

SECOND CHANCE PROPERTIES LTD
(Incorporated in Singapore - Registration Number: 198103193M)
AND ITS SUBSIDIARY CORPORATIONS

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX
MONTHS ENDED 29 FEBRUARY 2024**

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Part I – CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 29 FEBRUARY 2024

Note: All figures are in Singapore Dollars

Condensed interim consolidated statement of comprehensive income

	Note	<u>Group</u>		
		<u>Six months ended</u>		
		<u>29/02/2024</u>	<u>28/02/2023</u>	<u>Change</u>
		\$ '000	\$ '000	%
Revenue	4	13,296	14,833	(10.36)
Cost of sales		(6,269)	(7,659)	(18.15)
Gross profit		7,027	7,174	(2.05)
Other income		1,457	6,500	(77.58)
Expenses				
- Administrative		(1,343)	(1,442)	(6.87)
- Distribution		(321)	(316)	1.58
- Finance		(1,510)	(1,367)	10.46
- Apparel operating		(75)	(116)	(35.34)
- Property operating		(345)	(628)	(45.06)
- Gold and jewellery operating		(23)	(85)	(72.94)
- Securities operating		(179)	(184)	(2.72)
		(3,796)	(4,138)	(8.26)
Profit before income tax	6	4,688	9,536	(50.84)
Income tax expense	7	(339)	(327)	3.67
Net profit for the financial year		4,349	9,209	(52.77)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
- Currency translation differences arising from consolidation		(460)	(631)	(27.10)
Items that will not be reclassified subsequently to profit or loss:				
- Fair value (loss)/gain on financial assets, at FVOCI		(2,259)	3,936	nm
Other comprehensive (loss)/income, net of tax		(2,719)	3,305	nm
Total comprehensive income attributable to equity holders		1,630	12,514	(86.97)
Earnings per share attributable to equity holders (cents per share)				
Basic earnings per share		0.47	0.99	
Diluted earnings per share		0.47	0.99	

*nm - not meaningful

Condensed interim statements of financial position

	Note	The Group		The Company	
		29 Feb 2024	31 Aug 2023	29 Feb 2024	31 Aug 2023
		\$ '000	\$ '000	\$ '000	\$ '000
ASSETS					
Current assets					
Cash and bank balances		448	273	44	10
Financial assets, at FVPL	10	14,876	18,642	-	-
Trade and other receivables	11	146	532	8	3
Inventories		16,272	15,796	-	-
Other current assets		344	90	205	5
Income tax receivables		73	68	-	-
		32,159	35,401	257	18
Property held-for-sale		-	5,990	-	-
		32,159	41,391	257	18
Non-current assets					
Amount due from subsidiary corporations		-	-	173,518	176,293
Financial assets, at FVOCI	12	238,799	250,662	27,581	29,326
Investments in subsidiary corporations		-	-	17,231	17,231
Property, plant and equipment	13	23,371	23,906	2,945	2,940
Investment properties	14	62,010	62,010	-	-
Right-of-use assets	15	1,045	-	-	-
Deferred tax assets		31	31	-	-
		325,256	336,609	221,275	225,790
Total assets		357,415	378,000	221,532	225,808
LIABILITIES					
Current liabilities					
Trade payables	16	861	807	248	195
Other payables	17	402	1,808	192	1,066
Borrowings	18	74,609	91,531	15,731	12,131
Lease liabilities	19	207	-	-	-
Current income tax liabilities		479	361	-	-
		76,558	94,507	16,171	13,392
Non-current liability					
Lease liabilities	19	842	-	-	-
Deferred tax liabilities		203	208	2	2
		1,045	208	2	2
Total liabilities		77,603	94,715	16,173	13,394
Net assets		279,812	283,285	205,359	212,414
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	20	174,707	174,707	174,707	174,707
Retained profits		126,106	127,522	36,639	42,137
Other reserves		(21,001)	(18,944)	(5,987)	(4,430)
Total equity		279,812	283,285	205,359	212,414

