35.18 cents	34.72 cents	29.93 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 three months ended 30 November 2019. FP 2019 refers to the three months period ended 30 November 2018.

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 $1.90 million from $0.22 million in FP 2019 to $2.12 million in FP 2020. The net profit was less in the prior period ended 30 November 2018 mainly because of fair value loss on financial assets, at fair value through profit or loss of $2.09 million as compared to $0.25 million for the current FP 2020.

Revenue decreased marginally by $0.12 million to $6.35 million in FP 2020 from $6.47 million in FP 2019.

Adjusted EBITDA increased by $1.55 million from $0.64 million in FP 2019 to $2.19 million in FP 2020.

REVENUE

Revenue decreased by $0.12 million to $6.35 million in FP 2020 from $6.47 million in FP 2019.

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

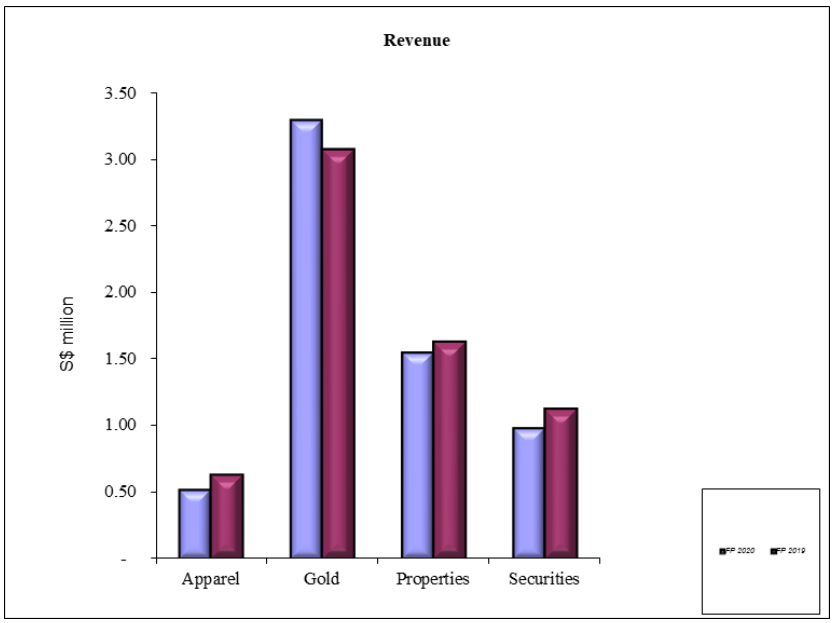
Revenue	FP 2020	FP 2019	Variance	
	$ million	$ million	$ million	%
Apparel	0.52	0.63	(0.11)	(17.46)
Gold	3.30	3.08	0.22	7.14
Properties	1.55	1.63	(0.08)	(4.91)
Securities	0.98	1.13	(0.15)	(13.27)

The revenue from apparel business decreased marginally by $0.11 million from $0.63 million in FP 2019 to $0.52 million in FP 2020. Of the $0.52 million in FP 2020, Malaysian apparel business contributed $0.30 million as compared to $0.37 million in FP 2019. The 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 $0.22 million from $3.08 million in FP 2019 to $3.30 million in FP 2020 as this segment witnessed good business in the current period ended 30 November 2018.

Rental revenue from properties decreased by $0.08 million from $1.63 million in FP 2019 to $1.55 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 securities business witnessed a decrease in revenue of $0.15 million from $1.13 million in FP 2019 to $0.98 million in FP 2020 because of loss of coupon income from some bonds redeemed since the end of the prior period as well as decreased dividends received from some equity securities during the current period.



Other income was higher during the prior FP 2019 mainly on account of some expenses booked in prior years which were no longer required to be paid.

PROFIT

The Group net profit increased by $1.90 million from $0.22 million in FP 2019 to $2.12 million in FP 2020.

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

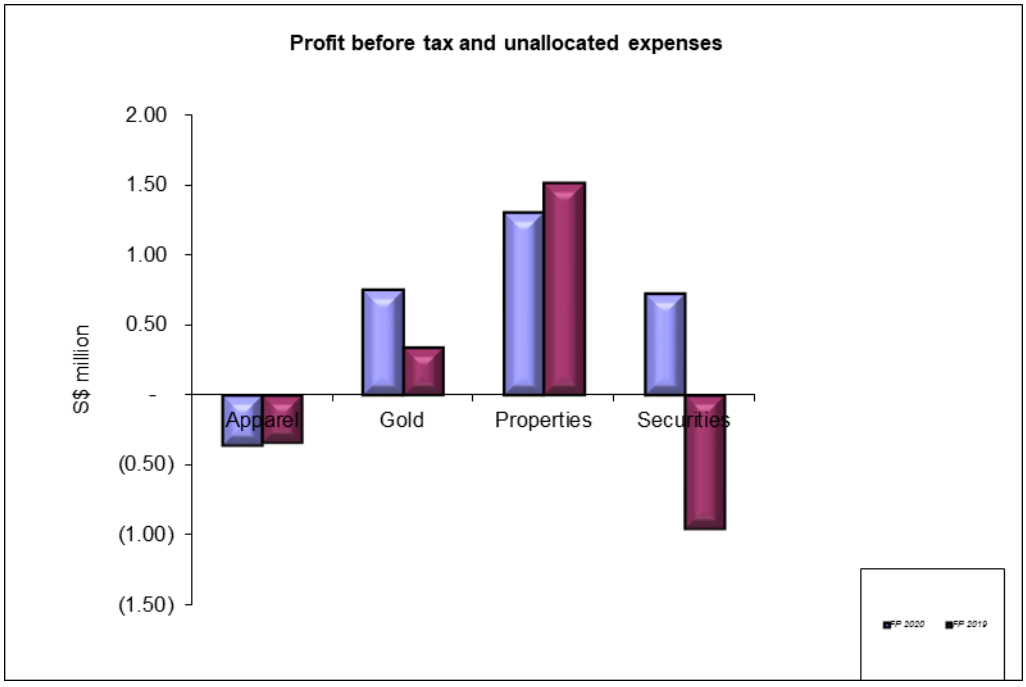
	FP 2020	FP 2019	Variance	
	$ million	$ million	$ million	%
Apparel	(0.36)	(0.34)	(0.02)	5.88
Gold	0.75	0.34	0.41	120.59
Properties	1.30	1.51	(0.21)	(13.91)
Securities	0.73	(0.95)	1.68	nm

