SECOND CHANCE PROPERTIES LTD

UNAUDITED FIRST QUARTER FINANCIAL RESULTS FOR THE PERIOD ENDED 30-11-2016

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		
	30-11-2016	30-11-2015	Change
	$ '000	$ '000	%
Revenue	**7,404**	**8,208**	**(9.80)**
Cost of sales	**(3,284)**	**(3,481)**	**(5.66)**
Gross profit	**4,120**	**4,727**	**(12.84)**
Other losses - net	(603)	(76)	693.42
Expenses			
Distribution expenses	(139)	(176)	(21.02)
Property operating expenses	(270)	(470)	(42.55)
Gold operating expenses	(57)	(58)	(1.72)
Apparels operating expenses	(275)	(438)	(37.21)
Administrative expenses	(1,024)	(1,219)	(16.00)
	(1,765)	(2,361)	(25.24)
Profit from operations	**1,752**	**2,290**	**(23.49)**
Gain on fair valuation of properties	600	-	nm
(Loss)/gain on fair valuation of financial assets, at fair value through profit or loss	(676)	745	nm
Finance costs	(319)	(303)	5.28
Profit before income tax	**1,357**	**2,732**	**(50.33)**
Income tax expense	(96)	(204)	(52.94)
Net profit	**1,261**	**2,528**	**(50.12)**

Net profit	**1,261**	**2,528**	**(50.12)**
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
-Fair value (loss)/gains	(2,050)	(2,657)	(22.85)
Currency translation differences arising from consolidation - (loss)/gains	(1,166)	(484)	140.91
Other comprehensive income, net of tax	(3,216)	(3,141)	2.39
Total comprehensive income	**(1,955)**	**(613)**	**218.92**

Notes	**Group** **For the 3 months ended**	
	30-11-2016	30-11-2015
	$ '000	$ '000
Net profit is arrived at after crediting / (charging)		
Dividend income	1,005	1,079
Profit on disposal of financial assets, at fair value through profit or loss	19	1
Expenses include:		
Depreciation of property, plant and equipment	79	97
Total directors' remuneration	291	343
Directors' CPF	12	9
Directors' fees	33	30
Foreign exchange loss	671	94
Income Tax		
Finance costs		
Interest expenses:-		
Short-term loans	308	273
Long-term loans	11	30
	319	**303**

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	
	30-11-2016	31-08-2016	30-11-2016	31-08-2016
	$ '000	$ '000	$ '000	$ '000
ASSETS				
Current assets				
Cash and cash equivalents	5,491	5,512	257	742
Trade and other receivables	576	793	10,300	10,406
Inventories	16,235	16,418	995	990
Other current assets	567	529	273	196
Property held for sale	3,400	-	-	-
Income tax recoverable	162	163		
Financial assets, at fair value through profit or loss	33,319	34,642	-	-
Total current assets	59,750	58,057	11,825	12,334
Non-current assets				
Amounts due from subsidiaries	-	-	184,563	196,380
Investments in subsidiaries	-	-	17,231	17,231
Available-for-sale financial assets	51,896	53,955	45,679	47,713
Property, plant and equipment	23,329	24,567	72	67
Investment properties	180,781	183,653	13,500	13,500
Total non-current assets	256,006	262,175	261,045	274,891
Total assets	**315,756**	**320,232**	**272,870**	**287,225**
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	53,606	55,548	38,400	50,355
Trade payables	2,413	2,400	352	372
Other payables	1,437	1,901	1,296	1,659
Current income tax liabilities	712	705	233	266
Total current liabilities	58,168	60,554	40,281	52,652
Non-current liabilities				
Borrowings	3,143	3,232	3,143	3,232
Deferred income tax liabilities	145	192	9	9
Total non-current liabilities	3,288	3,424	3,152	3,241
Total liabilities	**61,456**	**63,978**	**43,433**	**55,893**
Net assets	**254,300**	**256,254**	**229,437**	**231,332**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	138,319	138,319	138,319	138,319
Reserves	115,981	117,935	91,118	93,013
Total equity	**254,300**	**256,254**	**229,437**	**231,332**

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

Amount repayable in one year or less, or on demand

As at 30-11-2016		As at 31-08-2016	
Secured	***Unsecured***	***Secured***	***Unsecured***
$53,605,660	$912,117	$55,547,868	$428,101

Amount repayable after one year

As at 30-11-2016		As at 31-08-2016	
Secured	***Unsecured***	***Secured***	***Unsecured***
$3,142,900	-	$3,231,970	-

