SECOND CHANCE PROPERTIES LTD

UNAUDITED SECOND QUARTER FINANCIAL RESULTS FOR THE PERIOD ENDED 29-02-2016

Note: All figures are in Singapore Dollars

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEARLY AND FULL YEAR RESULTS

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group For the 6 months ended			Group For the 3 months ended		
	29-02-2016	28-02-2015	Change	29-02-2016	28-02-2015	Change
	$ '000	$ '000	%	$ '000	$ '000	%
Revenue	**16,651**	**18,921**	**(12.00)**	**8,443**	**10,086**	**(16.29)**
Cost of sales	**(7,482)**	**(7,965)**	**(6.06)**	**(4,001)**	**(4,654)**	**(14.03)**
Gross profit	**9,169**	**10,956**	**(16.31)**	**4,442**	**5,432**	**(18.23)**
Other income	2	1,461	(99.86)	78	253	(69.17)
Expenses						
Distribution expenses	(366)	(504)	(27.38)	(190)	(297)	(36.03)
Property operating expenses	(722)	(703)	2.70	(252)	(347)	(27.38)
Gold operating expenses	(95)	(97)	(2.06)	(37)	(37)	-
Apparels operating expenses	(858)	(1,272)	(32.55)	(420)	(616)	(31.82)
Administrative expenses	(2,447)	(2,747)	(10.92)	(1,228)	(1,398)	(12.16)
Other operating expenses	-	(11)	nm	-	(1)	nm
	(4,488)	(5,334)	(15.86)	(2,127)	(2,696)	(21.11)
Profit from operations	**4,683**	**7,083**	**(33.88)**	**2,393**	**2,989**	**(19.94)**
Gain on fair valuation of properties	553	1,050	(47.33)	553	1,050	(47.33)
Loss on fair valuation of financial assets, at fair value through profit or loss	(830)	(2,213)	(62.49)	(1,575)	(690)	128.12
Finance costs	(626)	(504)	24.21	(323)	(276)	17.03
Profit before income tax	**3,780**	**5,416**	**(30.21)**	**1,048**	**3,073**	**(65.90)**
Income tax expense	(148)	(193)	(23.32)	56	(13)	nm
Net profit	**3,632**	**5,223**	**(30.46)**	**1,104**	**3,060**	**(63.92)**

Net profit	**3,632**	**5,223**	**(30.46)**	**1,104**	**3,060**	**(63.92)**
Other Comprehensive Income						
Items that may be reclassified subsequently to profit or loss: Available-for-sale financial assets						
-Fair value (loss)/gains	(3,456)	(248)	1,293.55	(799)	2,264	nm
Currency translation differences arising from consolidation - (loss)/gains	(272)	(1,352)	(79.88)	212	(725)	nm
Other comprehensive (loss)/income, net of tax	(3,728)	(1,600)	133.00	(587)	1,539	nm
Total comprehensive (loss)/ income	**(96)**	**3,623**	**nm**	**517**	**4,599**	**(88.76)**

Notes	**Group For the 6 months ended**		**Group For the 3 months ended**	
	29-02-2016	28-02-2015	29-02-2016	28-02-2015
	$ '000	$ '000	$ '000	$ '000
Net profit is arrived at after crediting / (charging)				
Dividend & coupon income	1,910	2,494	831	1,235
Profit on disposal of available-for-sale financial assets	-	1,488	-	246
Profit on disposal of financial assets, at fair value through profit or loss	3	120	2	80
Expenses include:				
Depreciation of property, plant and equipment	197	218	100	110
Total directors' remuneration	705	696	362	333
Directors' CPF	14	12	5	4
Directors' fees	77	66	47	33
Foreign exchange loss/(gain)	61	192	(33)	97
Income Tax				
Over provision of income tax	12	-	12	-
Finance costs				
Interest expenses:-				
Bank overdrafts	1	-	1	-
Short-term loans	562	470	289	259
Long-term loans	63	34	33	17
	626	**504**	**323**	**276**

