



**SECOND CHANCE PROPERTIES LTD**  
(Company Registration No.198103193M)

## **GRANT OF WAIVER FROM LISTING RULE 1020**

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The Board of Directors of Second Chance Properties Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) had submitted its application to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 4 September 2023 for a waiver from compliance with the requirements under Rule 1020 of the listing manual of the SGX-ST (the “Listing Manual”). The Company subsequently, on 20 October 2023, received an email from the SGX-ST stating, inter alia, that the SGX-ST has no objection to the Group’s application for the waiver to comply with Listing Rule 1020 during the period of 4 years (“Waiver”) as the Group undertakes an orderly divestment of its investment portfolio to below 50% of its net asset value.

### **A. REASONS FOR SEEKING THE WAIVER**

We append below SGX-ST listing Rule 1020:

“Where an issuer, which had originally qualified for a listing of its equity securities under Chapter 2, intends to set up an investment fund or undertake any business(es) in investment fund management, which in aggregate, exceeds 50% of the issuer's net asset value, the issuer must demonstrate to the Exchange that it satisfies the listing requirements for investment funds stipulated in Chapter 4 before it takes any steps to undertake such a business, whether through a transaction or a series of transactions.”

The Group did not interpret the rule as applicable to it and has continued to build up its investment portfolio. But as SGX informed us that Rule 1020 applies to the Group, the Group has opted to reduce its investments to below 50% of its net asset value.

But, given the current market conditions, immediate sale of a significant quantity of the portfolio would result in substantial losses.

Hence, the Group sought a waiver from SGX-ST, which has been granted.

### **B. GRANT OF THE WAIVER**

Based on the Group’s submissions and representations to SGX-ST and on the basis that the Group has appointed an investment team, established an investment committee with majority of the members possessing extensive experience in the securities industry to provide advisory on investment decisions, set out an investment mandate that comply with the permissible investments under the Code of Collective Investment Scheme and risk management specifications for monitoring within a detailed set of investment guidelines (“Guidelines”) approved by the Audit Committee (“AC”), quarterly review by the AC to ensure compliance with the Guidelines, as well as annual internal audit review for evaluating and testing the effectiveness of controls with respect to financial investments, the SGX-ST on 20 October 2023 advised that it has no objection to the Group’s application for the waiver to comply with Listing

Rule 1020 during the period of 4 years ("Waiver") as the Group undertakes an orderly divestment of its investment portfolio to below 50% of its net asset value. The Waiver is subject to the following:

- a) the Company announcing the grant of the Waiver, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- b) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company; and
- c) the Company complying with the provisions under Chapter 4 and Part VII of Chapter 7 of the Listing Manual relating to Investment Funds save for:
  - (1) Listing Rules 404(5), 404(6) and 748(4) in relation to the appointment of an Investment Manager subject to the Company applying the requirements as required under Listing Rule 404(6) for the appointment of its Investment Committee members;
  - (2) the borrowing limit and restrictions stipulated under Listing Rule 404(3)(b) under the Code of Collective Investment Scheme based on the submission that the Company will be paring down their borrowings upon the orderly sale of their investments; and
  - (3) the announcement of its net tangible assets per share under Listing Rule 748(1) subject to the Company disclosing this at the end of each month;
- d) The Company is required to make an immediate disclosure via SGXNet if it is/ will be in contravention of any laws and regulations governing the Company and the constitution of the Company (or the equivalent in the Company's country of incorporation) arising from the Waiver

### **C. CONFIRMATION BY THE GROUP**

The Group is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

### **D. CONTRAVENTION OF ANY LAWS AND REGULATIONS**

The Company is not in contravention of any laws and regulations governing the Company and the Constitution of the Company arising from the Waiver.

### **E. FURTHER ANNOUNCEMENTS**

The Group will make further announcements to update its shareholders when there is material updates as may be necessary or appropriate.

#### **By order of the Board**

Mohamed Salleh s/o Kadir Mohideen Saibu Maricar  
Executive Director and Chief Executive Officer

22 October 2023

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*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*