

SECOND CHANCE PROPERTIES LTD
(Incorporated in the Republic of Singapore)
Company Registration No.198103193M

UNAUDITED FULL YEAR FINANCIAL RESULTS FOR THE YEAR ENDED 31-08-2016

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			Group		
	<u>For the 12 months ended</u>			<u>For the 3 months ended</u>		
	<u>31-08-2016</u>	<u>31-08-2015</u>	<u>Change</u>	<u>31-08-2016</u>	<u>31-08-2015</u>	<u>Change</u>
	\$ '000	\$ '000	%	\$ '000	\$ '000	%
Revenue	39,122	45,788	(14.56)	12,272	16,331	(24.85)
Cost of sales	(18,731)	(19,844)	(5.61)	(6,592)	(7,204)	(8.50)
Gross profit	20,391	25,944	(21.40)	5,680	9,127	(37.77)
Other income	645	2,971	(78.29)	(29)	585	nm
<u>Expenses</u>						
Distribution expenses	(778)	(963)	(19.21)	(215)	(193)	11.40
Property operating expenses	(1,355)	(1,590)	(14.78)	(252)	(336)	(25.00)
Gold operating expenses	(166)	(257)	(35.41)	(36)	(126)	(71.43)
Apparels operating expenses	(1,945)	(2,375)	(18.11)	(726)	(563)	28.95
Administrative expenses	(5,159)	(5,745)	(10.20)	(1,451)	(1,970)	(26.35)
Other operating expenses	(34)	(77)	(55.84)	(34)	(58)	(41.38)
	(9,437)	(11,007)	(14.26)	(2,714)	(3,246)	(16.39)
Profit from operations	11,599	17,908	(35.23)	2,937	6,466	(54.58)
(Loss)/gain on fair value of investment properties	(1,547)	1,222	nm	(1,640)	187	nm
Loss on fair valuation of financial assets, at fair value through profit or loss	(1,486)	(6,043)	(75.41)	(706)	(3,005)	(76.51)
Finance costs	(979)	(2,592)	(62.23)	(152)	(1,699)	(91.05)
Profit before income tax	7,587	10,495	(27.71)	439	1,949	(77.48)
Income tax expense	(615)	(232)	165.09	(235)	134	nm
Net profit	6,972	10,263	(32.07)	204	2,083	(90.21)

Net profit	6,972	10,263	(32.07)	204	2,083	(90.21)
<u>Other Comprehensive Income</u>						
Items that may be reclassified subsequently to profit or loss:						
Available-for-sale financial assets						
-Fair value (loss)/gains	1,041	(5,245)	nm	1,794	(6,076)	nm
-Re-classification	-	(2,458)	nm	-	199	nm
Currency translation differences arising from consolidation - (loss)/gains	(39)	(4,444)	(99.12)	136	(4,003)	nm
Items that will not be reclassified subsequently to profit or loss:						
Revaluation gain on property, plant and equipment	1,002	(12,147)	nm	1,930	(9,880)	nm
	(153)	3,090	nm	(153)	3,090	nm
Other comprehensive income, net of tax	849	(9,057)	nm	1,777	(6,790)	nm
Total comprehensive income	7,821	1,206	548.51	1,981	(4,707)	nm

<u>Notes</u>	Group		Group	
	<u>For the 12 months ended</u>		<u>For the 3 months ended</u>	
	<u>31/08/2016</u>	<u>31/08/2015</u>	<u>31/08/2016</u>	<u>31/08/2015</u>
	\$ '000	\$ '000	\$ '000	\$ '000
Net profit is arrived at after crediting / (charging)				
Dividend income	4,274	5,210	968	1,184
Loss on disposal of available-for-sale financial assets	-	(115)	-	-
Re-classification from other comprehensive income on disposal of available-for-sale financial assets	-	2,458	-	(199)
Gain on disposal of financial assets, at fair value through profit or loss	54	756	33	280
Gain on disposal of investment property	640	1,050	90	-
Foreign exchange gain/(loss)	-	(1,258)	10	489
Expenses include:				
Depreciation of property, plant and equipment	379	458	83	133
Write off of doubtful trade receivables	180	-	180	-
Total directors' remuneration	1,571	1,745	451	632
Directors' CPF	27	22	8	6
Directors' fees	162	171	52	72
Income Tax				
Over provision of income tax	55	44	67	44
Finance costs				
Interest expenses:-				
Bank overdrafts	1	1	-	1
Short-term loans	879	2,502	137	1,673
Long-term loans	99	89	15	26
	979	2,592	152	1,700