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	29-02-2016	31-08-2015	29-02-2016	31-08-2015
	$ '000	$ '000	$ '000	$ '000
ASSETS				
Current assets				
Cash and cash equivalents	3,083	7,084	491	3,796
Trade and other receivables	1,434	3,276	6,402	6,803
Financial assets, at fair value through profit or loss	36,278	38,866	-	-
Inventories	17,044	17,094	1,070	1,104
Other current assets	736	694	1,751	169
Property held for sale	6,550	6,535	-	-
Income tax recoverable	96	72	-	-
Total Current Assets	65,221	73,621	9,714	11,872
Non-current assets				
Amounts due from subsidiaries	-	-	229,151	235,081
Investments in subsidiaries	-	-	1,209	1,209
Available-for-sale financial assets	49,748	53,011	43,127	46,663
Property, plant and equipment	24,815	29,297	51	48
Investment properties	191,202	192,914	13,500	13,500
Total non-current assets	265,765	275,222	287,038	296,501
Total assets	**330,986**	**348,843**	**296,752**	**308,373**
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	73,211	83,261	66,693	67,945
Trade payables	2,574	2,737	297	376
Other payables	1,038	2,178	723	1,646
Current income tax liabilities	613	847	216	359
Total current liabilities	77,436	89,023	67,929	70,326
Non-current liabilities				
Borrowings	5,042	5,307	5,042	5,307
Deferred income tax liabilities	170	216	8	8
Total non-current liabilities	5,212	5,523	5,050	5,315
Total liabilities	**82,648**	**94,546**	**72,979**	**75,641**
Net assets	**248,338**	**254,297**	**223,773**	**232,732**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	138,319	120,141	138,319	120,141
Reserves	110,019	134,156	85,454	112,591
Total equity	**248,338**	**254,297**	**223,773**	**232,732**

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

Amount repayable in one year or less, or on demand

As at 29-02-2016		As at 31-08-2015	
Secured	***Unsecured***	***Secured***	***Unsecured***
$73,211,033	$253,484	$83,261,277	$526,305

Amount repayable after one year

As at 29-02-2016		As at 31-08-2015	
Secured	***Unsecured***	***Secured***	***Unsecured***
$5,042,333	-	$5,307,139	-

Details of Collateral

The Group's bank borrowings are secured by the mortgage of securities, the freehold and leasehold lands and buildings of the subsidiaries, investment properties of the Group and assignment of rental proceeds from these properties.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group For the 6 months ended		Group For the 3 months ended	
	29-02-2016 $ '000	28-02-2015 $ '000	29-02-2016 $ '000	28-02-2015 $ '000
Cash flows from operating activities				
Net profit	3,632	5,223	1,104	3,060
Adjustments for				
-Income tax expense	148	193	(56)	13
-Depreciation of property, plant and equipment	197	218	100	110
-Fair value gain on investment properties	(553)	(1,050)	(553)	(1,050)
-Interest income from bank deposits	(41)	(34)	(36)	(16)
-Finance expense	626	504	323	276
-Gain on disposal of available-for-sale financial assets	-	(1,488)	-	(246)
-Unrealised foreign exchange loss on borrowings	-	1,108	-	532
-Unrealised currency translation differences	33	227	(26)	110
	4,042	**4,901**	**856**	**2,789**
Changes in working capital				
Financial assets, at fair value through profit or loss	2,588	(2,690)	1,823	505
-Inventories	(18)	835	1,027	299
-Trade and other receivables	1,795	(1,328)	33	(459)
-Trade and other payables	(1,299)	1,965	(176)	2,715
Net cash generated from operations	**7,108**	**3,683**	**3,563**	**5,849**
Income taxes paid	(445)	(936)	(324)	(913)
Interest received	41	34	36	16
Interest paid	(664)	(504)	(334)	(276)
Net cash provided by operating activities	**6,040**	**2,277**	**2,941**	**4,676**

