

SECOND CHANCE PROPERTIES LTD



ANNUAL REPORT **2023**

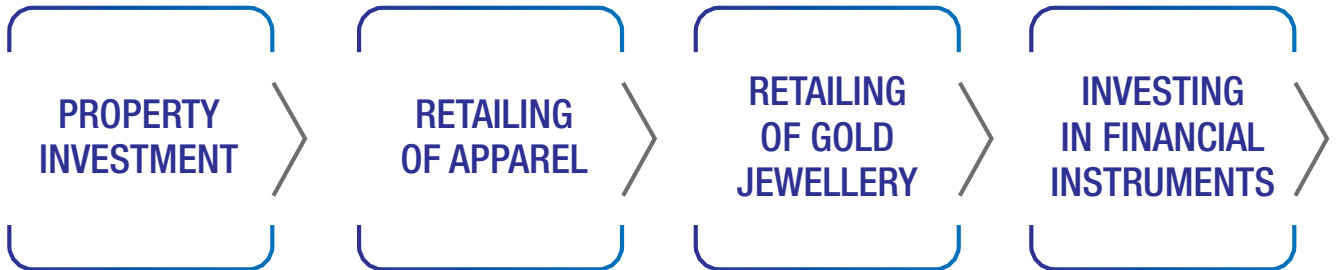


GOLDEN CHANCE



GOLDEN CHANCE	
Item 1	\$109.00
Item 2	\$100.00
Item 3	\$88.00

Second Chance Properties Ltd was listed on SESDAQ on 24th January 1997. On 2nd March 2004, it was transferred to the Mainboard of Singapore Stock Exchange. Second Chance Properties Ltd is involved in 4 core businesses:



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FOUNDER AND CEO STATEMENT



Dear Shareholders,

I am pleased to present our FY2023 Annual Report for the Financial Year ended 31 August 2023.

OVERVIEW

Our net profit after tax for the current year increased by 38.45% or \$5.46 million to \$19.66 million as compared to \$14.20 million recorded for FY2022. Revenue decreased by 2.80% or \$1.21 million from \$43.12 million in FY2022 to \$41.91 million in FY2023.

Our gold business is expected to continue to be profitable in FY2024. Nevertheless, the closure of Tanjong Katong Complex in June 2023, the subsequent relocation of our Golden Chance outlet to City Plaza and the sustained high trend in gold prices, have led to a decrease in both revenue and profits. Anticipated results for FY2024 suggest a significant decline in both revenue and profits.

Our retail apparel business continues to struggle, and we have exited this business in Singapore with the closure of the Tanjong Katong Complex outlet. The apparel business in Malaysia will, however, continue to operate for the time being.

During the Financial Year, 9 of our retail properties were sold for a total sum of \$57.57 million. These sales will result in a reduction of the Group's rental income in the future. Nonetheless, the proceeds from these sales have been reinvested in high-yield dividend companies.

The Group's dividend income continues to increase from \$7.24 million in FY2021 to \$13.51 million in FY2022 and \$18.29 million this Financial Year as we continue to reallocate the monies from the sales of properties into high-yield dividend companies for the long-term.

It's important to highlight that we have received a directive from SGX to adhere to Rule 1020, which mandates us to lower our securities holdings to less than 50% of NAV. We had submitted a request for a waiver and have been granted a four-year period to reduce our holdings in an orderly manner.

During this four-year timeframe, we will need to divest approximately \$150 million in securities to achieve full compliance with this regulation. As a consequence, the Group can expect a substantial decrease in dividend income over the coming four years.

DIVIDENDS

The Board is recommending a dividend of 0.55 Singapore cents per ordinary share (one-tier exempt) for the Financial Year ended 31 August 2023 to be approved at the upcoming AGM on 21 December 2023. The amount to be distributed will total \$5.10 million which is 25.94% of our net profit after tax.

CORPORATE GOVERNANCE

Adhering to our commitment to maintaining high standards of corporate governance, we have in place an Independent Non-Executive Chairman. This separation of the Chairman and CEO roles increases the Board's independence from management, leading to better monitoring and oversight, including enhanced risk controls.

Additionally, in alignment with the guidelines outlined in the Code of Corporate Guidance on Board Composition, Non-Executive Directors make up a majority of our Board.

Placing a high value on Corporate Governance, we have put in place the following safeguards since 2010:

- a) Compulsory Casino Self-exclusion of the executive directors and key management personnel
- b) Whistle-blower policy with a monetary reward
- c) Claw-back clause in service contracts of executive directors and key management personnel. Please refer to page 50 of this Annual Report for more details.
- d) Amended our constitution to have female representation at the Board level.

BOARD DIVERSITY POLICY

We have put in place a Board Diversity Policy to ensure an inclusive and diverse Board composition. This should lead to more effective corporate governance. A diverse Board could potentially improve the profitability of the Group. Please refer to page 35 of this Annual Report for more details.

CORPORATE SOCIAL RESPONSIBILITY

From this year onwards, The Salleh Marican Foundation has agreed to fund the Group's CSR programmes. The Group's Directors and Key Personnel have agreed to give their time to support the activities of the Salleh Marican Foundation.

INVESTOR RELATIONS

The Company engages its shareholders from time to time with information on our performance and future plans. Shareholders interested to be on our mailing list can email us at contact@secondchance.com.sg

ACKNOWLEDGEMENT

I would like to thank my fellow Board members for their counsel and commitment during the year and all key personnel and staff members for their dedication to the Group. On behalf of our Board of Directors, I would like to sincerely thank our shareholders, customers, tenants and business associates for their continued confidence and support.

MOHAMED SALLEH MARICAN
Founder & CEO

29 November 2023

BOARD OF DIRECTORS



Mohamed Salleh Marican, 74 *Founder & CEO*

Attended Victoria School Singapore 1962-1967

1968-1971: Served 3 years National Service and left with rank of Lieutenant.

Sole Proprietor from 15 June 1974 to 04 August 1986

Date of first appointment as a Director:
02 June 1986

Date of last re-election as a Director:
28 December 2022

Length of service as a Director (as at 31 August 2023):
37 years

Board Committee(s) served on:
Nominating Committee (Member)
(Stepped down on 12 November 2015)

Present Directorships (as at 31 August 2023):
Listed Companies: Nil

Other Principal Directorships:
17 Wholly Owned Subsidiaries of the Group

Major Appointments (Other than Directorship):
Salleh Marican Foundation Ltd (President)

Past Directorships held over the preceding 5 years:
(01 September 2018 to 31 August 2023)
Temasek Foundation Cares CLG Limited

Others

- 1988 Inaugural Malay Businessman of the Year Award, jointly organised by the Singapore Malay Chamber of Commerce and Berita Harian
- 1996 Entrepreneurship Excellence Award Conferred by Lianhe Zaobao and the Entrepreneurship Development Centre of the Nanyang Technological University
- 2011 Berita Harian Achiever of the Year 2011 Award
- 2012 Ernst & Young Entrepreneur of the Year
- 2013 Best CEO Singapore Corporate Award
- 2014 Life Member of Fellow Singapore Institute of Directors since 27 August 2014



Hasan Marican, 69 *Deputy CEO*

Attended Victoria School 1967-1970
GCE 'O' Level

Date of first appointment as a Director:
02 March 1987

Date of last re-election as a Director:
26 December 2022

Length of service as a Director (as at 31 August 2023):
36 years 6 months

Board Committee(s) served on: Nil

Present Directorships (as at 31 August 2023):
Listed Companies: Nil

Other Principal Directorships:
17 Wholly Owned Subsidiaries of the Group
Salleh Marican Foundation Ltd

Major Appointments (Other than Directorship): Nil

Past Directorships held over the preceding 5 years
(from 01 September 2018 to 31 August 2023): Nil

BOARD OF DIRECTORS



Dev Pisharody, 66 *Executive Director*

Attended St. Patricks Secondary School 1970-1972
Bartley Secondary School 1973-1974
GCE 'O' Level

April 1975 - October 1978: Served 3 1/2 years
National Service
Last rank attained - Sergeant

Date of first appointment as a Director:
02 March 1987

Date of last re-election as a Director:
21 December 2021

Length of service as a Director
(as at 31 August 2023):
36 years 6 months

Board Committee(s) served on: Nil

Present Directorships (as at 31 August 2023):
Listed Companies: Nil

Other Principal Directorships:
Second Chance Investments Pte Ltd
First Lady Apparels (Malaysia) Sdn Bhd

Major Appointments (Other than Directorship):
City Plaza Management Corporation Strata
Title No.669 - Chairman

Past Directorships held over the preceding 5 years
(01 September 2018 to 31 August 2023): Nil



Dr Ahmad Magad JP, 70 *Independent Non-Executive Chairman*

Education & Qualifications:
Doctor of Business Administration (Henley Business School-UK)
Master of Business Administration (Henley Business School-UK)
Advanced Post Graduate Diploma in Management Consultancy (UK)
Ingenieur Grad (Germany)
Fellow Member of CPA Australia
Fellow Member of Chartered Institute of Marketing, UK
Fellow Member Singapore Institute of Directors

Date of first appointment as a Director: 20 December 1996
Date of last re-election as a Director: 30 December 2020

Length of service as a Director (as at 31 August 2023):
16 years 11 months 11 days
(from 20 December 1996 to 30 November 2013)
7 years 8 months
(As At 31 August 2023 Reappointed On 30 December 2015)

Board Committee(s) served on:
Nominating Committee (Chairman)
Audit Committee (Member)
Remuneration Committee (Member)

Listed Companies:
Propnex Limited (Lead Independent Director)

Other Principal Directorships:
Singapore Environment Council
Stroke Support Station
Justice of the Peace
Salleh Marican Foundation Ltd

Major Appointments (Other than Directorship): Nil

Past Directorships held over the preceding 5 years:
(01 September 2018 to 31 August 2023)
Former Group Managing Director of II-VI Singapore Pte Ltd
II-VI Optics Suzhou Co Ltd and II-VI Vietnam Pte Ltd
Workforce Development Agency (Board Member)
National Productivity Council (Council Member)
Singapore Innovation and Productivity Institute Pte. Ltd.
Singapore PMC Certification Pte. Ltd.
SME Centre @ SMF Pte. Ltd.
SMF Centre for Corporate Learning Pte. Ltd.
SMF Institute of Higher Learning Pte. Ltd.
SMF Biz Search Pte. Ltd.
Manufacturing Sub-Committee of Future Economy Council (Member)
Former Secretary General, Singapore Manufacturing Federation
Former Executive Director of Management Development Institute of Singapore

BOARD OF DIRECTORS



Geetha Padmanabhan, 50
Independent Non-Executive Director

Education & Qualifications:
Fellow member of The Institute of Chartered Accountants of India
Bachelor of Computer Science from Bangalore University, India

Date of first appointment as a Director:
01 March 2012
Date of re-election as a Director:
21 December 2021
Date of redesignation as an Independent Non-Executive Director: 30 November 2013

Length of service as a Director (as at 31 August 2023):
11 years 6 months

Board Committee(s) served on:
Audit Committee (Chairman)
Nominating Committee (Member)
Remuneration Committee (Member)

Present Directorships (as at 31 August 2023):
Listed Companies: Nil

Other Principal Directorships:
Phoenix Consultants and Advisors Private Limited
Salleh Marican Foundation Ltd

Major Appointments (Other than Directorship): Nil

Past Directorships held over the preceding 5 years:
(01 September 2018 to 31 August 2023)
Ikigai Enablers Pte Ltd
(01 April 2020 to 26 September 2021)

Others:
July 2012 to present: Managing Director and Consultant in Self Owned Firm: Synergies (prior to May 2021, under SVP Consultants & Advisors)
April 2003 to January 2012: Group Finance Manager at Second Chance Properties Ltd



Tan Lye Heng Paul, 58
Independent Non-Executive Director

Education & Qualifications:
Fellow of Institute of Singapore Chartered Accountants
Fellow of Association of Chartered Certified Accountants, UK
Master of Business Administration, University of Birmingham

Date of First Appointment As A Director:
29 November 2002
Date of Last Re-Election As A Director:
30 December 2020

Length of Service As A Director:
10 Years 19 Days
(From 29 November 2002 to 17 December 2012)

Reappointed On 30 December 2015
7 Years 8 Months (As At 31 August 2023)

Board Committee(S) Served On:
Remuneration Committee (Chairman)
Audit Committee (Member)
Nominating Committee (Member)

Present Directorships (As At 31 August 2023):
Listed Companies:
OEL Holdings Ltd
Serial System Ltd
Pollux Properties Ltd

Other Principal Directorships:
Nexia Singapore PAC
CA Trust PAC
Salleh Marican Foundation Ltd

Past Directorships Held Over The Preceding 5 Years:
(01 September 2018 to 31 August 2023)
Sin Ghee Huat Corporation Ltd
China Sunsine Chemical Holdings Ltd

Others:
Accredited Mediator Of The Consumer Association of Singapore (Case) Mediation Panel



Deepak Lakhi Ramchandani, 53
Non-Executive Director

Education & Qualifications:

Master of Business Administration from National University of Singapore
Master of Business Administration from University of California Los Angeles, USA
Bachelor of Business from Nanyang Technological University
Chartered Financial Analyst (CFA) from CFA Institute, USA

Date of first appointment as a Director:
22 December 2021

Date of re-election as a Director:
28 December 2022

Length of service as a Director (as at 31 August 2023):
1 year 8 months

Board Committee(s) served on:
Investment Committee (Chairman)

Listed Companies:
NIL

Past Directorships held over the preceding 5 years:
NIL



MANAGEMENT TEAM



Reema Gupta, 41
Finance Advisor

Ms. Reema Gupta is a qualified Chartered Accountant (CA) and has worked with Chaturvedi & Shah, a leading audit and tax firm based in India, as an Assistant Tax Manager. She has also worked with different private firms in Singapore as a Finance Manager, managing their accounts and financial matters. She was part of the Group from 2012-2014 as our Finance Manager. In early 2015, she left the Group to set-up her own Consultancy & Accountancy Firm. She re-joined the group in August 2015 as Finance Advisor and currently is responsible for the financial accounting, management reporting, statutory audit, tax related matters and secretarial work of the Group.



J Raj Mohamed, 58
*Group Head
Accounts and Finance*

Mr. Raj has been with the group since 01 October 1995. Prior to joining the Group, he had 10 years of experience in accounts and auditing with an Audit Firm and Taj Group of Hotels (TATA Group). He is responsible for financial management, accounting functions of the Group. Mr.Raj also supports the Board in their strategic decision making process as well as the Group's Corporate Financial and Risk Management and also responsible to maintain the portfolio of Group's Investment in Financial Instruments. In addition, he also assists in the general administration of the Group.

He graduated with a Master Degree of Commerce (Accounting and Finance) and holds Institute of Singapore Chartered Accountants (ISCA) Professional Certificate in Business Accounting for completion of ISCA Professional Business Accountant (PBA) Programme and also awarded with Certificate of Performance in Financial Management and Assurance – School of Business and Accountancy, Singapore.



Amal Marican, 36
*Executive Director
First Lady Apparels (Malaysia)
Sdn Bhd*

Mr. Amal Marican joined the Group on 15 September 2008. Prior to that, he has been continually exposed to the retail trade within the Group for 8 years. He is assisting the CEO in the general management and operations of First Lady Malaysia. His other responsibilities include Purchasing and Advertisements and Promotions.

He also assists the CEO with the financial instruments portfolio in Singapore.



Safie Bin Hussain, 64
Field Manager

Mr. Safie Hussain has been with the Group since 1980. He started out in the Group as a sales staff. Between 1984 and 1989, he was one of the franchisee of 2nd Chance Men's Store. He is now responsible for ensuring that the stores are run in accordance with the Group's operational procedures and computerisation system.



Azlan Bin Mohd Shafie, 47
Management Executive

Mr. Azlan Shafie joined the Group since 2000. He started out in the Group as Assistant Manager in Golden Chance. From September 2002 to July 2010, he joined First Lady Apparels (M) Sdn Bhd in Malaysia as the Executive Director. He assisted the CEO in the general management of the First Lady operations of the Group. His other responsibilities include Purchasing, Advertising and Promotions. Due to personal reasons, he left the company in August 2010 but re-joined the Group in October 2011. He is now a Management Executive in Singapore and his responsibilities include the general Purchasing, Advertising and Promotions for the Group and also assisting the CEO in the general management of the business.

FINANCIAL INDICATORS AND HIGHLIGHTS

in S\$'000

Revenue
\$41,906

EBITDA
\$18,835

NTA
\$283,285

Profit Before Tax
\$20,246

Profit After Tax
\$19,656

	2019	2020	2021	2022	2023
Revenue	30,764	23,953	36,584	43,115	41,906
Profit Before Income Tax	5,456	3,726	10,737	14,917	20,246
Net Profit for the Financial Year	4,745	4,445	9,823	14,196	19,656
Dividend (Net)	0.4 cps	0.45 cps	5.5 cps*	1 cps	0.55 cps
Properties & Fixed Assets	180,999	176,928	159,150	145,374	91,906
Total Assets	288,276	283,441	401,800	402,591	378,000
Net Current Assets/(Liabilities)	25,190	10,115	(89,537)	(42,514)	(53,117)
Net Tangible Assets	262,127	248,934	283,216	283,384	283,285
Capital Employed	262,127	248,934	283,216	283,384	283,285
Share Capital	138,248	138,308	137,454	174,366	174,707
Current Ratio	1.99	1.29	0.24	0.64	0.44
Debt to Equity Ratio	0.10	0.14	0.42	0.42	0.33
Capital Gearing Ratio	0.04	0.09	0.41	0.39	0.32
Earnings Per Share (cents)	0.63	0.59	1.30	1.66	2.12
Price/Earning ratio	33.33	30.17	21.54	14.16	10.85
NTA Per Share (cents)	34.72	32.96	37.67	30.59	30.53
Interest Coverage Ratio	8.14	14.56	25.29	17.87	7.57

* Dividend of 5.5 cents includes a one-time special dividend of 5 cents for FY 2021.

FINANCIALS AT A GLANCE

Profit & Loss account	2023 (S\$'000)	2022 (S\$'000)	Variance (%)
Revenue	41,906	43,115	(2.80)
Adjusted EBITDA*	18,835	17,573	7.18
Interest	3,080	884	248.42
Profit before income tax	20,246	14,917	35.72
Net Profit for the Financial Year	19,656	14,196	38.46

Balance Sheet

Total assets	378,000	402,591	(6.11)
Investment properties	62,010	69,185	(10.37)
Cash and bank balances	273	1,145	(76.16)
Short term borrowings	91,531	113,032	(19.02)
Shareholders' funds	283,285	283,384	(0.03)

Financial ratios

Return on equity (%)	6.94	5.01	38.52
Current ratio	0.44	0.64	(31.25)
Gearing ratio	0.32	0.39	(17.95)
Interest coverage (times)	7.57	17.87	(57.64)
Dividend payout ratio	25.94	60.24	(56.94)

Per Share data

Earnings (cents)	2.12	1.66	27.71
Net asset value (cents)	30.53	30.59	(0.20)
Dividend (cents)**	0.55	1.00	(45.00)
Dividend yield (%)#	2.39	4.26	2.11

1 Revenue from all business segments except securities business decreased

2 Increase due to increase in rate of interest on borrowings

3 Increased as higher gain on disposal of properties realised and unrealised foreign exchange gain booked

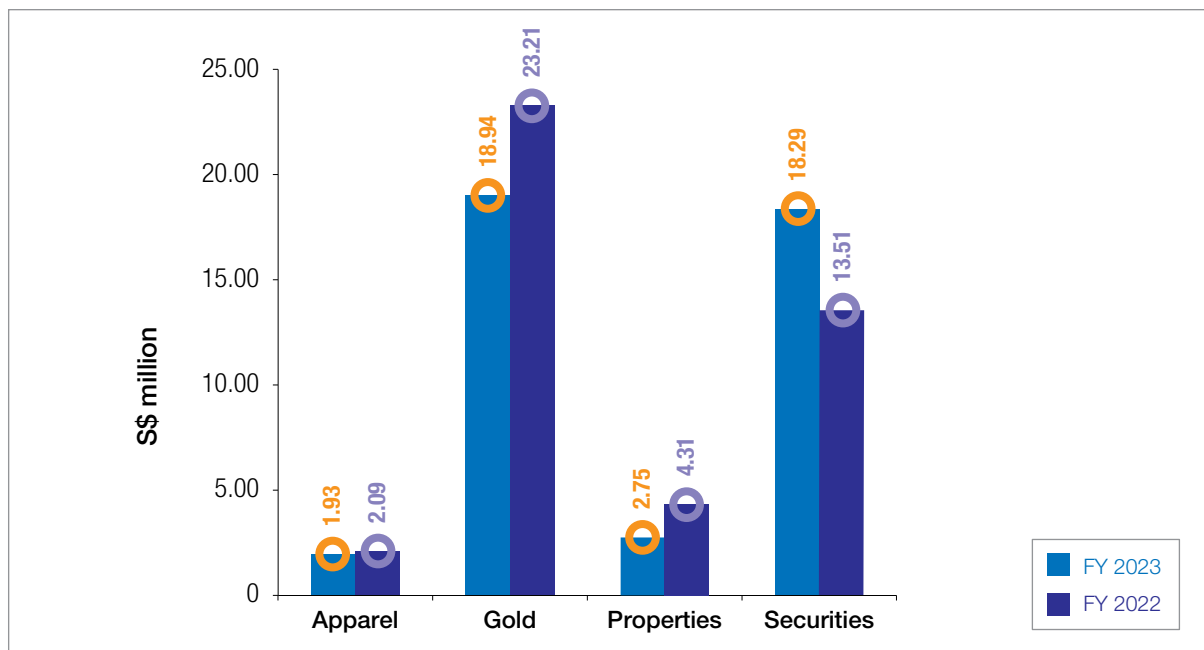
4 Decreased as 2 properties sold during the year and option signed for 3 properties that are transferred to Properties held-for-sale. Also, 1 property transferred to PPE as now self occupied

* Adjusted earnings before Interest, tax, depreciation, exchange gains, revaluation gain/deficit, divestment profit/loss.

** Based on the last traded price of 23 cents and 23.5 cents as at 31 August 2023 and 31 August 2022 respectively.

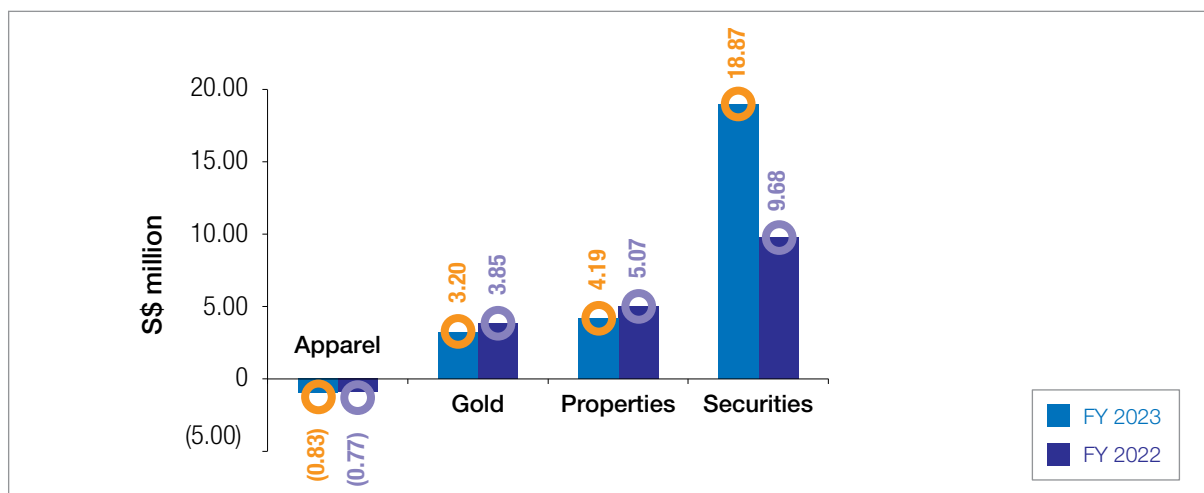
FINANCIALS AT A GLANCE

Revenue



Revenue	FY 2023 S\$ million	FY 2022 S\$ million	Variance S\$ million	%
Apparel	1.93	2.09	(0.16)	(7.66)
Gold	18.94	23.21	(4.27)	(18.40)
Properties	2.75	4.31	(1.56)	(36.19)
Securities	18.29	13.51	4.78	35.38

Profit before interest, tax and unallocated expenses



	FY 2023 S\$ million	FY 2022 S\$ million	Variance S\$ million	%
Apparel	(0.83)	(0.77)	(0.06)	(7.79)
Gold	3.20	3.85	(0.65)	(16.88)
Properties	4.19	5.07	(0.88)	(17.36)
Securities	18.87	9.68	9.19	94.94

OVERVIEW

The Group net profit increased by \$5.46 million from \$14.20 million in FY 2022 to \$19.66 million in FY 2023.

Revenue decreased by \$1.21 million or 2.80% from \$43.12 million in FY 2022 to \$41.91 million in FY 2023.

Adjusted EBITDA increased by \$1.27 million from \$17.57 million in FY 2022 to \$18.84 million in FY 2023.

In addition, there was a realised profit of \$5.42 million in FY 2023 upon cash acquisition and disposal of few equity instruments held by the group and classified as financial assets, at fair value through other comprehensive income and this gain was taken directly to equity through retained earnings.

REVENUE

Revenue has decreased by \$1.21 million or 2.80% from \$43.12 million in FY 2022 to \$41.91 million in FY 2023.

Different business segments contributed to the decrease as illustrated below:

Revenue	FY 2023	FY 2022	Variance	
	S\$ million	S\$ million	S\$ million	%
Apparel	1.93	2.09	(0.16)	(7.66)
Gold	18.94	23.21	(4.27)	(18.40)
Properties	2.75	4.31	(1.56)	(36.19)
Securities	18.29	13.51	4.78	35.38

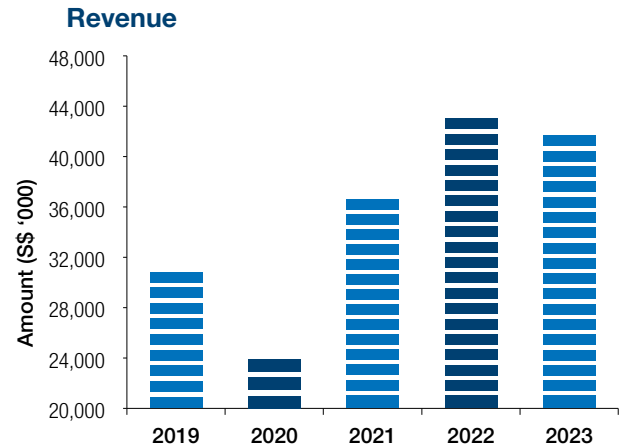
The revenue from apparel business decreased by \$0.16 million or 7.66% from \$2.09 million in FY 2022 to \$1.93 million in FY 2023. Of the \$1.93 million in FY 2023, Malaysia apparel business contributed \$1.47 million. The revenue from this segment witnessed increased sales in Malaysia due to better sales in festive period of Hari Raya in current year as compared to prior year. In contrast, revenue from this segment declined in Singapore primarily because the outlet here was shut down post Hari Raya, and there was a significant reduction in sales prices to clear out existing stock.

Revenue from gold business decreased by \$4.27 million from \$23.21 million in FY 2022 to \$18.94 million in FY 2023 due to high retail price of gold and general market conditions.

The revenue generated from property rentals decreased by \$1.56 million, falling to \$2.75 million in FY 2023 from \$4.31 million in FY 2022. In the current FY 2023, the reduction in rental revenue is a consequence of the rental income no longer being received from the sale of 9 investment properties since FY 2022 as well as lower rentals received on some lease renewals.

The securities business witnessed significant increase in revenue of \$4.78 million from \$13.51 million in FY 2022 to \$18.29 million in FY 2023. This was primarily attributed to a higher level of dividends received from quoted securities as the Group expanded its investments in these securities.

The graph below represents the total revenue from the group during the past five years:



FINANCIAL REVIEW 2023

PROFIT

The Group net profit increased by \$5.46 million from \$14.20 million in FY 2022 to \$19.66 million in FY 2023.

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

Profit	FY 2023 S\$ million	FY 2022 S\$ million	Variance S\$ million	%
Apparel	(0.83)	(0.77)	(0.06)	7.79
Gold	3.20	3.85	(0.65)	(16.88)
Properties	4.19	5.07	(0.88)	(17.36)
Securities	18.87	9.68	9.19	94.94

The loss from apparel business increased by \$0.06 million from \$0.77 million in FY 2022 to \$0.83 million in FY 2023 mainly because of significant reduction in sales price in order to clear the existing stock in Singapore, as the outlet was being closed.

The gold business contributed \$3.20 million in FY 2023 which was lower by \$0.65 million from the \$3.85 million generated in FY 2022. This decline can be primarily attributed to reduced revenue during the current period, resulting from the high retail price of gold and prevailing market conditions.

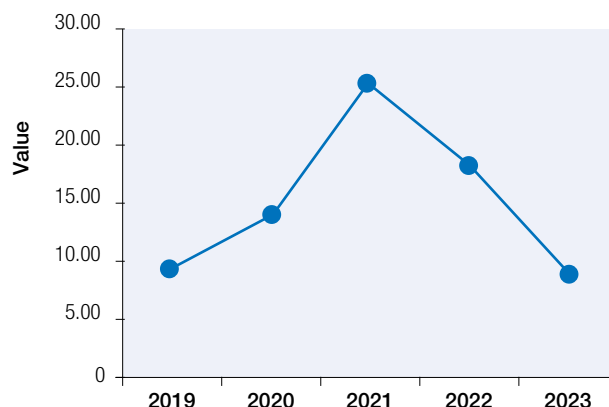
The profit from the properties segment decreased by \$0.88 million, dropping from \$5.07 million in FY 2022 to \$4.19 million in FY 2023. Apart from reduced rental income in the current year due to the disposal of 9 investment properties, the contribution from this business segment also declined because of unrealised loss on fair valuation of properties amounting to \$2.25 million, in contrast to an unrealised gain of \$0.77 million on property revaluation in prior FY 2022. However, this decline was substantially offset by a gain on disposal of properties totaling \$4.46 million in current FY 2023, compared to \$0.80 million in FY 2022.

Securities segment recorded a gain of \$18.87 million in FY 2023 as compared to \$9.68 million in FY 2022. This significant improvement can be primarily attributed to the higher dividend income in the current year. In addition, there was a gain of \$2.42 million from unrealised foreign exchange differences on borrowings for purchasing securities in FY 2023 as compared to loss of \$3.21 from unrealised foreign exchange differences in FY 2022.

FINANCE COSTS

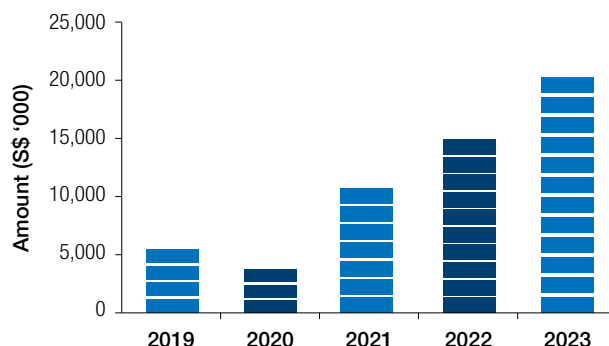
Interest expenses increased from \$0.88 million in FY 2022 to \$3.08 million in FY 2023 due to increased bank rates of borrowing in the current year.