Details of Collateral

The Group's bank borrowings are secured by the mortgage of securities, the freehold and 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 3 months ended	
	30-11-2016	30-11-2015
	$ '000	$ '000
Cash flows from operating activities		
Net profit	1,261	2,528
Adjustments for		
-Income tax expense	96	204
-Depreciation of property, plant and equipment	79	97
-Interest income from bank deposits	(21)	(5)
-Finance expense	319	303
-Fair value gain on investment properties	(600)	-
-Unrealised currency translation differences	370	59
	1,504	**3,186**
Changes in working capital		
Financial assets, at fair value through proft or loss	1,323	765
-Inventories	(56)	(1,045)
-Trade and other receivables	166	1,762
-Trade and other payables	(438)	(1,123)
Net cash generated from/(used in) operations	**2,499**	**3,545**
Income taxes paid	(94)	(121)
Interest received	21	5
Interest paid	(189)	(330)
Net cash provided by operating activities	**2,237**	**3,099**
Cash flows from investing activities		
-Proceeds from disposal of available-for-sale financial assets	32	51
-Proceeds from disposal of investment properties	-	6,535
-Purchase of available-for-sale financial assets	(24)	(342)
-Additions to property, plant and equipment	(106)	(107)
Net cash (used in)/provided by investing activities	**(98)**	**6,137**
Cash flows from financing activities		
-Proceeds from bank borrowings	41,039	35,754
-Repayment of bank borrowings	(43,179)	(48,315)
Net cash used in financing activities	**(2,140)**	**(12,561)**
Net decrease in cash and cash equivalents	(1)	(3,325)
Cash and cash equivalents at beginning of financial period	5,492	7,084
Cash and cash equivalents at end of financial period	**5,491**	**3,759**
Cash and cash equivalents consist of:		
Cash at bank	**5,491**	**3,759**

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 2015	**120,141**	**9,592**	**5,909**	**(5,872)**	**123,914**	**253,684**
Cash dividends paid	-	-	-	-	(5,863)	**(5,863)**
Scrip dividend	18,178	-	-	-	(18,178)	**-**
Total comprehensive (loss)/income for the period	-	-	(799)	212	1,104	**517**
Balance as at 29 February 2016	**138,319**	**9,592**	**5,110**	**(5,660)**	**100,977**	**248,338**
Total comprehensive income for the period	-	-	2,703	97	3,136	5,936
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	136	204	1,981
Balance as at 31 August 2016	**138,319**	**9,439**	**9,607**	**(5,427)**	**104,317**	**256,255**
Total comprehensive (loss)/income for the period	**-**	-	**(2,050)**	**(1,166)**	**1,261**	**(1,955)**
Balance as at 30 November 2016	**138,319**	**9,439**	**7,557**	**(6,593)**	**105,578**	**254,300**

	Share Capital	Assets Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Balance as at 30 November 2014	**120,141**	**6,502**	**13,757**	**(1,111)**	**122,985**	**262,274**
Dividends paid	-	-	-	-	(10,158)	**(10,158)**
Total comprehensive income /(loss)for the period	-	-	2,264	(186)	2,521	**4,599**
Balance as at 28 February 2015	**120,141**	**6,502**	**16,021**	**(1,297)**	**115,348**	**256,715**
Total comprehensive (loss)/income for the period	-	-	(1,578)	(88)	3,955	**2,289**
Balance as at 31 May 2015	**120,141**	**6,502**	**14,443**	**(1,385)**	**119,303**	**259,004**
Total comprehensive income /(loss) for the period	-	3,090	(5,877)	(4,003)	2,083	**(4,707)**
Balance as at 31 August 2015	**120,141**	**9,592**	**8,566**	**(5,388)**	**121,386**	**254,297**
Total comprehensive (loss)/income for the period	**-**	**-**	(2,657)	(484)	2,528	**(613)**
Balance as at 30 November 2015	**120,141**	**9,592**	**5,909**	**(5,872)**	**123,914**	**253,684**

Company

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000
Balance as at 30 November 2015	**120,141**	**4,881**	**105,114**	**230,136**
Cash dividends paid	-	-	(5,863)	**(5,863)**
Scrip dividend	18,178	-	(18,178)	-
Total comprehensive (loss)/ income for the period	-	(1,030)	530	**(500)**
Balance as at 29 February 2016	**138,319**	**3,851**	**81,603**	**223,773**
Total comprehensive income for the period	-	2,881	672	**3,553**
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 Capital	Fair Value Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000
Balance as at 30 November 2014	**120,141**	**11,601**	**113,999**	**245,741**
Dividends paid	-	-	(10,158)	**(10,158)**
Total comprehensive income for the period	-	2,411	358	**2,769**
Balance as at 28 February 2015	**120,141**	**14,012**	**104,199**	**238,352**
Total comprehensive income for the period	-	(1,106)	1,646	540
Balance as at 31 May 2015	**120,141**	**12,906**	**105,845**	**238,892**
Total comprehensive income for the period	-	(5,326)	(834)	(6,160)
Balance as at 31August 2015	**120,141**	**7,580**	**108,515**	**232,732**
Total comprehensive (loss)/ income for the period	-	(2,699)	103	**(2,596)**
Balance as at 30 November 2015	**120,141**	**4,881**	**108,972**	**230,136**