	Group For the 6 months ended		Group For the 3 months ended	
	29-02-2016 $ '000	**28-02-2015 $ '000**	**29-02-2016 $ '000**	**28-02-2015 $ '000**
Cash flows from investing activities				
-Disposal of available-for-sale financial assets	149	2,150	98	360
-Disposal of investment properties held for sale	6,535	-	-	-
-Purchase of available-for-sale financial assets	(342)	(230)	-	(178)
-Additions to investment properties	-	(4)	-	-
-Additions to property, plant and equipment	(242)	(1,726)	(135)	(1,056)
Net cash provided by/(used in) investing activities	**6,100**	**190**	**(37)**	**(874)**
Cash flows from financing activities				
-Dividends paid to equity holders of the Company	(5,863)	(10,158)	(5,863)	(10,158)
-Proceeds from short-term bank borrowings	64,124	50,624	28,370	36,904
-Repayment of short-term bank borrowings	(74,137)	(43,082)	(25,954)	(30,635)
-Repayment of long-term bank borrowings	(265)	(236)	(133)	(104)
Net cash used in financing activities	**(16,141)**	**(2,852)**	**(3,580)**	**(3,993)**
Net decrease in cash and cash equivalents	(4,001)	(385)	(676)	(191)
Cash and cash equivalents at beginning of financial period	7,084	3,467	3,759	3,273
Cash and cash equivalents at end of financial period	**3,083**	**3,082**	**3,083**	**3,082**
Cash and cash equivalents consist of:				
Cash at bank	3,083	3,082	3,083	3,082
	3,083	**3,082**	**3,083**	**3,082**

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group

	Share Capital	Assets Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Balance as at 28 February 2015	**120,141**	**6,502**	**16,021**	**(2,296)**	**116,347**	**256,715**
Total comprehensive (loss)/income for the period	-	-	(1,578)	3,440	427	**2,289**
Balance as at 31 May 2015	**120,141**	**6,502**	**14,443**	**1,144**	**116,774**	**259,004**
Total comprehensive income/(loss) for the period	-	3,090	(5,877)	(6,532)	4,612	**(4,707)**
Balance as at 31 August 2015	**120,141**	**9,592**	**8,566**	**(5,388)**	**121,386**	**254,297**
Total comprehensive (loss)/income for the period	-	-	(2,657)	(484)	2,528	**(613)**
Balance as at 30 November 2015	**120,141**	**9,592**	**5,909**	**(5,872)**	**123,914**	**253,684**
Cash dividends paid	-	-	-	-	(5,863)	**(5,863)**
Scrip dividend	18,178	-	-	-	(18,178)	-
Total comprehensive loss/(income) for the period	-	-	(799)	212	1,104	**517**
Balance as at 29 February 2016	**138,319**	**9,592**	**5,110**	**(5,660)**	**100,977**	**248,338**

	Share Capital	Assets Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Balance as at 28 February 2014	**120,141**	**6,491**	**10,387**	**(1,118)**	**124,885**	**260,786**
Dividends paid	-	-	-	-	(13,544)	**(13,544)**
Total comprehensive income for the period			5,543	75	4,268	**9,886**
Balance as at 31 May 2014	**120,141**	**6,491**	**15,930**	**(1,043)**	**115,609**	**257,128**
Total comprehensive income for the period	-	11	339	99	5,672	**6,121**
Balance as at 31 August 2014	**120,141**	**6,502**	**16,269**	**(944)**	**121,281**	**263,249**
Total comprehensive (loss)/ income for the period	-	-	(2,512)	(627)	2,164	**(975)**
Balance as at 30 November 2014	**120,141**	**6,502**	**13,757**	**(1,571)**	**123,445**	**262,274**
Dividends paid	-	-	-	-	(10,158)	**(10,158)**
Total comprehensive income/(loss) for the period	-	-	2,264	(725)	3,060	**4,599**
Balance as at 28 February 2015	**120,141**	**6,502**	**16,021**	**(2,296)**	**116,347**	**256,715**