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	
	<u>31-08-2016</u>	<u>31-08-2015</u>	<u>31-08-2016</u>	<u>31-08-2015</u>
	\$ '000	\$ '000	\$ '000	\$ '000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	5,512	7,084	742	3,796
Trade and other receivables	843	3,276	10,406	6,803
Inventories	16,418	17,094	990	1,104
Other current assets	529	694	1,817	169
Property held-for-sale	-	6,535	-	-
Financial assets, at fair value through profit or loss	34,642	38,866	-	-
Income tax recoverable	112	72	-	-
Total current assets	58,056	73,621	13,955	11,872
Non-current assets				
Amounts due from subsidiaries	-	-	194,759	235,081
Investments in subsidiaries	-	-	17,231	1,209
Available-for-sale financial assets	53,955	53,011	47,713	46,663
Property, plant and equipment	24,567	29,297	67	48
Investment properties	183,653	192,914	13,500	13,500
Deferred tax assets	713	635	-	-
Total non-current assets	262,888	275,857	273,270	296,501
Total assets	320,944	349,478	287,225	308,373
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Borrowings	55,548	83,261	50,355	67,945
Trade payables	2,400	2,737	372	376
Other payables	1,900	2,178	1,659	1,646
Current income tax liabilities	705	847	266	359
Total current liabilities	60,553	89,023	52,652	70,325
Non-current liabilities				
Borrowings	3,232	5,307	3,232	5,307
Deferred income tax liabilities	904	851	9	8
Total non-current liabilities	4,136	6,158	3,241	5,315
Total liabilities	64,689	95,181	55,893	75,641
Net assets	256,255	254,297	231,332	232,732
<u>EQUITY</u>				
Capital and reserves attributable to equity holders of the Company				
Share capital	138,319	120,141	138,319	120,141
Reserves	117,936	134,156	93,013	112,591
Total equity	256,255	254,297	231,332	232,732

1(b)(ii) Aggregate amount of Group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 31-08-2016		As at 31-08-2015	
<i>Secured</i>	<i>Unsecured</i>	<i>Secured</i>	<i>Unsecured</i>
\$55,547,868	\$428,101	\$83,261,277	\$526,305

Amount repayable after one year

As at 31-08-2016		As at 31-08-2015	
<i>Secured</i>	<i>Unsecured</i>	<i>Secured</i>	<i>Unsecured</i>
\$3,231,970	-	\$5,307,139	-

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		Group	
	<u>For the 12 months ended</u>		<u>For the 3 months ended</u>	
	<u>31/08/2016</u> \$ '000	<u>31/08/2015</u> \$ '000	<u>31/08/2016</u> \$ '000	<u>31/08/2015</u> \$ '000
Cash flows from operating activities				
Net profit	6,972	10,263	204	2,083
Adjustments for				
-Income tax expense	615	232	235	(134)
-Write off of doubtful trade receivables	180	-	180	-
-Depreciation of property, plant and equipment	379	458	83	133
-Fair value loss/(gain) on investment properties	1,547	(1,222)	1,640	(187)
-Interest income from bank deposits	(71)	(44)	(12)	(3)
-Finance expense	979	2,592	152	1,699
-Gain on disposal of available for sale financial assets	-	(2,343)	-	200
-Unrealised foreign exchange (loss)/gain on loans	-	-	-	(1,057)
-Write off of property plant and equipment	242	-	242	-
-Gain on disposal of investment property	(640)	(1,050)	(90)	-
-Unrealised currency translation differences	1	795	(21)	(790)
	10,204	9,681	2,613	1,944
Changes in working capital				
Financial assets at fair value through profit or loss	4,224	8,621	685	6,650
-Inventories	668	(178)	2,540	2,298
-Trade and other receivables	2,419	(1,817)	430	(899)
-Trade and other payables	(615)	739	(1,311)	(2,927)
Net cash generated from operations	16,900	17,046	4,957	7,066
Income taxes paid	(820)	(1,730)	(49)	(108)
Interest received	71	44	12	3
Interest paid	(1,143)	(1,123)	(184)	(230)
Net cash provided by operating activities	15,008	14,237	4,736	6,731