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

New warrants were issued by the company on 25 July 2012 and the number of shares that may be issued on their conversion is as follows:

	30-11-2016	**30-11-2015**
Warrants – New	577,024,950	577,024,950

The above warrants can only be exercised with effect from 25 July 2016 and will expire on 24 July 2017. However, no warrants were exercised during the current period and hence there was no movement in the share capital during the first quarter ended 30 November 2016.

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 30-11-2016	As at 31-08-2016
Total number of issued shares	755,396,152	755,396,152
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	755,396,152	755,396,152

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 3 months ended	
	30-11-2016	30-11-2015
Earnings per share	0.17 cents	0.37 cents
Earnings per share on fully diluted basis	0.17 cents	0.37 cents

The calculation of earnings per share for the period ended 30 November 2016 and 30 November 2015 are based on the weighted average number of shares in issue of 755,396,152 and 677,210,218 respectively.

There was no dilution in earnings per share for the period ended 30 November 2016 and 30 November 2015 as the average market price of the Company's shares for the period was less than the exercise price 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 30-11-2016	**Group** 31-08-2016	**Company** 30-11-2016	**Company** 31-08-2016
Net asset value per share	33.66 cents	33.92 cents	30.37 cents	30.62 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 2017 refers to the financial period of three months ended 30 November 2016. FP 2016 refers to the three months period ended 30 November 2015.

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 $1.27 million from $2.53 million in FP 2016 to $1.26 million in FP 2017.

Revenue decreased by $0.81 million to $7.40 million in FP 2017 from $8.21 million in FP 2016.

Adjusted EBITDA decreased by $1.40 million from $3.23 million in FP 2016 to $1.83 million in FP 2017.

REVENUE

Revenue decreased by $0.81 million to $7.40 million in FP 2017 from $8.21 million in FP 2016.

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

Revenue	FP 2017	FP 2016	Variance	
	$ million	$ million	$ million	%
Apparel	1.18	1.74	(0.56)	-32.18%
Gold	3.31	3.26	0.05	1.53%
Properties	1.90	2.14	(0.24)	-11.21%
Securities	1.01	1.07	(0.06)	-5.61%

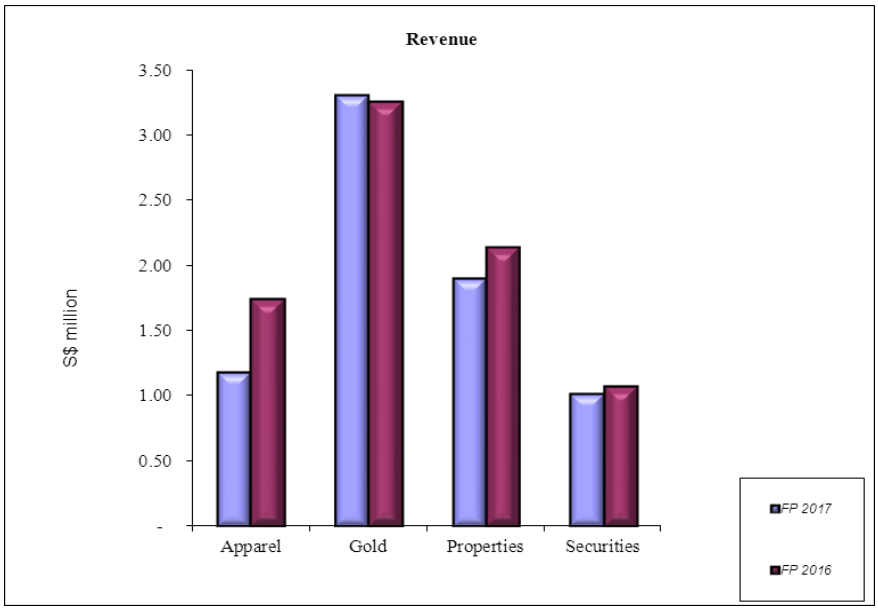
The revenue from apparel business decreased by $0.56 million from $1.74 million in FP 2016 to $1.18 million in FP 2017. Of the $1.18 million, Malaysian apparel business contributed $0.91 million. The closure of eleven shops in Malaysia since the end of FP 2016, the weakening Malaysian Ringgit and intense competition there, all resulted in the decreased revenue.