Company

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000
Balance as at 28 February 2015	**120,141**	**14,012**	**104,199**	**238,352**
Total comprehensive (loss)/income for the period	-	(1,106)	1,646	540
Balance as at 31 May 2015	**120,141**	**12,906**	**105,845**	**238,892**
Total comprehensive loss for the period	-	(5,326)	(834)	(6,160)
Balance as at 31August 2015	**120,141**	**7,580**	**105,011**	**232,732**
Total comprehensive (loss)/ income for the period	-	(2,699)	103	**(2,596)**
Balance as at 30 November 2015	**120,141**	**4,881**	**105,114**	**230,136**
Cash dividends paid	-	-	(5,863)	**(5,863)**
Scrip dividend	18,178	-	(18,178)	**-**
Total comprehensive loss/(income) for the period	-	(1,030)	530	**(500)**
Balance as at 29 February 2016	**138,319**	**3,851**	**81,603**	**223,773**

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000
Balance as at 28 February 2014	**120,141**	**9,891**	**104,121**	**234,153**
Dividends paid			(13,544)	**(13,544)**
Total comprehensive income for the period		4,373	1,513	**5,886**
Balance as at 31 May 2014	**120,141**	**14,264**	**92,090**	**226,495**
Total comprehensive (loss)/income for the period		(213)	20,471	**20,258**
Balance as at 31August 2014	**120,141**	**14,051**	**112,561**	**246,753**
Total comprehensive (loss)/income for the period	-	(2,450)	1,438	**(1,012)**
Balance as at 30 November 2014	**120,141**	**11,601**	**113,999**	**245,741**
Dividends paid	-	-	(10,158)	**(10,158)**
Total comprehensive income for the period	-	2,411	358	**2,769**
Balance as at 28 February 2015	**120,141**	**14,012**	**104,199**	**238,352**

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that maybe issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There was an increase of $18,178,227 in the share capital for the period ended 29 February 2016 due to issue of shares pursuant to the scrip dividend scheme.

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

	29-02-2016	**28-02-2015**
Warrants	577,024,950	577,024,950

The above warrants can only be exercised with effect from 25 July 2016 and will expire on 24 July 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 29-02-2016	As at 31-08-2015
Total number of issued shares	755,396,152	677,210,218
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	755,396,152	677,210,218

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice (eg. The Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have neither been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in issuer's most recently audited annual financial statements have been applied

All accounting policies and methods of computation applied are the same as those in the most recently audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group For the 6 months ended		Group For the 3 months ended	
	29-02-2016	28-02-2015	29-02-2016	28-02-2015
Earnings per share	0.53 cents	0.77 cents	0.16 cents	0.45 cents
Earnings per share on fully diluted basis	0.53 cents	0.73 cents	0.16 cents	0.44 cents

Earnings per share for the half year ended 29 February 2016 and 28 February 2015 have been computed based on the weighted average number of shares in issue of 690,241,207 and 677,210,218 respectively.

There was no dilution in earnings per share for the period ended 29 February 2016 as the average market price of the Company's shares for the period was less than the warrant's exercise price of $0.40.

The diluted earnings per share for the period ended 28 February 2015 was computed considering the average number of shares that would have been issued at fair value if all the warrants were exercised at the exercise price of $0.40.

7. Net Asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group 29-02-2016	Group 31-08-2015	Company 29-02-2016	Company 31-08-2015
Net asset value per share	32.88 cents	37.55 cents	29.62 cents	34.37 cents

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must include a discussion of any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on

Notes:

1. Throughout the review in this section, FP 2016 refers to the financial period of six months ended 29 February 2016. FP 2015 refers to the six months period ended 28 February 2015.

2. EBITDA is the operating earnings before interest expenses, tax, depreciation, divestment and revaluation gains/deficits on non-current assets and foreign exchange differences.

OVERVIEW

The Group net profit decreased by $1.59 million or 30.46% from $5.22 million in FP 2015 to $3.63 million in FP 2016.