	Group		Group	
	<u>For the 12 months ended</u>		<u>For the 3 months ended</u>	
	<u>31/08/2016</u> \$ '000	<u>31/08/2015</u> \$ '000	<u>31/08/2016</u> \$ '000	<u>31/08/2015</u> \$ '000
Cash flows from investing activities				
-Disposal of available-for-sale financial assets	454	3,699	170	101
-Disposal of investment properties	19,185	5,200	6,100	-
-Purchase of available-for-sale financial assets	(357)	(321)	-	(92)
-Additions to investment properties	-	(16)	-	-
-Additions to property, plant and equipment	(374)	(4,259)	(103)	(624)
Net cash provided by investing activities	18,908	4,303	6,167	(615)
Cash flows from financing activities				
-Dividend paid	(5,863)	(10,158)	-	-
-Proceeds bank borrowings	79,770	128,277	2,453	22,565
-Repayment of bank borrowings	(109,416)	(133,042)	(11,040)	(23,155)
Net cash used in financing activities	(35,509)	(14,923)	(8,587)	(590)
Net decrease in cash and cash equivalents	(1,593)	3,617	2,316	5,526
Cash and cash equivalents at beginning of financial period	7,084	3,467	3,175	1,558
Cash and cash equivalents at end of financial period	5,491	7,084	5,491	7,084
Cash and cash equivalents consist of:				
Cash at bank	5,512	7,084	5,512	7,084
Bank overdrafts	(21)	-	(21)	-
	5,491	7,084	5,491	7,084

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 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
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 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

	Share Capital	Assets Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 31 August 2014	120,141	6,502	16,269	(944)	121,281	263,249
Total comprehensive (loss)/income for the period	-	-	(2,512)	(627)	2,164	(975)
Balance as at 30 November 2014	120,141	6,502	13,757	(1,571)	123,445	262,274
Dividends paid	-	-	-	-	(10,158)	(10,158)
Total comprehensive income/(loss) for the period	-	-	2,264	(725)	3,060	4,599
Balance as at 28 February 2015	120,141	6,502	16,021	(2,296)	116,347	256,715
Total comprehensive (loss)/income for the period	-	-	(1,579)	(465)	4,331	2,287
Balance as at 31 May 2015	120,141	6,502	14,442	(2,761)	120,678	259,002
Total comprehensive income 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

Company

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 31August 2015	120,141	7,580	105,011	232,732
Total comprehensive (loss)/ income for the period	-	(2,699)	103	(2,596)
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

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 31August 2014	120,141	14,051	112,561	246,753
Total comprehensive (loss)/income for the period	-	(2,450)	1,438	(1,012)
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 (loss)/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	105,011	232,732

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 an increase of \$18,178,227 in the share capital for the year ended 31 August 2016 due to issue of shares pursuant to the scrip dividend scheme.

The company had issued new warrants on 25 July 2012 and the number of shares that may be issued on their conversion is as follows:

	31-08-2016	31-08-2015
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.

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.

	<u>As at</u> <u>31-08-2016</u>	<u>As at</u> <u>31-08-2015</u>
Total number of issued shares	755,396,152	677,210,218
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	755,396,152	677,210,218

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 by the Company's auditors.

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 <u>For the 12 months ended</u>		Group <u>For the 3 months ended</u>	
	<u>31-08-2016</u>	<u>31-08-2015</u>	<u>31-08-2016</u>	<u>31-08-2015</u>
Earnings per share	0.96 cents	1.52 cents	0.03 cents	0.31 cents
Earnings per share on fully diluted basis	0.96 cents	1.52 cents	0.03 cents	0.31 cents

The calculation of earnings per share for the year ended 31 August 2016 and 31 August 2015 is based on the weighted average number of shares in issue of 711,959,522 and 677,210,218 respectively.