Interest Coverage Ratio



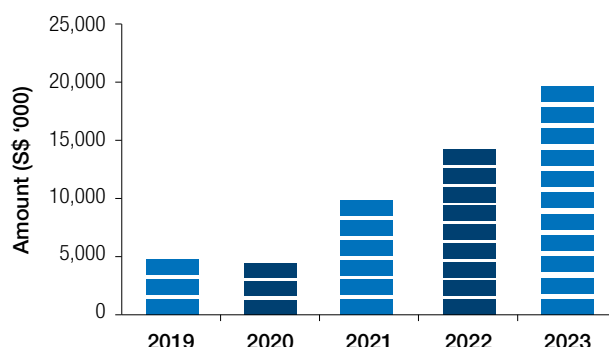
Below is a graphical representation of the profit before tax for the past five years:

Profit Before Tax

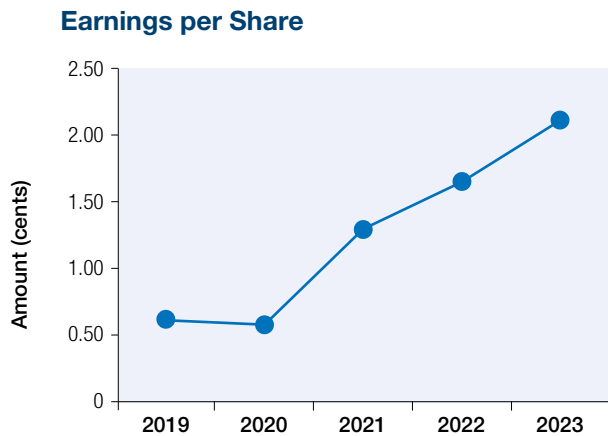


The income tax expense decreased by \$0.13 million from \$0.72 million in FY 2022 to \$0.59 million in FY 2023 mainly because of group relief claimed.

Profit After Tax



The earnings per share for FY 2023 was 2.12 cents as compared to 1.66 cents in FY 2022. Below is a comparison of the earnings per share for the past five years:



ADJUSTED EBITDA

Adjusted EBITDA increased by \$1.27 million from \$17.57 million in FY 2022 to \$18.84 million in FY 2023.

The details of Adjusted EBITDA calculation are as below:

Adjusted EBITDA*	FY 2023 \$ '000	FY 2022 \$ '000
Net Profit	19,656	14,196
<i>Add/(Less):</i>		
Interest expenses	3,080	884
Tax expense	590	721
Depreciation	133	125
Fair value losses/(gains) on properties	2,251	(766)
Gain on divestment of investment properties	(4,456)	(800)
Exchange differences	(2,419)	3,213
	18,835	17,573

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

DIVIDENDS

For FY 2023, the Directors have declared a tax-exempt (one-tier) dividend of 0.55 cents per ordinary share to be distributed in cash.

The dividend yield for FY 2023 amounts to 4.35% based on the market price of 23 cents per share as at 31 August 2023 and the dividend payout ratio is 25.94% considering the earnings per share of 2.12 cents.

CASH FLOW

The net cash flow from operating activities was \$14.12 million in FY 2023.

Proceeds from redemption and disposal of financial assets, at fair value through other comprehensive income including capital distribution yielded \$52.49 million. Additionally, proceeds from disposal of financial assets, at fair value through profit or loss generated \$8.99 million. An amount of \$57.56 million was generated on disposal of investment properties. Further, the Group had drawn down an amount of \$218.04 million from banks during the year and an amount of \$0.34 million was generated from issue of shares pursuant to exercise of warrants.

Of the above, an amount of \$74.67 million was used for investing in financial assets, at fair value through other comprehensive income and \$28.07 million was used for acquiring quoted securities classified as financial assets, at fair value through profit or loss. The Group also purchased property, plant and equipment amounting to \$3.39 million. Cash dividend paid to equity holders of the Company amounted to \$9.26 million and an amount of \$237.03 million was utilised to repay bank borrowings.

Cash and cash equivalents at the end of the period i.e. 31 August 2023 was \$0.27 million while it was \$1.15 million at the beginning of the period i.e. 31 August 2022. Thus, there was a decrease of \$0.88 million through the year.

FINANCIAL REVIEW 2023

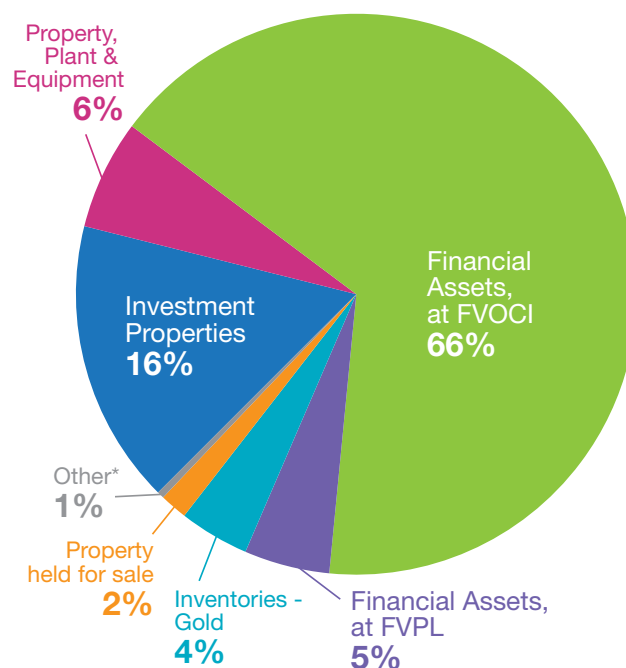
FINANCIAL POSITION AS AT 31 AUGUST 2023

Investment properties of the group in Singapore totalled \$62.01 million. In addition, \$16.01 million worth of property owned by the group in Malaysia was classified as Property, plant and equipment because it was self-occupied. Also, two properties valued at \$7.44 million owned by the Group in Singapore are also classified as Property, plant and equipment. Further, investment property carrying value of \$5.99 million were classified as Property held-for-sale. Thus the total value of the properties was \$91.45 million.

As at 31 August 2023, financial assets, at fair value through other comprehensive income comprised of quoted securities valued at \$246.63 million and investment in a fund valued at \$4.03 million. Financial assets, at fair value through profit or loss comprised of equities valued at \$18.64 million. There was a decrease of \$9.53 million in the market value of financial assets, at fair value through other comprehensive income as at 31 August 2023 and this unrealised gain was taken directly to fair value reserve under equity. For financial assets, at fair value through profit or loss, there was an unrealised loss of \$1.31 million during the current financial year which was taken to the income statement.

Inventories at financial year ended 31 August 2023 totalled \$15.80 million of which \$15.28 million was gold stock.

The asset allocation of the group as at 31 August 2023 is shown in the below chart:



*Others includes Inventories – Apparel, Cash & Cash Equivalent and other receivables

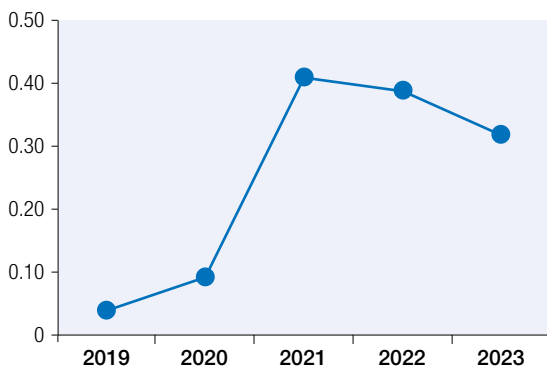
WORKING CAPITAL

The Group had a negative working capital of \$53.12 million as at 31 August 2023 as compared to \$42.51 million as at 31 August 2022. This was because the group utilised short-term borrowing facilities in order to benefit from lower interest rates.

BANK BORROWINGS

As at 31 August 2023, the Group has short-term borrowings of \$91.53 million as compared to \$113.03 million as at prior year ended 31 August 2022. The gearing ratio of the Group improved to 0.32 as at 31 August 2023 from 0.39 as at 31 August 2022.

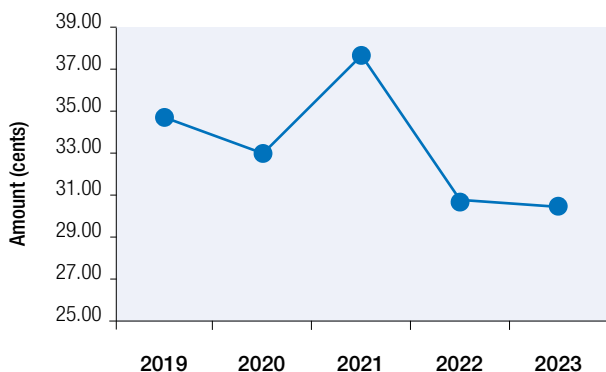
Gearing



SHARE CAPITAL

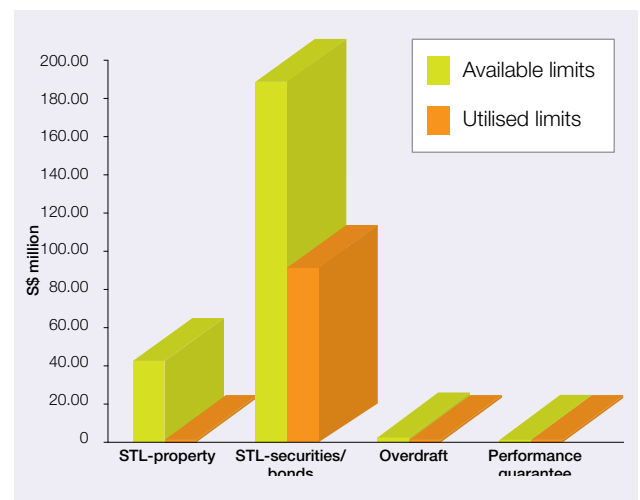
Share capital stood at \$174.71 million as at 31 August 2023 as compared to \$174.37 million as at 31 August 2022. This increase was due to shares issued pursuant to exercise of warrants. There were 927.70 million shares in float as at 31 August 2023 as compared to 926.43 million as at 31 August 2022. Total shareholders' equity stood at \$283.29 million and NTA per share was 30.53 cents as at 31 August 2023.

NTA per share



Below is an overview of the various bank facilities available and amounts utilised:

	Available limits S\$ million	Utilised limits S\$ million	% utilised
STL-property	43.00	-	0.00%
STL-securities/ bonds	188.00	91.53	48.69%
Overdraft	0.95	-	0.00%
Performance guarantee	0.05	-	0.00%
	232.00	91.53	39.45%

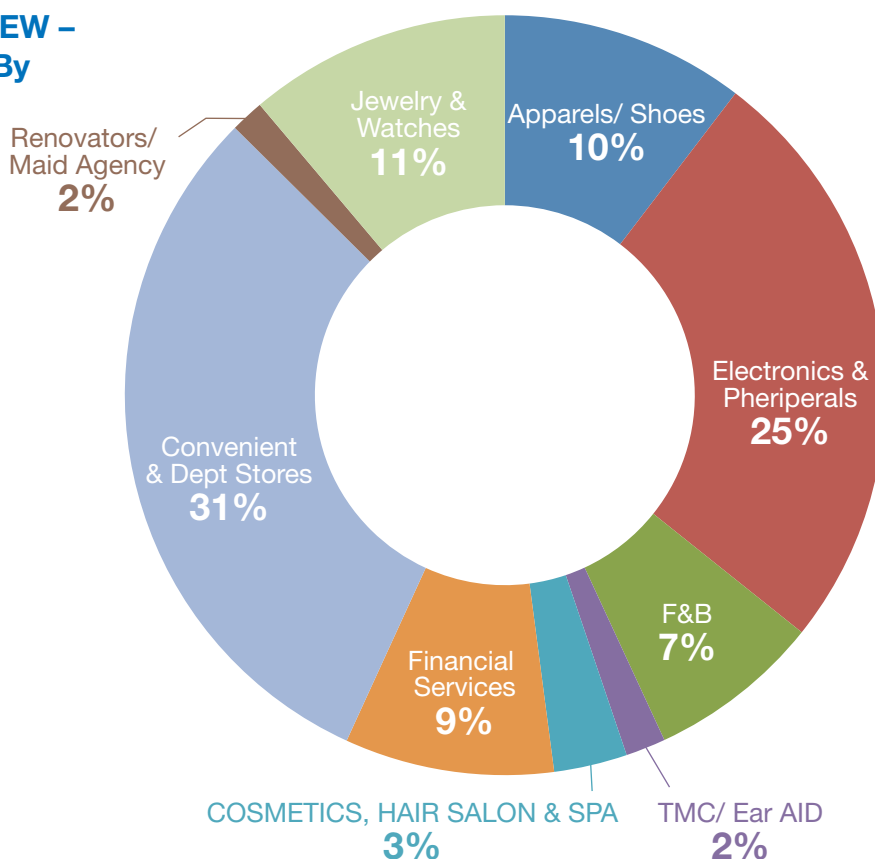


PROPERTY PORTFOLIO & TENANTS' OPERATIONS REVIEW

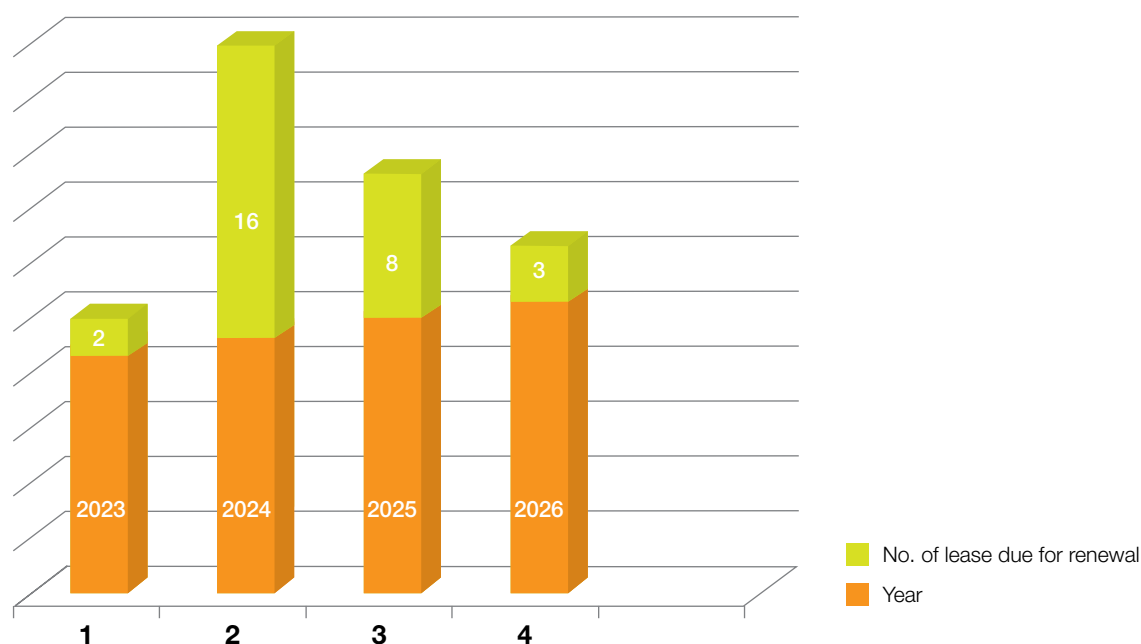
PROPERTY PORTFOLIO REVIEW – Commercial

FY 2023 Appraised Value	S\$72.51 Million
Net Lettable Area- (Singapore)	17,395 Sq ft
Current Utilisation	Rented Out
Occupancy Rate	100%

TENANTS' OPERATION REVIEW – Rental Income Contribution By Tenant Trade Sector

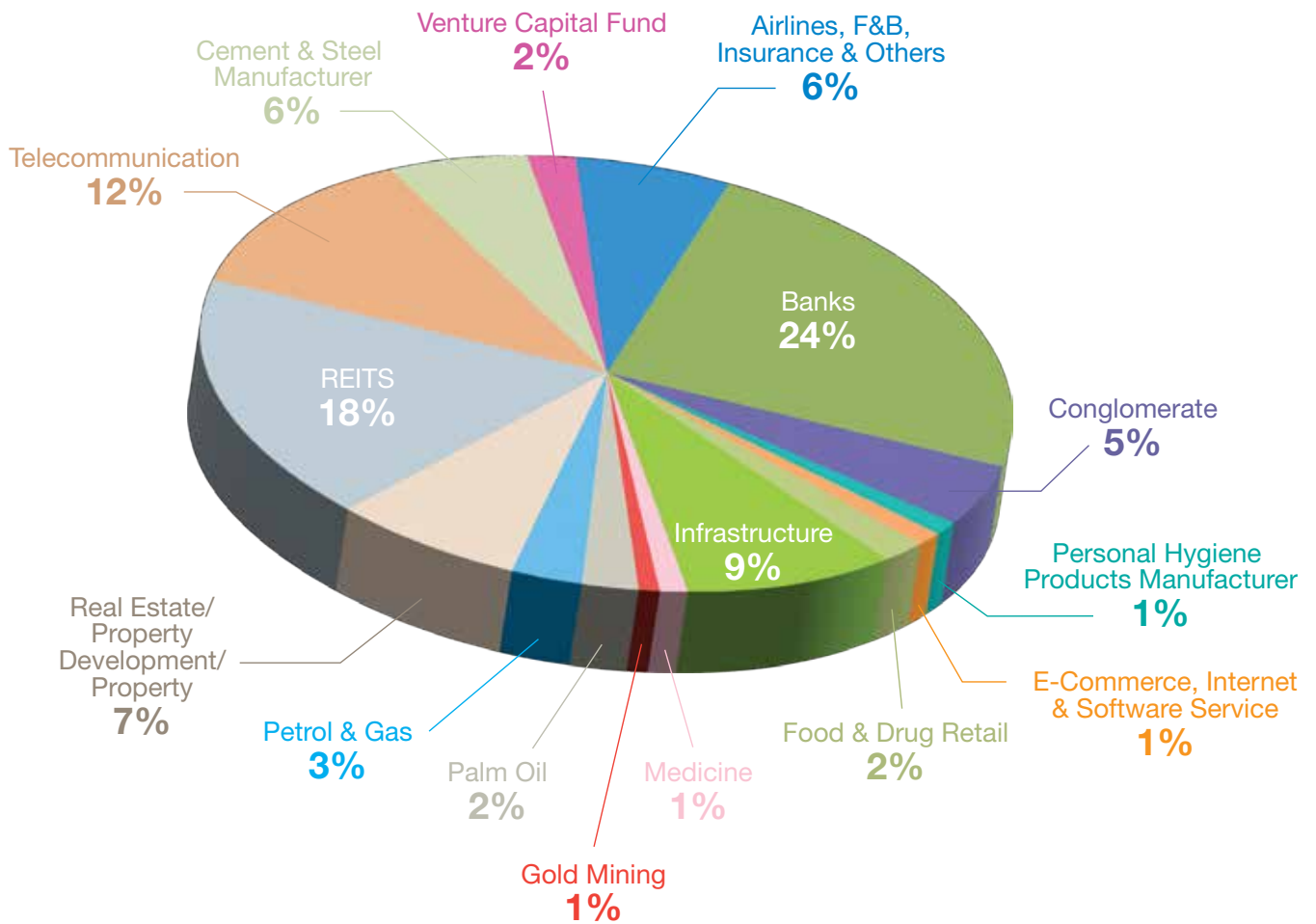


Lease Expiry Profile



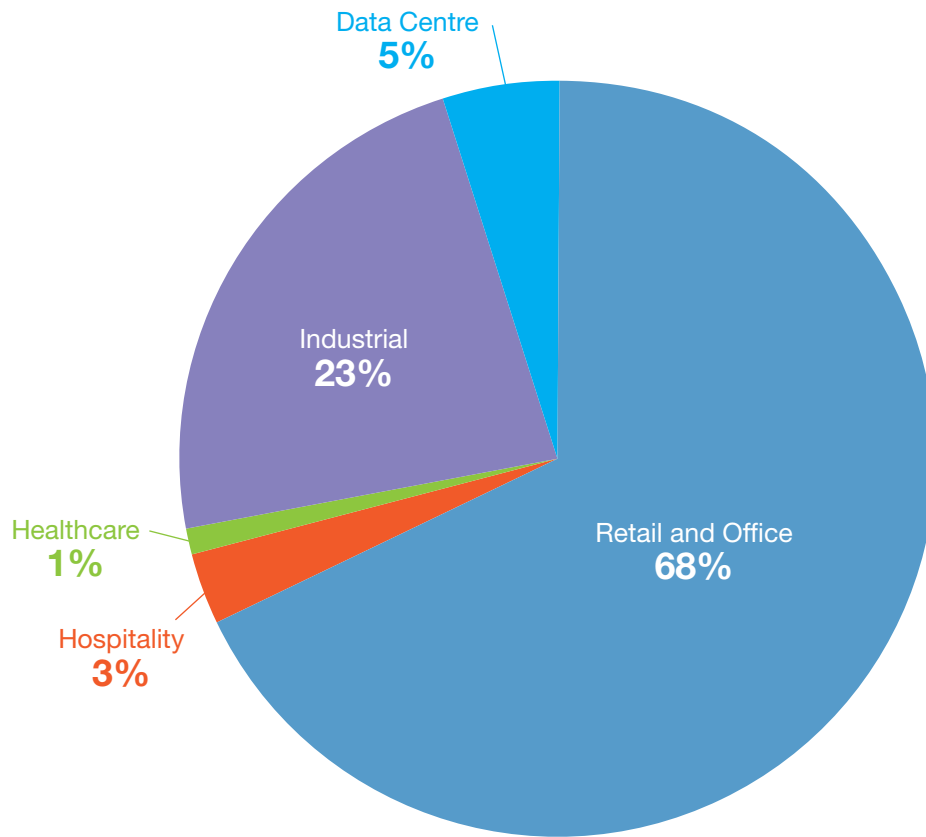
SECURITIES INVESTMENT OVERVIEW

OVERVIEW OF INVESTMENT IN FINANCIAL ASSETS @ FVOCI BY SECTOR AS AT 31 AUGUST 2023

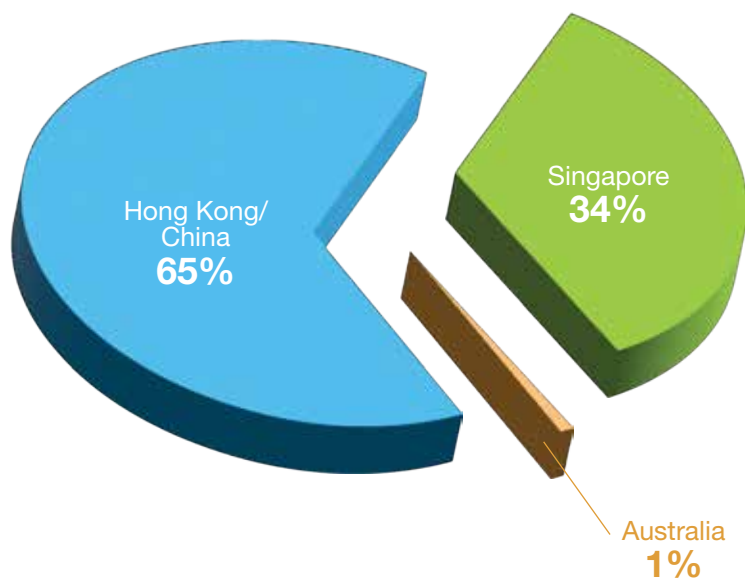


SECURITIES INVESTMENT OVERVIEW

OVERVIEW OF REITS INVESTMENT BY SECTORS



OVERVIEW OF SECURITIES INVESTMENT BY GEOGRAPHY





Casino Self-Exclusion Policy

We require our employees including top executives and senior management to sign up at National Council of Problem Gambling (NCPG) website to self-exclude their names from entering Singapore's casinos for as long as they are employed with the Group.

This move which was formalised in 2011, stemmed from the several news in the corporate world where employees including directors and senior management committed fraud due to their gambling habits and losses.

As such, it became a guiding principle and culture of our Company to deter and minimise the risk of such events by implementing this policy which at the same time boost our corporate governance standings with our shareholders.



Risk Governance & Internal Control

As part of our continuous efforts to improve operational grips on our businesses, the Group has embarked on various risk governance and internal control measures throughout the years.

By engaging established and independent Internal Auditor - Baker Tilly Consultancy (Singapore) Pte Ltd - the Group opened their doors for the Auditor which resulted in frameworks and manuals crafted for our adoption on managing risks and fraud, improving our retail POS System, GST implementation and internal controls on our business processes.

In addition, senior management and executives are periodically tasked to conduct internal audits on various operations of the Group such as Annual Stock-Taking, Security etc. This further ensures that we have our finger on the pulse at all times on our businesses.



Whistle Blower Policy

We have a formalised whistle blower policy where anyone is able to send feedback to our Independent Non-Executive Chairman through various channels of communication.

This policy intends to send a clear signal to all business partners, associates, suppliers, employees and other stakeholders of the Group that we have zero tolerance on fraud and misconduct. To make this policy more effective and as an incentive, a financial reward is offered to all whistle blowers.

PROPERTY LOCATIONS IN SINGAPORE



- 01 810 Geylang Road #01-43 City Plaza
- 02 810 Geylang Road #01-44 City Plaza
- 03 810 Geylang Road #01-45 City Plaza
- 04 810 Geylang Road #01-46 City Plaza
- 05 810 Geylang Road #01-56/57 City Plaza
- 06 810 Geylang Road #01-60 City Plaza
- 07 810 Geylang Road #01-61 City Plaza
- 08 810 Geylang Road #02-49 City Plaza
- 09 810 Geylang Road #02-50 City Plaza
- 10 810 Geylang Road #02-51 City Plaza
- 11 810 Geylang Road #02-86 City Plaza
- 12 810 Geylang Road #02-88 City Plaza
- 13 810 Geylang Road #02-105 to 108 City Plaza
- 14 Blk 710A Ang Mo Kio Ave 8 #01-2625
- 15 14 Scotts Road #02-40 Far East Plaza

PROPERTY LOCATIONS IN SINGAPORE



- 16 14 Scotts Road #02-42 Far East Plaza
- 17 111 North Bridge Road #01-28/28A Peninsula Plaza
- 18 1 Rochor Canal Road #05-36 Sim Lim Square
- 19 1 Rochor Canal Road #05-53 Sim Lim Square
- 20 1 Rochor Canal Road #05-54 Sim Lim Square
- 21 1 Rochor Canal Road #05-61 Sim Lim Square
- 22 1 Rochor Canal Road #05-62 Sim Lim Square
- 23 1 Rochor Canal Road #05-63 Sim Lim Square
- 24 1 Rochor Canal Road #05-64 Sim Lim Square
- 25 1 Rochor Canal Road #05-65 Sim Lim Square
- 26 1 Rochor Canal Road #05-72 Sim Lim Square
- 27 1 Rochor Canal Road #05-73 Sim Lim Square
- 28 1 Rochor Canal Road #05-74 Sim Lim Square





MEGA
First Lady

165-169 JLN TUANKU ABDUL RAHMAN, KL



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FINANCIAL CONTENTS

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CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. The Board of Directors (the “**Board**”) is committed to establishing, adhering to and exemplifying the highest level of corporate governance within Second Chance Properties Limited (the “**Company**”) and its subsidiaries (the “**Group**”) which forms the continuing obligations of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)’s Listing Rules. Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target. The Board aims to lead by example and gain insights from its experiences. It has developed and, on an ongoing basis, maintains sound and transparent policies and practices to meet the specific business needs of the Group.

The Board remains focused on complying with the substance and spirit of the principles of the Singapore Code of Corporate Governance 2018 (the “**2018 Code**”) while achieving operational excellence and delivering the Group’s long-term strategic objectives. The Board has implemented measures to bring the governance framework in line with the provisions of the Code, and has provided explanations for any deviations from the Code where applicable.

BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1 - Principal duties of the Board

Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company and hold Management accountable for performance. The Board is primarily responsible for the overall management of the Group focusing on long term health along with the holistic success of business and its financial strength to enhance the long term value of the Group to its shareholders and other stakeholders.

The principal functions and duties of the Board include:

- Formulating the Group’s strategic objectives, reviewing the strategic plans and performance objectives and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives.
- Reviewing and approving annual budgets.
- Setting direction and goals for the executive management along with key operational initiatives and supervising executive management.
- Reviewing and monitoring the Company’s risk management, financial performance and reporting, investment proposals, corporate governances, compliance and internal control system and carrying out periodic reviews of their effectiveness.
- Reviewing the performance of management and overseeing succession planning for the senior management.
- Setting the Group’s values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met.
- Considering sustainability issues eg., environmental and social factors, as part of its strategic formulation.
- Monitoring and ensuring compliance with the Listing Rules, laws and regulations relevant to the Group.

Conflicts of interest

Internal guidelines require every director to disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company as soon as is practicable after the relevant facts have come to his/her knowledge, and recuse himself/herself when the conflict-related matter is discussed unless the Board is of the opinion that his/ her presence and participation is necessary to enhance the efficacy of such discussion, and abstain from voting in relation to conflict-related matters. This policy applies to all the Board committees.

CORPORATE GOVERNANCE

Provision 1.2 - Board Orientation and Training

Directors bring to their Board considerable wealth of professional experience, diversified knowledge and skills generated over their careers. The new directors inducted to the Board are introduced to the Company culture, business and government policies through orientation sessions. CEO and senior management provide an overview of the Company's operations and familiarize the new directors with them. On appointment, a formal letter is provided to them setting out the terms and conditions of their appointment and explaining the regulatory requirements that a Director has to comply with on appointment. The Executive Directors conduct an orientation programme for newly appointed Directors to make the most of their existing knowledge base by filling any knowledge gaps, typically concerning the company's industry, the competition landscape and technical issues. They are also briefed on the governance practice including Board process, policies on disclosure of interests in securities, prohibitions on dealings in the Company's securities and restrictions on disclosure of price-sensitive information to enable them to assimilate into their new roles. The programme also allows the new director to get acquainted with senior management, thereby facilitating board interaction and independent access to senior management.

On a half-yearly basis, the Board is briefed on recent changes to the accounting standards and regulatory updates. The CEO updates the Board at each meeting on business and strategic development of the Group. For FY 2023, the Board was briefed on the strategic and business development of the Group by the CEO, release issued by the SGX-ST, Accounting and Corporate Regulatory Authority ("**ACRA**"), which are relevant to the Board and financial reporting updates by the external auditors and company secretary.

Directors are also encouraged to attend, at the Group's expense, relevant and useful seminars, conferences and training courses for their continuing education and skills improvement that are conducted by external organisation to keep in pace with new laws, regulations, changing commercial risks and financial reporting standards. The attendance of Directors at such courses is sponsored by the Company.

Provision 1.3 - Matters Requiring Board Approval

The Board has identified numerous prominent areas for which the Board has direct responsibility for decision-making such as approval of major investments and funding decisions. The Board also reviews Interested Persons Transactions and the Group's internal control procedures. The Board serves as the ultimate decision making body of the Company, except for those matters reserved to or shared with the shareowners.

Moreover, Board also beholds discussions and consideration of the following corporate matters:

- Approval of half yearly and full year result announcements;
- Approval of the Annual Reports and accounts;
- Approval of Internal Audit Report;
- Convening of shareholders' meetings;
- Approval of corporate strategies and objectives of the Group;
- Material acquisitions and disposal of assets;
- Investments, disinvestments or capital expenditures exceeding set material limit;
- Review of management performance and compliance of values and standards;
- Annual budgets and business plan;
- Issuance of shares;
- Declaration of interim dividends;
- Recommendation of final dividends and other returns to shareholders; and
- Commitments to terms loans and line of credits from banks and financial institutions

CORPORATE GOVERNANCE

Apart from the matters that specifically require the Boards approval, the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Management so as to optimize operational efficiency. Management has been given clear directions on matters that require Board's approval, and these are communicated to Management. It is believed that all the Directors objectively discharge their duties and responsibilities as fiduciaries in the best interests of the Company.

Provision 1.4 - Delegation by the Board

The Board objectively makes decisions in the interests of the Group. To further facilitate effective management, the Board has delegated specific responsibilities with distinct guidelines to three committees namely Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**"). These committees function within precisely defined Terms of Reference, which clearly sets out the objectives, duties, powers and responsibilities which are reviewed on a regular basis. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group.