Revenue decreased by $2.27 million to $16.65 million in FP 2016 from $18.92 million in FP 2015.

EBITDA increased by $0.32 million from $3.79 million in FP 2015 to $4.11 million in FP 2016.

REVENUE

The Group revenue decreased by $2.27 million to $16.65 million in FP 2016 from $18.92 million in FP 2015.

The contribution of the various business segments to revenue is illustrated below:

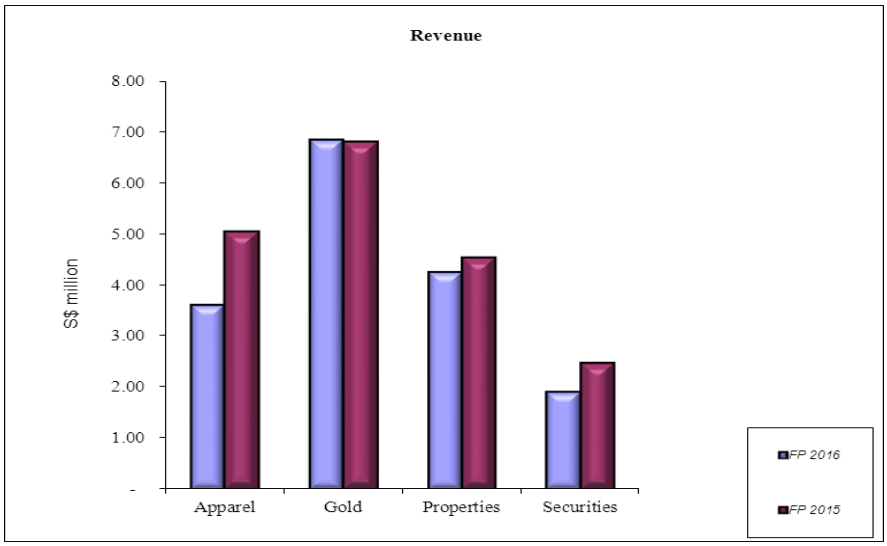
Revenue	FP 2016	FP 2015	Variance	
	$ million	$ million	$ million	%
Apparel	3.62	5.06	(1.44)	-28.46%
Gold	6.86	6.82	0.04	0.59%
Properties	4.26	4.55	(0.29)	-6.37%
Securities	1.91	2.49	(0.58)	-23.29%

The revenue from apparel business decreased by $1.44 million from $5.06 million in FP 2015 to $3.62 million in FP 2016. Of the $3.62 million, Malaysian apparel business contributed $2.94 million. The closure of eight shops in Malaysia since the end of FP 2015, the introduction of GST, the weakening Malaysian Ringgit and intense competition there, all resulted in the decreased revenue.

The revenue from gold business increased marginally by $0.04 million from $6.82 million in FP 2015 to $6.86 million in FP 2016.

Rental revenue from properties decreased by $0.29 million from $4.55 million in FP 2015 to $4.26 million in FP 2016. There was a loss of rental income on account of sale of two investment properties as well as lower rentals received on some lease renewals. However, this loss was partially off-set by the rental income derived from part of the new property acquired in Malaysia, a ten storey commercial building which is earmarked as the flagship store for First Lady apparel business.

The sale of a few fixed income and equity securities since the end of FP 2015 resulted in decrease in revenue of $0.58 million from $2.49 million in FP 2015 to $1.91 million in FP 2016 for the securities business.



Other income comprised mainly of profit on disposal of securities. In FP 2015, disposal of available-for-sale securities resulted in a profit of $1.49 million whereas in FP 2016 there was no disposal of available-for-sale securities.

PROFIT

The Group net profit decreased by $1.59 million from $5.22 million in FP 2015 to $3.63 million in FP 2016.