There was no dilution in earnings per share for the year ended 31 August 2016 and 31 August 2015 as the average market price of the Company's shares for the year 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

	<u>Group</u> <u>31-08-2016</u>	<u>Group</u> <u>31-08-2015</u>	<u>Company</u> <u>31-08-2016</u>	<u>Company</u> <u>31-08-2015</u>
Net asset value per share	33.92 cents	37.55 cents	30.62 cents	34.37 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, FY 2016 refers to the financial year ended 31 August 2016. FY 2015 refers to the financial year ended 31 August 2015.

2. 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 \$3.29 million to \$6.97 million in FY 2016 from \$10.26 million in FY 2015.

Revenue decreased by \$6.67 million or 14.56% from \$45.79 million in FY 2015 to \$39.12 million in FY 2016.

Adjusted EBITDA decreased marginally by \$0.34 million from \$10.19 million in FY 2015 to \$9.85 million in FY 2016.

REVENUE

The Group revenue decreased by \$6.67 million or 14.56% from \$45.79 million in FY 2015 to \$39.12 million in FY 2016.

Different business segments contributed to the decrease as illustrated below:

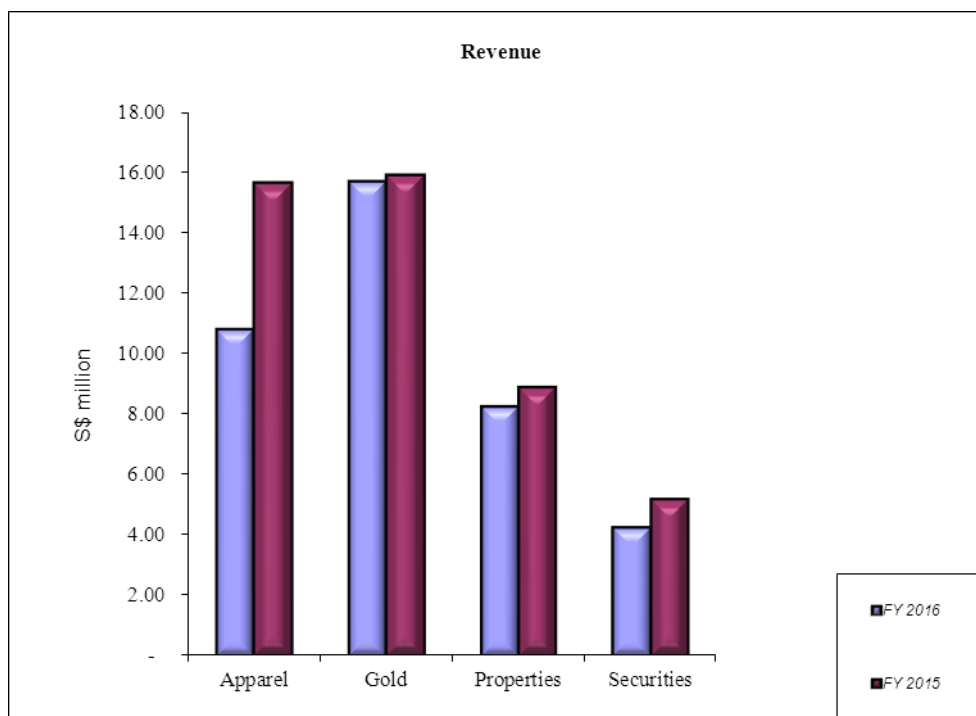
Revenue	FY 2016	FY 2015	Variance	
	\$ million	\$ million	\$ million	%
Apparel	10.85	15.69	(4.84)	-30.85%
Gold	15.72	15.95	(0.23)	-1.44%
Properties	8.28	8.94	(0.66)	-7.38%
Securities	4.27	5.21	(0.94)	-18.04%

There was a decrease of \$4.84 million in the revenue from apparel business mainly because of closure of fifteen shops in Malaysia since the end of FY 2015, the introduction of GST, the weakening Malaysian Ringgit and also intense competition there. The revenue from apparel business was \$10.85 million in FY 2016 as compared to \$15.69 million in FY 2015. Of the \$10.85 million, Malaysian apparel business contributed \$8.40 million.

Revenue from gold business decreased marginally by \$0.23 million from \$15.95 million in FY 2015 to \$15.72 million in FY 2016 due to general market conditions.