As at the date of this Annual Report, the compositions of the Board Committees are as follows:

	AC	NC	RC
Chairman	Ms. Geetha Padmanabhan	Dr. Ahmad Bin Mohamed Magad	Mr. Tan Lye Heng Paul
Member	Dr. Ahmad Bin Mohamed Magad	Ms. Geetha Padmanabhan	Dr. Ahmad Bin Mohamed Magad
Member	Mr. Tan Lye Heng Paul	Mr. Tan Lye Heng Paul	Ms. Geetha Padmanabhan

The effectiveness of each committee is reviewed by the Board persistently and it may further formulate other committees as per the requirement and suitability of the situation dictated by imperatives.

During FY 2022, an Investment Committee ("**IC**") was formed with clearly defined Terms of Reference to guide and advise the Management Executives in their decision making with respect to the Group's investments on a quarterly basis or as and when required.

The Board accepts that while these various Board committees have the authority to examine specific issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

Provision 1.5 - Board and Board Committees Meetings and Attendance

The Board meets at least once in six months to review the half yearly and full year results and as warranted by particular circumstances, ad hoc meetings are also convened to deliberate on urgent substantive matters. The Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. In between these meetings, the Board discusses matters over the tele-conference, electronic and other communication facilities which permits all parties to communicate with each other simultaneously. Dates of all Board and Board Committee meetings as well as the Annual General Meeting ("**AGM**") and any Extraordinary General Meetings ("**EGM**") are fixed in advance in consultation with the Directors.

CORPORATE GOVERNANCE

Board Meetings

- The relevant agenda papers are circulated to all Directors in advance through email.
- Each agenda item is provided with sufficient background and all material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting.
- Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda.
- In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.
- As needed or deemed efficient, the Board and its Committees may extend invitations to other members of the management team or external advisors to attend their meetings for specific projects.
- Minutes of all the Board committees are also circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during the Committees' meetings.
- All meetings are conducted in Singapore and attendance by the Directors has been regular.
- If a Director is unable to attend a meeting in person, he/she can participate by telephone or video conference.

A record of Board and Board Committee meetings held during the year under review from the date of the last report i.e. 29 November 2022 till the date of this report and the attendance of each Director where relevant is as follows:

	<u>Board</u>	<u>NC</u>	<u>RC</u>	<u>AC</u>	<u>AGM</u>
No. of meetings	3	2	2	2	1
<u>No. of meetings attended by respective Directors:</u>					
Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar	3	2 [#]	2 [#]	2 [#]	1
Mr Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar	3	2 [#]	2 [#]	2 [#]	1
Mr Devnarayanan s/o K.R. Pisharody	3	NA	NA	2 [#]	1
Dr Ahmad Bin Mohamed Magad, JP	3	2	2	2	1
Ms Geetha Padmanabhan	3	2	2	2	1
Mr Tan Lye Heng Paul	3	2	2	2	1
Mr Deepak Lakhi Ramchandani	3	NA	NA	2 [#]	1

By Invitation

All Directors are required to declare their board representations. Where a Director has multiple board representations, and in considering the nomination of Directors for appointment, the NC will evaluate whether or not the Director is able to and has been adequately carrying out his or her duties as a Director, as well as sufficient time and attention are given to the affairs of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

CORPORATE GOVERNANCE

Provision 1.6 - Access to Information

Prior to each Board meeting, the Management provides the Board all information pertinent to the details of minutes of previous Board meeting, minutes of meeting of all Committees of the Board held since the previous Board meeting, issues dealt by management, relevant budgets, forecasts and projections, major operational and financial issues, statistics on key performance indicators, statistics on customer satisfaction and on the agenda of the meeting.

Management recognizes the importance of ensuring the flow of complete, adequate and timely information to the Directors on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities.

Crucial matters requiring decision are reserved for resolution at Board meetings rather than by circulating to facilitate decision. Queries by individual Directors on circulated papers are directed to management who will respond accordingly, where relevant Directors' queries and Management's responses are circulated to all the Board members for their information.

Provision 1.7 - Access to Management and Company Secretary

The Board has discrete and independent access to the senior management, external auditors and the Company Secretary at all times. The half yearly financial accounts and progress reports of the Group's business operations is provided to the Board members. The Board also receives regular updates on the industry which enable Directors to keep abreast of key issues and developments in the industry, together with the challenges and opportunities for the Group. Directors are entitled to request from Management and provided with such additional information as needed to make informed and timely decisions. The Management deals with requests for information from the Board promptly. The Board is informed of all material events and transactions as and when they occur.

Role of the Company Secretary

The Company Secretary reviews meeting agendas, attends (or her representatives attend) and prepares minutes of Board meetings and is responsible for ensuring that Board procedures are followed and that the Company's Constitution and relevant rules and regulations are complied with. The Company Secretary also assists on matters in respect of compliance with the Companies Act 1967 and the Listing Rules of SGX-ST and is also responsible for advising the Board on the matters relating to Corporate Governance. Directors have separate and independent access to the Company Secretary.

The appointment and removal of the Company Secretary is subject to the approval of the Board.

Independent professional advice

The Board has a process for Directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, at the Group's expense.

CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board is composed of eminent persons with considerable professional experience in diverse fields and comprises seven Directors, three of whom are Independent Non-Executive Directors. The quorum for all Board meetings is four. All the Directors are residents in Singapore. The Directors of the Company as at the date of this statement are:

Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar
Founder & CEO

Mr Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar
Deputy CEO

Mr Devnarayanan s/o K.R. Pisharody
Executive Director

Dr Ahmad Bin Mohamed Magad, JP
Independent Non-Executive Chairman

Mr Tan Lye Heng Paul
Independent Non-Executive Director

Ms Geetha Padmanabhan
Independent Non-Executive Director

Mr Deepak Lakhi Ramchandani
Non-Executive Director

The profile of each Director is given on pages 4 – 7 of this Annual Report.

CORPORATE GOVERNANCE

Provision 2.1 - Director's Independence

The Board has four Non-Executive Directors, three of whom are independent members. The criteria for independence are determined based on the definition as provided in the 2018 Code.

The Independent Directors, Dr Ahmad Bin Mohamed Magad, Mr Tan Lye Heng Paul and Ms Geetha Padmanabhan have confirmed that they have no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment of the Group's affairs with a view to the best interests of the Company.

On an annual basis, the NC mandates Independent Directors, to fulfill and sign declaration forms affirming their independence. These declarations adhere to the provisions outlined in the 2018 Code and Practice Guidance. The NC has scrutinized the declarations, verifying and confirming the independence of the directors in alignment with the Code.

Each Independent Non-Executive Director is required to disclose any relationships or appointments which would impair their independence. Each Independent Non-Executive Director had abstained from deliberations in respect of the assessment on his/her own independence. Taking into account the views of the NC and the annual confirmation from each of the Independent Non-Executive Director of his/her independence, the Board considers each of the Independent Non-Executive Director to be independent and able to exercise independent judgement in the best interest of the company in discharging their fiduciary duties. As with all directors, they are to act in the best interests of the company as a whole and not of any particular group of shareholders or stakeholders.

The NC has adopted practices which will include a retirement schedule and a rigorous review of the reappointment and independence of Independent Non-Executive Directors who have served on the Board for more than nine years from the date of their first appointment. All the three Independent Non-Executive Directors namely, Mr Tan Lye Heng Paul, Dr Ahmad Bin Mohamed Magad and Ms Geetha Padmanabhan have served as Independent Non-Executive Directors of the Company for an aggregate term of more than nine (9) years since 29 November 2002, 20 December 1996 and 1 March 2012 respectively. Mr Tan Lye Heng Paul and Dr Ahmad Bin Mohamed Magad had retired as directors of the Company in 2012 and 2013 respectively. The Board has subjected their independence to a particularly rigorous review. The NC is of the view that Mr Tan Lye Heng Paul, Dr Ahmad Bin Mohamed Magad and Ms Geetha Padmanabhan have expressed individual viewpoints, debated issues and objectively scrutinized and challenged the Management when deemed necessary. They have sought clarification and amplification whenever deemed necessary, including through direct access to the Management. All of them have demonstrated strong independent character and judgement over the years in discharging their duties and responsibilities as Independent Non-Executive Directors of the Company with the utmost commitment in upholding the interest of the minority shareholders and there is no material conflict between the tenure of their appointment as Independent Non-Executive Directors of the Company and their ability to discharge their duties as Independent Non-Executive Directors.

In view of the above and taking into account their disclosure of independence, the wealth of experience and knowledge they have brought and will continue to bring to the Board, the Board resolved that Dr Ahmad Bin Mohamed Magad, Mr Tan Lye Heng Paul, and Ms Geetha Padmanabhan continue to be considered independent, notwithstanding that they have served on the Board for more than nine years from the date of their first appointments.

CORPORATE GOVERNANCE

Additionally, in line with the 2018 Code and the Rule 210(5)(d)(iii) of the Listing Manual of SGX-ST, the Company had implemented the mandatory two-tier voting system in its 2021 annual general meeting for Dr Ahmad Bin Mohamed Magad, Mr Tan Lye Heng Paul, and Ms Geetha Padmanabhan who have served the Board for more than nine years. All three of them had obtained shareholders' approval via two-tier voting for their continued appointment as Independent Non-Executive Director at 2021 AGM until the earlier of: (a) his/her retirement or resignation; or (b) the conclusion of the third AGM from 2021 AGM held on 21 December 2021 (i.e. the AGM to be held in year 2024).

The Rule 210 (5) (d) (iii) of the Listing Manual of SGX-ST was removed on 11 January 2023 with immediate effect. The Singapore Exchange Regulation will limit to nine years the tenure of independent director serving on the boards of listed issuers. As a transition, independent director whose tenure exceeds the nine-year limit can continue to be deemed independent until the issuer's next AGM held for the financial year ending on or after 31 December 2023. The Board will comply with this new ruling, limiting the tenure of Independent Directors to nine years.

Notwithstanding the above, the three Independent Non-Executive Directors are either set to resign or take on a new designation next year. Meanwhile, efforts are underway to find suitable replacements through a search process.

Provision 2.2 - Proportion of Independent Non-Executive Directors

The Company endeavours to maintain a strong independent element on the Board with the Independent Non-Executive Directors making up at least one-third of the Board. In view of this, the current number of Independent Non-Executive Directors complies with Rule 210(5)(c) of the Listing Manual of SGX-ST, which requires the Board to have at least one-third of the Directors who are independent and free of any material business or financial connection with the Company.

In addition, the Independent Non-Executive Directors do not need to make up a majority of the Board, as the Chairman is an Independent Non-Executive Director.

Provision 2.3 - Proportion of Non-Executive Directors

Under the 2018 Code, Non-Executive Directors should make up a majority of the Board. Our Chairman is independent and with a majority of Non-Executive Directors on our Board, the requirements of the 2018 Code are well met.

Provision 2.4 - Board Composition, Size and Diversity

The Board, through the NC, reviews from time to time the size and composition of the Board, with a view to ensure that the size of the Board is appropriate and that the Directors provide diversity to the Board in terms of their skills, expertise, and core competencies in order to facilitate effective decision-making taking into account the scope and nature of the Group's operations, and that the Board has a strong independent element.

The Company has a written policy on Board Diversity.

CORPORATE GOVERNANCE

Board Diversity Policy

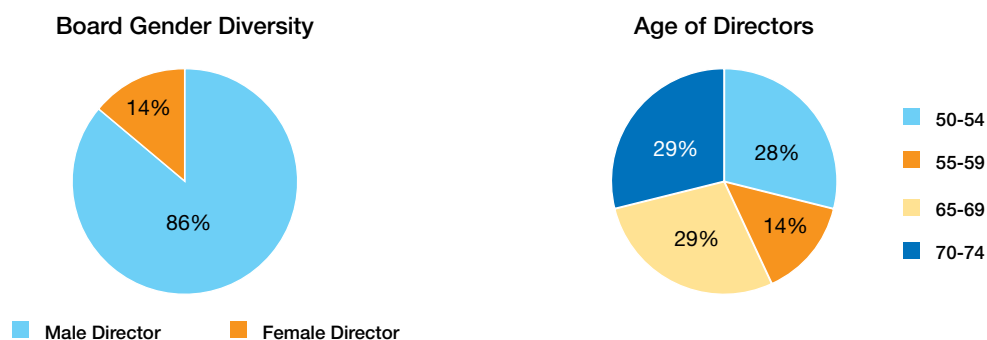
The Company's Board Diversity Policy (the "**Policy**") for the Board has been formulated to assure that the Board is fully diversified and comprises of an ideal combination of Executive and Non-Executive Directors, including Independent Non-Executive Directors, with diverse backgrounds, which is important for effective corporate governance as well as success of the business and the Company as a whole.

A diverse Board will include and make good use of the differences in the skills, knowledge, industry experience, background, age, race, gender and other qualities of the individual members as a whole. It will have a range of views, insights, perspectives, and opinions to improve its decision-making and benefit the company's stakeholders. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Board is of the view that gender is an important aspect of diversity and this has also been included as one of the provisions of the new Constitution adopted by the Company in 2016 which states that at least one of the Directors of the Company must be female. At present, the Board has one female Independent Non-Executive Director, namely Ms Geetha Padmanabhan. Ms Geetha Padmanabhan has been a member of the Board since 2013.

To uphold a well-rounded composition of the Board, the Board has established targets to consistently uphold a majority of independent directors and maintain an overall balance in competencies. These competencies encompass financial and accounting expertise, business or management experience, relevant industry knowledge, as well as legal and industry backgrounds. This strategic approach proves advantageous for the Company and its management, as the Board's decisions and discussions benefit from a diverse range of views and perspectives, enriched by the extensive experience of our Directors. The current Board configuration aligns with the set independence and competency targets. The NC and the Board have implemented various measures to either preserve or enhance this balance and diversity as follows:

- consider the benefits of all aspects of diversity and ensuring that the Board has the right balance of skills, experience and knowledge.
- identify suitable candidates for appointment on merit keeping in mind the benefits of diversity in promoting the success of the Company for the benefit of its shareholders.
- monitor on an annual basis, the implementation of the Policy and report on the Board composition in the Corporate Governance report.

The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process. The NC is also of the view that the Board has a good balance of Directors who have extensive business, financial, accounting and management experience. The NC is satisfied that sufficient time and attention was given by Directors to the affairs of the Group, taking into consideration the Director's number of listed company Board representation and other principal commitments.



CORPORATE GOVERNANCE

Provision 2.5 - Meeting of Non-Executive Director and Independent Non-Executive Directors without Management

The Non-Executive Director and Independent Non-Executive Directors adopt an oversight role to ensure that corporate assets are exclusively utilised for the benefit of the Company and participate actively in the Board meetings. Where necessary, the Independent Non-Executive Directors meet and discuss on the Group's affairs without the presence of Management. During FY 2023, the Non-Executive Director and Independent Non-Executive Directors have met informally at least once without the presence of Management or the Executive Directors to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development, the remuneration of the Directors and key management personnel ("**KMP**") as well as to review any matters that must be raised privately.

Role of Independent Non-Executive Directors

The Independent Non-Executive Directors bring with them a number of advantages, including independence in their views and the ability to bring an outside perspective into the Board meetings.

The Non-Executive Directors led by the Independent Non-Executive Chairman are encouraged to meet, without the presence of the Management, so as to facilitate a more effective check on the Management. They will meet on a need-basis without the presence of the Management to discuss on arising issues.

Further, as a part of their functionality they comment on corporate strategy and on overall supervision of the company, they help to provide effective leadership.

Also, the presence of Independent Non-Executive Directors serves us in bringing about impartiality in the Board as a whole. Such impartiality effectively means that considered advice would be provided and developed for the purposes of steering the company strategy as a whole by the Board of Directors.

To ensure that Non-Executive Directors have sufficient time and resources to discharge their oversight function effectively, the Group has adopted various initiatives. These initiatives include:

- Regular informal meetings are held by the management to brief the Independent Non-Executive Directors on prospective deals and potential developments at an early stage, before formal Board's approval is sought.
- Periodic information papers and board papers on the latest market developments and trends, and key business initiatives are circulated to Independent Non-Executive Directors on a timely basis to afford Directors time to review them.
- The Group has also made available on the Company's premises an office for use by the Independent Non-Executive Directors at any time for them to meet regularly without the presence of the management.

CORPORATE GOVERNANCE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (“CEO”)

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1 and 3.2 - Roles of the Chairman and CEO

The roles of the Chairman and CEO are kept separate to ensure that there is an appropriate balance of power and authority, and that accountability and independent decision making are not compromised.

Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar is the CEO of the Group while Dr Ahmad Bin Mohamed Magad had been appointed as the Independent Non-Executive Chairman on 31 August 2020. The Board unanimously elected Dr Ahmad Bin Mohamed Magad, as its Chairman with effect from 31 August 2020. This decision was taken in line with corporate governance best practices and the 2018 Code's recommendation that the Chairman and the CEO should be separate persons. The Chairman and the CEO are not related.

The Chairman is responsible for the effective functioning of the Board and exercises control over the quality, quantity and timeliness of information flow between the Board and Management and effective communication with shareholders. In addition, the Chairman encourages constructive relations among the Directors and the Board's interaction with Management, as well as facilitates effective contribution of Non-Executive Directors. The Chairman's responsibilities in respect of the Board proceedings include:-

- a. in consultation with the CEO, setting the agenda (with the assistance of the Company Secretary and his/her representatives) and ensuring that adequate time is available for discussion of all agenda items, in particular, strategic issues;
- b. ensuring that all agenda items are adequately and openly debated at the Board meetings;
- c. ensuring that all Directors receive complete, adequate and timely information; and
- d. assisting in ensuring that the Group complies with the 2018 Code and maintains high standards of corporate governance.

The Chairman, Dr Ahmad Bin Mohamed Magad as Independent Non-Executive Director exercises objective judgment on corporate matters impartially. The Chairman is available to shareholders where they have concerns and for which contact through the normal channels of the CEO or the Financial Advisor has failed to resolve or is inappropriate.

As the CEO, Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar plays a vital role in assisting the Board to develop policies and strategies and ensuring that they are implemented effectively, casting values with his exhaustive knowledge of business and industry. He ensures that decisions on important matters are made after extensive deliberation and in consultation with the entire Board. With assistance by the various functional directors and senior management, the CEO manages and is responsible for the Group's day-to-day operations and business. He also engages in constructive communication with shareholders at the General Meetings.

All the Board Committees are chaired by Independent Non-Executive Directors and at least half of Board consists of Non-Executive Directors. The Chairman also facilitates the effective contribution of Non-Executive Directors and promotes high standards of corporate governance. The scope and extent of the Chairman's and the Board's responsibilities and obligations have been expanding due to the increased focus on corporate governance, risk management, regulation and compliance.

Provision 3.3 - Lead Independent Director

The Company did not appoint a lead independent director, as the Chairman, Dr Ahmad Bin Mohamed Magad is an Independent Director and the Chairman and the CEO are not immediate family members.

CORPORATE GOVERNANCE

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2

Nominating Committee (“NC”) Composition

The NC, regulated by a set of written terms of reference, comprises of three members, all of whom are Independent Non-Executive Directors. Please refer to page 29 of the Annual Report for information regarding the names of the members and the composition of the NC. The quorum for the NC meeting is two. The NC meets at least once a year to discuss and carry out their duties.

The NC was established for the purpose of ensuring that there is a formal and transparent process for all board appointments.

Roles and Duties of NC

The NC’s principal functions include the following:

A. Review and recommend to the Board on key executive and all Board appointments

The Board has established the NC, which makes recommendations to the Board on all appointments to the Board and Board Committees. The NC seeks to ensure that the composition of the Board provides an appropriate balance and diversity of skills, experience, gender and knowledge of the industry and that the Directors, as a Group, have the necessary core competencies relevant to the Group’s business. The NC has put in place a formal process for the selection of new Directors to increase transparency of the nominating process in identifying and evaluating nominees for Directors. The NC leads the process and makes recommendations to the Board as follows:

- a. Evaluates the balance of skills, knowledge, diversity and experience on the Board and, in the light of such evaluation and in consultation with management, determines the role and the desirable competencies for a particular appointment.
- b. External help (for example, SID, search consultants, open advertisement) may be used to source for potential candidates if need be. Directors and management may also make recommendations.
- c. Recommends and arranges Board members to meet up with the short-listed candidates to assess suitability and to ensure that the candidates are aware of the expectations and the level of commitment required.
- d. Devise a policy on Board diversity and to carry out a process for evaluating the performance of the Board, its Board Committees and the contributions of each Director.
- e. Review the Board succession plans for Directors, in particular, the Chairman.

CORPORATE GOVERNANCE

Provision 4.3 - Nomination and Selection of Directors

As part of nomination and selection process of new Directors, the NC identifies the key attributes that an incoming Director should possess, based on a matrix of the attributes of existing Board and the requirements of the Group. All new appointments are subject to the recommendation of the NC based on the following objective criteria:

1. Integrity
2. Personal, professional or business standing and the independent mindedness to evaluate new information, while still maintaining ability to learn from past
3. Diversity – Possess core competencies that meet the needs of the Company and complement the skills and competencies of the existing Directors on the Board
4. Able to commit time and effort to carry out duties and responsibilities effectively – proposed Director is on not more than five listed Company Boards
5. Proven track record in collaborating with leaders to develop a business benefiting strategy
6. Qualification, expertise and experience of the Directors in their respective fields such as expertise or experience in relevant business, International Markets, Leadership, Risk Management and Strategic Planning etc.
7. Financially literate, effective coach and a great mentor
8. Principal time commitments like full time occupation, consultancy work, committee work, Non-listed company Board representations and directorship and involvement

The Chairman in consultation with the NC proposes new Directors to be appointed to the Board or seeks the resignation of Directors. Any potential conflict of interest is also taken into consideration.

The Group also releases announcements on the appointment or cessation of Directors via SGXNET.

B. Review and recommend to the Board on re-elections and re-appointments

The NC is also charged with the responsibility of re-nomination having regard to the Director's competencies, commitment, contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of the Individual Director by his peers. The NC also strives to strike a balance between appointing a new Director and re-electing an existing Director with specific basis for retaining long standing Director.

Regulation 107 of the Company's Constitution requires one-third of the Directors, or the number nearest to but not less than one-third, to retire by rotation at every annual general meeting ("**AGM**"). All directors are required to retire from office at least once every three years and submit themselves for re-election by the shareholders at the AGM pursuant to Rule 720(5) of the Listing Manual of SGX-ST. A newly appointed Director must submit himself for re-election under Regulation 111 of the Company's Constitution at the AGM immediately following his appointment.

The NC has recommended to the Board that Dr. Ahmad Bin Mohamed Magad, Mr. Tan Lye Heng Paul and Ms. Geetha Padmanabhan (collectively, the "**Retiring Directors**") be nominated for re-election at the upcoming AGM. In making the recommendation, the NC had considered each of the Retiring Directors' contribution and performance to the Board and the Group. The Retiring Directors, being the members of the NC, have each abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their own performance or re-election as a Director.

CORPORATE GOVERNANCE

The Company has received consent from retiring directors that they wish to seek re-election as a Director of the Company at the forthcoming AGM. Dr Ahmad Bin Mohamed Magad will, upon re-election as a Director, remain as Independent Non-Executive Chairman, Chairman of NC, member of AC and RC. Mr Tan Lye Heng Paul will, upon re-election as a Director, remain as Independent Non-Executive Director, Chairman of RC, member of AC and NC. Ms Geetha Padmanabhan will, upon re-election as a Director, remain as Independent Non-Executive Director, Chairman of AC, member of RC and NC.

Details of the Retiring Directors seeking for re-election at the upcoming AGM are set out on pages 60 to 65 of the Annual Report in compliance with the Rule 720(6) of the Listing Manual of SGX-ST.

The Board (with the concurrence of the NC) has determined that Mr Tan Lye Heng Paul, Dr Ahmad Bin Mohamed Magad and Ms Geetha Padmanabhan continue to remain objective and independent-minded in Board deliberations. Their vast experience enables them to provide the Board and the various Board Committees, with pertinent experience and competence to facilitate sound decision-making and that their length of service does not in any way interfere with their exercise of independent judgment nor hinder their ability to act in the best interest of the Company.

Where, by virtue of any vacancy in the membership of the NC for any reason, the number of members of the NC is reduced to fewer than three (or such other number as may be determined by the SGX-ST), the Board shall, within three months thereafter, appoint a sufficient number of new members to the NC. The newly appointed member should hold office for the remainder of the term of office of the member of the NC in whose place he or she is appointed.

From time to time, the NC will review the appropriateness of the Board with regard to structure, size and composition, considering the changes in the nature and scope of operations as well as the regulatory environment.

Alternate Director

The Company may appoint alternate Director if the circumstances so warrant. All appointments and removals of alternate Directors shall be effected in writing under the hand of the Director making or terminating such appointment left at the Office. No person shall be appointed the alternate Director for more than one Director. No Director must act as an alternate Director. The Company does not have any Alternate Director on the Board.

Provision 4.4 - Continuous Review of Directors' Independence

C. Determine the independent status of the Independent Non-Executive Directors annually

The task of assessing the independence of Directors is delegated to the NC. The NC reviews the independence of each Director annually, as and when circumstances require.

Every year, each Director is required to complete a Director's Independence Checklist to confirm his/her independence. The Checklist is drawn up based on the guidelines provided in the code of Corporate Governance.

Each Director must confirm in the Checklist whether he/she considers himself/herself independent despite not having any relationships identified in the code of Corporate Governance.

Thereafter, NC reviews the checklist completed by each Director, assess the independence of the Directors and recommends its assessment to the Board.

CORPORATE GOVERNANCE

In accordance with the requirements of the 2018 Code, the NC has reviewed the status of the Independent Non-Executive Directors and is of the view that they are in compliance with the 2018 Code's definition of independence.

Provision 4.5 - Directors' Commitments

D. Decide whether a Director who has multiple Board representations is able to and has been adequately carrying out his duties as Director of the company

All Directors are required to declare their Board representations. In case if a Director has multiple board representation, the NC will review whether the Director is able to adequately carry out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that Dr Ahmad Bin Mohamed Magad, Ms Geetha Padmanabhan and Mr Tan Lye Heng Paul, who sit on multiple boards, have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Directors of the Company, notwithstanding their multiple board appointments.

The maximum number of listed company Board representations that a Director in full-time employment may hold is five (5) and all Directors have complied. The NC may consider for the Board's approval, a Director holding more than five Directorships in listed companies if he or she is not in full-time employment or retired.

However, a Director who holds more than five (5) listed company representations should be rigorously assessed by the Board to ensure that sufficient time and attention is given to the affairs of each company and he or she is able to and has been adequately carrying his/her duties as a Director of the Company.

E. Review and make recommendations to the Board on relevant matters relating to the succession plans of the Board

Succession planning is an important aspect of the governance process. Currently, there is a succession plan put in place by the CEO. Going forward and at the relevant time, the NC will look into such plan in close consultation with the CEO.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he or she is interested.

Key information regarding the Directors, including their appointment dates, date of last re-appointment as a Director, relationships between the Directors (if any), current and past 3 years' directorships or chairmanships held in public companies the securities of which are listed on any securities market in Singapore and other principal commitments, if any, are set out in the section entitled "Board of Directors" on pages 4 to 7 in this Annual Report. In addition, information on shareholdings (if any) held by each Director in the Company can be found on page 83 of this Annual Report.

CORPORATE GOVERNANCE

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2 - Performance Criteria

A review of the Board's performance is conducted by the NC annually to assess its effectiveness and reporting to the stakeholders. The NC has implemented a process for assessing the effectiveness of the Board as a whole, its Board Committees and for the contribution by the individual Directors to the effectiveness of the Board considering qualitative measures such as setting of strategic decisions and achievement, quality of risk management and adequacy of internal controls.

The NC oversees the annual assessment, during which Directors utilise the Board Performance Evaluation Questionnaire to express their perspectives on different facets of Board performance, including Board composition, information and processes. Both the NC and the Board believe that a separate evaluation of the effectiveness of the Board Committees is not necessary. This is because the Board Committees have overlapping members, and the Questionnaire incorporates a section dedicated to assessing the performance of each Board committee.

In addition, the Directors also complete a Board Assessment Checklist to be returned to the NC chairman for evaluation. The key objective of the evaluation exercise is to obtain constructive feedback from each Director to continually improve the Board's performance. Individual evaluation aims at determining whether each Director contributes effectively and demonstrates commitment.

The performance criteria do not change from year to year. During the year, every Director had completed and submitted the Questionnaire to the NC for evaluation.

The NC has noted that its members have contributed significantly in terms of time, effort and commitments during FY2023.

Taking into account the results of the assessment of the effectiveness of the Board and of the individual Directors and the respective Directors' conduct on the Board, the NC is satisfied that all the Directors have adequately carried out their duties as Directors. Nonetheless, replacement of a director, when it happens, does not necessarily reflect the director's performance or contributions to the Board, but may be driven by the need to align the Board with the medium or long term needs of the Group.

For FY2023, no external facilitator has been engaged to perform the Board assessment process. Where relevant and when the need arises, the NC will consider such an engagement.

CORPORATE GOVERNANCE

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions 6.1, 6.2 and 6.3

Remuneration Committee ("RC") Composition

Please refer to page 29 of the Annual Report for information regarding the names of the members and the composition of the RC. The RC comprises three members, all of whom, including the Chairman are independent. The quorum for the RC meeting is two. The RC meets at least once a year to discuss and carry out their duties.

Roles and Duties of RC and Remuneration Framework

The RC is responsible for ensuring a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual Directors, KMP and any employee who is related to a Director or substantial shareholder of the Group. The members of RC carried out their duties in accordance with the terms of reference which include the following:

1. Review and recommend the remuneration packages of the Executive Directors, CEO and KMP of the Company and to review the appropriateness of compensation for Non-Executive Directors including but not limited to Directors' fees, allowances and share options.
2. Review the fixed as well as the variable components of the remuneration packages for all the Directors and KMP.
3. Review and recommend salary adjustments and bonuses of the CEO and KMP at each year end.
4. Determine a level and model of remuneration and benefits policies and practices of the Company, including the long-term incentive schemes on yearly basis. The performance of the Company and that of individual employees would be considered by the RC in undertaking such reviews.
5. Review the Group's obligations arising in the event of termination of the Executive Directors' and KMP's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. For FY2023, there were no terminations, retirement or post-employment benefits granted to Directors and key management personnel other than the standard contractual notice period termination payment in lieu of service.
6. Review the development of senior staff and assesses their strengths and development needs based on the Group's leadership competencies framework, with the aim of building talent and maintaining strong and sound leadership for the Group.

The RC will ensure that the remuneration package of employees who are immediate family members of a director are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

Whilst the RC reviews the fees payable to Non-Executive Directors to be recommended for shareholders' approval at the AGM, no member of the RC may by himself or herself decide on his or her own remuneration.

Each member of the RC abstains from voting on any resolutions and making any recommendation and/or participating in discussion regarding his or her own remuneration package or on matters in which he or she is interested.

CORPORATE GOVERNANCE

Provision 6.4 - Engagement of Remuneration Consultants

In determining the Group's remuneration policy above, the RC from time to time may seek advice from external remuneration consultants specialized in the field of executive remuneration, who are unrelated to the Directors or any organisation they are associated with. The remuneration policy recommended by the RC is submitted to the Board for endorsement. No external consultant was hired during FY 2023.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions 7.1 and 7.3 - Remuneration of Executive Directors and KMPs

The Board is of the view that the current remuneration structure for the Executive Directors, CEO and KMP are appropriate to attract, retain and motivate Directors to provide good stewardship of the Company and KMP (including CEO) to successfully manage the Company for the long term. This is designed to align remuneration with the interests of shareholders and other stakeholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group. The RC believes that fair performance-related pay should motivate good performance and that rewards should be closely linked to and commensurate with it.

In case of Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar (CEO) and Mr Mohamed Hasan s/o Kadir Mohideen Saibu Maricar (Deputy CEO), the variable part of the remuneration is based on a formula approved by the RC and the Board. The formula is based on the Group's profit before tax for the year and excludes items such as fair valuation and/or realized gains or losses of investment properties and long-term securities. For the financial year ended 31 August 2023 the variable remuneration ceilings for Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar and Mr Mohamed Hasan s/o Kadir Mohideen Saibu Maricar were \$1.0 million and \$0.75 million respectively.