The revenue from gold business increased marginally by $0.05 million from $3.26 million in FP 2016 to $3.31 million in FP 2017.

Rental revenue from properties decreased by $0.24 million from $2.14 million in FP 2016 to $1.90 million in FP 2017. There was a loss of rental income on account of sale of four investment properties since the end of the prior period as well as lower rentals received on some lease renewals.

However, this loss was partially off-set by the rental income derived from the property in Malaysia, a ten storey commercial building which is earmarked as the flagship store for First Lady apparel business.

The sale of a few fixed income and equity securities since the end of FP 2016 resulted in decrease in revenue by $0.06 million from $1.07 million in FP 2016 to $1.01 million in FP 2017 for the securities business.



Other losses consisted mainly of unrealised foreign exchange losses. In FP 2017, because of the depreciating Malaysian Ringgit, the unrealised foreign exchange loss was $0.68 million as compared to an unrealised loss of only $0.09 million in FP 2016. However, this loss was partially offset by profit realized on sale of securities which also appears under this head.

PROFIT

The Group net profit decreased by $1.27 million from $2.53 million in FP 2016 to $1.26 million in FP 2017.

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

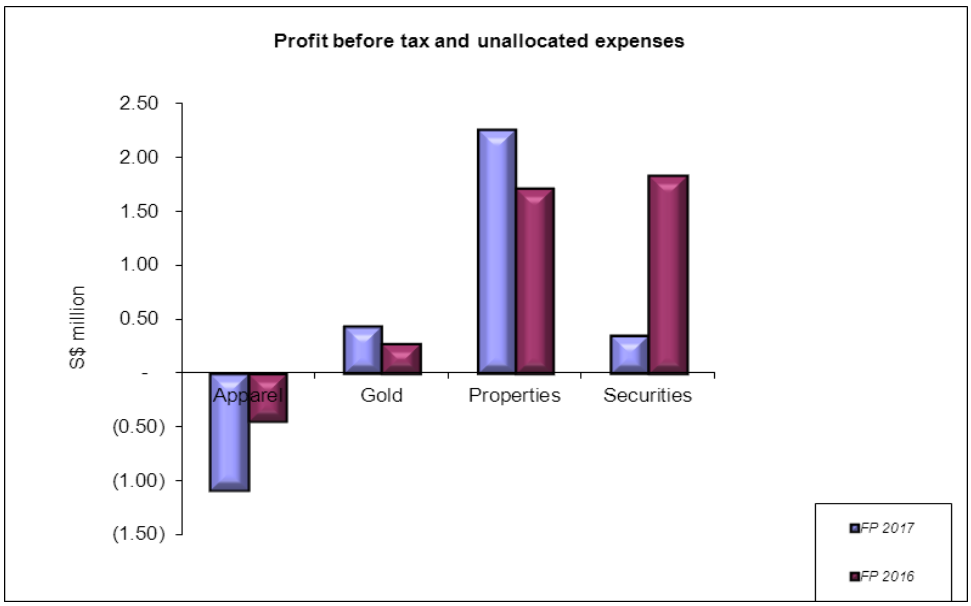
	FP 2017	FP 2016	Variance	
	$ million	$ million	$ million	%
Apparel	(1.08)	(0.44)	(0.64)	-145.45%
Gold	0.44	0.28	0.16	57.14%
Properties	2.25	1.71	0.54	31.58%
Securities	0.35	1.83	(1.48)	-80.87%

The loss from apparel business increased by $0.64 million from $0.44 million in FP 2016 to $1.08 million in FP 2017. The drop in revenue on account of closure of eleven shops in Malaysia since the end of FP 2016 and the unrealised foreign exchange loss because of the depreciating Malaysian Ringgit contributed to the decrease in profit from this business.

The gold business contributed $0.44 million in FP 2017 which was $0.16 million higher than the $0.28 million in FP 2016. The marginal increase in revenue and better gross profit margin in FP 2017 resulted in this increase.

Properties segment recorded $2.25 million profit in FP 2017, an increase of $0.54 million in profit from the prior period. Though the rental income decreased during the current period, unrealised gain of $0.60 million recorded on one of the property held-for-sale resulted in the increase in profits from this segment.