Rental revenue from properties generated \$8.28 million in FY 2016 as compared to \$8.94 million in FY 2015. There was a loss of rental income on account of sale of four investment properties as well as lower rentals received on some lease renewals. However, this loss was partially off-set by the rental income derived from part of the new property acquired in Malaysia, a ten storey commercial building which is earmarked as the flagship store for First Lady apparel business.

The securities business recorded a decrease in revenue of \$0.94 million from \$5.21 million in FY 2015 to \$4.27 million in FY 2016. This decrease was the result of drop in coupon payments and dividends on the fixed income and equity securities redeemed/sold since FY 2015.



Other income comprised mainly of profit on disposal of securities. In FY 2015, disposal of available-for-sale securities resulted in a profit of \$2.34 million whereas in FY 2016 there was no disposal of available-for-sale securities.

PROFIT

The Group net profit decreased by \$3.29 million from \$10.26 million in FY 2015 to \$6.97 million in FY 2016.

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

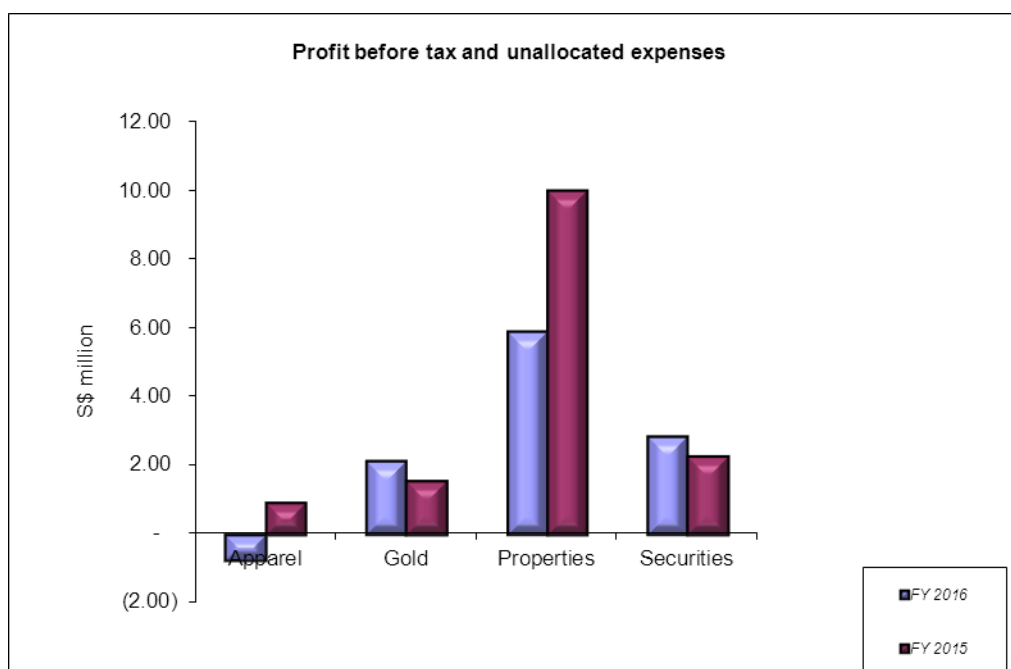
	FY 2016	FY 2015	Variance	
	\$ million	\$ million	\$ million	%
Apparel	(0.76)	0.92	(1.68)	-182.61%
Gold	2.12	1.58	0.54	34.18%
Properties	5.86	9.97	(4.11)	-41.22%
Securities	2.85	2.27	0.58	25.55%

The apparel business recorded \$0.76 million loss in FY 2016 as against \$0.92 million profit in FY 2015. The drop in revenue on account of closure of fifteen shops in Malaysia, introduction of GST and the unrealised foreign exchange loss because of the depreciating Malaysian Ringgit contributed to the loss in this business.

Gold business recorded \$2.12 million profit in FY 2016, an increase of \$0.54 million in profit from the prior year mainly because of higher gross profit margin in the current year.

Properties segment contributed \$5.86 million in FY 2016 as compared to \$9.97 million in FY 2015. This was mainly because of the reduced rental income during the current period. Further, in FY 2016 there was a loss of \$1.55 million on revaluation of properties as compared to a gain of \$1.22 million in FY 2015 and this also contributed to the decrease in profit from this segment.