The management proposes bonuses for Mr Devnarayanan s/o K.R. Pisharody, who is an Executive Director and also for the KMP based on their individual performance as well as the Group's performance for the year. The RC reviews the proposal and after due deliberation, sets forth the same for the Board's approval.

Executive Directors are not entitled to Directors' fees.

No Director is involved in deciding his or her own remuneration package.

There is no share-based compensation scheme in place for any of the Directors.

The remuneration packages for employees who are related to any Director, CEO or substantial shareholder of the Company and the responsibilities and performance of each such related employee are also reviewed. The RC reviews and recommends the remuneration packages of such related employees for the Board's approval.

CORPORATE GOVERNANCE

Provision 7.2 - Remuneration of Non-Executive Directors

In case of Non-Executive Directors, the fees are a combination of a basic retainer fee plus a variable fee based on the number of meetings attended. The Directors' fees commensurate to their level of contribution taking into account factors such as effort, time spent and their responsibilities, and that the independence of the Non-Executive Directors is not compromised by their compensation. The payment of Directors' fees is subject to shareholders' approval at the forthcoming AGM of the Company.

The RC with the approval of the Board, believes that the existing compensation for Non-Executive Directors adequately reflects their level of contribution, considering factors such as time and effort invested, as well as their respective responsibilities.

Reclaim incentives

The Company has service agreements with all Directors whereby the Directors shall fully indemnify and hold the Company harmless from and against all losses, damages, claims demands, proceedings, actions, costs, expenses, interest and penalties suffered or incurred by the Company arising out of or in connection with the Directors' gross negligence, fraud or dishonesty whether or not in the performance of his/her obligations and/or the breach by the Director of the terms of the Service Agreement.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1 and 8.2 - Remuneration Policy and Criteria

The Company requires disclosure of the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (i) each individual director and the CEO; and
- (ii) at least the top five KMP (who are not directors or the CEO) in bands no wider than \$250,000 and in aggregate the total remuneration paid to these KMP.

The policy and criteria used in setting the level of remuneration is based on various factors including performance of the Group, industry practices and the individual's performance and time commitment, contributions towards achievement of corporate objectives and targets, integrity and accountability.

Remuneration of Directors and CEO

A breakdown showing the level and mix of each individual Director's remuneration payable for FY 2023 is as follows:

Remuneration Bands	Number of Directors		
	2021	2022	2023
\$1,000,000 to \$1,250,000	-	-	-
\$750,000 to \$1,000,000	-	1	1
\$500,000 to \$750,000	2	1	1
\$250,000 to \$500,000	-	-	-
Less than \$250,000	4	5	5
	6	7	7

CORPORATE GOVERNANCE

A summary remuneration table for the Directors for FY 2023:

Name	Remuneration Band	Salary*	Bonus	Fees	Total
	S\$	%	%	%	%
Mr Mohamed Salleh	\$750,000 to \$1,000,000	19.28	80.72	-	100
Mr Mohamed Hasan #	\$500,000 to \$750,000	24.87	75.13	-	100
Mr Dev Pisharody	Less than \$250,000	63.76	36.24	-	100
Dr Ahmad Bin Mohamed Magad	Less than \$250,000	-	-	100	100
Mr Tan Lye Heng Paul	Less than \$250,000	-	-	100	100
Ms Geetha Padmanabhan	Less than \$250,000	-	-	100	100
Mr Deepak Ramchandani	Less than \$250,000	-	-	100	100

Brother of Mr Mohamed Salleh

* The percentage shown is inclusive of employer's CPF contribution

The actual remuneration in terms of salaries, bonus, fees etc. is as shown below:

Directors	Total (\$)
Mr Mohamed Salleh	954,553
Mr Mohamed Hasan	670,958
Mr Dev Pisharody	224,072
Dr Ahmad Bin Mohamed Magad	49,478
Mr Tan Lye Heng Paul	36,677
Ms Geetha Padmanabhan	38,677
Mr Deepak Lakhi Ramchandani	35,677
	2,010,092

No termination, retirement, or post-employment benefits were conferred upon Directors in FY2023. Additionally, directors did not receive any performance shares or options during this period.

Remuneration of Key Management Personnel

A summary remuneration table of 4 executives for FY 2023:

Name	Remuneration Band	Salary*	Bonus	Total
	S\$	%	%	%
Mr Jainulabedeem Raj Mohamed	Below \$250,000	76.46	23.54	100
Mr Azlan Bin Mohd Shafie	Below \$250,000	84.59	15.41	100
Mr Amal Marican	Below \$250,000	77.40	22.60	100
Mr Safie Hussain	Below \$250,000	82.11	17.89	100

*The salary percentage shown is inclusive of employer's CPF contribution.

CORPORATE GOVERNANCE

The annual aggregate remuneration paid to the top four (4) key executives (who are not Directors or the CEO) for FY2023 is. S\$368,620/-.

The Board is of the view that given the sensitive and confidential nature of employees' remuneration and to maintain good morale and a strong team spirit within the Group, detailed disclosure on the remuneration paid to the top key management personnel is not in the best interests of the Company and the Group. Such disclosure would disadvantage the Group in relation to its competitors and may affect adversely the cohesion and spirit of team work prevailing among the employees of the Group.

No termination, retirement, or post-employment benefits were awarded to key management personnel in FY2023. Additionally, none of the key management personnel received performance shares or options, and they were not engaged in the deliberation or determination of their own remuneration.

Provision 8.2 - Remuneration of Substantial Shareholder or Immediate Family Members of Director and CEO

No employee of the Group is a substantial shareholder of the Group or is an immediate family member of a Director, the CEO or a substantial shareholder of the Group and whose remuneration exceeded S\$100,000 during FY2023.

Each member of the RC abstains from voting on any resolutions and making any recommendation and/or participating in discussion regarding his or her own remuneration package or on matters in which he or she is interested.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provisions 9.1 and 9.2

The Board holds accountability to shareholders and ensures that all material information is fully disclosed and available aptly to shareholders in line with statutory and regulatory requirements. The Board provides shareholders with financial statements for the first six months and full financial year within the timeframe in accordance with Rule 705 of the Listing Manual of SGX-ST. The Board aims to furnish a balanced and transparent assessment of the Group's performance, position and prospects for shareholders.

The Management provides the Board with detailed management accounts, operation review, related explanation and any other information on half-yearly basis as per the requirement of Board thus keeping the AC informed of recent changes or development in operations and financials. The AC reviews the financial statements and reports to the Board for approval. The Board then authorizes the release of the results to the SGX-ST.

The Board ensures timely and full disclosure of material corporate developments to shareholders and also reviews legislation and regulatory compliance reports from management to make sure that the Group complies with relevant regulatory requirements.

In compliance with the Listing Rules, the Board provides a negative assurance statement to the shareholders in its financial results announcements every 6 months, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements to be false or misleading in any material aspect. The Company has procured undertakings from all Directors and Executive Officers in compliance with Rule 720(1) of the Listing Rules of SGX-ST.

CORPORATE GOVERNANCE

Risk Management and Internal Controls

Every business is exposed to various types of risk which will not be favorable for the Group's smooth and lucrative performance and for its efficiency in achieving the stated objectives. Hence, the Company regularly assesses and refines its business and operational activities to identify areas of significant business risks as well as undertakes suitable measures to get hold of and mitigate these risks. As and when required or on the recommendation of the AC, the Company may engage a third party to conduct risk assessment audit. In FY 2023, Baker Tilly Consultancy (Singapore) Pte Ltd has conducted a review of the group's risk management system and reported to the AC. The Company also reviews all significant control policies and procedures and highlights all significant matters to the AC and Board.

Risk Management (Listing Rule 1207(4)(b)(iv))

The Board is currently assisted by the AC and management in carrying out its responsibility of overseeing the Group's risk management framework and policies.

As the Group's equities investments is substantial, the Board established an Investment Committee in FY 2022 which functions within clearly defined guidelines stated in the terms of reference. The IC comprises of 4 members, two of whom are also the Board Members. Mr Deepak Lakhi Ramchadani (Non-Executive Director) is the Chairman of IC and Mr Mohamed Salleh (Founder & CEO) is a member of the IC. The other two members are individuals with extensive experience in the Securities Investment field.

The main responsibility of the members of the IC (excluding the CEO), is to guide and advise the Management Executives in their decision making with respect to the Group's investments on a quarterly basis or as so required.

In making decisions regarding investment in financial instruments, the executive directors have a written policy whereby before making any investment decision, they inform the Independent Directors on the details of investment to be made. Thereafter, the concerns of the ID's if any, related to that particular investment is addressed and on receiving an approval from the ID's, the Executive Directors take the next step. This assists in risk management and ensures proper internal controls are in place.

The Board, with the assistance from the AC, is responsible for the governance of the risk by ensuring that management maintains a sound system of risk management and Internal controls to safeguard shareholders' interest and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

Internal Controls

The AC reviews the adequacy of the internal audit function annually and ensures that the internal audit function is properly resourced and has appropriate standing within the Company. The internal auditors Baker Tilly Consultancy (Singapore) Pte Ltd, reviewed the effectiveness of the Group's key internal controls, highlighting on any significant areas of improvement or material non-compliance together with remedial measures and reported to the AC. The AC reviews the internal auditors' reports, implementation of their suggestions and overall effectiveness of the Group's internal controls. The AC, and finally, the Board reviews the effectiveness of the Group's system of internal controls put in place to address the key financial, operational, compliance risks and information technology controls affecting the operational activities.

The Board has received assurance from the CEO and the Finance Advisor that to the best of their knowledge:-

- The financial records of the Company and its subsidiaries have been properly maintained and the financial statements for FY 2023 give a true and fair view of the Group's operations and finances.

CORPORATE GOVERNANCE

- The CEO, Finance Advisor and key management personnel responsible for risk management and internal control systems have also provided their confirmation that, as at 31 August 2023, the Group's risk management and internal controls system in place are adequate and effective in addressing the material risk in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Based on the audit reports and management controls in place, work performed by the internal and external auditors and said assurances received, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 August 2023 in its current business environment. In accordance with Rule 1207(10) of the Listing Manual of SGX-ST, the Board believes that there were no material weaknesses identified in the Group's internal controls or risk management systems during FY2023.

All the audit findings and recommendations made by the Internal and external auditors are reported to the AC and significant findings are discussed at the AC meetings. The Group's internal audit functions follows up on all recommendations to ensure timely remediation of audit issues and reports the status to the AC every six months.

"Whistleblower" Policy

As part of the Company's diligent effort to ensure that sound corporate governance practices are being adopted, the Company has also implemented a "Whistleblower" Policy to empower employees, suppliers, tenants and customers to voice their grievances and/or to raise their concerns involving the Company without any fear or repercussions. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation. The whistle blowing policy is communicated to all staff and covered during staff trainings. The Chairman is in charge of managing this specific area.

The Group undertakes to investigate complaints of suspected fraud and unethical undertakings in an objective manner and has put in place, with the AC's endorsement, arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective for such arrangements is to build up independent and transparent investigation of matters raised and to allow appropriate actions to be taken.

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Group will treat all information received confidentially and protect the identity and the interest of all whistleblowers. Anonymous disclosures will be accepted and anonymity honoured. To further strengthen its Whistleblower Policy, the Company has implemented a strong deterrent by offering a cash reward to any person whether employees, suppliers, business associates or the general public who provides specific, reliable and credible information or evidence of fraudulent activities by any of the Company's Executive Director and Management team as listed in the Company's Annual Report (\$50,000/- cash reward) and all other employees (up to \$2,000/- cash reward) which leads to admission of guilt by the accused or leads to successful prosecution.

The AC also reviewed the adequacy of the whistle blower arrangements instituted by the Group through which staff and external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

All cases reported are objectively investigated and appropriate remedial measures are taken where warranted. All whistle blowing matters are reviewed twice in a year by the AC.

CORPORATE GOVERNANCE

The policy is communicated via the Company's website. On an ongoing basis, the whistle-blower policy is covered during staff training and periodic communication to all staff as part of the Group's efforts to promote awareness of fraud control. Further, any staff member having any specific concerns can contact the Independent Non-Executive Chairman directly through email at a.magad@outlook.com.

Fraud Prevention Officer ("FPO")

As part of a continuous effort to improve the controls and also to send a clear message to every employee and stakeholder that the management has zero tolerance for fraud, Mr Mohamed Salleh, the CEO himself is appointed as FPO. The management has put in place a policy highlighting severe consequences for the person committing fraud which will serve as a deterrent and prevent fraud to a great extent.

The principal functions of the FPO include the following:

1. Maintain Company's Whistleblower Policy
 - a. Suppliers & Business Associates

Ensure updated policy & advisory letter given to and acknowledged by all suppliers & business associates, both local & overseas who has any form of dealings with the company. This is to be translated in the language they best understand.
 - b. Employees

Ensure updated policy given and acknowledged by all employees. This is to be translated in the language they best understand.
 - c. Reminders

Ensure reminders are sent out to suppliers & business associates and employees on a yearly basis. To maintain a report on the reminders.
 - d. Continuous Implementation

Ensure that the Whistleblower Policy is continually implemented.
2. To pinpoint fraudulent activities on transactions done with the company to prevent losses and to report immediately / soonest possible any suspicions of fraud to the Chairman & AC and to update on progress of the investigation. Ensure all investigations are carried out independently and objectively in an unbiased manner.
3. To submit reports on a half yearly basis to AC. Report includes:
 - a. Updates on issuance of Whistleblower Policies
 - b. Updates on issuance of Advisory letter to suppliers/bankers/tenants/business associates
 - c. Updates on reminders issued to suppliers /bankers/tenants/business associates & employees
 - d. Updates on compliance to the recommendations of External & Internal Auditors.
4. The FPO may delegate his work but not his responsibilities to others within the organisation.

To further improve and strengthen its Corporate Governance, the Company has included an indemnity clause to protect itself from avoidable losses. As such, with effect from 1 January 2012, all Executive Directors and Key Management personnel of the Group had their Service Agreement renewed whereby they indemnify the Company; all losses incurred arising out of or in connection with any gross negligence, fraud or dishonesty committed.

CORPORATE GOVERNANCE

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1, 10.2 and 10.3

AC Composition

Please refer to page 29 of the Annual Report for information regarding the names of the members and the composition of the AC. The AC comprises three members, all of whom, including the Chairman, are Independent Non- Executive Directors. All three members of the AC have relevant accounting and financial management expertise and experience. The Chairman of the AC is a qualified Chartered Accountant. The quorum for the AC meeting is two.

None of the AC members were previous partners or directors of the Company's existing auditing firm, CLA Global TS Public Accounting Corporation, or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation and none of the AC members hold any financial interest in the auditing firm or auditing corporation.

Roles and Duties of AC

The main responsibilities of the AC are to assist the Board in discharging its statutory and other responsibility relating to four key areas:

- Reviewing financial reporting;
- Reviewing internal control and risk management systems;
- Reviewing internal and external audit processes; and
- Reviewing interested party transactions.

The duties and responsibilities of the AC include those described in the Companies Act 1967 and the 2018 Code. The main responsibilities include:

- (a) conduct a review with the internal and external auditors of the Company, discuss their audit plans, evaluate the system of internal controls and ensure co-operation is given by the Company's management to the internal and external auditors;
- (b) review the interim and annual consolidated financial statements of the Group, related announcements and press releases before they are presented to the Board;
- (c) review with the management, external and internal auditors the adequacy and effectiveness of the system of the Company's risk management, internal controls, business and service systems and practices;
- (d) review related and interested party transactions ("**IPT**");
- (e) review the functioning of whistle blower mechanism;
- (f) make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditors;
- (g) meet at least once annually with the external auditors and internal auditors without the presence of the management;

CORPORATE GOVERNANCE

- (h) inspect significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;
- (i) reviews the assurance from the CEO and CFO on the financial records and financial statements;
- (j) review the adequacy of the Group's internal controls, including financial, operational, compliance and information technology controls at least annually;
- (k) analyze the scope, approach and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditor;
- (l) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- (m) generally undertake such other functions and duties which may be required by statute or the rules of the Listing Manual of the SGX-ST, and by such amendments made thereto from time to time.

The AC may meet with the auditors at any time, without the presence of the Company's management. It may also examine any other aspects of the Company's affairs, as it deems necessary, where such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations.

The AC has power to conduct or authorize investigations into any matters within the AC's scope of responsibility. The AC is authorized to obtain independent professional advice if it deems it necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

External Audit

The AC has full access to and co-operation of the Company's management and has full discretion to invite any Director or executive officer to attend the meetings, and has been given reasonable resources to enable it to discharge its functions. The external auditors regularly update the AC on the amendments to the accounting standards that are of relevance to the Group.

The AC has reviewed the work performed by the external auditors, CLA Global TS Public Accounting Corporation, after taking into consideration the relevant guidelines issued to the AC by the SGX-ST and/or the ACRA.

After taking into consideration the adequacy of the resources and experience of CLA Global TS Public Accounting Corporation (including the audit partner in charge of auditing the Company), the number and experience of supervisory and professional staff assigned to review the Group as well as the Group's size and structure, the AC and the Board are of the view that CLA Global TS Public Accounting Corporation has been able to assist the Company in meeting its audit obligations and the Company is in compliance with Rule 712 of the Listing Manual of SGX-ST.

Also, the Board and the AC have reviewed and are satisfied that the appointment of different auditors for its 100% owned subsidiary in Malaysia would not compromise the standard and effectiveness of audit of the Group. The Company is therefore in compliance with Rules 715 and 716 of the Listing Manual of SGX-ST.

The AC reviews the non-audit services provided by the external auditors. For the financial year under review, CLA Global TS Public Accounting Corporation has provided audit services only. The auditor of the Malaysian subsidiary, Soong and Associates Chartered Accountant, has also provided only audit services. Any non-audit services provided by the auditors are subject to review by the AC and the AC is required to opine if any provision of the non-audit services affect the independence of the auditors. The AC is also responsible for evaluating the cost-effectiveness of audit and ensuring independence and objectivity of the auditors.

CORPORATE GOVERNANCE

The AC had also sought the consent of the auditors for re-appointment and has recommended that the auditors be re-appointed for the ensuing financial year. The Board accepted this recommendation and has proposed resolution for re-appointment.

The AC also reviews the internal audit report and the auditors' management report recommendations. It then ensures that Management has implemented any recommendations to strengthen the internal controls.

The total audit fees for the Group for FY 2023 is S\$92,656 and there is no non-audit fee incurred.

There were no IPT in the financial year under review.

Significant Financial matters

The AC reviewed the financial statements and discussed with management and external auditors the accounting principles that were applied and their judgement of certain items which involve informed assessment.

Significant Matters	How the AC reviewed these matters
Valuation of Investment Properties	<p>Due to the material financial impact and subjectivity in valuation of Investment Properties, the AC reviewed the following:</p> <ul style="list-style-type: none"> (i) Proper classification of the assets under this head as per the prescribed accounting standards. (ii) Valuations of the investment properties done by independent external professional valuer (Colliers International Consultancy & Valuation (Singapore) Pte Ltd). (iii) The competence, independence and relevant experience of the external professional valuer. (iv) Key assumptions and methodologies applied in arriving at the valuations and the consistency thereof. (v) The approach of the statutory external auditor in addressing the judgemental risks in this area of audit especially their direct communications and discussions with the professional valuer.
Financial assets, fair valued through Other Comprehensive Income (FVOCI)	<p>Due to different accounting treatments, the AC discussed with management and emphasised the importance of clear identification and non-mixing of financial assets classified under either FVPL or FVOCI.</p> <p>The AC has reviewed the following:</p> <ul style="list-style-type: none"> (i) the proper classification, consistency and valuation of assets under this asset class. (ii) that gains / losses upon fair valuation as well as upon disposal of these financial assets including any foreign exchange gains/ losses are accounted for in accordance with the prescribed accounting treatments for this asset class. (iii) the auditor's procedures for evaluating the asset classification, accounting treatments as well as the valuation. (iv) the unquoted securities classified under FVOCI, management's valuation thereof, the methodology used by the statutory external auditor for assessing the valuation of the said securities especially their direct communication and discussions with the valuer.

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Valuation of property, plant and equipment	<p>Due to the material financial impact and subjectivity of valuation of freehold land and buildings included under property, plant and equipment, the AC reviewed the following:</p> <ul style="list-style-type: none">(i) the basis and period of classification of properties classified under this head.(ii) valuations of the self-occupied properties done by independent external professional valuer.(iii) The competence, independence and relevant experience of the external professional valuer, Stockers Roberts & Gupta Sdn. Bhd. and Colliers International Consultancy & Valuation (Singapore) Pte Ltd.(iv) Key assumptions and methodologies applied in arriving at the valuation and the consistency thereof.(v) The accounting treatment by the management regarding revaluation adjustment.(vi) The approach of the statutory external auditor in addressing the judgemental risks in this area of audit especially their direct communications and discussions with the valuer.
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Based on AC assessment, we find the work done by the management, Independent external professional valuer and statutory external auditor sufficient and reasonable.

Following the review and discussions, the AC recommended to the Board to approve the full year financial statements.

The above were also areas of focus for the external auditors.

The external auditor has included the above as items under Key Audit Matters in its audit report for the financial year ended 31 August 2023. Refer to pages 86 to 89 of this Annual Report for the auditor's comments.

Provision 10.4 - Internal Audit

The objective of the internal audit function is to provide independent, objective review and recommendations designed to improve the Group's operations. It works to determine the proper functionality of the Group's risk management, control and governance processes, as designed by the Company.

The Group has an in-house internal audit team which regularly reviews the internal controls in place, including financial, operational and compliance controls and risk management and reports to the AC.

In addition, in FY 2023 Baker Tilly Consultancy (Singapore) Pte Ltd was appointed as the internal auditor to carry out an internal audit review of the following business processes of the following activities of the Group:

- Financial Investments
- Cash & treasury management
- Internal review - Sustainability reporting

Baker Tilly Consultancy (Singapore) Pte. Ltd. is a corporate member of the Institute of Internal Auditors of Singapore and carries out their internal audits in accordance with the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA).

CORPORATE GOVERNANCE

There was no significant risk or material weakness in internal controls reported by the internal auditor to the AC for the financial year.

The AC approves the hiring, removal, evaluation and compensation of the Internal Auditors.

The Internal Auditors review the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The Board and the AC are of the view that the internal audit is adequately resourced and has appropriate standing within the Group. Hence, the Board and the AC are of the view that internal audit function is independent, effective and adequately resourced.

The primary role of Internal Audit function is to assist the Board and senior management to meet the strategic and operational objectives of the Group, by providing an independent and objective evaluation of the adequacy and effectiveness of risk management, controls and governance processes. The Group's internal audit approach is aligned with the Group's risk management framework by focusing on key financial, operational, compliance and information technology risks. The annual internal audit plan is established in consultation with, but independent of, management. On an annual basis, the AC reviews the adequacy of the internal audit function to ensure the adequacy and effectiveness of the Group's internal audit function as well as to align it to the changing needs and risk profile of the Group's activities.

During the year, the internal audit team has assisted the Group in maintaining effective control by evaluating the effectiveness and efficiency of processes, in particular the adequacy of internal controls over initiation, processing, recording, authorisation of transactions, physical security controls, user access controls, segregation of duties and performance reviews. The internal audit team also obtained an understanding of how the Group has responded to risks arising from information technology and assessed the adequacy of automated application controls.

The internal auditors have full access to all the Company's documents, records, properties and personnel including access to the AC. The AC is satisfied that internal auditors are adequately (given, inter alia, its adherence to Standards for the Professional Practice of Internal Auditing set by the IIA) resourced, and have the appropriate standing in the Company to discharge their duties effectively.

The professional competence of the internal auditors are maintained or upgraded through training programmes, conferences and seminars that provides updates on auditing techniques, regulations, financial products and services.

All the audit findings and recommendations made by the Internal and external auditors are reported to the AC and significant findings are discussed at the AC meetings. The Group's internal audit functions follows up on all recommendations to ensure timely remediation of audit issues and reports the status to the AC every six months.

Provision 10.5 - Meeting Auditors without the Management

In line with the recommendations of the 2018 Code, in FY 2023 the AC had met with the external and internal auditors, without the presence of the executive board members and the Management.

CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1, 11.2, 11.3 and 11.4 - Shareholders' Participation and Conduct of General Meetings

The Group recognizes the importance of maintaining transparency and accountability to its shareholders. The Group's corporate governance culture promotes fair and equitable treatment of all shareholders and respects shareholders' rights.

The Group is further committed to provide shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

Whilst there is no limit imposed on the number of proxy votes for relevant intermediaries, the Constitution of the Company allow each shareholder to appoint up to two proxies to attend AGMs. Relevant intermediary includes corporations holding licences in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

In addition, the Group strongly encourages shareholder participation during AGM which will be held in Singapore. At the AGM, the shareholders are able to proactively engage the Board and management on the Group's business activities, financial performance and other business related matters. Further, the shareholders have the opportunity to interact with the management and other members of the Board and also share their views or concerns.

The notice of the AGM is dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 or 21 days, as the case may be, days prior to the meeting. The notice of AGM is also advertised in local newspaper on the date of posting for the benefit of the shareholders.

All registered shareholders are invited to participate and given the right to vote on resolutions at general meetings. Proxy form is sent with notice of general meeting to all shareholders. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the AGM.

There is no provision in the Company's Constitution to allow for other absentia voting methods such as by mail, email and fax until security, integrity, legitimacy and other related issues are satisfactorily resolved.

All Directors including the Chairmen of the AC, RC and NC, and the management will normally be present at the AGM to answer any questions relating to the work of these committees. All Directors attended the AGM of the Company held during FY 2023. The external auditors are also present to assist the Directors on any queries on the financial statements.

Due to the COVID-19 situation, the Company's last AGM held on 30 December 2022 ("**2022 AGM**") was held by way of electronic means, through "live webcast" and "audio-only means", pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**COVID-19 Order**"). The notice of AGM was not published in the newspaper, but was instead disseminated to Shareholders through publication on SGXNet and the Company's corporate website, in accordance with the alternative arrangements for holding of the AGM pursuant to the COVID-19 Order. The Company had also published a notice to Shareholders, together with the notice of AGM, detailing the alternative arrangements for the 2022 AGM.

CORPORATE GOVERNANCE

The Board recognizes that voting by poll is integral in the enhancement of corporate governance and leads to greater transparency of the level of support for each resolution. The Board will adhere to the requirements of the Listing Manual where all resolutions are to be voted by poll.

All resolutions tabled at general meetings are on each substantially separate issue and all resolutions at general meetings requiring shareholders' approval are proposed as separate resolutions. Each item of special business included in the notice of the general meetings will be accompanied by full explanation of the effects of a proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings.

Detailed voting results of each of the resolutions tabled are announced on the same day after the meetings. The total numbers of votes cast for or against the resolutions are also announced after the meetings via SGXNet.

Provision 11.5 - Minutes of General Meetings

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and management and such minutes, where relevant will be made available to shareholders upon request during office hours. Beginning from 2019 AGM, the minutes of AGM, which include a summary of substantial and relevant comments or queries from shareholders and responses from the Board and Management, will be available on SGXNet and the Company's corporate website.

Provision 11.6 - Dividend Policy

The Group has a dividend policy of distributing at least 25% of its profits as dividend. Further, the company does intend to pay out dividends every year for as long as the Company remains profitable and the cash flow permits.

The Company had declared and paid out first and final dividend of 1.00 Singapore cent per ordinary share for the financial year ended 31 August 2022. For FY 2023, the Board had proposed first and final dividend of 0.55 Singapore cents per ordinary share, subject to the approval from the Shareholders at the forthcoming AGM.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions 12.1, 12.2 and 12.3 - Investor Relations Practices and Disclosures of Information

The Group is committed to maintaining high standards of corporate disclosure and transparency. The Group values dialogue sessions with its shareholders and believes in regular, effective and fair communication with shareholders and is committed to hear shareholders' views and addressing their concerns. The Company maintains a database of email addresses of shareholders for this purpose. Shareholders interested to be on the mailing list can email at contact@secondchance.com.sg

Material information is disclosed in a comprehensive, accurate and timely manner through press release and corporate website. The Company does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the Listing Manual of the SGX-ST, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group. Price and/or trade sensitive information is first publicly released before the Company meets with any group of investors or analysts.

CORPORATE GOVERNANCE

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the directors or the Management questions regarding the Company and its operations.

The Company website is kept updated and it has a dedicated investor relations (“IR”) section for shareholders’ convenience. Announcements disclosed through SGXNet are also posted on the Company’s corporate website.

The Company conducts its investor relations on the following principles:-

- Information deemed to be price-sensitive is disseminated without delay via announcement on SGXNet;
- Aims to provide comprehensive information in financial results announcements to help shareholders and potential investors make informed decision.

Information required by shareholders to make investment decisions is disseminated on a timely basis through:

- SGXNET announcements and news release;
- Annual Report and/or circulars prepared and issued to all shareholders; and
- Company’s website at www.secondchance.com.sg where shareholders can access information on the Group.

As announced by the Company on 27 February 2020, pursuant to Rule 705(2) of the Listing Manual of SGX-ST, the Board has decided not to continue with the quarterly reporting and instead the Company will announce the financial results on a half-yearly basis. Notwithstanding the foregoing, the Company will comply with its continuing disclosure obligations to keep Shareholders updated as and when appropriate, should there be any material developments (financial or otherwise) relating to the Company or the Group. Announcement of financial results is made within forty-five days after the end of each half financial year and within sixty days after the end of the financial year.

Presently, the Company does not have an investor relations policy or protocol in place nor a dedicated investor relations team. The Company will assess the need to establish an investor policy or protocol or investor relations team as and when it deems necessary. Notwithstanding so, taking into account the communication and dialogue with Shareholders taken by the Company as set out above, the Board is of the view that the Company complies with Principle 12 of the 2018 Code.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principal 13 : The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1 and 13.2 - Stakeholders’ Engagement

The Board recognises the interests of the Company’s internal and external stakeholders are essential as part of value creation for the Group. The Company and the Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products’ standards, as well as to sustain business operations for long-term growth.

The stakeholders have been identified as those who are impacted by the Group’s business and operations and those who are similarly able to impact the Group’s business and operations. Four stakeholders’ groups have been identified through an assessment of their significance to the business operations. They are namely, shareholders, employees, customers and suppliers.

The Company has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders.

Detailed approach to the stakeholder engagement and materiality assessment can be found in the Sustainability Report section in this Annual Report.

CORPORATE GOVERNANCE

The Company has a robust Whistle-blowing policy in place to protect interests of its important stakeholders. The details of the same are mentioned on pages 49 to 50 of the Annual Report.

Provision 13.3 - Corporate Website

The Company maintains a corporate website at www.secondchance.com.sg to communicate and engage with its stakeholders. The website provides annual reports, financial information, stock information, profiles of the Group, and contact details of the investor relations of the Group.

ADDITIONAL INFORMATION

Dealing in Securities

The Company has adopted an internal code on dealings in securities, which has been issued to all Directors and employees setting up the implications on insider trading, in compliance with Rule 1207(19) of the Listing Manual of SGX-ST.

The internal code restrains Directors and employees from getting themselves involved in deals related to Company's securities while in possession of price-sensitive information and during the window period beginning one month before the announcement of the half yearly results and full year results, and ending on the date of the announcement of the respective results. Directors are required to report securities dealings to the Company Secretary who will aid in making the requisite announcements.

In addition, Directors and employees are reminded to observe insider trading laws at all times. The Company's officers are discouraged from dealing in the Company's shares on short-term considerations.

Material Contracts (Listing Rule 1207(8))

Company or any of its subsidiaries has not entered into any such material contracts which involves the interest of CEO or any Director or controlling shareholder during the year under review and till date of this report.

Interested Person Transactions (Listing Rule 907)

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and those transactions, if any, are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. There were no interested person transactions for the financial year ended 31 August 2023.

On a half yearly basis, management reports to the AC on the IPTs.