The contribution from securities segment was $0.35 million in FP 2017 which was $1.48 million lower than the profit of $1.83 million in FP 2016. This decrease in profit was mainly attributed to the unrealized loss of $0.68 million recorded on financial assets, at fair value through profit or loss i.e. the financial assets held for trading purpose in the current period as compared to an unrealized gain of $0.74 million in FP 2016.



The income tax expense decreased by $0.10 million from $0.20 million in FP 2016 to $0.10 million in FP 2017 due to reduced taxable profits in the current year.

Interest expenses increased marginally by $0.02 million from $0.30 million in FP 2016 to $0.32 million in FP 2017.

Adjusted EBITDA

Adjusted EBITDA decreased by $1.40 million from $3.23 million in FP 2016 to $1.83 million in FP 2017.

The unrealised loss of $0.68 million on financial assets, at fair value through profit or loss in FP 2017 as compared to unrealised gain of $0.74 million in FP 2016 mainly resulted in the decrease in Adjusted EBITDA in FP 2017.

The details of Adjusted EBITDA calculation is as below:

Adjusted EBITDA*	**FP 2017**	**FP 2016**
	$ '000	$ '000
Net Profit	1,261	2,528
Add/(Less):		
Interest expenses	319	303
Taxes	96	204
Depreciation	79	97
Fair valuation gain on property held-for-sale	(600)	-
Exchange differences	671	94
	1,826	**3,226**

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

CASH FLOW

The net cash provided by operating activities was $2.24 million in FP 2017.

Capital distribution from available-for-sale financial assets generated $0.03 million and the Group had drawn down an amount of $41.04 million from banks. Against this, an amount of $43.18 million was utilised to repay bank borrowings.

The Group subscribed to rights issue totaling $0.02 million and they were classified as available-for-sale. Improvements made to property, plant and equipment totaled $0.11 million.

Cash and cash equivalents at the end of the period i.e. 30 November 2016 was $5.49 million which was same at the beginning of the period i.e. 31 August 2016.

FINANCIAL POSITION AS AT 30 NOVEMBER 2016

Investment properties of the Group totaled $180.78 million. In addition, $22.34 million worth of property owned by the Group was classified as Property, Plant and equipment because it was self-occupied.

As at 30 November 2016, available-for-sale financial assets comprised of equities valued at $51.90 million and financial assets at fair value, through profit or loss comprised of fixed income securities and equities valued at $16.64 million and $16.68 million respectively. There was a decline of $2.05 million in the market value of available-for-sale financial assets at end November 2016 as compared to end August 2016 and this loss was taken directly to equity. For financial assets at fair value, through profit or loss, there was an unrealised loss of $0.68 million during FP 2017 which was taken to the income statement.

Inventories at end November 2016 totaled $16.24 million of which $11 million was gold stock.

WORKING CAPITAL

The Group had a positive working capital of $1.58 million as at 30 November 2016 as compared to a negative working capital of $2.50 million as at 31 August 2016. This was mainly due to partial repayment of short term borrowings in the current period.

BANK BORROWINGS

The long term borrowings decreased by $0.09 million from $3.23 million as at 31 August 2016 to $3.14 million as at 30 November 2016. Total borrowings of the Group were $56.75 million at end November 2016 while the borrowings totaled $58.78 million at end August 2016. The gearing ratio of the Group improved marginally from 0.21 at end August 2016 to 0.20 at end November 2016.

SHARE CAPITAL

There was no movement in share capital since the end of August 2016. The share capital stood at $138.32 million and there were 755.40 million shares in float as at 30 November 2016. Total shareholders' equity amounted to $254.30 million and NTA per share was 33.66 cents as at 30 November 2016.

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

Singapore's economic growth for 2017 is expected to be lower than 2016.

The ongoing restructuring and tight labor constraints continue to have a negative impact on retail industry.

The introduction of GST and the weakening Ringgit on top of the political situation in Malaysia have led to a drastic drop in consumer spending badly hitting the retail industry. Our apparel business in Malaysia has deteriorated further and we expect continued losses during the year. In order to mitigate these losses, we will be closing at least 10 stores in this financial year.

The apparel business in Singapore is expected to remain profitable.

The gold business is expected to continue being profitable.

Increasing stock of retail space and falling occupancy is causing rentals to trend downwards. This coupled with loss of rental income from properties sold will lead to lower rental income for the group.

Interest rates have increased and are expected to move upwards.

Market forces will continue to 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 2016.

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 2016 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Listing Manual of SGX-ST

The Company confirms that it has procured undertakings from all its Directors and Executive Officers, in the format as set out on Appendix 7.7 pursuant to Rule 720(1).

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

29 December 2016