Securities segment recorded a profit of \$2.85 million in FY 2016, which was a \$0.58 million more than the profit of \$2.27 million in FY 2015. This was mainly because in FY 2015, unrealized loss of \$6.04 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 \$1.49 million in FY 2016. However, the realised profit of \$2.34 million on available-for-sale financial in FY 2015 reduced the overall loss from this segment.



The income tax expense was \$0.62 million in FY 2016 as compared to \$0.23 million in FY 2015. In FY 2015, the income tax expense was lower mainly because of deferred tax asset arising in one of the subsidiaries on account of business loss being carried forward.

Interest expenses decreased by \$1.61 million from \$2.59 million in FY 2015 to \$0.98 million in FY 2016 on account of repayment of loans and also due to unrealised foreign exchange loss of \$1.26 million in FY 2015 on borrowings denominated in US dollars.

ADJUSTED EBITDA

Adjusted EBITDA decreased marginally by \$0.34 million from \$10.19 million in FY 2015 to \$9.85 million in FY 2016.

The details of Adjusted EBITDA calculation are as below:

<u>Adjusted EBITDA*</u>	<u>FY 2016</u>	<u>FY 2015</u>
	<u>S\$, '000</u>	<u>S\$, '000</u>
Net Profit	6,972	10,263
<u>Add/(Less):</u>		
Interest expenses	979	2,592
Taxes	615	232
Depreciation	379	458
Fair valuation (gain)/deficit of properties	1,547	(1,222)
(Gain) / Deficit on fair valuation of financial assets, held for trading	-	(2,343)
Divestment gains of investment property	(640)	(1,050)
Exchange differences	-	1,258
	9,852	10,188

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

CASH FLOW

The net cash flow from operating activities was \$15.01 million in FY 2016.

Capital distribution from available-for-sale financial assets generated \$0.45 million.

An amount of \$19.19 million was realized from sale of investment property and the Group drew down an amount of \$79.77 million from banks. Against this, an amount of \$109.42 million was utilised to repay bank borrowing.

The Group exercised warrants totaling \$0.36 million and they were classified as available-for-sale. Purchase of fixed assets totaled \$0.37 million. The above funds were also deployed to distribute dividends totaling \$5.86 million.

Cash and cash equivalents at the end of the period i.e. 31 August 2016 was \$5.49 million which was a decrease of \$1.59 million from the \$7.08 million at the beginning of the period i.e. 31 August 2015.

FINANCIAL POSITION AS AT 31 AUGUST 2016

Investment properties of the group totaled \$183.65 million. In addition, \$23.56 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 \$207.21 million.

As at 31 August 2016, available-for-sale financial assets comprised of shares valued at \$53.96 million and financial assets at fair value through profit or loss comprised of fixed income securities and shares valued at \$17.75 million and \$16.89 million respectively. During the year, the unrealized gain in fair value on financial assets, available-for-sale was \$1.04 million which was taken directly to equity while the unrealised loss on fair value of financial assets, held-for-trading was \$1.49 million which was taken to the income statement.

Inventories at end August 2016 totaled \$16.42 million of which \$10.99 million was gold stock.

WORKING CAPITAL

The working capital was negative, similar to the position as at 31 August 2015. This was because the group utilized short-term bank facilities in order to benefit from lower interest rates. These loans are rolled over on maturity and have the flexibility of repayment at anytime.

The Group had a negative working capital of \$2.49 million as at 31 August 2016 as compared to the negative working capital of \$15.40 million as at 31 August 2015 due to partial repayment of short term loans in the current year.

BANK BORROWINGS

Long-term bank borrowings decreased from \$5.31 million in FY 2015 to \$3.23 million in FY 2016. Total borrowings of the group were \$58.78 million at end August 2016 while the borrowings totaled \$88.57 million at end August 2015. The gearing ratio of the group improved to 0.21 as at 31 August 2016 from 0.32 as at 31 August 2015.