The AC is satisfied that the Internal controls over the identification, evaluation, review, approval and reporting of IPTs was effective.

Use of Proceeds (Listing Rule 1207(20))

The Board wishes to provide an update on the utilisation of the net proceeds amounting to S\$341,019 raised from the Exercise of the Bonus Warrants. These funds were applied towards debt reduction. An announcement detailing the use of proceeds was issued by the company on March 10, 2023. Please refer to the announcement for more details.

Sustainability Report (Listing Rule 711A and Rule 711B)

Please refer to the sustainability report for FY2023 set out on pages 66 to 81 of this Annual Report for the details of the stakeholder engagement and materiality assessment.

Statement of Compliance

The Board confirms that for the financial year ended 31 August 2023, the Company has generally adhered to the principles and guidelines as set out in the 2018 Code.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Dr Ahmad Bin Mohamed Magad, Mr Tan Lye Heng Paul and Ms Geetha Padmanabhan are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 21 December 2023 (“**AGM**”) (collectively, the “**Retiring Directors**” and each a “**Retiring Director**”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	DR AHMAD BIN MOHAMED MAGAD	MR TAN LYE HENG PAUL	MS GEETHA PADMANABHAN
Date of Appointment	20 December 1996	29 November 2002	1 March 2012
Date of last re-appointment	30 December 2020	30 December 2020	21 December 2021
Age	70	58	50
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“ NC ”) and has reviewed and considered the past contribution, performance and suitability of Dr. Ahmad Bin Mohamed Magad for re-appointment as Independent Non-Executive Chairman of the Company. The Board have reviewed and concluded that Dr. Ahmad Bin Mohamed Magad possess the experience, expertise, knowledge and skills to continue contributing towards the existing businesses and the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the past contributions, performance and suitability of Mr. Tan Lye Heng Paul for re-appointment as Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Mr. Tan Lye Heng Paul possesses the experience, expertise, knowledge and skills to continue contributing to the Company and the Group.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the past contribution, performance and suitability of Ms Geetha Padmanabhan for reappointment as Independent Non Executive Director of the Company. The Board have reviewed and concluded that Ms Geetha Padmanabhan possess the experience, expertise, knowledge and skills to continue contributing towards the existing businesses and core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Chairman, Chairman of Nominating Committee, member of Audit Committee and Remuneration Committee	Independent Non-Executive Director, Chairman of Remuneration Committee, member of Audit Committee and Nominating Committee	Independent Non-Executive Director, Chairman of Audit Committee, member of Remuneration Committee and Nominating Committee

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	DR AHMAD BIN MOHAMED MAGAD	MR TAN LYE HENG PAUL	MS GEETHA PADMANABHAN
Professional qualifications	<p>Doctor of Business Administration (Henley Business School-UK)</p> <p>Master of Business Administration (Henley Business School-UK)</p> <p>Advanced Post Graduate Diploma in Management Consultancy (UK)</p> <p>Ingenieur Grad (Germany)</p> <p>Fellow Member of CPA Australia</p> <p>Fellow Member of Chartered Institute of Marketing, UK</p> <p>Fellow Member Singapore Institute of Directors</p>	<p>Fellow of Institute of Singapore Chartered Accountants</p> <p>Fellow of Association of Chartered Certified Accountants, UK</p> <p>Master of Business Administration, University of Birmingham</p>	<p>Bachelor of Science from Bangalore University, India</p> <p>Chartered Accountant from Institute of Chartered Accountants of India</p>
Working experience and occupation(s) during the past 10 years	<p>Group MD at II-VI Singapore Pte Ltd, II-VI Optics Suzhou Co Ltd and II-VI Vietnam Pte Ltd; Secretary General at Singapore Manufacturing Federation; Executive Director at Management Development Institute of Singapore (MDIS); Lead Independent Director at Propnex Properties</p>	<p>Practising as a Partner in CA Trust PAC and Kreston ACA PAC</p>	<p>Self Owned Firm Synergies</p> <p>July 2013 to April 2021: Managing Director in self-owned firm, SVP Consultants & Advisors</p> <p>April 2003 - January 2012: Group Finance Manager at Second Chance Properties Ltd</p>
Shareholding interest in the listed issuer and its subsidiaries	517,045 shares (direct interest)	29,049 (direct interest)	1,040,052 (deemed interest)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	No	No	No
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	DR AHMAD BIN MOHAMED MAGAD	MR TAN LYE HENG PAUL	MS GEETHA PADMANABHAN
Other Principal Commitments Including Directorships Past (for the last 5 years)	<p>Directorship</p> <ul style="list-style-type: none"> • II-VI Singapore Pte Ltd • II-VI Optics Suzhou Co Ltd • II-VI Vietnam Pte Ltd • Singapore Innovation and Productivity Institute Pte. Ltd. • Singapore PMC Certification Pte. Ltd. • SMF Centre for Corporate Learning Pte. Ltd. • SMF Institute of Higher Learning Pte. Ltd. • SMF Biz Search Pte. Ltd. <p>Other Principal Commitment</p> <ul style="list-style-type: none"> • Workforce Development Agency (Board Member) • National Productivity Council (Council Member) • Manufacturing Sub-Committee of Future Economy Council (Member) • Singapore Manufacturing Federation (Secretary General) • Management Development Institute of Singapore (Executive Director) 	<p>Directorship</p> <ul style="list-style-type: none"> • Sin Ghee Huat Corporation Ltd • China Sunsine Chemical Holdings Ltd <p>Other Principal Commitment</p> <ul style="list-style-type: none"> • Accredited Mediator of The Consumer Association of Singapore (Case) Mediation Panel 	<p>Directorship</p> <p>Ikigai Enablers Pte Ltd</p> <p>Other Principal Commitment</p> <p>Nil</p>
Present	<p>Directorship</p> <ul style="list-style-type: none"> • Propnex Limited • Singapore Environment Council • Stroke Support Station • Justice of the Peace • Salleh Marican Foundation Ltd <p>Other Principal Commitment</p> <p>Nil</p>	<p>Directorship</p> <ul style="list-style-type: none"> • OEL Holdings Ltd • Serial System Ltd • Pollux Properties Ltd • Nexia Singapore PAC • CA Trust PAC • Salleh Marican Foundation Ltd <p>Other Principal Commitment</p> <p>Nil</p>	<p>Directorship</p> <ul style="list-style-type: none"> • Phoenix Consultants and Advisors Private Limited • Salleh Marican Foundation Ltd <p>Other Principal Commitment</p> <p>Nil</p>

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.

	DR AHMAD BIN MOHAMED MAGAD	MR TAN LYE HENG PAUL	MS GEETHA PADMANABHAN
a) Whether at any time during the last 10 years, an application or petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or any time within 2 years from the date he ceased to be a partner?	No	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or whether that entity is the trustee of a business trust, that business trust, on the group of insolvency?	No	No	No
c) Whether there is any unsatisfied judgement against him?	No	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud of dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	DR AHMAD BIN MOHAMED MAGAD	MR TAN LYE HENG PAUL	MS GEETHA PADMANABHAN
f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law of regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– <ul style="list-style-type: none"> i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	DR AHMAD BIN MOHAMED MAGAD	MR TAN LYE HENG PAUL	MS GEETHA PADMANABHAN
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

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SUSTAINABILITY REPORT

1. ABOUT US

Second Chance Properties Ltd was listed on SESDAQ on 24th January 1997. On 2nd March 2004, it was transferred to the Mainboard of Singapore Stock Exchange. Second Chance Properties Ltd. is involved in 4 core businesses which are:

- Property Investment
- Retailing of Apparel
- Retailing of Gold Jewellery
- Investing in Financial Instruments

2. BOARD STATEMENT ON SUSTAINABILITY

The Board of Directors (the “Board”) of Second Chance Properties Ltd. (the “Company”) and together with its subsidiaries (the “Group”) is pleased to present its Sustainability Report for FY 2023 prepared in accordance with the GRI Standards and in compliance with the SGX-ST guidelines on sustainability reporting.

The Board believes in the importance of sustainability reporting and is responsible for considering sustainability issues such as Environmental, Social and Governance factors as part of its strategic formulation. The report seeks to present an accurate and even account of our practices and performance in our quest to be a sustainable, responsible corporate citizen.

The Group acknowledges the significance of preparing climate-related disclosures in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), as advised by SGX-ST. Recognizing the importance of climate reporting, we are actively taking measures to identify relevant climate risks and monitor our greenhouse gas emissions as part of our commitment to environmental responsibility. We are adopting a phased approach to align with TCFD recommendations in reporting on climate-related disclosures. Currently, we are in the process of formalizing procedures to identify, assess, and manage climate-related risks. The roadmap outlined at the end of this report illustrates our phased approach to adopting TCFD disclosures over the next three years.

The Board aims for its businesses and operations to be conducted in a responsible and sustainable manner. The ESG topics in this report reviewed by the Board and Management are assessed to be material and relevant. The Group will continue to take a phased approach to progress along our sustainability journey as we grow our business. We look forward to progressively enhance our sustainability performance to strengthen the growth of our business in the long-term.

The Board would like to express its sincere appreciation to all the stakeholders for the unwavering support to the Group over the years and for joining us on our sustainability journey.

3. ABOUT THE REPORT

3.1 Sustainability Reporting Policy

Second Chance Properties Ltd. is dedicated to sustainability and acknowledges the significance of responsible environmental, social and governance (ESG) practices in its operations. We firmly believe that incorporating sustainability into our business strategy is essential for generating enduring value for our stakeholders. This policy articulates our steadfast commitment to sustainability reporting and also our method for tracking and disclosing our ESG performance.

SUSTAINABILITY REPORT

3.2 Scope and Objectives

Our Sustainability Reporting Policy articulates our dedication to sustainability reporting, outlining our approach and the systematic procedure we employ to report on our sustainability performance. This policy is applicable to all operations and all subsidiaries for which Second Chance Properties Limited (“Second Chance” or together with its subsidiaries, the “Group”) has management control, unless otherwise stated. The key objectives of this policy are:

- Fostering transparency and accountability in our sustainability performance.
- Furnishing stakeholders with timely and precise information regarding our ESG practices.
- Perpetually enhancing our ESG performance and actively contributing to the attainment of the United Nations Sustainable Development Goals.

3.3 Reporting Period and Standard

The reporting period is the same as that of the financial year of the Group (1 September 2022 to 31 August 2023). This report was prepared in accordance with the Global Reporting Initiative (“GRI”) Standards – “Core” reporting requirements. A GRI Index at the end of the report specifies the location of the relevant disclosures.

3.4 Independent Assurance

The ESG performance data presented in the report have mainly been extracted from internal information systems and original records to ensure accuracy. The Group has not sought external assurance for this sustainability report but has relied on internal verification to ensure the accuracy of data.

3.5 Reporting Principles

Our sustainability reporting adheres to the following guiding principles:

- Materiality:** Our reports focus on issues that significantly impact our business operations, stakeholders, and the environment.
- Stakeholder Inclusiveness:** We actively involve stakeholders to understand their sustainability concerns and priorities, incorporating these insights into our reporting.
- Completeness:** Our sustainability performance is reported comprehensively, addressing all material ESG issues relevant to our business.
- Accuracy:** We prioritize the precision and reliability of our sustainability data, employing appropriate measurement and verification methods.
- Comparability:** We utilize recognized sustainability reporting standards and frameworks to facilitate comparisons with other companies and industry peers.

SUSTAINABILITY REPORT

4. FEEDBACK

We are fully committed to our stakeholders and welcome feedback from them with regards to our sustainability efforts as this enables us to improve our policies, systems and results. Kindly address all feedback to contact@secondchance.com.sg. Your feedback is vital to us in achieving our goals to build a sustainable and thriving business. In line with our efforts to promote environmental conservation, there will be no hard copies of this report.

5. GOVERNANCE STRUCTURE

Sustainability is integrated into our business and embedded across various roles and functions. Our governance structure for sustainability reporting is set out as follows:

5.1 Board of Directors

- Defines the company's overall sustainability strategy and objectives.
- Evaluates and authorizes the release of the sustainability report.
- Oversees and assesses the company's sustainability performance and advancements toward established targets.
- Offers guidance and assistance to the management on sustainability matters.

5.2 Management

- Supervises the formulation and execution of the sustainability strategy.
- Formulates policies, programs and initiatives pertaining to sustainability.
- Gathers data and information on sustainability performance and the attainment of goals.
- Communicates progress updates to the Board of Directors.

5.3 Stakeholders

The Group recognises the importance of our stakeholders' interests and expectations in driving the success of our business as well as our sustainability performance. An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business.

The stakeholders of the Group are notably the shareholders, employees, customers and suppliers whose concerns on the environment are always addressed especially on the usage of environmentally friendly products.

Stakeholders	Engagement and Communication channels	Key concerns and expectations	Our Responses and Actions
Shareholders	<ul style="list-style-type: none">• Corporate Website• Group Annual Reports• Annual General Meetings• Half yearly announcements• Regular announcements via SGXnet	<ul style="list-style-type: none">• Increase earning capacity• Improve corporate governance structure	<ul style="list-style-type: none">• Strive towards healthy growth• Establish shareholder communication mechanism• Issue Annual reports and other information on regular basis

SUSTAINABILITY REPORT

Employees	<ul style="list-style-type: none"> • Regular dissemination of information • Open dialogues with employees • Performance appraisal 	<ul style="list-style-type: none"> • Promote career development • Protection of their basic rights and interests • Sense of belonging and recognition • Fair employment practices 	<ul style="list-style-type: none"> • Provide a good working environment • Regular training to employees • Provide avenues for career development • Protection of employee rights and interests
Customers	<ul style="list-style-type: none"> • Email queries • Customer visit to stores 	<ul style="list-style-type: none"> • Providing quality products • Customer rights protection 	<ul style="list-style-type: none"> • Providing quality products • Customer data protection • Promptly addressing customer complaints
Suppliers & Tenants	<ul style="list-style-type: none"> • Email communication • Contracts and agreements 	<ul style="list-style-type: none"> • Promote joint development • Compliance with terms and conditions 	<ul style="list-style-type: none"> • Open communication • Ethical business practices

6. MATERIALITY ASSESSMENT

Material topics have been identified based on both risks and opportunities arising from our business activities, the environmental, social and governance impacts that are most significant to our stakeholders, as well as with reference to our current risk management framework.

In accordance with our Sustainability Reporting Policy, each sustainability factor will be allocated a reporting priority. The reporting priorities are categorized into levels, each accompanied by corresponding descriptions and criteria for reporting.

REPORTING PRIORITY	DESCRIPTION	CRITERIA
I	HIGH	Factors assigned a high reporting priority are reported in detail.
II	MEDIUM	Factors assigned a medium reporting priority are under consideration for inclusion in this report. They may be excluded if deemed immaterial.
III	LOW	Factors assigned a low reporting priority may be reported to fulfil regulatory or other reporting requirements. They are excluded if deemed immaterial.

SUSTAINABILITY REPORT

Our material ESG factors and their reporting priorities are as below:

	MATERIAL FACTOR	MISSION	KEY STAKEHOLDER	REPORTING PRIORITY
SOCIAL				
1	Corporate Social Responsibility	Compassion to all and being socially responsible	Community	I
2	Employment	Focus on people	Employees	I
3	Data Privacy	Uphold trust	Employees, Customers and Tenants	I
4	Customer Satisfaction	Excellent service	Customers	II
ENVIRONMENTAL				
5	Environmental Impact Management	Environmental responsibility	Community, Government and Regulators	III
GOVERNANCE				
6	Business Strategy	Value addition	Shareholders	I
7	Succession Plan	Stability	Shareholders	II
8	Board Diversity	Inclusive and diverse board composition	Regulators	II
9	Investor Relations	Information dissemination	Shareholders	III
10	Whistle Blower Policy	Anti corruption practices	Employees, Suppliers, Tenants and Customers	I

SUSTAINABILITY REPORT

7. MATERIAL FACTORS

7.1 Corporate Social Responsibility

We believe in being a socially responsible corporate citizen by being involved in causes that help the less fortunate. We also encourage our employees, both in Singapore and Malaysia to volunteer their time in charitable causes. In our endeavor to continuously improve our CSR, we have imposed a mandatory Casino Exclusion Order to all Executive Directors and key personnel of the Company.

The Salleh Marican Foundation

From FY 2022, The Salleh Marican Foundation Ltd. has agreed to fund the Group's CSR programmes. The Group's Directors and key personnel have agreed to give their time to support the activities of The Salleh Marican Foundation Ltd.. Donations are made both in cash and kind to the needy. The Foundation has continued granting Bursary Funds to assist and support deserving students pursuing their undergraduate studies in the field of Science, Technology, Engineering and Mathematics (STEM).

7.2 Employment

We believe in fair employment practices as well as upholding human rights principle. In line with this commitment, we continue to promote diversity and equal opportunities at work place. There is no discrimination on the basis of religion, age, ethnicity or gender.

As at 31 August 2023, the Group has in total 37 employees in its retail outlets and corporate office. Of the 37 employees, 43% are female thus ensuring gender diversity.

No incidence of workplace discrimination or grievance was reported in FY 2023.

Covid-19 Compliance

As new Covid-19 variants continue to emerge, we will continue to have precautionary measures in place to provide a safe working environment for our employees.

There were no workplace accidents resulting in death or permanent disability in FY2023. We will continue to ensure that our working environment remains safe for our employees and maintain our workplace safety record.

Employee Remuneration and Benefit

We are of the view that the current remuneration structure for all employees are appropriate to attract, retain and motivate them to manage the business and operations of the Group. In addition to the competitive remuneration offered, the Group has in place a term life and hospital and surgical insurance as well as provision for free annual medical check-up for all its key executive employees.

We recognize the need to stay informed and accordingly both on-the-job and ad-hoc trainings are made available to our employees. We have implemented flexible work arrangements such as working from home and staggered work hours for employees whose roles allow for these arrangements.

7.3 Data Privacy

We are committed to follow and comply with all applicable data privacy laws. Various systems have been put in place so that information related to our customers and employees are protected. Customers can be rest assured that their personal data that are collected are handled and protected in a responsible and secure manner.

Across the Group, we are pleased to announce that there have been zero cases of data breaches identified for FY 2023 and we target to maintain this track record in the future. We strive to uphold the trust that our customers and employees have placed in us and will continue to improve and strengthen our data protection processes and procedures.

SUSTAINABILITY REPORT

7.4 Customer Satisfaction

It is a fact that customer satisfaction can make or break a business. We always emphasize upon the importance of good customer service to all our employees and we continuously provide in house training to employees to ensure excellence in servicing our customers at all times.

7.5 Environmental Impact Management

Our Group is committed to do our best to care for the environment that we operate in. We are constantly assessing how best to invest our resources to make a positive impact on our environment and have carried out the following:

- a) Optimising electricity and water usage in our stores and offices.
- b) Progressively replacing all lighting with energy efficient light fittings. Also, lights are switched off when rooms are unoccupied. We have managed to reduce our energy consumption by almost 60% in FY 2023.
- c) In stages we are replacing all plastic bags with biodegradable bags, which has already been done in our Malaysian operation. In Singapore, we have stopped purchasing new plastic bags.
- d) We have reduced excessive paper usage by adopting measures such as e-filing of documents wherever the option is available instead of printing them. Meeting papers are being reduced and reused by printing on both sides of the page. At the same time, we are recycling our papers and will also cut down any excessive papers used such as filings in our half-yearly meeting files. We have stopped circulating hard copy files for quarterly financial reports and instead use email to communicate the same to all Directors.
- e) In line with Company's corporate social responsibility initiatives and sustainability strategy, we have implemented the use of electronic means of communication for purpose of serving notices to the Company's shareholders and encourage our shareholders to support our sustainability efforts by embracing electronic communications.

As retailers in Gold Jewellery, the electricity usage in Singapore is well controlled. There is no water usage as there are no toilets within the units. Staff and customers use the public toilets within the building where our units are located. In Malaysia, for the building which we own and occupy, we have installed energy efficient light fittings and water efficient sanitary fittings and we constantly keep reminding our employees on the control and avoidance of unnecessary wastage of electricity and water.

Regular practice is conducted for all our employees on the proper usage of fire extinguishers in the building. We also regularly make sure that all extinguishers are in proper working order and ready to be used when required.

We practice and encourage the principle of "Reduce, Reuse & Recycle" of resources such as paper. All employees are encouraged to reuse paper and minimize printing wherever possible.

No fines or non-monetary sanctions have ever been imposed on the Company for non-compliance with environmental laws and regulations.

SUSTAINABILITY REPORT

7.6 Business Strategy

Our strategy to reduce our debt levels over the last few years by consolidating our businesses and gradually selling off our properties is paying off. We have and will continue to utilise the proceeds from the sale of properties to reduce our debts further and also continue to maintain a low gearing level by adhering to a total debt-equity ratio of not more than 0.5.

The Board also has an Investment Committee comprising 4 members, and chaired by a Non –Executive Director. Three of the four members have extensive experience in the securities industry. The Investment Committee meets regularly to review the Group’s Investment Portfolio.

7.7 Succession Plan

The Nominating Committee endorsed a proposal that Mr. Hasan Marican, the Deputy CEO to be the successor to the CEO in any eventuality. Thereafter, he and the Nominating Committee will appoint a Deputy CEO either from the Company or headhunted with a preference of age below 50 years.

After a year or two on the job, this Deputy CEO, if found suitable, will rise to the post of CEO and thereafter Mr. Hasan shall be the Executive Chairman.

This Plan has been further reinforced with a succession team, whereby several executives within the Group, all below the age of 50 years have been earmarked and identified to form the core team that will support the overall Succession Plan. If necessary, recommendations will be made by the Nominating Committee for professionals to be brought to further reinforce the team.

Appropriate training and handover process has been initiated by the current Management team to Mr. Hasan and the other identified executives for their development towards their planned roles.

7.8 Board Diversity

We have maintained a culture of diversity to benefit from a wide talent pool. We have put in place a formal written Board Diversity Policy to ensure an inclusive and diverse Board composition. As part of good governance and to ensure gender diversity, our Company’s constitution stipulates that at any point in time, at least one member of the Board must be a female and this has been duly implemented by the Company.

Furthermore, the Board has knowledge and skills diversity, with two qualified accountants, a Chartered Financial Analyst specializing in capital markets and a Doctor in Business Administration being members of the Board.

7.9 Investor Relations

We manage investors’ expectations and promote a positive investment environment in the following manner:

- i. Annual General Meetings
- ii. SGX Net announcements
- iii. Annual Reports
- iv. Website updates
- v. Investors can request to be on the Mailing List of the Company
- vi. Maintain a database of email addresses of our Investors

SUSTAINABILITY REPORT

7.10 Whistle Blower Policy

As part of the Company's due diligence effort to ensure that sound corporate governance practices are being adopted, the Company has also implemented a "Whistleblower" Policy to empower employees, suppliers, tenants and customers to voice their grievances and/or to raise their concerns involving the Company without any fear or repercussions. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation. The whistle blowing policy is communicated to all staff and covered during staff training sessions. The CEO is in charge of managing this specific area.

The Group undertakes to investigate complaints of suspected fraud and unethical undertakings in an objective manner and has put in place, with the Audit Committee's endorsement, arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective for such arrangements is to build up independent and transparent investigation of matters raised and to allow appropriate actions to be taken.

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Group will treat all information received confidentially and protect the identity and the interest of all whistleblowers. Anonymous disclosures will be accepted and anonymity honoured. To further strengthen its Whistleblower Policy, the company has implemented a strong deterrent by offering a cash reward to any person whether employees, suppliers, business associates or the general public who provides specific, reliable and credible information or evidence of fraudulent activities by any of the Company's Executive Directors and Management team as listed in the Company's Annual Report (S\$50,000/-cash reward) and all other employees (up to S\$2,000/-cash reward) which leads to admission of guilt by the accused or leads to successful prosecution.

The Audit Committee also reviewed the adequacy of the whistle blower arrangements instituted by the Group through which staff and external parties may, in confidence raise concerns about possible improprieties in matters of financial reporting or other matters.

All cases reported are objectively investigated and appropriate remedial measures are taken where warranted. All whistle blowing matters are reviewed monthly/quarterly by the Audit Committee.

The policy is communicated via the Company's website. On an ongoing basis, the whistle- blower policy is covered during staff training and periodic communication to all staff as part of the Group's efforts to promote awareness of fraud control. Further to this, any staff member having any specific concerns can contact the Independent Non-Executive Chairman directly through email at a.magad@outlook.com or via his handphone at +65 9008 6668. During FY 2023, no case was reported under the whistleblower policy.

SUSTAINABILITY REPORT

8. TARGET SETTING

Our sustainability performance targets for the next reporting period FY 2024 are:

	MATERIAL FACTOR	PERFORMANCE MEASURE	PERFORMANCE TARGET (FY 2024)
SOCIAL			
1	Corporate Social Responsibility	Contributions to our communities	Engage communities through various initiatives
2	Employment	Employee satisfaction	No complaints or grievances
3	Data Privacy	Number of cases of data breaches	Zero cases of data breaches
4	Customer Satisfaction	Customer Feedback	Improve customer feedback
ENVIRONMENTAL			
5	Environmental Impact Management	Water consumption Energy consumption Usage of paper	Reduce water and energy consumption. Reduce, reuse and recycle paper
GOVERNANCE			
6	Business Strategy	Gearing ratio	Maintain low gearing ratio
7	Succession Plan	Training and handover process	Have a written succession plan
8	Board Diversity	Gender, age, skill diversity	Work towards inclusive and balanced ratios for gender, age, skill diversity
9	Investor Relations	Frequency of information dissemination	Increased frequency and transparency of communication
10	Whistle Blower Policy	Number of corruption cases	Zero corruption cases

SUSTAINABILITY REPORT

9. PERIODIC REPORTING TO MANAGEMENT AND BOARD

We provide updates on our sustainability performance to both our management and Board, with reporting occurring annually. These reports encompass details about our sustainability strategy, governance, performance, targets, and upcoming initiatives. Additionally, we communicate progress on our material Environmental, Social and Governance (ESG) targets and conduct evaluations of our performance. This reporting practice ensures the seamless integration of sustainability into our business decision-making processes.

10. EXTERNAL REPORTING FREQUENCY

We report on our sustainability performance annually, and the report is made available to all stakeholders through our website and other communication channels.

11. GRI STANDARDS CONTENT INDEX

Statement of Use Second Chance Properties Ltd. has reported in accordance with the GRI Standards for the period 1 September 2022 to 31 August 2023
 GR1 Used GRI 1: Foundation 2021

GRI Standard	Disclosure	Reference	Page
GRI 2: General Disclosures 2021			
	2-1 Organizational details	SR: About Us	67
	2-2 Entities included in the organisation's sustainability reporting	SR: Scope and Objectives	68
	2-3 Reporting period, frequency and contact point	SR: Reporting period and scope, External reporting	68, 77
	2-4 Restatements of information	Not Applicable	
	2-5 External assurance	SR: Independent Assurance	68
	2-6 Activities, value chain and other business relationships	SR: Governance Structure	69
	2-7 Employees	SR: Employment	72
	2-8 Workers who are not employees	Not Applicable	
	2-9 Governance structure and composition	SR: Governance Structure, Annual Report 2023: Corporate Governance Report	69, 32
	2-10 Nomination and selection of the highest governance body	Annual Report 2023: Corporate Governance Report	39, 40
	2-11 Chair of the highest governance body	Annual Report 2023: Corporate Governance Report	37
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report 2023: Corporate Governance Report	37

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Reference	Page
	2-13 Delegation of responsibility for managing impacts	Annual Report 2023: Corporate Governance Report	29
	2-14 Role of the highest governance body in sustainability reporting	SR: Governance Structure	69
	2-15 Conflicts of interest	Annual Report 2023: Corporate Governance Report	27
	2-16 Communication of critical concerns	SR: Governance Structure	69
	2-17 Collective knowledge of the highest governance body	Annual Report 2023: Corporate Governance Report	28
	2-18 Evaluation of the performance of the highest governance body	Annual Report 2023: Corporate Governance Report	42
	2-19 Remuneration policies	Annual Report 2023: Corporate Governance Report	43, 44
	2—20 Process to determine remuneration	Annual Report 2023: Corporate Governance Report	44, 45
	2-21 Annual total compensation ratio	Unable to disclose due to confidentiality constraints.	
	2-22 Statement on sustainable development strategy	SR: Board's Statement on Sustainability	67
	2-23 Policy commitments	SR: About the Report	67
	2-24 Embedding Policy commitments	SR: About the Report	67
	2-25 Processes to remediate negative impacts	SR: About the Report	67
	2-26 Mechanisms for seeking advice and raising concerns	SR: About the Report	67
	2-27 Compliance with laws and regulations	SR: About the Report	67
	2-28 Membership associations	None	
	2-29 Approach to stakeholder engagement	SR: Stakeholders	69, 70
	2-30 Collective bargaining agreements	None of the Group's employees are covered under any collective bargaining agreements	

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Reference	Page
GRI 102: GENERAL DISCLOSURES			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR: Materiality Assessment	70, 71
	3-2 List of material topics	SR: Materiality Assessment	70, 71
	3-3 Management of material topics	SR: Materiality Assessment	70, 71
TOPIC-SPECIFIC STANDARDS			
GRI 205 Anticorruption 2016	205-3 Confirmed incidents of corruption and actions taken	Annual Report 2023 - Corporate Governance Report	49, 50
GRI 302: Energy 2016	302 -1 Energy consumption within the organisation	SR: Environmental Impact Management	73
	302-4 Reduction of energy consumption	SR: Environmental Impact Management	73
GRI 303: Water and Effluents 2018	303-5 Water consumption	SR: Environmental Impact Management	73
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	SR: Employment	72
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR: Employment	72
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	SR: Employment	72
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR: Data Privacy	72
NON-MATERIAL ISSUES			
Community Non-GRI	Key activities undertaken for the community, including employee volunteerism	SR: Corporate Social Responsibility	72

SUSTAINABILITY REPORT

12. TCFD

Our roadmap for adopting the TCFD disclosures is outlined below:

TCFD Recommendations	Climate -related disclosures consistent with TCFD recommendations		
	FY 2024	FY 2025	FY 2026
Governance			
Describe the board's oversight of climate-related risks and opportunities	We will describe the climate governance structure, including Board's oversight and management's role in managing climate-related risks and opportunities.	Aligned with TCFD recommendations	
Describe management's role in assessing and managing climate-related risks and opportunities.			
Strategy			
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	We will identify the climate-related risks	We will identify the climate-related risks and opportunities across different time horizons.	Aligned with TCFD recommendations
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.		The assessment of the impact of these risks and opportunities on the Group's businesses, strategy, financial planning and scenario analysis will take place.	
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		Different climate-related scenarios will be analysed, including a 2°C or lower scenario.	

SUSTAINABILITY REPORT

TCFD Recommendations	Climate -related disclosures consistent with TCFD recommendations		
	FY 2024	FY 2025	FY 2026
<i>Risk Management</i>			
Describe the organisation's processes for identifying and assessing climate-related risks.	The processes for identifying and assessing climate-related risks will be developed	The processes for identifying, assessing and managing climate-related risks will be developed.	
Describe the organisation's processes for managing climate-related risks.			
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.			Climate-related risks will be integrated into overall risk management
<i>Metrics and Targets</i>			
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Disclose metrics used to assess climate-related risks.	Aligned with TCFD recommendations	
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Disclose Scope 1 and 2 GHG emissions	Disclose Scope 1 and 2 GHG emissions and the related risks	
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.		Describe targets in quantitative terms	Measure performance against targets

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

The directors are pleased to present their statement to the members together with the audited financial statements of Second Chance Properties Ltd (the "Company") and its subsidiary corporations (the "Group") for the financial year ended 31 August 2023 and the balance sheet of the Company as at 31 August 2023.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 August 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Mohamed Salleh s/o Kadir Mohideen Saibu Maricar
Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar
Devnarayanan s/o Kallankarai Ram Pisharody
Geetha Padmanabhan
Ahmad Bin Mohamed Magad
Tan Lye Heng Paul
Deepak Lakhi Ramchandani

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

Directors' interests in shares or debentures

According to the register of directors' shareholdings, the directors holding office at the end of the financial year who has interest in the shares or debentures of the Company or its related corporations, are as follows:

	Holdings registered in the name of director		Holdings in which a director is deemed to have an interest	
	At 31.8.2023	At 1.9.2022	At 31.8.2023	At 1.9.2022
The Company (Ordinary shares)				
Mohamed Salleh s/o Kadir Mohideen Saibu Maricar	650,951,628	649,313,151	7,996,459	9,634,936
Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar	6,300,688	6,300,688	-	-
Devnarayanan s/o Kallankarai Ram Pisharody	4,407,435	4,407,435	-	-
Geetha Padmanabhan	-	-	1,040,052	1,040,052
Ahmad Bin Mohamed Magad	517,045	517,045	-	-
Tan Lye Heng Paul	29,049	29,049	-	-

Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar, who by virtue of his interest of not less than 20% of the issued share capital of the Company, is deemed to have an interest in shares of the Company's subsidiary corporations, all of which are wholly owned, at the beginning and at the end of the financial year.