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

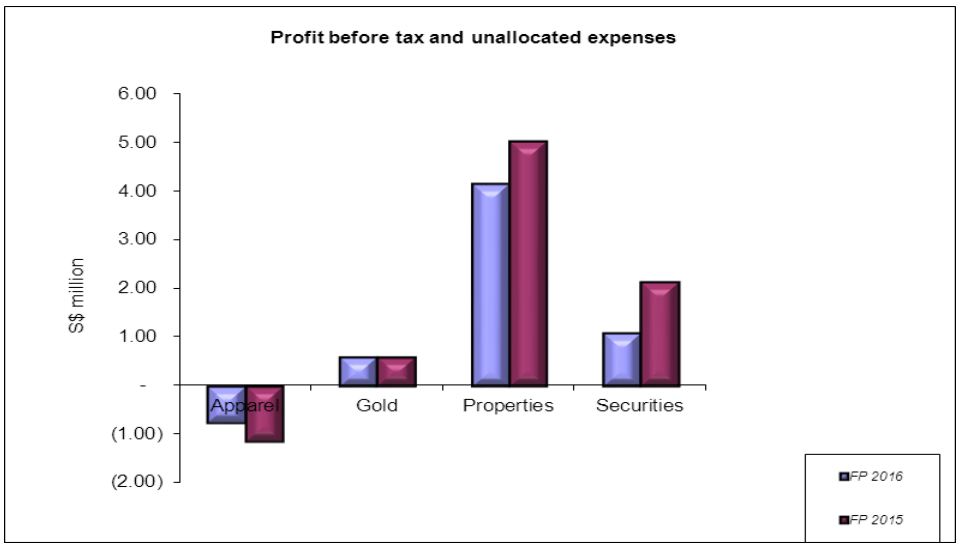
	FP 2016	FP 2015	Variance	
	$ million	$ million	$ million	%
Apparel	(0.75)	(1.13)	0.38	-33.63%
Gold	0.60	0.59	0.01	1.69%
Properties	4.15	5.01	(0.86)	-17.17%
Securities	1.09	2.13	(1.04)	-48.83%

There was a decrease of $0.38 million in the loss from apparel business. In FP 2015, the loss from this segment was higher on account of non-capitalisable expenses incurred on the new shop acquired in Malaysia for carrying out the apparel business. In addition, the foreign exchange loss on account of depreciating Malaysian Ringgit also contributed to the loss from this business during both, the prior and current period.

The profit from gold business increased marginally by $0.01 million from $0.59 million in FP 2015 to $0.60 million in FP 2016 due to increased revenue during the current period.

The contribution from properties segment decreased by $0.86 million from $5.01 million in FP 2015 to $4.15 million in FP 2016. This was mainly because of the reduced rental income during the current period. Further in FP 2015, an amount of $1.05 million was recorded as revaluation gain on property held for sale as at 28 February 2015 as compared to $0.55 million recorded in FP 2016 as revaluation gain on property held for sale as at 29 February 2016.

Securities segment recorded a profit of $1.09 million in FP 2016, which was $1.04 million less than the profit of $2.13 million in FP 2015. This decrease in profit was mainly attributed to the decreased revenue on account of sale of a few fixed income and equity securities since the end of FP 2015. In addition, profit of $1.49 million on disposal of available-for-sale financial assets in FP 2015 resulted in higher profits in the prior period.



The income tax expense decreased marginally by $0.04 million from $0.19 million in FP 2015 to $0.15 million in FP 2016.

Interest expenses increased by $0.13 million from $0.50 million in FP 2015 to $0.63 million in FP 2016 on account of rise in interest rates.

EBITDA

EBITDA increased by $0.32 million from $3.79 million in FP 2015 to $4.11 million in FP 2016. This was mainly due to lower unrealised loss of $0.83 million on financial assets, at fair value through profit or loss in FP 2016 as compared to unrealised loss of $2.21 million in FP 2015.