SHARE CAPITAL

Share capital was \$138.32 million as at end August 2016 as compared to \$120.14 million as at end August 2015. This increase was due to the issue of shares pursuant to the scrip dividend scheme. The number of shares in float was 755.40 million as at 31 August 2016 as compared to 677.21 million as at 31 August 2015. Total shareholders' equity stood at \$256.26 million and NTA per share was 33.92 cents as at 31 August 2016.

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

The full year 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 economic outlook remains cautious amid macroeconomic volatility with GDP growth expected to be lower in 2017.

The gold business is expected to remain profitable.

The apparel business remains very challenging especially in Malaysia and several more non-performing outlets are slated for closure.

Retail occupancy and rentals continue to decline as retailers remain cautious about expansionary plans amid persisting labour woes and a bleak economic outlook, which will have a negative effect on our rental income.

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)*

Yes

- (i) Name of Dividend: First and Final
- (ii) Dividend type: Cash
- (iii) Dividend Amount per share (in cents): 0.2 cents 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? Yes

- (i) Name of Dividend: First and Final
- (ii) Dividend type: Cash or scrip
- (iii) Dividend Amount per share (in cents): 3.55 cents per ordinary share
- (iv) Tax Rate: Tax exempt

(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

To be announced at a later date.

(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

To be announced at a later date.

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 full year under review. The Company does not have a general mandate from its shareholders for the interested person transaction.

PART II Additional information required for full year announcement

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Attached (Annexure A)

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Segment Performance

APPAREL

Revenue was \$10.85 million in FY 2016 as compared to \$15.69 million in FY 2015. Of the \$10.85 million revenue in current year, the Malaysian apparel business contributed \$8.40 million. The closure of fifteen shops in Malaysia during the current year and increased competition there resulted in decrease in revenue.

The earnings before tax was \$0.92 million in FY 2015 as compared to loss of \$0.76 million in the current year.

GOLD

There was a marginal drop in revenue from gold business by \$0.23 million from \$15.95 million in FY 2015 to \$ 15.72 million in FY 2016.

The earnings before tax however increased by \$0.54 million from \$1.58 million in FY 2015 to \$2.12 million in FY 2016 mainly due to better gross profit margin in the current year.

PROPERTIES

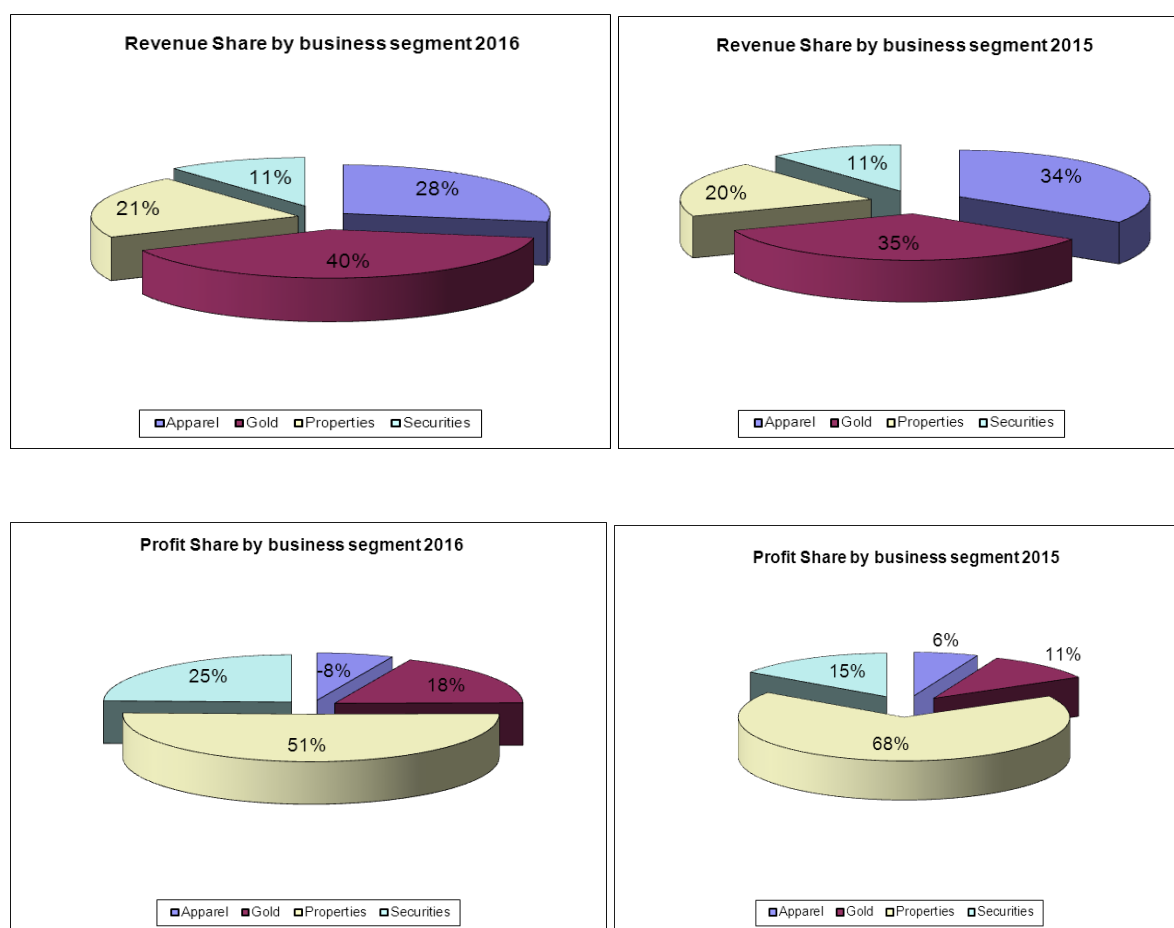
The properties business recorded a decrease in revenue of \$0.66 million in FY 2016 as compared to the prior year. Revenue from this segment was \$8.28 million in FY 2016 as compared to \$8.94 million in FY 2015. The decrease was due to loss of rental income on sale of four properties.