The directors' interests in the ordinary shares of the Company as at 21 September 2023 were the same as those as at 31 August 2023.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of any options to take up unissued shares of the Company or its subsidiary corporations.

At the end of the financial year, there were no unissued shares of the Company or its subsidiary corporations under option.

Audit committee

The members of the Audit Committee at the end of the financial year were as follows:

Geetha Padmanabhan (Chairman)
Ahmad Bin Mohamed Magad
Tan Lye Heng Paul

All members of the Audit Committee were independent and non-executive directors. The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act 1967 of Singapore. In performing those functions, the Audit Committee reviewed:

- (a) the scope and the results of internal audit procedures with the internal auditor;
- (b) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- (c) the assistance given by the Company's management to the independent auditor;
- (d) the balance sheet of the Company as at 31 August 2023 and the consolidated financial statements of the Group for the financial year ended 31 August 2023 before their submission to the Board of Directors;
- (e) non-audit services performed, if any, by the Independent Auditor to ensure that the nature and extent of such services will not prejudice the independence and objectivity of the Independent Auditor before recommending to the Board;
- (f) transactions falling within the scope of Chapter 9 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual;
- (g) the semi-annually and annual announcement as well as the related press releases on the financial performance and financial position of the Company and the Group; and
- (h) the appointment of the independent auditor of the Group.

The Audit Committee has recommended to the Board that the independent auditor, CLA Global TS Public Accounting Corporation, be nominated for reappointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

Independent auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept reappointment.

On behalf of the directors

Mohamed Salleh s/o Kadir
Mohideen Saibu Maricar
Director

Mohamed Hasan Marican s/o Kadir
Mohideen Saibu Maricar
Director

29 November 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Second Chance Properties Ltd (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 August 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 August 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics Applicable to Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the Key Audit Matters
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Valuation of investment properties

Refer to Note 2.6 and Note 20 to the financial statements

We focused on this area given the significance of its balance as at 31 August 2023 and the involvement of significant judgements on the determination of fair value of investment properties and application of valuation methodology.

Investment properties represent 16.40% of the Group's total assets. Management engaged an independent valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, to perform a combination of full and desktop valuation and determine the indicative values of all the investment properties held as at financial year end. Management has adopted the indicative values determined by the independent valuer as the fair values of the Group's investment properties as at 31 August 2023 which amounted to \$62.01 million. Fair value loss of \$1.03 million was recognised in the Group's consolidated statement of comprehensive income as a result of this valuation exercise.

Our procedures included the following:

We reviewed the valuation of the investment properties to ensure they are carried at appropriate amounts.

We assessed the competency and capabilities of the independent professional valuer and noted that Colliers International Consultancy & Valuation (Singapore) Pte Ltd has good standing in the industry and has relevant expertise and experience in property valuation in Singapore.

We reviewed and discussed with the valuer on the reasonableness of their assumptions used in the computation of fair value.

We assessed that the criteria for properties transferred to properties held-for-sale are in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

We assessed if the investment properties have been properly accounted for in accordance with SFRS(I) 40 *Investment Property*.

We assessed the adequacy of the disclosures on the valuation in the Group's financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Valuation of financial assets at fair value through other comprehensive income ("FVOCI")</p> <p>Refer to Note 2.9 and Note 17 to the financial statements</p> <p>We focused on this area given the significance of its balance as at 31 August 2023 and the involvement of management's judgements for the classification and valuation of the financial assets at FVOCI.</p> <p>As at 31 August 2023, financial assets, at FVOCI for quoted equity securities and unquoted equity investments were valued at \$246.63 million and \$4.03 million respectively, collectively representing 66.31% of the total assets.</p>	<p>Our procedures included the following:</p> <p>We reviewed the basis of management's assessment on measurement of these financial assets for accounting in accordance with SFRS(I) 9 <i>Financial Instruments</i>.</p> <p>We reviewed management's assessment for the classification of the financial assets and the proper accounting treatment on the financial assets.</p> <p>We assessed if the gain/(loss) for the disposal of the quoted equity securities is accounted properly in accordance with SFRS(I) 9 <i>Financial Instruments</i>.</p> <p>We assessed that foreign exchange gain/(loss) are accounted for appropriately in accordance with SFRS(I) 21 <i>Effects of Changes in Foreign Exchange Rates</i>.</p> <p>We have obtained bank confirmations to verify the existence and accuracy of the quoted equity securities.</p> <p>We, together with our internal valuation specialist, assessed the appropriateness of valuation methodologies and reasonableness of assumptions of the unquoted equity investment fund to ensure they are carried at appropriate amounts.</p> <p>We reviewed the accuracy of the information extract by management for the purpose of the fair value of the unquoted equity securities.</p> <p>We assessed the adequacy of the disclosures on the valuation in the Group's financial statements.</p>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Valuation of property, plant and equipment Refer to Note 2.4 and Note 19 to the financial statements</p> <p>Included in the Group's property, plant and equipment are freehold land and building, office unit and shop premises with carrying value of \$23.45 million which represent 6.20% of the Group's total assets as at 31 August 2023. Revaluation loss of \$1.23 million was recognised in the consolidated statement of comprehensive income as a result of this valuation exercise.</p> <p>Freehold land and building are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Building is subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.</p> <p>We focused on this area given the significance of its balance as at 31 August 2023 and the involvement of significant judgements in the determination of revaluation of property, plant and equipment and application of valuation methodology.</p> <p>The valuation of the Group's freehold land and building was derived from the indicative values determined from the combination of full and desktop valuation performed by independent external valuers engaged by the management.</p>	<p>Our procedures included the following:</p> <p>We reviewed the competency and capabilities of the independent professional valuers, Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Stockers Roberts & Gupta Sdn. Bhd. to assess if they have the relevant expertise and experience in property valuation in Singapore and Malaysia.</p> <p>We reviewed valuers' assessment and the reasonableness of the assumptions used in the computation of fair value and revaluation adjustments recognised for the current financial year.</p> <p>We assessed the adequacy of the disclosures on the valuation in the Group's financial statements.</p>

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regards.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Lee Tze Shiong.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
29 November 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	2023 \$	2022 \$
Revenue	4	41,906,419	43,114,955
Cost of sales		<u>(15,760,964)</u>	<u>(19,400,144)</u>
Gross profit		26,145,455	23,714,811
Other gains/(losses) – net	5	4,255,006	(1,524,962)
Expenses			
- Administrative		(3,724,534)	(3,697,492)
- Distribution		(737,248)	(752,244)
- Finance	6	(3,079,567)	(884,105)
- Apparel operating		(248,985)	(248,969)
- Property operating		(917,007)	(862,212)
- Gold and jewellery operating		(137,415)	(158,600)
- Securities operating		(1,309,577)	(669,569)
- Others		-	(7)
		<u>(10,154,333)</u>	<u>(7,273,198)</u>
Profit before income tax		20,246,128	14,916,651
Income tax expense	9	<u>(590,358)</u>	<u>(721,146)</u>
Net profit for the financial year		<u>19,655,770</u>	<u>14,195,505</u>
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	28	<u>(1,128,526)</u>	<u>(654,244)</u>
Items that will not be reclassified subsequently to profit or loss:			
- Revaluation (loss)/gain on property, plant and equipment	28	(178,373)	178,373
- Fair value loss on financial assets, at FVOCI	17	<u>(9,524,269)</u>	<u>(9,110,318)</u>
Other comprehensive loss, net of tax		<u>(10,831,168)</u>	<u>(9,586,189)</u>
Total comprehensive income attributable to equity holders		<u>8,824,602</u>	<u>4,609,316</u>
Earnings per share attributable to equity holders (cents per share)			
Basic earnings per share	10	2.12	1.66
Diluted earnings per share	10	<u>2.12</u>	<u>1.66</u>

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

AS AT 31 AUGUST 2023

	Note	The Group		The Company	
		2023	2022	2023	2022
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and bank balances		273,476	1,144,709	9,688	359,531
Financial assets, at FVPL	11	18,641,871	108,816	-	-
Trade and other receivables	12	531,715	145,884	3,290	8,139
Inventories	13	15,796,021	16,371,394	-	295,929
Other current assets	14	89,640	1,325,648	3,574	739,792
Income tax receivables		67,726	78,645	-	-
		<u>35,400,449</u>	<u>19,175,096</u>	<u>16,552</u>	<u>1,403,391</u>
Properties held-for-sale	15	5,990,000	57,460,000	-	13,750,000
		<u>41,390,449</u>	<u>76,635,096</u>	<u>16,552</u>	<u>15,153,391</u>
Non-current assets					
Amount due from subsidiary corporations	16	-	-	176,293,243	169,789,841
Financial assets, at FVOCI	17	250,662,454	238,010,302	29,325,913	31,043,777
Investments in subsidiary corporations	18	-	-	17,230,912	17,230,914
Property, plant and equipment	19	23,906,400	18,729,498	2,940,005	12,320
Investment properties	20	62,010,000	69,185,000	-	-
Deferred income tax assets	24	30,626	30,626	-	-
		<u>336,609,480</u>	<u>325,955,426</u>	<u>225,790,073</u>	<u>218,076,852</u>
Total assets		<u>377,999,929</u>	<u>402,590,522</u>	<u>225,806,625</u>	<u>233,230,243</u>
LIABILITIES					
Current liabilities					
Trade payables	21	806,906	1,373,018	194,606	227,417
Other payables	22	1,808,368	4,081,022	1,065,524	2,306,185
Borrowings	23	91,531,322	113,032,174	12,130,900	9,581,390
Current income tax liabilities		360,856	663,275	-	-
		<u>94,507,452</u>	<u>119,149,489</u>	<u>13,391,030</u>	<u>12,114,992</u>
Non-current liability					
Deferred income tax liabilities	24	207,624	57,484	1,599	2,094
		<u>207,624</u>	<u>57,484</u>	<u>1,599</u>	<u>2,094</u>
Total liabilities		<u>94,715,076</u>	<u>119,206,973</u>	<u>13,392,629</u>	<u>12,117,086</u>
Net assets		<u>283,284,853</u>	<u>283,383,549</u>	<u>212,413,996</u>	<u>221,113,157</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	174,706,943	174,365,924	174,706,943	174,365,924
Retained profits	27	127,521,466	111,705,815	42,137,143	48,374,719
Other reserves	28	(18,943,556)	(2,688,190)	(4,430,090)	(1,627,486)
Total equity		<u>283,284,853</u>	<u>283,383,549</u>	<u>212,413,996</u>	<u>221,113,157</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

Note	Share capital	Retained profits	← Other reserves* →			Total other reserves	Total equity
			Fair value reserve	Asset revaluation reserve	Currency translation reserve		
	\$	\$	\$	\$	\$	\$	\$
2023							
Beginning of financial year							
	174,365,924	111,705,815	(2,527,769)	6,099,884	(6,260,305)	(2,688,190)	283,383,549
Total comprehensive income/ (loss) for the financial year	-	19,655,770	(9,524,269)	(178,373)	(1,128,526)	(10,831,168)	8,824,602
Cash dividends paid	29	(9,264,317)	-	-	-	-	(9,264,317)
Warrants exercise	26	341,019	-	-	-	-	341,019
Total transactions with owners, recognised directly in equity		(9,264,317)	-	-	-	-	(8,923,298)
Transfer upon disposal of investments in financial assets, at FVOCI	28(b(i))	5,424,198	(5,424,198)	-	-	(5,424,198)	-
End of financial year	174,706,943	127,521,466	(17,476,236)	5,921,511	(7,388,831)	(18,943,556)	283,284,853
2022							
Beginning of financial year							
	137,453,869	132,206,407	13,241,317	5,921,511	(5,606,061)	13,556,767	283,217,043
Total comprehensive income/ (loss) for the financial year	-	14,195,505	(9,110,318)	178,373	(654,244)	(9,586,189)	4,609,316
Cash dividends paid	29	(4,442,810)	-	-	-	-	(4,442,810)
Scrip dividend	26, 29	(36,912,055)	-	-	-	-	-
Total transactions with owners, recognised directly in equity		(41,354,865)	-	-	-	-	(4,442,810)
Transfer upon disposal of investments in financial assets, at FVOCI	28(b(i))	6,658,768	(6,658,768)	-	-	(6,658,768)	-
End of financial year	174,365,924	111,705,815	(2,527,769)	6,099,884	(6,260,305)	(2,688,190)	283,383,549

* Other reserves are non-distributable.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Net profit		19,655,770	14,195,505
Adjustments for:			
- Income tax expense	9	590,358	721,146
- Depreciation of property, plant and equipment	7	133,491	125,381
- Gain on disposal of investment properties	5	(130,000)	(200,000)
- Gain on disposal of properties held-for-sale	5	(4,326,000)	(600,000)
- Reversal of inventories write-down	7	(31,850)	-
- Fair value loss on financial assets, at FVPL	5	1,304,920	5,217
- Fair value loss/(gain) on investment properties	5	1,025,000	(190,000)
- Fair value loss/(gain) on property, plant and equipment	5	1,225,895	(576,355)
- Interest income from bank deposits	5	(385)	(21)
- (Gain)/loss on disposal of financial assets, at FVPL	5	(758,435)	5,742
- Interest expense	6	3,079,567	884,105
- Unrealised currency translation differences		(2,523,460)	3,126,746
		<u>19,244,871</u>	<u>17,497,466</u>
Changes in working capital:			
- Trade and other receivables		(395,340)	231,819
- Inventories		574,197	993,848
- Other current assets		1,232,346	(1,163,974)
- Trade and other payables		(2,712,249)	3,083,402
Net cash generated from operations		<u>17,943,825</u>	<u>20,642,561</u>
Interest received		385	21
Interest paid		(3,079,567)	(884,105)
Income tax paid		(747,337)	(788,014)
Net cash provided by operating activities		<u>14,117,306</u>	<u>18,970,463</u>
Cash flows from investing activities			
Proceeds from disposal of financial assets, at FVOCI	17	39,001,583	20,676,493
Redemption of financial assets, at FVOCI by issuers	17	13,490,666	16,100,645
Proceeds from disposal of financial assets, at FVPL		8,990,887	985,270
Proceeds from disposal of investment properties		3,780,000	3,400,000
Proceeds from disposal of properties held-for-sale		53,786,000	11,300,000
Purchases of financial assets, at FVOCI	17	(74,668,670)	(60,758,811)
Purchase of financial assets, at FVPL	11	(28,070,427)	-
Additions to property, plant and equipment	19	(3,389,751)	-
Net cash provided by/(used in) investing activities		<u>12,920,288</u>	<u>(8,296,403)</u>
Cash flows from financing activities			
Proceeds from exercise of warrants	26	341,019	-
Proceeds from bank borrowings		218,045,525	139,329,587
Repayment of bank borrowings		(237,031,054)	(144,763,920)
Cash dividends paid to equity holders of the Company	29	(9,264,317)	(4,442,810)
Net cash used in financing activities		<u>(27,908,827)</u>	<u>(9,877,143)</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	2023 \$	2022 \$
Net (decrease)/increase in cash and bank balances		(871,233)	796,917
Cash and bank balances			
Beginning of financial year		1,144,709	347,792
End of financial year		<u>273,476</u>	<u>1,144,709</u>

Reconciliation of liability arising from financing activities

	1 September 2022	Proceeds	Principal and interest payments	Non-cash changes		31 August 2023
				Interest expense	Foreign exchange movement	
	\$	\$	\$	\$	\$	\$
Bank borrowings	113,032,174	218,045,525	(240,110,621)	3,079,567	(2,515,323)	91,531,322

	1 September 2021	Proceeds	Principal and interest payments	Non-cash changes		31 August 2022
				Interest expense	Foreign exchange movement	
	\$	\$	\$	\$	\$	\$
Bank borrowings	115,319,471	139,329,587	(145,648,025)	884,105	3,147,036	113,032,174

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Second Chance Properties Ltd (the “Company”) is listed on the Main Board of Singapore Exchange Securities Trading Limited (“SGX-ST”) and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is at 60 Paya Lebar Road, #07-20 Paya Lebar Square Singapore 409051.

The principal activities of the Company are those of an investment holding company, retailing of ready-made garments, holding of property as investment for rental income and investing in securities. The principal activities of the subsidiary corporations are set out in Note 18 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2023

On 1 September 2022, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer.

Revenue is recognised when the Group satisfies a performance obligation (“PO”) by transferring the promised goods or services to the customer, which is when the customer obtains control of the goods or services. A performance obligation is satisfied at a point in time or over time.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

(a) Sale of goods

The Group recognises revenue from sale of goods at a point in time when the Group satisfies the performance obligation by transferring control of promised goods to the customer. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(b) Rental income

Rental income from leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(c) Dividend/Coupon income

Dividend/Coupon income from investments in equity shares and bonds is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(d) Interest income

Interest income, including income arising from leases and other financial instruments, is recognised using the effective interest method.

2.3 Group accounting

Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

Subsidiary corporations (continued)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) Measurement

(i) Land and building

Land and building are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Building are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Land and building are revalued by independent professional valuers on an annual basis. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(a) Measurement (continued)

(i) Land and building (continued)

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase is recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Depreciation rate</u>
	%
Building	2.0 to 2.5
Renovation, furniture and fittings	8.3 to 10.0
Shop and office equipment	10.0 to 12.5
Computers and peripherals	20.0 to 33.3
Motor vehicles	10.0 to 16.6

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised within "Other gains/(losses) - net". Any amount in revaluation reserve relating to that asset is transferred to retained profits directly.

2.5 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.6 Investment properties

Investment properties include properties that are held for long-term rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at fair value which is determined annually by independent professional valuers based on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvement is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.7 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiary corporations, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.8 Impairment of non-financial assets

Property, plant and equipment
Investments in subsidiary corporations

Property, plant and equipment and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

2. Significant accounting policies (continued)

2.8 Impairment of non-financial assets (continued)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph “Property, plant and equipment” for the treatment of revaluation decrease.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

2.9 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (“FVOCI”); and
- Fair value through profit or loss (“FVPL”).

The classification depends on the Group’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise cash and bank balances and trade and other receivables.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "Other gains/(losses) - net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "Other gains/(losses) - net".

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other gains/(losses) - net", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profit along with the amount previously recognised in other comprehensive income relating to that asset.

2.10 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

2. Significant accounting policies (continued)

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in normal operating cycle of the business if longer). Otherwise they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Leases

(a) When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(b) When the Group is the lessor

The Group leases investment properties under operating leases to non-related parties.

Lessor - Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.14 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using weighted average and first-in, first-out method. Cost comprises direct materials and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

2. Significant accounting policies (continued)

2.15 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

2. Significant accounting policies (continued)

2.16 Provisions (continued)

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.17 Employee compensation

Employee benefits are recognised as an expense unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Profit sharing and bonus plans*

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises an accrual when contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

2.18 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments) and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations is recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

2. Significant accounting policies (continued)

2.18 Currency translation (continued)

(b) Transactions and balances (continued)

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other gains/(losses) - net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the balance sheet date;
- (ii) income and expense are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors who are responsible for allocating resources and assessing performance of the operating segments.

2.20 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.22 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

2. Significant accounting policies (continued)

2.23 Properties held-for-sale

Properties which were previously classified as investment properties are classified as properties held-for-sale if their carrying amount is recovered principally through a sale transaction rather than held for long-term rental yields and/or for capital appreciation and are carried at fair value. Any gain or loss on disposal on properties held-for-sale is recognised in profit or loss.

3. Critical accounting estimates, assumptions and judgements

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has not made any judgements that will have a significant effect on the amounts recognised in the financial statements, except for the valuation of freehold land and building and investment properties as disclosed in Note 19 and 20 to the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include the below:

- (i) the determination of useful lives of property, plant and equipment (Note 19);
- (ii) the assessment of adequacy of provisions for current and deferred income taxes (Notes 9 and 24 respectively);
- (iii) the determination of net realisable value of inventories (Note 13);
- (iv) the valuation of the investment properties (Note 20); and
- (v) the valuation of the financial assets, at FVOCI (Note 17).

These estimates, judgements and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

4. Revenue

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time or over time in the following nature of revenue and geographical regions. Revenue is attributed to countries by location of customers.

	The Group	
	2023	2022
	\$	\$
<u>At a point of time</u>		
Sale of goods		
- Singapore	19,399,911	23,979,439
- Malaysia	1,465,105	1,315,207
	<u>20,865,016</u>	<u>25,294,646</u>
Dividend/coupon income		
- Singapore	18,294,623	13,505,981
	<u>18,294,623</u>	<u>13,505,981</u>
<u>Over time</u>		
Rental income		
- Singapore (Note 20)	2,536,736	4,131,698
- Malaysia	210,044	182,630
	<u>2,746,780</u>	<u>4,314,328</u>
Total	<u>41,906,419</u>	<u>43,114,955</u>

5. Other gains/(losses) – net

	The Group	
	2023	2022
	\$	\$
Fair value (loss)/gain on investment properties (Note 20)	(1,025,000)	190,000
Fair value (loss)/gain on property, plant and equipment	(1,225,895)	576,355
Fair value loss on financial assets, at FVPL (Note 11)	(1,304,920)	(5,217)
Gain/(loss) on disposal of financial assets, at FVPL	758,435	(5,742)
Gain on disposal of investment properties	130,000	200,000
Gain on disposal of properties held-for-sale	4,326,000	600,000
Interest income from bank deposits	385	21
Currency exchange gain/(loss) – net	2,418,877	(3,212,876)
Others	177,124	132,497
	<u>4,255,006</u>	<u>(1,524,962)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

6. Finance expense

	<u>The Group</u>	
	2023	2022
	\$	\$
Interest expense on bank borrowings	3,079,567	884,105

7. Expenses by nature

	<u>The Group</u>	
	2023	2022
	\$	\$
Purchases of inventories	15,186,767	18,406,298
Employee compensation (Note 8)	3,115,798	2,983,145
Rental expense (Note 25(a))	221,745	270,716
Property tax	258,392	410,951
Advertising	556,060	563,932
Donation	-	67,000
Depreciation of property, plant and equipment (Note 19)	133,491	125,381
Commission	751,759	228,300
Fees on audit services paid/payable to:		
- Auditor of the Company	86,800	79,900
- Other auditor	5,856	7,995
Fees on non-audit services paid/payable to:		
- Other auditor	30,000	9,000
Maintenance and services	166,135	193,292
Professional charges	181,797	157,624
Public utilities board expenses	112,018	96,254
Reversal of inventory write-down (Note 13)	(31,850)	-
Withholding tax expense	1,133,362	669,569
Other expenses	353,403	526,034
Changes in inventories	574,197	993,846
	<u>22,835,730</u>	<u>25,789,237</u>

8. Employee compensation

	<u>The Group</u>	
	2023	2022
	\$	\$
Salaries and wages	2,929,148	2,815,580
Employer's contribution to defined contribution plans	151,242	131,489
Other benefits	35,408	36,076
	<u>3,115,798</u>	<u>2,983,145</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

9. Income taxes

Income tax expenses

	The Group	
	2023	2022
	\$	\$
Tax expense attributable to profit is made up of:		
<i>Profit for the financial year:</i>		
Current income tax - Singapore	432,834	753,373
Deferred income tax (Note 24)	157,090	93,437
	<u>589,924</u>	<u>846,810</u>
<i>Under/(over) provision in prior financial years:</i>		
Current income - Singapore	632	(123,907)
Deferred income tax (Note 24)	(198)	(1,757)
	<u>434</u>	<u>(125,664)</u>
Total tax expense	<u>590,358</u>	<u>721,146</u>

The tax on Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	The Group	
	2023	2022
	\$	\$
Profit before income tax	<u>20,246,128</u>	<u>14,916,651</u>
Tax calculated at tax rate of 17% (2022: 17%)	3,441,842	2,535,831
Effects of:		
- expenses not deductible for tax purposes	1,241,393	943,612
- income not subject to tax	(4,061,457)	(2,493,486)
- effect of different tax rate for a subsidiary corporation in another jurisdiction	(63,917)	59,071
- tax incentives	(143,521)	(198,246)
- deferred tax asset not recognised	175,584	-
- under/(over) provision of tax in prior years	434	(125,664)
- others	-	28
	<u>590,358</u>	<u>721,146</u>

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company has unrecognised tax losses of \$1,032,845 (2022: \$Nil) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

10. Earnings per share

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effect of all dilutive potential ordinary shares. The Company's outstanding warrants as at 31 August 2022 are non-dilutive. There is no outstanding warrant as at 31 August 2023 and the warrants have expired on 7 March 2023.

	The Group	
	2023	2022
	\$	\$
Net profit attributable to equity holders of the Company (\$)	<u>19,655,770</u>	<u>14,195,505</u>
Weighted average number of ordinary shares outstanding for basic earnings per share	<u>927,134,573</u>	<u>853,712,937</u>
Weighted average number of ordinary shares outstanding for diluted earnings per share	<u>927,134,573</u>	<u>853,712,937</u>
Basic earnings per share (cents per share)	<u>2.12</u>	<u>1.66</u>
Diluted earnings per share (cents per share)	<u>2.12</u>	<u>1.66</u>

11. Financial assets, at FVPL

	The Group	
	2023	2022
	\$	\$
Beginning of financial year	108,816	1,105,045
Addition	28,070,427	-
Fair value loss recognised in profit or loss (Note 5)	(1,304,920)	(5,217)
Disposals	<u>(8,232,452)</u>	<u>(991,012)</u>
End of financial year	<u>18,641,871</u>	<u>108,816</u>
Quoted securities:		
Equity securities – Singapore	<u>18,641,871</u>	<u>108,816</u>
	<u>18,641,871</u>	<u>108,816</u>

The financial assets, at FVPL are pledged as security for bank borrowings (Note 23).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

12. Trade and other receivables

	<u>The Group</u>		<u>The Company</u>	
	2023	2022	2023	2022
	\$	\$	\$	\$
Trade receivables:				
- non-related parties	452,782	53,631	-	-
	<u>452,782</u>	<u>53,631</u>	<u>-</u>	<u>-</u>
Advances to suppliers	13,475	22,730	-	-
Other receivables - non-related parties	62,954	69,523	786	8,139
GST receivable	2,504	-	2,504	-
	<u>531,715</u>	<u>145,884</u>	<u>3,290</u>	<u>8,139</u>

13. Inventories

	<u>The Group</u>		<u>The Company</u>	
	2023	2022	2023	2022
	\$	\$	\$	\$
Finished goods	15,796,021	16,371,394	-	295,929
	<u>15,796,021</u>	<u>16,371,394</u>	<u>-</u>	<u>295,929</u>

The cost of inventories recognised as an expense and included in “cost of sales” amounted to \$15,729,114 (2022: \$19,400,144).

During the financial year, the Group recognised reversal of inventory write-down of \$31,850 (2022: \$Nil) as the Group has sold all the goods that were written down at original cost. The amount reversed has been included in “cost of sales”. No inventory write-down or reversal was recognised in 2022.

14. Other current assets

	<u>The Group</u>		<u>The Company</u>	
	2023	2022	2023	2022
	\$	\$	\$	\$
Rental & utilities deposits	68,675	126,482	3,409	58,241
Prepayments	20,800	42,089	-	21,090
Other receivables – non-related parties	165	1,135,826	165	654,326
Other deposits	-	21,251	-	6,135
	<u>89,640</u>	<u>1,325,648</u>	<u>3,574</u>	<u>739,792</u>

Other receivables are option deposits held-in-trust by a third party for option agreements entered into with prospective buyers for the sale of the properties held-for-sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

15. Properties held-for-sale

During the current financial year, the Group's subsidiary corporations and Company with its prospective buyers entered into options to purchase the subsidiary corporations' and Company's investment properties with option price totalling \$7,450,000 and \$Nil respectively (2022: \$61,986,000 and \$15,288,000). As at 31 August 2023, the sale of the properties has not been completed and the subsidiary corporations and Company have not recognised the sale and corresponding gain or loss, if any. The investment properties (Note 20) of the Group and Company with fair value of \$5,990,000 and \$Nil respectively (2022: \$57,460,000 and \$13,750,000) were transferred to and presented as properties held-for-sale.

One of the sale of properties were subsequently completed on 19 September 2023.

During the current financial year, there were properties with fair value of \$8,000,000 transferred back to investment properties due to the buyer did not exercise the option.

16. Amounts due from subsidiary corporations

The amounts due from subsidiary corporations in the Company's balance sheet are non-trade, unsecured, and bear effective interest rates of 0.75% and 3.5% (2022: 0.75%) per annum. These amounts are not expected to be paid within the next 12 months from the balance sheet date.

The management is of the opinion that the carrying amounts approximate their fair values.

17. Financial assets, at FVOCI

	<u>The Group</u>		<u>The Company</u>	
	2023	2022	2023	2022
	\$	\$	\$	\$
Beginning of financial year	238,010,302	223,138,947	31,043,777	40,885,889
Additions	74,668,670	60,758,811	1,195,041	51,940
Fair value loss recognised in other comprehensive loss (Note 28(b)(i))	(9,524,269)	(9,110,318)	(2,703,039)	(5,051,068)
Redeemed by issuers	(13,490,666)	(16,100,645)	-	(172,755)
Disposal	(39,001,583)	(20,676,493)	(209,866)	(4,670,229)
End of financial year	<u>250,662,454</u>	<u>238,010,302</u>	<u>29,325,913</u>	<u>31,043,777</u>

Financial assets, at FVOCI are analysed as follows:

	<u>The Group</u>		<u>The Company</u>	
	2023	2022	2023	2022
	\$	\$	\$	\$
Quoted equity securities:				
(Level 1)				
- Singapore	81,217,228	98,061,870	29,325,913	31,043,777
- Hong Kong	164,687,849	130,377,049	-	-
- Australia	726,972	6,115,602	-	-
	<u>246,632,049</u>	<u>234,554,521</u>	<u>29,325,913</u>	<u>31,043,777</u>
- Unquoted equity investments (Level 2)	4,030,405	3,455,781	-	-
	<u>250,662,454</u>	<u>238,010,302</u>	<u>29,325,913</u>	<u>31,043,777</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

17. Financial assets, at FVOCI (continued)

- (a) The financial assets, at FVOCI assets are pledged as security for bank borrowings (Note 23).
- (b) During the financial year, there were cash acquisition offers from issuers of various securities at fair value of \$13,490,666 (2022: \$13,328,824). The cumulative gain on disposal of \$5,461,622 (2022: \$7,003,424) was reclassified from fair value reserve to retained profits.
- (c) During the financial year, the Group has disposed quoted equity securities as the underlying investment was no longer aligned with the Group's long-term investment strategy. These investments had a fair value of \$39,001,583 (2022: \$21,023,680) at the date of disposal, and the loss on disposal amounted to \$37,424 (2022: gain of \$344,656), net of tax. The cumulative loss on disposal was reclassified from fair value reserve to retained profits.
- (d) The fair value of the unquoted equity investment is based on the latest available valuation determined by the administrator of the funds.