The loss from apparel business increased marginally by $0.02 million from $0.34 million in FP 2019 to $0.36 million in FP 2020 mainly because the fixed costs remained almost unchanged despite decrease in revenue from this business segment.

The gold business contributed $0.75 million in FP 2020 which was higher by $0.41 million from the $0.34 million generated in FP 2019. The increased revenue from this segment together with higher GP ratio on account of higher sales price resulted in higher revenue from this segment.

Properties segment witnessed $1.30 million profit in FP 2020 which was a decline of $0.21 million since the prior period. This is mainly due to lower rental income in the current period ended 30 November 2019 as compared to that in the prior financial period as well as reversal of some property related expenses in last financial period ended 30 November 2018.

The securities segment reported a profit of $0.73 million in FP 2020 as compared to a loss of $0.95 million in FP 2019. This was mainly because in FP 2019, unrealized loss of $2.09 million was recorded on financial assets, at fair value through profit or loss i.e. the financial assets held for trading purpose as compared to an unrealized loss of $0.25 million in FP 2020.



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The income tax expense was $0.01 million in FP 2019 while there was an income tax credit of $0.10 in FP 2020. The income tax credit was on account of group relief claimed.

Interest expenses decreased from $0.18 million in FP 2019 to $0.93 million in FP 2020 because of lower short-term borrowings in the current period ended 30 November 2019 as compared to the prior period ended 30 November 2018.

Adjusted EBITDA

Adjusted EBITDA increased by $1.55 million from $0.64 million in FP 2019 to $2.19 million in FP 2020. This was mainly because of the unrealized loss of $2.09 million recorded on financial assets at fair value through profit or loss in the prior period as compared to unrealized loss of $0.25 million in the current period.

The details of Adjusted EBITDA calculation is as below:

Adjusted EBITDA*	**FP 2020**	**FP 2019**
	$ '000	$ '000
Net Profit	2,124	218
Add/(Less):		
Interest expenses	93	180
Taxes	(101)	14
Depreciation	36	38
Exchange differences	40	193
	2,192	**643**

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

CASH FLOW

The net cash generated from operating activities was $0.37 million in FP 2020.

Capital distribution from financial assets, at fair value through other comprehensive income generated $0.02 while capital distribution from financial assets, at fair value through profit or loss generated $0.01 million. In addition, proceeds from disposal of financial assets, at fair value through profit or loss generated $0.71 million and redemption of bonds contributed $1.37 million. Further, the Group had drawn down an amount of $60.47 million from banks.

Of the above, an amount of $0.75 million was used for rights subscription and an amount of $62.37 million was utilized to repay bank borrowings.

Cash and cash equivalents at the end of the period i.e. 30 November 2019 was $10.94 million while it was $11.11 million at the beginning of the period i.e. 31 August 2019. Thus, there was a decrease of $0.17 million through the period.

FINANCIAL POSITION AS AT 30 NOVEMBER 2019

Investment properties of the Group totaled $159.55 million. In addition, $21.29 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 $180.84 million.

As at 30 November 2019, financial assets at fair value through other comprehensive income comprised of equities valued at $58.08 million and financial assets at fair value, through profit or loss comprised of fixed income securities and equities valued at $2.37 million and $19.99 million respectively. There was an increase of $1.50 million in the market value of financial assets at fair value through other comprehensive income at 30 November 2019 as compared to 31 August 2019 and this gain was taken directly to equity. For financial assets at fair value, through profit or loss, there was an unrealised loss of $0.25 million during FP 2020 which was taken to the income statement.

Inventories at 30 November 2019 totaled $15.27 million of which $13.34 million was gold stock.

WORKING CAPITAL

The Group had a positive working capital of $27.28 million as at 30 November 2019 while the working capital stood at $25.19 million as at 31 August 2019.

BANK BORROWINGS

The short term borrowings of the Group totaled $19.30 million at 30 November 2019 while the borrowings totaled $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 30 November 2019.

SHARE CAPITAL

There was no movement in the share capital during the current period and it stood at $138.25 million as at 30 November 2019. There were 755.03 million shares in float as at 30 November 2019. Total shareholders' equity amounted to $265.65 million and NTA per share was 35.18 cents as at 30 November 2019.

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

The first 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

If there is no further escalation of the US- China trade war, the Singapore economy is expected to show a modest economic growth in FY 2020.

The apparel business in both, Singapore and Malaysia are facing great challenges mainly from stiff competition and trend of online shopping which is expected to continue.

The gold business is expected to remain profitable.

The loss of rental income from properties sold coupled with negative rental revisions 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)***

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 30 November 2019.

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 three months period ended 30 November 2019 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

26 December 2019