Earnings from the properties segment decreased from \$9.97 million in FY 2015 to \$5.86 million in FY 2016. This was mainly due to loss on rental income on sale of four properties, lower rentals on lease renewals and loss on revaluation of properties as at 31 August 2016.

QUOTED SECURITIES

The securities segment recorded a decrease in revenue of \$0.94 million from \$5.21 million in FY 2015 to \$4.27 million in FY 2016. This was mainly due to drop in coupon payments and dividends on the fixed income and equity securities redeemed/sold since FY 2015.

The earnings before tax however increased by \$0.58 million from \$2.27 million in FY 2015 to \$2.85 million in FY 2016. The unrealized loss of \$6.04 million recorded on financial assets, at fair value through profit or loss i.e. the financial assets held for trading purpose mainly resulted in the lower profits in FY 2015. The corresponding figure for FY 2016 was \$1.49 million.



16. A breakdown of sales

	31/08/2016	31/08/2015	% (decrease)
	\$ '000	\$ '000	
	Group	Group	Group
Sales reported for first half year	16,651	18,921	(12.00)
Operating profit after tax reported for first half year	3,632	5,223	(30.46)
Sales reported for second half year	22,471	26,867	(16.36)
Operating profit after tax reported for second half year	3,340	5,040	(33.73)

17. A breakdown of the total annual dividend (in dollar value) for issuer's latest full year and its previous full year

	31-08-2016	31-08-2015
Ordinary	1,510,792	24,040,963
Preference	-	-
Total	1,510,792	24,040,963

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder or the issuer pursuant to rule 704(13)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and positions held, if any, during the year
Mdm Aisamar Binte Kadil Mydin Syed Marikiah	69	Sister of Mr.Mohamed Salleh, CEO and substantial shareholder	Director in subsidiary – First Lady Apparels (Malaysia) Sdn Bhd. The position was first held in 2001.	Nil
Mr.Azhar Bin Abul Hasan	42	Nephew of Mr.Mohamed Salleh, CEO and substantial shareholder	Director in subsidiary – First Lady Apparels (Malaysia) Sdn Bhd. The position was first held in 2001.	Nil
Mr.Mohamed Amal Bin Mohamed Salleh Maricar	29	Son of Mr.Mohamed Salleh, CEO and substantial shareholder	Executive Director in subsidiary – First Lady Apparels (Malaysia) Sdn Bhd. Assisting the CEO in the Malaysian operations. The position was first held in 2010.	Nil

19. 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 in 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

25 October 2016