18. Investments in subsidiary corporations

	The Company	
	2023	2022
	\$	\$
<i>Equity investments at cost</i>		
Beginning and end of financial year	17,230,914	17,230,914
Strike off during the year	(2)	-
End of financial year	17,230,912	17,230,914

The Group has the following subsidiary corporations as at 31 August 2023 and 2022:

<u>Name of companies</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Proportion of ordinary shares held</u>	
			2023	2022
			%	%
<u>Held directly by the Company</u>				
Winning Chance Investments Pte Ltd ⁽¹⁾	Holding of properties as investments for rental income	Singapore	100	100
Another Chance Properties Pte Ltd ⁽¹⁾	Holding of properties as investments for rental income	Singapore	100	100
Best Chance Properties Pte Ltd ⁽¹⁾	Holding of properties as investments for rental income	Singapore	100	100
Better Chance Properties Pte Ltd ⁽¹⁾	Holding of properties as investments for rental income	Singapore	100	100
Double Chance Properties Pte Ltd ⁽¹⁾	Holding of properties as investments for rental income	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

18. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 August 2023 and 2022 (continued):

<u>Name of companies</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Proportion of ordinary shares held</u>	
			<u>2023</u>	<u>2022</u>
			%	%
Held directly by the Company (continued)				
Equal Chance Properties Pte Ltd ⁽³⁾	Holding of properties as investments for rental income	Singapore	-	100
Fair Chance Properties Pte Ltd ⁽¹⁾	Holding of properties as investments for rental income	Singapore	100	100
First Lady Apparels (Malaysia) Sdn Bhd ⁽²⁾	Retail of ready-made garments	Malaysia	100	100
Golden Chance Goldsmith Pte Ltd ⁽¹⁾	Retail of gold and jewellery, holding of properties as investments for rental income and holding of bonds and equity securities	Singapore	100	100
Good Chance Properties Pte Ltd ⁽¹⁾	Holding of properties as investments for rental income	Singapore	100	100
New Chance Properties Pte Ltd ⁽¹⁾	Holding of properties as investments for rental income	Singapore	100	100
Top Chance Properties Pte Ltd ⁽¹⁾	Other investment holdings and holding of properties as investments for rental income	Singapore	100	100
Second Chance Investments Pte Ltd ⁽¹⁾	Holding of properties as investments for rental income	Singapore	100	100
Super Chance Properties Pte Ltd ⁽¹⁾	Holding of properties as investments for rental income and trading of bonds and equity securities	Singapore	100	100
Classic Chance Properties Pte Ltd ⁽¹⁾	Holding of properties as investments for rental income	Singapore	100	100
Great Chance Properties Pte Ltd ⁽¹⁾	Holding of properties as investments for rental income	Singapore	100	100
Prime Chance Properties Pte Ltd ⁽¹⁾	Holding of properties as investments for rental income	Singapore	100	100

⁽¹⁾ Audited by CLA Global TS Public Accounting Corporation, Singapore.

⁽²⁾ Audited by Soong and Associates, Malaysia.

⁽³⁾ Strike off on 14 July 2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

19. Property, plant and equipment

	Freehold land	Building	Renovation, furniture and fittings	Shop and office equipment	Computers and peripherals	Motor vehicles	Total
The Group	\$	\$	\$	\$	\$	\$	\$
2023							
<i>Cost or valuation</i>							
Beginning of financial year							
Cost	-	-	1,787,362	186,551	951,486	89,216	3,014,615
Valuation	12,850,827	5,838,092	-	-	-	-	18,688,919
	12,850,827	5,838,092	1,787,362	186,551	951,486	89,216	21,703,534
Currency translation differences	(582,327)	(284,012)	(40,479)	-	(25,830)	-	(932,648)
Revaluation adjustment	(1,501,500)	-	-	-	-	-	(1,501,500)
Transfer from investment properties (Note 20)	-	4,510,000	-	-	-	-	4,510,000
Addition	-	2,930,600	394,953	50,998	13,200	-	3,389,751
Written off	-	-	(115,151)	(13,458)	-	(89,216)	(217,825)
	10,767,000	12,994,680	2,026,685	224,091	938,856	-	26,951,312
Representing:							
Cost	-	-	2,026,685	224,091	938,856	-	3,189,632
Valuation	10,767,000	12,994,680	-	-	-	-	23,761,680
	10,767,000	12,994,680	2,026,685	224,091	938,856	-	26,951,312
<i>Accumulated depreciation</i>							
Beginning of financial year	-	(12,708)	1,765,983	183,057	948,488	89,216	2,974,036
Currency translation differences	-	325,438	(41,634)	1,998	(25,832)	-	259,970
Depreciation charge (Note 7)	-	108,108	21,416	1,924	2,043	-	133,491
Written off	-	-	(115,151)	(13,458)	-	(89,216)	(217,825)
Revaluation adjustment	-	(104,760)	-	-	-	-	(104,760)
End of financial year	-	316,078	1,630,614	173,521	924,699	-	3,044,912
Net book value							
Beginning of financial year	12,850,827	5,850,800	21,379	3,494	2,998	-	18,729,498
End of financial year	10,767,000	12,678,602	396,071	50,570	14,157	-	23,906,400

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

19. Property, plant and equipment (continued)

	Freehold land	Building	Renovation, furniture and fittings	Shop and office equipment	Computers and peripherals	Motor vehicles	Total
The Group	\$	\$	\$	\$	\$	\$	\$
2022							
<i>Cost or valuation</i>							
Beginning of financial year							
Cost	-	-	1,810,240	186,551	966,086	89,216	3,052,093
Valuation	13,018,827	5,738,000	-	-	-	-	18,756,827
	13,018,827	5,738,000	1,810,240	186,551	966,086	89,216	21,808,920
Currency translation differences	(479,700)	(211,608)	(22,878)	-	(14,600)	-	(728,786)
Revaluation adjustment	311,700	311,700	-	-	-	-	623,400
End of financial year	12,850,827	5,838,092	1,787,362	186,551	951,486	89,216	21,703,534
Representing:							
Cost	-	-	1,787,362	186,551	951,486	89,216	3,014,615
Valuation	12,850,827	5,838,092	-	-	-	-	18,688,919
	12,850,827	5,838,092	1,787,362	186,551	951,486	89,216	21,703,534
<i>Accumulated depreciation</i>							
Beginning of financial year							
Currency translation differences	-	(15,624)	(22,549)	-	(14,594)	-	(52,767)
Depreciation charge (Note 7)	-	115,128	6,385	2,290	1,578	-	125,381
Revaluation adjustment	-	(112,212)	-	-	-	-	(112,212)
End of financial year	-	(12,708)	1,765,983	183,057	948,488	89,216	2,974,036
Net book value							
Beginning of financial year	13,018,827	5,738,000	28,093	5,784	4,582	-	18,795,286
End of financial year	12,850,827	5,850,800	21,379	3,494	2,998	-	18,729,498

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

19. Property, plant and equipment (continued)

	Office premise	Renovation, furniture and fittings	Shop and office equipment	Computers and peripherals	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$
The Company						
2023						
Beginning of financial year	-	822,296	87,574	380,761	89,216	1,379,847
Addition	2,930,600	1,900	-	-	-	2,932,500
Written off	-	(99,381)	-	-	(89,216)	(188,597)
End of financial year	2,930,600	724,815	87,574	380,761	-	4,123,750
<i>Accumulated depreciation</i>						
Beginning of financial year	-	811,847	87,574	378,890	89,216	1,367,527
Depreciation charge	-	4,189	-	626	-	4,815
Written off	-	(99,381)	-	-	(89,216)	(188,597)
End of financial year	-	716,655	87,574	379,516	-	1,183,745
Net book value						
Beginning of financial year	-	10,449	-	1,871	-	12,320
End of financial year	2,930,600	8,160	-	1,245	-	2,940,005
2022						
<i>Cost</i>						
Beginning and end of financial year	-	822,296	87,574	380,761	89,216	1,379,847
<i>Accumulated depreciation</i>						
Beginning of financial year	-	809,297	85,991	378,264	89,216	1,362,768
Depreciation charge	-	2,550	1,583	626	-	4,759
End of financial year	-	811,847	87,574	378,890	89,216	1,367,527
Net book value						
Beginning of financial year	-	12,999	1,583	2,497	-	17,079
End of financial year	-	10,449	-	1,871	-	12,320

(a) Fair value of freehold land and building

Fair value hierarchy

As at 31 August 2023 and 31 August 2022, freehold land and building are measured at fair value under Level 2 measurement hierarchy.

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's freehold land and building have been generally derived using the sales comparison approach. Sales prices and rental yield of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square metre and rental yield per square metre.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

19. Property, plant and equipment (continued)

- (a) Fair value of freehold land and building (continued)

Valuation process of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of the financial year based on the properties' highest-and-best-use. As at 31 August 2023 and 31 August 2022, the fair values of the properties have been determined by Colliers International Consultancy Valuation (Singapore) Pte Ltd and Stockers Roberts & Gupta Sdn Bhd.

Changes in Level 2 fair values are analysed at each balance sheet date during the board meeting. As part of the discussion, the management presents a report that explains the reason for the fair value movements.

- (b) If the land and building stated at valuation were included in the financial statements at cost less accumulated depreciation, their net book values would be:

	The Group	
	2023	2022
	\$	\$
Freehold land	11,097,882	11,887,320
Building	<u>13,202,995</u>	<u>6,318,670</u>

- (c) Bank overdraft and short-term bank loan facilities are secured on property, plant and equipment of the Group with carrying amounts of \$4,510,000 (2022: \$Nil) (Note 23).

20. Investment properties

	Freehold properties	Leasehold properties	Total
	\$	\$	\$
The Group			
2023			
Beginning of financial year	34,230,000	34,955,000	69,185,000
Disposal	-	(3,650,000)	(3,650,000)
Transfer to properties held-for-sale (Note 15)	(5,990,000)	-	(5,990,000)
Transfer from properties held-for-sale (Note 15)	-	8,000,000	8,000,000
Transfer to property, plant and equipment (Note 19)	(4,510,000)	-	(4,510,000)
Fair value loss (Note 5)	-	(1,025,000)	(1,025,000)
End of financial year	<u>23,730,000</u>	<u>38,280,000</u>	<u>62,010,000</u>
2022			
Beginning of financial year	45,740,000	85,015,000	130,755,000
Disposal	-	(4,300,000)	(4,300,000)
Transfer to properties held-for-sale (Note 15)	(11,600,000)	(45,860,000)	(57,460,000)
Fair value gain (Note 5)	90,000	100,000	190,000
End of financial year	<u>34,230,000</u>	<u>34,955,000</u>	<u>69,185,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

20. Investment properties (continued)

	Leasehold property \$
The Company	
2023	
Beginning and end of financial year	-
2022	
Beginning of financial year	13,750,000
Transfer to properties held-for-sale (Note 15)	(13,750,000)
End of financial year	-

During the current financial year, investment properties with fair value of \$4,510,000 were transferred to property, plant and equipment for the Group's retail of gold and jewellery business.

The property rental income earned by the Group and the Company from its investment properties, all of which are leased out to non-related parties under operating leases, amounted to \$2,536,736 (2022: \$4,131,698) and \$1,797 (2022: \$646,800) respectively. Direct operating expenses of the Group and the Company arising on the investment properties during the year amounted to \$917,006 (2022: \$862,212) and \$100,037 (2022: \$82,054).

The Group have mortgaged investment properties to secure bank overdraft and short-term bank loan facilities (Note 23).

Fair value hierarchy – Recurring fair value measurements

	Fair value measurement using		
	Quoted price in active markets for identical asset (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$
The Group			
2023			
Investment properties:			
- Retail spaces – Singapore	-	62,010,000	-
2022			
Investment properties:			
- Retail spaces – Singapore	-	69,185,000	-

As at 31 August 2023 and 2022, the investment properties of the Group were valued by an independent professional valuer based on the properties' highest-and-best-use using sales comparison approach. These are regarded as Level 2 fair values.

There were no changes in valuation techniques during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

20. Investment properties (continued)

The Group's investment properties consist of the following:

Location of properties	Description	Tenure of land	2023 (\$)	2022 (\$)
The Group				
Blk 710A Ang Mo Kio Avenue 8 #01-2625 Singapore 561710	A leasehold unit of approximately 137 square metres	86-year lease from July 1993	10,500,000	10,500,000
No. 810 Geylang Road City Plaza #01-43/44/45/46/56 /57/60/61 #02-49/50/41/86/88 Singapore 409286	13 freehold units of approximately 737 square metres	Freehold	18,630,000	24,620,000
No. 810 Geylang Road City Plaza #02-105/106/107/108 Singapore 409286 ⁽³⁾	4 freehold units of approximately 100 square meters	Freehold	-	4,510,000
111 North Bridge Road Peninsula Plaza #01-28/28A Singapore 179098 ⁽¹⁾	2 leasehold units of approximately 92 square metres	999-year lease from October 1992	8,000,000	-
1 Park Road #01-32/33 People's Park Complex Singapore 059108 ⁽²⁾	2 leasehold units of approximately 70 square metres	99-year lease from March 1968	-	3,650,000
No. 14 Scotts Road Far East Plaza #02-40/42 Singapore 228213	2 freehold units of approximately 70 square metres	Freehold	5,100,000	5,100,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

20. Investment properties (continued)

The Group's investment properties consist of the following:

Location of properties	Description	Tenure of land	2023 (\$)	2022 (\$)
<u>The Group</u>				
1 Rochor Canal Road #05-53/54 Sim Lim Square Singapore 188504	2 leasehold units of approximately 92 square metres	99-year lease from April 1993	3,590,000	3,780,000
1 Rochor Canal Road #05-36/62/63 Sim Lim Square Singapore 188504	3 leasehold units of approximately 117 square metres	99-year lease from April 1993	4,900,000	5,150,000
1 Rochor Canal Road #05-64/65 Sim Lim Square Singapore 188504	2 leasehold units of approximately 89 square metres	103-year lease from December 1982	3,840,000	4,040,000
1 Rochor Canal Road #05-61 Sim Lim Square Singapore 188504	A leasehold unit of approximately 35 square metres	99-year lease from April 1993	1,590,000	1,670,000
1 Rochor Canal Road #05-73/74 Sim Lim Square Singapore 188504	2 leasehold units of approximately 69 square metres	103-year lease from December 1982	3,920,000	4,125,000
1 Rochor Canal Road #05-72 Sim Lim Square Singapore 188504	A leasehold unit of approximately 46 square metres	99-year lease from April 1993	1,940,000	2,040,000

- (1) These investment properties have been transferred from properties held-for-sale during the financial year.
- (2) These investment properties have been disposed during the financial year.
- (3) These investment properties have been transferred to property, plant and equipment during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

21. Trade payables

	The Group		The Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Trade payables				
- subsidiary corporations	-	-	194,606	20,386
- non-related parties	13,461	43,613	-	-
Rental deposits	580,203	966,127	-	149,039
Rental received in advance	35,538	49,271	-	-
Customers' deposits	1,735	6,735	-	-
GST payable	175,969	306,270	-	56,990
Others	-	1,002	-	1,002
	<u>806,906</u>	<u>1,373,018</u>	<u>194,606</u>	<u>227,417</u>

22. Other payables

	The Group		The Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Accruals for operating expenses	309,200	302,215	139,470	160,079
Directors' bonus and fees payable	1,313,271	1,237,961	836,297	1,236,464
Amount due to a director	89,757	124,299	89,757	124,299
Security deposits	17,000	23,511	-	9,511
Other payables				
- non-related parties	-	462,936	-	11,432
- option deposit	79,140	1,930,100	-	764,400
	<u>1,808,368</u>	<u>4,081,022</u>	<u>1,065,524</u>	<u>2,306,185</u>

The amount due to a director is unsecured, interest free and repayable upon demand.

23. Borrowings

	The Group		The Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Bank borrowings	<u>91,531,322</u>	<u>113,032,174</u>	<u>12,130,900</u>	<u>9,581,390</u>

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Less than 12 months	<u>91,531,322</u>	<u>113,032,174</u>	<u>12,130,900</u>	<u>9,581,390</u>

- (i) The current bank borrowings bear interest rates ranging from 1.85% to 8.50% (2022: 0.41% to 2.40%) per annum, which represent a fixed margin above the Singapore Interbank Offer Rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

23. Borrowings (continued)

- (ii) The bank borrowings of the Group and the Company are secured over property, plant and equipment (Note 19), investment properties (Note 20), financial assets, at FVPL (Note 11) and financial assets, at FVOCI (Note 17).

24. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	The Group		The Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Deferred income tax assets	30,626	30,626	-	-
Deferred to income tax liabilities	(207,624)	(57,484)	(1,599)	(2,094)
Net deferred income tax liabilities	<u>(176,998)</u>	<u>(26,858)</u>	<u>(1,599)</u>	<u>(2,094)</u>

The movements in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) are as follows:

	Accelerated tax depreciation	Asset revaluation reserve	Total
	\$	\$	\$
The Group			
At 1 September 2021	173,048	(236,877)	(63,829)
(Credited)/charged to profit or loss (Note 9)	(1,209)	94,646	93,437
Over provision in prior financial years (Note 9)	-	(1,757)	(1,757)
Currency translation differences	-	(993)	(993)
At 31 August 2022/1 September 2022	<u>171,839</u>	<u>(144,981)</u>	<u>26,858</u>
Charged to profit or loss (Note 9)	55,281	101,809	157,090
Over provision in prior financial years (Note 9)	-	(198)	(198)
Currency translation differences	-	(6,752)	(6,752)
At 31 August 2023	<u>227,120</u>	<u>(50,122)</u>	<u>176,998</u>

	Accelerated tax depreciation
	\$
The Company	
At 1 September 2021	2,903
Credited to profit or loss	(809)
At 31 August 2022/1 September 2022	<u>2,094</u>
Credited to profit or loss	(495)
At 31 August 2023	<u>1,599</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

25. Leases

(a) *The Group as a lessee*

Nature of the Group's leasing activities

Properties

The Group leases office, retail store and warehouse for the purpose of back office operations, sales of goods to retail customers and goods storage.

(i) Lease expense not capitalised in lease liabilities

	2023	2022
	\$	\$
Lease expense – short-term leases (Note 7)	<u>221,745</u>	<u>270,716</u>

(ii) Total cash outflow for all the leases was \$221,745 (2022: \$270,716).

(b) *The Group as a lessor*

Nature of the Group's leasing activities

The Group has leased out its owned investment properties to a third party for monthly lease payments. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties are disclosed in Note 20.

The table below discloses the undiscounted lease payments to be received by the Group for its leases after the balance sheet date are as follows:

	2023	2022
	\$	\$
Less than one year	1,566,523	2,368,875
One to two years	500,902	1,190,534
Two to three years	137,484	76,081
Total	<u>2,204,909</u>	<u>3,635,490</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

26. Share capital

	<u>No. of ordinary shares</u>		<u>Amount</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
			\$	\$
The Group and Company				
At beginning of financial year	926,431,722	751,906,638	174,365,924	137,453,869
Warrants exercised	1,364,076	-	341,019	-
Issue of scrip dividend	-	174,525,084	-	36,912,055
At end of financial year	<u>927,795,798</u>	<u>926,431,722</u>	<u>174,706,943</u>	<u>174,365,924</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

During the financial year ended 31 August 2023, the Company had issued 1,364,076 new ordinary shares at S\$0.25 per share upon the exercise and conversion of 1,364,076 warrants at S\$0.25 per share, amounted to an equivalent of US\$341,019.

As at 31 August 2022, there are outstanding warrants of 2,265,814,014, with each warrant carrying the right to subscribe for one new share at an exercise price of \$0.25. The warrants were issued on 6 February 2020 and can be exercised with effect from 6 February 2023 and has expired on 7 March 2023.

27. Retained profits

- (a) Retained profits of the Group and of the Company are distributable.
- (b) Movements in retained profits for the Group and the Company are as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$
At beginning of financial year	111,705,815	132,206,407	48,374,719	82,256,409
Net profit	19,655,770	14,195,505	2,927,177	7,801,654
Transfer to retained profits upon disposal of equity investment in financial assets, at FVOCI	5,424,198	6,658,768	99,564	(328,479)
Dividends paid	(9,264,317)	(41,354,865)	(9,264,317)	(41,354,865)
At end of financial year	<u>127,521,466</u>	<u>111,705,815</u>	<u>42,137,143</u>	<u>48,374,719</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

28. Other reserves

(a) *Composition:*

	The Group		The Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Fair value reserve	(17,476,236)	(2,527,769)	(4,430,090)	(1,627,486)
Asset revaluation reserve	5,921,511	6,099,884	-	-
Currency translation reserve	(7,388,831)	(6,260,305)	-	-
	<u>(18,943,556)</u>	<u>(2,688,190)</u>	<u>(4,430,090)</u>	<u>(1,627,486)</u>

(b) *Movements:*

	The Group	
	2023	2022
	\$	\$
<i>(i) Fair value reserve</i>		
Beginning of financial year	(2,527,769)	13,241,317
Financial assets, at FVOCI - fair value loss (Note 17)	(9,524,269)	(9,110,318)
Transfer to retained profits upon disposal of equity investment in financial assets, at FVOCI	(5,424,198)	(6,658,768)
End of financial year	<u>(17,476,236)</u>	<u>(2,527,769)</u>
<i>(ii) Asset revaluation reserve</i>		
Beginning of financial year	6,099,884	5,921,511
Revaluation (loss)/gain	(178,373)	178,373
End of financial year	<u>5,921,511</u>	<u>6,099,884</u>
<i>(iii) Currency translation reserve</i>		
Beginning of financial year	(6,260,305)	(5,606,061)
Net currency translation difference of financial statements for foreign subsidiary corporations	(1,128,526)	(654,244)
End of financial year	<u>(7,388,831)</u>	<u>(6,260,305)</u>
<i>(iv) Fair value reserve</i>		
Beginning of financial year	(1,627,486)	3,095,104
Financial assets, at FVOCI - fair value loss (Note 17)	(2,703,040)	(5,051,068)
Transfer to retained profits upon disposal of equity investment in financial assets, at FVOCI	(99,564)	328,478
End of financial year	<u>(4,430,090)</u>	<u>(1,627,486)</u>

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

29. Dividends

The directors declared one tier tax-exempt dividend as follows:

	The Group and Company	
	2023	2022
	\$	\$
One-tier tax-exempt cash dividend of 1 cent per share in respect of financial year ended 31 August 2022	9,264,317	-
One-tier tax-exempt cash dividend of 5.5 cents per share in respect of financial year ended 31 August 2021	-	4,442,810
One-tier tax-exempt scrip dividend of 5.5 cents per share in respect of financial year ended 31 August 2021	-	36,912,055
	<u>9,264,317</u>	<u>41,354,865</u>

At the Annual General Meeting on 21 December 2023, a final dividend of 0.55 cents per ordinary share amounting to a total of \$5,102,876 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 August 2023.

30. Commitments

Lease commitments – where the Group is a lessee

The Group and the Company leases office, retail store and warehouse from non-related parties under non-cancellable lease agreements. The leases have varying terms, escalation clauses and renewal rights.

As at 31 August 2023 and 2022, the portfolio of committed short-term leases remains similar to the short-term lease expenses not capitalised in lease liabilities (Note 25(a)) for the both financial years.

31. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk, and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as foreign currency borrowings to hedge financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and this includes establishing detailed policies, such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) *Market risk*

(i) *Currency risk*

The Group operates in Singapore and Malaysia. Revenue and expenses are predominantly denominated in Singapore Dollar ("SGD") and Malaysia Ringgit ("MYR").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

31. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollar (“USD”), Hong Kong Dollar (“HKD”) and Australian Dollar (“AUD”). Currency exposure to the transactions of the Group that denominated are denominated in USD, HKD and AUD are managed primarily through borrowings denominated in their respective currencies.

In addition, the Group is exposed to currency translation risk on the net assets in Malaysia.

The Group’s currency exposure based on the information provided to key management is as follows:

	<u>SGD</u>	<u>USD</u>	<u>MYR</u>	<u>HKD</u>	<u>AUD</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
At 31 August 2023						
Financial assets						
Cash and bank balances	97,125	2	176,326	23	-	273,476
Financial assets, at FVPL	5,217,292	899,906	-	11,780,887	743,786	18,641,871
Financial assets, at FVOCI	74,019,845	11,779,389	-	164,136,249	726,971	250,662,454
Trade and other receivables	105,425	136,224	34,664	-	239,423	515,736
Intra group receivables	174,891,517	-	1,596,332	-	-	176,487,849
Other current assets	27,841	-	40,999	-	-	68,840
	<u>254,359,045</u>	<u>12,815,521</u>	<u>1,848,321</u>	<u>175,917,159</u>	<u>1,710,180</u>	<u>446,650,226</u>
Financial liabilities						
Borrowings	(58,944,294)	-	-	(32,120,792)	(466,236)	(91,531,322)
Trade and other payables	(2,284,200)	-	(119,567)	-	-	(2,403,767)
Intra group payables	(174,891,517)	-	(1,596,332)	-	-	(176,487,849)
	<u>(236,120,011)</u>	<u>-</u>	<u>(1,715,899)</u>	<u>(32,120,792)</u>	<u>(466,236)</u>	<u>(270,422,938)</u>
Net financial assets	18,239,034	12,815,521	132,422	143,796,367	1,243,944	176,227,288
Add: Net non-financial assets	90,565,446	-	16,492,119	-	-	107,057,565
Currency profile including non-financial assets and liabilities	108,804,480	12,815,521	16,624,541	143,796,367	1,243,944	283,284,853
Currency exposure of financial assets net of those denominated in the respective entities’ functional currencies	-	12,815,521	132,422	143,796,367	1,243,944	157,988,254

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

31. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD	USD	MYR	HKD	AUD	Total
	\$	\$	\$	\$	\$	\$
At 31 August 2022						
Financial assets						
Cash and bank balances	1,076,294	-	68,415	-	-	1,144,709
Financial assets, at FVPL	108,816	-	-	-	-	108,816
Financial assets, at FVOCI	89,534,117	11,983,534	-	130,377,049	6,115,602	238,010,302
Trade and other receivables	97,976	-	25,178	-	-	123,154
Intra group receivables	168,288,405	-	1,521,822	-	-	169,810,227
Other current assets	1,239,643	-	43,916	-	-	1,283,559
	<u>260,345,251</u>	<u>11,983,534</u>	<u>1,659,331</u>	<u>130,377,049</u>	<u>6,115,602</u>	<u>410,480,767</u>
Financial liabilities						
Borrowings	-	-	(113,032,174)	-	-	(113,032,174)
Trade and other payables	(4,967,072)	-	(131,427)	-	-	(5,098,499)
Intra group payables	(168,288,405)	-	(1,521,822)	-	-	(169,810,227)
	<u>(173,255,477)</u>	<u>-</u>	<u>(1,653,249)</u>	<u>(113,032,174)</u>	<u>-</u>	<u>(287,940,900)</u>
Net financial assets	87,089,774	11,983,534	6,082	17,344,875	6,115,602	122,539,867
Add: Net non-financial assets	141,629,678	-	19,214,004	-	-	160,843,682
Currency profile including non-financial assets and liabilities	228,719,452	11,983,534	19,220,086	17,344,875	6,115,602	283,383,549
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	-	11,983,534	6,082	17,344,875	6,115,602	35,450,093

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

31. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	<u>SGD</u>	<u>MYR</u>	<u>HKD</u>	<u>Total</u>
	\$	\$	\$	\$
At 31 August 2023				
Financial assets				
Cash and bank balances	9,688	-	-	9,688
Financial assets, at FVOCI	29,325,913	-	-	29,325,913
Trade and other receivables	786	-	-	786
Amount due from subsidiary corporations	174,891,517	1,401,726	-	176,293,243
Other current assets	3,574	-	-	3,574
	204,231,478	1,401,726	-	205,633,204
Financial liabilities				
Borrowings	(1,252,167)	-	(10,878,733)	(12,130,900)
Trade and other payables	(1,065,524)	(194,606)	-	(1,260,130)
	(2,317,691)	(194,606)	(10,878,733)	(13,391,030)
Net financial assets/(liabilities)	201,913,787	1,207,120	(10,878,733)	192,242,174
Add: Net non-financial assets	20,171,822	-	-	20,171,822
Currency profile including non-financial assets and liabilities	222,085,609	1,207,120	(10,878,733)	212,413,996
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	-	1,207,120	(10,878,733)	(9,671,613)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

31. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	<u>SGD</u>	<u>MYR</u>	<u>HKD</u>	<u>Total</u>
	\$	\$	\$	\$
At 31 August 2022				
Financial assets				
Cash and bank balances	359,531	-	-	359,531
Financial assets, at FVOCI	31,043,777	-	-	31,043,777
Trade and other receivables	8,139	-	-	8,139
Amount due from subsidiary corporations	168,288,405	1,501,436	-	169,789,841
Other current assets	718,702	-	-	718,702
	<u>200,418,554</u>	<u>1,501,436</u>	<u>-</u>	<u>201,919,990</u>
Financial liabilities				
Borrowings	-	-	(9,581,390)	(9,581,390)
Trade and other payables	(2,456,226)	(20,386)	-	(2,476,612)
	<u>(2,456,226)</u>	<u>(20,386)</u>	<u>(9,581,390)</u>	<u>(12,058,002)</u>
Net financial assets/(liabilities)	197,962,328	1,481,050	(9,581,390)	189,861,988
Add: Net non-financial assets	31,251,169	-	-	31,251,169
Currency profile including non-financial assets and liabilities	<u>229,213,497</u>	<u>1,481,050</u>	<u>(9,581,390)</u>	<u>221,113,157</u>
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	<u>-</u>	<u>1,481,050</u>	<u>(9,581,390)</u>	<u>(8,100,340)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

31. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD, MYR, HKD and AUD change against SGD by 9%, 6%, 8% and 6% (2022: 4%, 5%, 3% and 6%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset position will be as follows:

	← Increase/(decrease) →			
	2023		2022	
	Profit after tax \$	Other comprehensive income \$	Profit after tax \$	Other comprehensive income \$
<u>The Group</u>				
USD against SGD				
-Strengthened	77,399	879,920	-	397,853
-Weakened	(77,399)	(879,920)	-	(397,853)
<hr/>				
MYR against SGD				
- Strengthened	6,595	-	252	-
- Weakened	(6,595)	-	(252)	-
<hr/>				
HKD against SGD				
- Strengthened	(1,305,568)	10,898,647	(2,814,501)	3,246,389
- Weakened	1,305,568	(10,898,647)	2,814,501	(3,246,389)
<hr/>				
AUD against SGD				
- Strengthened	25,745	36,203	-	304,577
- Weakened	(25,745)	(36,203)	-	(304,577)
<hr/>				
<u>The Company</u>				
MYR against SGD				
- Strengthened	60,115	-	61,464	-
- Weakened	(60,115)	-	(61,464)	-
<hr/>				
HKD against SGD				
- Strengthened	(722,348)	-	(238,577)	-
- Weakened	722,348	-	238,577	-
<hr/>				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

31. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to quoted equity securities and bonds price risk arising from the investments held by the Group which are classified in the balance sheets as financial assets, at FVPL and financial assets, at FVOCI. These securities are listed in Singapore, Hong Kong and Australia. To manage its price risk arising from investments in quoted equity securities and bonds, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

If prices for equity securities and bonds listed in Singapore, Hong Kong and Australia had changed by 9%, 49% and 15% (2022: 12%, 28% and 15%) with all other variables including tax rate being held constant, the effects on profit after tax and other comprehensive income would have been:

	← Increase/(decrease) →			
	2023		2022	
	Profit after tax	Other comprehensive income	Profit after tax	Other comprehensive income
	\$	\$	\$	\$
The Group				
Quoted equity securities in Singapore				
- increased by	1,392,548	7,309,551	10,838	11,767,424
- decreased by	(1,392,548)	7,309,551	(10,838)	(11,767,424)
	<hr/>	<hr/>	<hr/>	<hr/>
Quoted equity securities in Hong Kong				
- increased by	-	80,233,609	-	36,329,741
- decreased by	-	(80,233,609)	-	(36,329,741)
	<hr/>	<hr/>	<hr/>	<hr/>
Quoted equity securities in Australia				
- increased by	-	109,655	-	945,555
- decreased by	-	(109,655)	-	(945,555)
	<hr/>	<hr/>	<hr/>	<hr/>
The Company				
Quoted equity securities in Singapore				
- increased by	-	2,639,332	-	3,725,253
- decreased by	-	(2,639,332)	-	(3,725,253)
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

31. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings mainly denominated in SGD, HKD and AUD. The Company's exposure to cash flow interest rate risks arises mainly from borrowings and loans to subsidiary corporations at variable rates. The Group manages its interest rate risk by keeping bank borrowings to the minimum required to sustain operations of the Group.