The details of EBITDA calculation is as below:

EBITDA*	**FP 2016**	**FP 2015**
	$ '000	$ '000
Net Profit	3,632	5,223
Add/(Less):		
Interest expenses	626	504
Taxes	148	193
Depreciation	197	218
Fair valuation gain of properties	(553)	(1,050)
Divestment gainsof available-for-sale financial assets	-	(1,488)
Exchange differences	61	192
	4,111	**3,792**

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

CASH FLOW

The net cash provided by operating activities was $6.04 million in FP 2016.

Capital distribution from available-for-sale financial assets generated $0.14 million and an amount of $6.54 million was realized from sale of investment property. The Group had drawn down an amount of $64.12 million from banks.

The Group exercised warrants totaling $0.34 million and they were classified as available-for-sale. Improvements made to investment properties totaled $0.24 million. An amount of $74.40 million was utilised to repay bank borrowings. The above funds were also deployed to distribute dividends totaling $5.86 million.

Cash and cash equivalents at the end of the period i.e. 29 February 2016 was $3.08 million which was a decrease of $4 million from the $7.08 million at the beginning of the period i.e. 31 August 2015.

FINANCIAL POSITION AS AT 29 FEBRUARY 2016

Investment properties of the Group totaled $191.20 million. In addition, $23.49 million worth of properties owned by the Group was classified as Property, Plant and equipment because they were all self-occupied.

As at 29 February 2016, available-for-sale financial assets comprised of equities valued at $49.75 million and financial assets at fair value, through profit or loss comprised of fixed income securities and equities valued at $18.85 million and $17.42 million respectively. There was a decline of $3.46 million in the market value of available-for-sale financial assets at end February 2016 as compared to end August 2015 and this loss was taken directly to equity. For financial assets at fair value, through profit or loss, there was an unrealised loss of $0.83 million during FP 2016 which was taken to the income statement.

Inventories at end February 2016 totaled $17.04 million of which $10.20 million was gold stock.

WORKING CAPITAL

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

The net current liabilities were $12.22 million as at 29 February 2016 as compared to $15.40 million as at 31 August 2015.

BANK BORROWINGS

There was a decrease of $0.27 million in long-term bank borrowings from $5.31million at end 31 August 2015 to $5.04 million at end February 2016. Total borrowings of the Group were $78.25 million at end February 2016 while the borrowings totaled $88.57 million at end August 2015. The gearing ratio of the Group improved from 0.32 at 31 August 2015 to 0.30 at 29 February 2016.

SHARE CAPITAL

Share capital was $138.32 million at end February 2016 as compared to $120.14 million at end August 2015. The increase was due to the issue of shares pursuant to the scrip dividend scheme. The number of shares in float was 755.40 million. Total shareholders' equity amounted to $248.34 million and NTA per share was 32.88 cents as at 29 February 2016.

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

The second quarter results are in line with disclosures made in the previous announcement of results of the Group.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The next one year remains challenging for the retail sector given the subdued global economic outlook and the persisting labour woes.

The gold business is expected to remain profitable.

The performance of the apparel business in Malaysia is expected to be better in the next 12 months compared to the last one year because of the full year operation of the flagship store in Malaysia.

The apparel business in Singapore is expected to remain profitable.

Labour constraints and rising labour costs continue to negatively affect retail rents leading to higher vacancies and downward pressure on rentals.

Interest rates have increased and are expected to move upwards.

Market forces will continue to determine the performance of the financial instruments sector.

11. If a decision regarding dividend has been made:-

(a) ***Whether an interim (final) ordinary dividend has been declared (recommended)***

No

(b)

(i) Amount per share ….. cents – Not applicable

(ii) Previous corresponding period ….. cents - Not applicable

(c) ***Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)***

Not applicable

(d) The date the dividend is payable

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect

No dividend has been declared or recommended for the current period ended 29 February 2016.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There were no interested person transactions for the quarter under review. The Company does not have a general mandate from its shareholders for the interested person transaction.

14. Negative confirmation pursuant to Rule 705(5)

To the best of our knowledge, nothing has come to the attention of the Board of Directors, which may render the financial statements for the six months period ended 29 February 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

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

30 March 2016