If the SGD, HKD and AUD interest rates had all increased/decreased by 0.5% (2022: 0.5%) with all other variables including tax rate being held constant, the profit after tax) as a result of higher/lower interest expense on these borrowings will be as follows:

	← Increase/(decrease) →	
	2023	2022
	Profit	Profit
	after tax	after tax
	\$	\$
<u>The Group</u>		
SGD		
- increased by	244,619	-
- decreased by	(244,619)	-
	<hr/>	<hr/>
HKD		
- increased by	133,301	469,084
- decreased by	(133,301)	(469,084)
	<hr/>	<hr/>
AUD		
- increased by	1,935	-
- decreased by	(1,935)	-
	<hr/>	<hr/>
<u>The Company</u>		
SGD		
- increased by	5,196	-
- decreased by	(5,196)	-
	<hr/>	<hr/>
HKD		
- increased by	45,147	39,763
- decreased by	(45,147)	(39,763)
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

31. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with:

- Customers from wearing apparels, gold and jewellery transacts mainly in cash, debit and credit cards;
- Customers from rental of investment properties are required to provide a refundable deposit to mitigate credit risk; and
- High credit quality counterparties, where available.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Management at operating entity level based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at operating entity level by the respective Management and at the Group level by the Corporate Finance department.

The Group's investments in equity instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

(i) Trade receivables

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every balance sheet date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The expected loss allowance recognised during the financial year is not material.

At each subsequent balance sheet date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the balance sheet date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group and Company. The Management categorises receivables for write off when a debtor fails to make contractual payment greater than 90 days past due based on historical collection trend during the financial year. Where receivables have been written off, the Group and Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

As at 31 August 2023 and 2022, the trade receivables are not subject to any material credit loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

31. Financial risk management (continued)

Financial risk factors (continued)

(b) *Credit risk* (continued)

(ii) *Other receivables*

The Group and the Company use the general approach for assessment of ECL for these financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each balance sheet date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, the loss allowance is measured at an amount equal to 12-month ECL.

As at 31 August 2023 and 31 August 2022, the Group and the Company performed an assessment of qualitative and quantitative factors which are indicative of the risk of default (including but not limited to press information and applying experienced credit judgement) and an assessment of impairment using the 12-month ECL basis on these financial assets and subject to immaterial credit loss.

(iii) *Trade and other receivable due from subsidiary corporations*

Trade and other receivables due from subsidiary corporations are provided mainly for long term funding requirements. The Company uses a similar approach as described in Note 31(b)(ii) for assessment of ECL for these receivables. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The Company concluded that the need to provide the loss allowance for trade and other receivables due from subsidiary corporations is insignificant.

(iv) *Cash and bank balances*

Cash and bank balances are placed only with reputable licensed financial institutions with high credit-ratings. The cash and bank balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

31. Financial risk management (continued)

Financial risk factors (continued)

(c) *Liquidity risk*

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term bank deposits.

Management monitors rolling forecasts of the Group's and Company's liquidity reserve and cash and cash equivalents on the basis of expected cash flow. This is generally carried out at local level in the operating entities of the Group in accordance with the practice and limits set by the Group. These limits vary by operating entity to take into account the working capital requirement of each entity. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<u>The Group</u>	<u>The Company</u>
	Less than 1 year	Less than 1 year
	\$	\$
At 31 August 2023		
Trade and other payables	2,403,767	1,260,130
Borrowings	95,037,740	12,633,259
	<hr/>	<hr/>
At 31 August 2022		
Trade and other payables	5,098,499	2,476,612
Borrowings	115,123,269	9,624,506
	<hr/>	<hr/>

(d) *Capital risk*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

31. Financial risk management (continued)

Financial risk factors (continued)

(d) Capital risk (continued)

	<u>The Group</u>		<u>The Company</u>	
	2023	2022	2023	2022
	\$	\$	\$	\$
Net debt	93,873,120	117,341,505	13,381,342	11,755,461
Total equity	283,284,853	283,383,549	212,413,996	221,113,157
Total capital	<u>377,157,973</u>	<u>400,725,054</u>	<u>225,795,338</u>	<u>232,868,618</u>
Gearing ratio	<u>25%</u>	<u>29%</u>	<u>6%</u>	<u>5%</u>

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 August 2023 and 2022.

(e) Fair value measurement

The Group presents assets and liabilities measured and carried at fair value according to the following level of fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

See Notes 11 and 17 for disclosure of financial assets, at FVPL and financial assets, at FVOCI that are measured at fair value under level 1. See Note 17, 19 and 20 for disclosure of the financial assets, at FVOCI, property, plant and equipment and investment properties that are measured at fair value under level 2.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

31. Financial risk management (continued)

Financial risk factors (continued)

(e) Fair value measurement (continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	\$	\$	\$
<u>The Group</u>			
At 31 August 2023			
Assets			
Financial assets, at FVPL	18,641,871	-	18,641,871
Financial assets, at FVOCI	246,632,049	4,030,405	250,662,454
<hr/>			
At 31 August 2022			
Assets			
Financial assets, at FVPL	108,816	-	108,816
Financial assets, at FVOCI	234,554,521	3,455,781	238,010,302
<hr/>			
<u>The Company</u>			
At 31 August 2023			
Assets			
Financial assets, at FVOCI	29,325,913	-	29,325,913
<hr/>			
At 31 August 2022			
Assets			
Financial assets, at FVOCI	31,043,777	-	31,043,777
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There were no transfers between Levels 1 and 2 during the year.

As at 31 August 2023 and 31 August 2022, the Group and the Company have financial assets, at FVOCI and financial assets, at FVPL, which are measured at fair value under level 1 and 2. The fair value of financial instrument traded in active market (equity securities and bonds) is based on quoted market price at the balance sheet date. The quoted market price used for financial asset held by the Group and the Company is the closing price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These investments are classified as Level 2.

The carrying amount less impairment provision of current trade receivables and payables are assumed to approximate their fair values. The carrying amount of current borrowings approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

31. Financial risk management (continued)

Financial risk factors (continued)

(f) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Financial assets at amortised cost	858,052	2,551,422	176,307,291	170,876,213
Financial assets, at FVOCI	250,662,454	238,010,302	29,325,913	31,043,777
Financial assets, at FVPL	18,641,871	108,816	-	-
Financial liabilities at amortised cost	93,935,089	118,130,673	13,391,030	12,058,002

32. Related party transactions

No transactions took place between the Group and related parties other than those disclosed elsewhere in the financial statements. Related parties comprise mainly the directors of the Group and of the Company.

- Outstanding balances as at 31 August 2023 and 31 August 2022, arising from sales of goods and services, are unsecured and receivable within 12 months from the balance sheet date and disclosed in Notes 12 and 21 to the financial statements.
- Key management personnel compensation

	The Group	
	2023	2022
	\$	\$
<u>Directors' remuneration:</u>		
Salaries, bonus and fees	1,988,356	1,955,334
Employer's contribution to defined contribution plans	24,620	24,556
	<u>2,012,976</u>	<u>1,979,890</u>

33. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the two geographic areas: Singapore and Malaysia. The segment in Malaysia derives revenue from sale of apparel, while the Singapore segment derives revenue from sale of apparel, gold and jewellery, investment dealing and rental of investment properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

33. Segment information (continued)

The segment information provided to the Board of Directors for the reportable segments are as follows:

	← Singapore →				Malaysia	
	<u>Wearing apparel</u>	<u>Gold and jewellery</u>	<u>Investment dealing</u>	<u>Property rental</u>	<u>Wearing apparel</u>	<u>The Group</u>
	\$	\$	\$	\$	\$	\$
2023						
<u>The Group</u>						
Revenue						
- external parties	462,333	18,937,577	18,294,623	2,746,781	1,465,105	41,906,419
Segment results	(929,531)	3,196,000	18,874,609	4,191,673	102,747	25,435,498
Expenses						
Administrative and other operating expenses						(2,109,803)
Finance expenses						(3,079,567)
Profit before income tax						20,246,128
Income tax expense						(590,358)
Net profit						<u>19,655,770</u>
Net profit includes:						
Depreciation	5,024	18,143	-	-	110,324	133,491
Segment assets	<u>2,956,142</u>	<u>20,348,521</u>	<u>269,681,370</u>	<u>68,120,338</u>	<u>16,795,206</u>	<u>377,901,577</u>
Segment assets includes:						
Additional to PPE	2,932,500	457,251	-	-	-	3,389,751
Purchases of financial assets, at FVOCI	-	-	74,668,670	-	-	74,668,670
Purchases of financial assets, at FVPL	-	-	28,070,427	-	-	28,070,427
Segment liabilities	<u>139,470</u>	<u>263,099</u>	<u>91,531,322</u>	<u>691,507</u>	<u>118,170</u>	<u>92,743,568</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

33. Segment information (continued)

	← Singapore →				Malaysia	The Group
	Wearing apparel	Gold and jewellery	Investment dealing	Property rental	Wearing apparel	
	\$	\$	\$	\$	\$	\$
2022						
The Group						
Revenue						
- external parties	772,819	23,206,620	13,505,981	4,314,328	1,315,207	43,114,955
Segment results	(857,665)	3,854,405	9,683,126	5,069,186	84,885	17,833,937
Expenses						
Administrative and other operating expenses						(2,033,181)
Finance expenses						(884,105)
Profit before income tax						14,916,651
Income tax expense						(721,146)
Net profit						<u>14,195,505</u>
Net profit includes:						
Depreciation	4,968	2,351	-	-	118,062	125,381
Segment assets	<u>393,727</u>	<u>15,782,400</u>	<u>239,075,789</u>	<u>127,889,482</u>	<u>19,339,853</u>	<u>402,481,251</u>
Segment assets includes:						
Purchases of financial assets, at FVOCI	-	-	60,758,811	-	-	60,758,811
Segment liabilities	<u>239,015</u>	<u>320,771</u>	<u>113,032,174</u>	<u>3,402,066</u>	<u>129,929</u>	<u>117,123,955</u>

Sales between segments are carried out at terms agreed between the segments. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

33. Segment information (continued)

(a) Reconciliations

(i) Segment assets

The amounts reported to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than income tax receivables and deferred income tax assets.

Reconciliation of reportable segments' assets to total assets:

	2023	2022
	\$	\$
Segment assets for reportable segments	377,901,577	402,481,251
Unallocated:		
Income tax receivables	67,726	78,645
Deferred income tax assets	30,626	30,626
	<u>377,999,929</u>	<u>402,590,522</u>

(ii) Segment liabilities

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than director's fees and bonus payable, amount due to director, current income tax liabilities and deferred income tax liabilities.

Reconciliation of reportable segments' liabilities to total liabilities

	2023	2022
	\$	\$
Segment liabilities for reportable segments	92,743,568	117,123,955
Unallocated:		
Director's fees and bonus payable	1,313,271	1,237,960
Amount due to director	89,757	124,299
Current income tax liabilities	360,856	663,275
Deferred income tax liabilities	207,624	57,484
	<u>94,715,076</u>	<u>119,206,973</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

33. Segment information (continued)

(b) Geographical information

The Group's four business segments operate in two main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the sale of apparel, gold and jewellery, investment dealing and rental of properties;
- Malaysia – the operations in this area are principally the sale of apparel and rental of properties.

	Revenue		Non-current assets	
	2023	2022	2023	2022
	\$	\$	\$	\$
Singapore	40,231,269	41,617,118	320,568,485	307,214,749
Malaysia	1,675,150	1,497,837	16,010,369	18,710,051
	<u>41,906,419</u>	<u>43,114,955</u>	<u>336,578,854</u>	<u>325,924,800</u>

There is no revenue from any single external customer that contributed 10% or more of the Group's total revenue.

34. Events occurring after the balance sheet

Subsequent to the financial year ended 31 August 2023, the Group is in the process of disposing 3 units of investment properties. The details of the investment properties are as follows:

Investment properties	Disposal price (\$)	Carrying amount (\$)	Gain on disposal of the investment properties (\$)
810 Geylang Road #02-88, City Plaza, Singapore 409286 ⁽¹⁾	1,650,000	1,430,000	220,000
810 Geylang Road #01-56/57, City Plaza, Singapore 409286	5,800,000	4,560,000	1,240,000

The disposal of the investment properties will result in net gain of \$1,460,000 and this net gain will be recognised in profit or loss for the next financial year.

⁽¹⁾ Sale of disposal of investment property was completed on 19 September 2023.

35. New or revised accounting standards

The Group has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Group's accounting periods beginning on or after 1 September 2023. However, management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Group in the period of their initial adoption.

36. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Second Chance Properties Ltd on 29 November 2023.

STATISTICS OF SHAREHOLDING

AS AT 17 NOVEMBER 2023

Issued and Fully Paid-Up Capital	:	S\$174,706,943.36
No. of Shares Issued	:	927,795,798
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share
No. of Treasury Shares and Subsidiary Holdings	:	Nil

ANALYSIS OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 17 NOVEMBER 2023

Size of Shareholdings	No. of Holders	% of Holders	No. of Shares	% of Shares
1 - 99	138	5.88	5,753	0.00
100 - 1,000	214	9.11	114,564	0.01
1,001 - 10,000	806	34.31	4,279,370	0.46
10,001 - 1,000,000	1,162	49.47	73,274,426	7.90
1,000,001 and above	29	1.23	850,121,685	91.63
Grand Total	2,349	100.00	927,795,798	100.00

SUBSTANTIAL SHAREHOLDERS

(AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 17 NOVEMBER 2023)

Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Mohamed Salleh s/o Kadir Mohideen Saibu Maricar ¹	650,951,628	70.16	7,996,459	0.86
Radiah Binte Mohamed Salleh Maricar	47,311,680	5.10	-	-

Notes:

¹ Mr. Mohamed Salleh s/o Kadir Mohideen Saibu Maricar is deemed to be interested in 7,996,459 ordinary shares in the capital of the Company which are held by his spouse, Mdm. Sapiyah Abu Bakar.

STATISTICS OF SHAREHOLDING

AS AT 17 NOVEMBER 2023

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 13.59% of the issued ordinary shares in the capital of the Company are held in the hands of the public as at 17 November 2023. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has therefore been complied with.

THIRTY LARGEST SHAREHOLDERS AS AT 17 NOVEMBER 2023

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	MOHAMED SALLEH S/O KADIR MOHIDEEN SAIBU MARICAR	650,951,628	70.16
2	RADIAH BINTE MOHAMED SALLEH MARICAR	47,311,680	5.10
3	NADIA D/O MOHAMED SALLEH MARICAR	38,180,200	4.12
4	SOFIA BINTE MOHAMED SALLEH MARICAR	32,116,424	3.46
5	DBS NOMINEES PTE LTD	12,421,113	1.34
6	MOHAMED AMAL BIN MOHAMED SALLEH MARICAR	8,877,230	0.96
7	NADIA D/O MOHAMED SALLEH MARICAR OR SAPIYAH ABU BAKAR	7,996,459	0.86
8	MOHAMED HASAN MARICAN S/O K M S M OR SALEHA BINTE A K	6,300,688	0.68
9	KOH CHENG TECK OR PNG PECK ENG	5,375,360	0.58
10	DEVNARAYANAN S/O K R PISHARODY @ SHAH ABDULLAH PISHARODY	4,407,435	0.48
11	JOHARABEE BINTE KADIR M S M OR KADIR MAIDEEN BIN MOHAMED	4,001,065	0.43
12	TAN WOI @TAN SIEW HWA	3,735,699	0.40
13	KHONG LAI CHEONG	3,044,288	0.33
14	WEE HIAN KOK	2,978,544	0.32
15	UNITED OVERSEAS BANK NOMINEES P L	2,449,663	0.26
16	LIEW CHIAP KONG	2,394,223	0.26
17	KUANG SHIHAO	2,119,024	0.23
18	CITIBANK NOMS SPORE PTE LTD	1,702,023	0.18
19	WONG KAI YEEN	1,669,399	0.18
20	RAFFLES NOMINEES(PTE) LIMITED	1,602,384	0.17
21	OCBC NOMINEES SINGAPORE PTE LTD	1,472,129	0.16
22	RAHAMAT BIN MOHD ISMAIL	1,384,067	0.15
23	TAN KIAN HWEE	1,157,000	0.12
24	TAN CHUAN SENG	1,138,935	0.12
25	OCBC SECURITIES PRIVATE LTD	1,123,411	0.12
26	YIT TENG YUET	1,091,377	0.12
27	NG LENG SAN	1,058,700	0.11
28	TAN BOON SON @TAN TECK LONG	1,036,591	0.11
29	HARRY HALIM @ LIM ENG LIAN	1,024,946	0.11
30	LIM LIANG THIAM	900,646	0.10
	TOTAL:	851,022,331	91.72

NOTICE OF ANNUAL GENERAL MEETING

SECOND CHANCE PROPERTIES LTD

(Co. Reg. No. 198103193M)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Second Chance Properties Ltd (the “**Company**”) will be held at 810 Geylang Road, #04-28/37 The Iris, City Plaza, Singapore 409286 on Thursday, 21 December 2023 at 10:00 a.m. for the purpose of considering and if thought fit, transacting the following business:

AS ORDINARY BUSINESSES

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 August 2023 together with the Auditors’ Report thereon. *(Resolution 1)*
2. To declare a first and final dividend of 0.55 Singapore cents per ordinary share tax-exempt (one-tier) for the financial year ended 31 August 2023. *(Resolution 2)*
3. To approve the payment of Directors’ fees of S\$160,509.68 for the financial year ended 31 August 2023. (2022: S\$142,183) *(Resolution 3)*
4. To re-elect Dr Ahmad Bin Mohamed Magad, who retires by rotation pursuant to Regulation 107 of the Company’s Constitution, as Director of the Company. *(Resolution 4)*
[See Explanatory Note (i)]
5. To re-elect Mr Tan Lye Heng Paul, who retires by rotation pursuant to Regulation 107 of the Company’s Constitution, as Director of the Company. *(Resolution 5)*
[See Explanatory Note (ii)]
6. To re-elect Ms Geetha Padmanabhan, who retires by rotation pursuant to Regulation 107 of the Company’s Constitution, as Director of the Company. *(Resolution 6)*
[See Explanatory Note (iii)]
7. To re-appoint Messrs CLA Global TS Public Accounting Corporation, Certified Public Accountants as Auditors of the Company and to authorize the Directors to fix their remuneration. *(Resolution 7)*
8. To transact any other ordinary business which may properly be transacted at the AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as ordinary resolution, with or without any modifications:

9. **General Mandate to Directors to Issue Shares** *(Resolution 8)*
“That, pursuant to Section 161 of the Companies Act 1967 (the “**Act**”) and the rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:
(A) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
(ii) make or grant offers, agreements, or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution), shall not exceed 50 percent of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a *pro rata* basis, then the aggregate number of shares to be issued under such circumstances (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20 percent of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below); and
- (b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of the total issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of convertible securities;
 - (ii) (where applicable) new shares arising from exercising share options or vesting of share awards provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with sub-paragraph (b)(i) or sub-paragraph (b)(ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution for the time being of the Company; and
- (d) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue to be in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.”

[See Explanatory Note (iv)]

10. **Authority to Issue Shares pursuant to the Second Chance Properties Ltd Scrip Dividend Scheme** *(Resolution 9)*

That pursuant to Section 161 of the Act and the Listing Manual of the SGX-ST, the Directors of the Company be and are hereby authorised and empowered to allot and issue such number of new ordinary shares (credited as fully paid up to the amount as may be determined and announced by the Directors from time to time) in the capital of Company as may be required to be allotted and issued pursuant to the Second Chance Properties Ltd Scrip Dividend Scheme, provided that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (v)]

NOTICE OF ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD

Sharon Lim Siew Choo
Company Secretary

Singapore, 4 December 2023

EXPLANATORY NOTES:

- i. Dr Ahmad Bin Mohamed Magad, will, upon re-election as a Director, remain as Independent Non-Executive Chairman of the Company, Chairman of Nominating Committee, member of Audit Committee and Remuneration Committee, and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information on Dr Ahmad Bin Mohamed Magad can be found under the "Board of Directors" and "Disclosure of information on Directors seeking re-election" sections in the Company's Annual Report.
- ii. Mr Tan Lye Heng Paul, will, upon re-election as a Director, remain as Independent Non-Executive Director of the Company, Chairman of Remuneration Committee, member of Audit Committee and Nominating Committee, and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information on Mr Tan Lye Heng Paul can be found under the "Board of Directors" and "Disclosure of information on Directors seeking re-election" sections in the Company's Annual Report.
- iii. Ms Geetha Padmanabhan will, upon re-election as a Director, remain as Independent Non-Executive Director of the Company, Chairman of Audit Committee, member of Remuneration Committee and Nominating Committee, and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information on Ms Geetha Padmanabhan can be found under the "Board of Directors" and "Disclosure of information on Directors seeking re-election" sections in the Company's Annual Report.
- iv. Ordinary Resolution 8 above, if passed, will authorise and empower the Directors of the Company from the date of this resolution is passed until the date of the next AGM, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares, and to issue shares in pursuance of such Instruments, up to a number not exceeding in aggregate 50 percent of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20 percent may be issued other than on a *pro rata* basis to existing shareholders of the Company.
- v. Ordinary Resolution 9 above, if passed, will authorise and empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the Second Chance Properties Ltd Scrip Dividend Scheme (as approved in the extraordinary general meeting held on 28 November 2003 and as modified by the Directors in accordance with the authority granted thereunder) to members who, in respect of a qualifying dividend, elect to receive scrip in lieu of cash amount of that qualifying dividend. Authority under Ordinary Resolution 9 is in addition to the general authority to issue shares and/or convertible securities sought under Ordinary Resolution 8.

Notes:

1. The AGM of the Company will be held, in a wholly physical format at 810 Geylang Road, #04-28/37 The Iris, City Plaza, Singapore 409286, on Thursday, 21 December 2023 at 10:00 a.m.. **There will be no option for members to participate virtually.**
2. If a member wishes to submit questions related to the resolutions tabled for approval at the AGM, all questions must be submitted no later than **12 December 2023** through any of the following means:
 - (a) In hard copy by sending personally or by post and lodging the same at the registered office of the Company at 60 Paya Lebar Road, #07-20, Paya Lebar Square, Singapore 409051; or
 - (b) By email to the Company at contact@secondchance.com.sg.

NOTICE OF ANNUAL GENERAL MEETING

and provide particulars as follows:

- the Member's full name as it appears on his/her/its CDP/CPF/SRS share records;
- the Member's NRIC/Passport/UEN number;
- the Member's contact number and email address; and
- the manner in which the Member holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its member status.

Alternatively, member may also ask question during the AGM.

3. The Company will endeavour to address all substantial and relevant questions received from members **by 16 December 2023, 10:00 a.m.**, being not less than forty-eight (48) hours before the closing date and time for the lodgement of the proxy form, via SGXNet and on our corporate website. The Company will also address any subsequent clarifications sought or follow-up questions during the AGM in respect of substantial and relevant matters. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions will be individually addressed. The responses from the Board and the Management of the Company shall thereafter be published on (i) the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>; and (ii) the corporate website at the URL <http://secondchance.com.sg/>, together with the minutes of the AGM, within one (1) month after the conclusion of the AGM. The minutes will include the responses to substantial and relevant questions received from shareholders which are addressed during the AGM.
4. A member who is not a Relevant Intermediary*, entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead at the AGM of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company.
5. A member who is a Relevant Intermediary* is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
6. The instrument appointing the proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
7. The Proxy Form, together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:
 - (a) If sent personally or by post, be lodged at the registered office of the Company at 60 Paya Lebar Road, #07-20, Paya Lebar Square, Singapore 409051; or
 - (b) If by email, be received by the Company at contact@secondchance.com.sg

In either case, **by 18 December 2023, 10:00 a.m.** (being 72 hours before the time fixed for the AGM) ("**Proxy Deadline**"), and in default the instrument of proxy shall not be treated as valid.

8. The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents) (such as in the case where the appointor submits more than one instrument appointing the proxy or proxies).
9. Investors who hold shares through Relevant Intermediary*, including under the Central Provident Fund Investment Scheme ("**CPF Investor**") or the Supplementary Retirement Scheme ("**SRS Investor**"), and holders under depository agents and who wish to exercise their votes should approach their respective Relevant Intermediary*, including CPF Agent Bank, SRS Operators or depository agent to submit their votes at least seven (7) working days before the AGM (i.e. **by 5:00 p.m. on 11 December 2023**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint anyone to vote on their behalf no later than the Proxy Deadline.

NOTICE OF ANNUAL GENERAL MEETING

10. In the case of a member whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing the proxy or proxies lodged if such member, being appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
11. The following documents are made available to members on **4 December 2023** together with this Notice of AGM via SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: <http://secondchance.com.sg/>:
 - (a) Annual Report for the financial year ended 31 August 2023 ("Annual Report"); and
 - (b) Proxy Form in relation to the AGM.
12. If you wish to receive a printed copy of the Annual Report, please complete and return the request form to the Company's Share Registrar office **by no later than 13 December 2023**.
13. The Notice of AGM together with its proxy form as well as the request form will be sent to Shareholders by post on **4 December 2023**.

*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment, thereof, or (b) submitting details for the registration to observe the proceedings of the AGM of the Company via live audio-visual webcast or audio-only stream, or (c) submitting any question prior to the AGM of the Company, in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) addressing substantial and relevant questions from members received before the AGM of the Company and if necessary, following up with the relevant members in relation to such questions;
- (iii) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities; and
- (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT

1. The AGM of the Company will be held, in a wholly physical format at 810 Geylang Road, #04-28/37 The Iris, City Plaza, Singapore 409286 on Thursday, 21 December 2023 at 10:00 a.m.. **There will be no option for members to participate virtually.**
2. An investor who holds shares through Relevant Intermediaries*, including under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy at least seven (7) working days before the AGM, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.
3. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. Please read the notes to the proxy form.

*I/We, _____ (Name), _____ (NRIC/Passport/Co Reg No.)

of _____ (Address) being a *member/members of
Second Chance Properties Ltd (the "**Company**"), hereby appoint the

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her/them, the Chairman of the Annual General Meeting of the Company (the "**AGM**") as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM to be held at 810 Geylang Road, #04-28/37 The Iris, City Plaza, Singapore 409286 on Thursday, 21 December 2023 at 10:00 a.m., and at any adjournment thereof.

*I/We direct the *my/our *proxy/proxies, to vote for or against, or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. **If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the *proxy/proxies (except where the Chairman of the AGM is appointed as *my/our proxy) will vote or abstain from voting at *his/her/their discretion. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as *my/our proxy for that resolution will be treated as invalid.**

No.	Ordinary Resolutions	No. of votes For**	No. of votes Against**	No. of votes Abstain**
Ordinary Businesses				
1.	Adoption of the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 August 2023, together with the Auditor's Report thereon			
2.	Payment of proposed first and final dividend of 0.55 Singapore cents per ordinary share tax-exempt (one-tier) for the financial year ended 31 August 2023			
3.	To approve the payment of Directors' fees			
4.	Re-election of Dr Ahmad Bin Mohamed Magad as a Director of the Company			
5.	Re-election of Mr Tan Lye Heng Paul as a Director of the Company			
6.	Re-election of Ms. Geetha Padmanabhan as a Director of the Company			
7.	Re-appointment of Messrs CLA Global TS Public Accounting Corporation as Auditors of the Company and authority to Directors of the Company to fix their remuneration			
Special Businesses				
8.	Authority to issue shares in the capital of the Company			
9.	Authority to issue shares pursuant to the Second Chance Properties Ltd Scrip Dividend Scheme			

*Delete where inapplicable.

**If you wish to exercise all your votes 'For' or 'Against' or 'Abstain', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Annual General Meeting for the full purpose and intent of the resolution to be passed.

Dated this _____ day of _____ 2023

Signature of Member(s)/
and, Common Seal of Corporate Shareholder

Total number of shares held	
(a) Depository Register	
(b) Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF



IMPORTANT NOTES TO PROXY FORM:

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
2. A member of the Company who is not a Relevant Intermediary* entitled to attend and vote at AGM of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member who is not a Relevant Intermediary* appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a Relevant Intermediary* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
5. An investor who holds shares through Relevant Intermediary*, including under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investor**”) (as may be applicable) and wishes to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 5:00 p.m. 11 December 2023) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.
6. The Proxy Form, together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:
 - (a) If sent personally or by post, be lodged at the registered office of the Company at 60 Paya Lebar Road, #07-20 Paya Lebar Square, Singapore 409051; or
 - (b) If by email, be received by the Company at contact@secondchance.com.sgIn either case, by **18 December 2023, 10:00 a.m.** (being 72 hours before the time fixed for the AGM) (“**Proxy Deadline**”), and in default the instrument of proxy shall not be treated as valid.
7. The instrument appointing the proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents). In addition, in the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the proxy or proxies lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM as a proxy, the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of AGM dated 4 December 2023.

AFFIX
STAMP

The Company Secretary
SECOND CHANCE PROPERTIES LTD
60 PAYA LEBAR ROAD
#07-20 PAYA LEBAR SQUARE
SINGAPORE 409051

CORPORATE INFORMATION

BOARD OF DIRECTORS

Founder & CEO

Mohamed Salleh s/o Kadir Mohideen
Saibu Maricar

Independent Non-Executive Chairman

Dr Ahmad Bin Mohamed Magad

Deputy CEO

Mohamed Hasan Marican s/o Kadir Mohideen
Saibu Maricar

Executive Director

Devnarayanan s/o K.R. Pisharody

Independent Non-Executive Director

Geetha Padmanabhan

Independent Non-Executive Director

Tan Lye Heng Paul

Non-Executive Director

Deepak Lakhi Ramchandani

AUDIT COMMITTEE

Geetha Padmanabhan - Chairman
Dr Ahmad Bin Mohamed Magad
Tan Lye Heng Paul

REMUNERATION COMMITTEE

Tan Lye Heng Paul - Chairman
Dr Ahmad Bin Mohamed Magad
Geetha Padmanabhan

NOMINATING COMMITTEE

Dr Ahmad Bin Mohamed Magad - Chairman
Geetha Padmanabhan
Tan Lye Heng Paul

MANAGEMENT

Finance Advisor

Reema Gupta

Group Head - Accounts and Finance

J Raj Mohamed

Executive Director of First Lady Apparels (Malaysia) Sdn Bhd

Amal Marican

Field Manager

Safie Bin Haji Hussain

Management Executive

Azlan Bin Mohd Shafie

COMPANY SECRETARY

Sharon Lim Siew Choo

SHARE REGISTRAR AND WARRANT AGENT

9 Raffles Place, #26-01,
Republic Plaza Tower I,
Singapore 048619
Tel: 62363333

AUDITORS

CLA Global TS Public Accounting Corporation
Director-in-charge
Lee Tze Shiong
(appointed since the financial year ended
31 August 2021)

PRINCIPAL BANKERS

United Overseas Bank Limited
Bank of Singapore

REGISTERED OFFICE

60 Paya Lebar Road
#07-20 Paya Lebar Square
Singapore 409051
Telephone: 67456911
Facsimile: 67456955
Email: contact@secondchance.com.sg



SECOND CHANCE PROPERTIES LTD

Company Registration No.: 198103193M
Incorporated in the Republic of Singapore

Tel: 6745 6911 Fax: 6745 6955

Email: contact@secondchance.com.sg

60 Paya Lebar Road #07-20
Paya Lebar Square, Singapore 409051