Condensed interim statements of changes in equity

			Other reserves*				Total equity
	Share capital	Retained profits	Fair value reserve	Asset revaluation reserve	Currency translation reserve	Total other reserves	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Group							
Balance as at 28 February 2023	174,428	130,382	(8,059)	6,096	(6,887)	(8,850)	295,960
Total comprehensive income/(loss) for the financial period	-	10,447	(13,461)	(178)	(498)	(14,137)	(3,690)
Warrants exercised	279	-	-	-	-	-	279
Cash dividends paid	-	(9,264)	-	-	-	-	(9,264)
Transfer upon disposal of financial assets, at FVOCI	-	(4,043)	4,043	-	-	4,043	-
Balance as at 31 August 2023	174,707	127,522	(17,477)	5,922	(7,389)	(18,944)	283,285
Total comprehensive income/(loss) for the financial period	-	4,349	(2,259)	-	(460)	(2,719)	1,630
Cash dividends paid	-	(5,103)	-	-	-	-	(5,103)
Transfer upon disposal of financial assets, at FVOCI	-	(662)	662	-	-	662	-
Balance as at 29 February 2024	174,707	126,106	(19,074)	5,922	(7,849)	(21,001)	279,812
Balance as at 28 February 2022	174,366	98,544	7,962	5,922	(5,590)	8,294	281,204
Total comprehensive income/(loss) for the financial period	-	9,594	(6,922)	174	(666)	(7,414)	2,180
Transfer upon redemption/disposal of investments in financial assets, at FVOCI	-	3,568	(3,568)	-	-	(3,568)	-
Balance as at 31 August 2022	174,366	111,706	(2,528)	6,096	(6,256)	(2,688)	283,384
Total comprehensive income/(loss) for the financial period	-	9,209	3,936	-	(631)	3,305	12,514
Warrants exercised	62	-	-	-	-	-	62
Transfer upon redemption/disposal of investments in financial assets, at FVOCI	-	9,467	(9,467)	-	-	(9,467)	-
Balance as at 28 February 2023	174,428	130,382	(8,059)	6,096	(6,887)	(8,850)	295,960

* Other reserves are non-distributable

Condensed interim statements of changes in equity (continued)

Company

	Share Capital	Retained Earnings	Fair Value Reserve	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 28 February 2023	174,428	50,937	(2,608)	222,757
Total comprehensive income/(loss) for the financial period	-	364	(1,722)	(1,358)
Warrants exercised	279	-	-	279
Cash dividends paid	-	(9,264)	-	(9,264)
Transfer upon disposal of financial assets, at FVOCI	-	100	(100)	-
Balance as at 31 August 2023	174,707	42,137	(4,430)	212,414
Total comprehensive loss for the financial period	-	(445)	(1,507)	(1,952)
Cash dividends paid	-	(5,103)	-	(5,103)
Transfer upon disposal of financial assets, at FVOCI	-	50	(50)	-
Balance as at 29 February 2024	174,707	36,639	(5,987)	205,359
Balance as at 28 February 2022	174,366	48,229	(3,086)	219,509
Total comprehensive income/(loss) for the financial period	-	2,716	(1,112)	1,604
Transfer upon redemption/disposal of investments in financial assets, at FVOCI	-	(2,571)	2,571	-
Balance as at 31 August 2022	174,366	48,374	(1,627)	221,113
Total comprehensive income/(loss) for the financial period	-	2,563	(981)	1,582
Warrants exercised	62	-	-	62
Balance as at 28 February 2023	174,428	50,937	(2,608)	222,757

Condensed interim consolidated statements of cash flows

	Group	
	Six months ended	
	<u>29-02-2024</u>	<u>28-02-2023</u>
	\$ '000	\$ '000
Cash flows from operating activities		
Net profit	4,349	9,209
Adjustments for		
- Income tax expense	339	327
- Depreciation of property, plant and equipment	64	59
- Depreciation of right-of-use assets	55	-
- Gain on disposal of investment properties	(1,460)	(4,326)
- Fair value (gain)/loss on financial assets, at FVPL	(111)	609
- Gain on disposal of financial assets, at FVPL	(283)	(96)
- Finance expense	1,510	1,367
- Unrealised currency translation differences	329	(2,597)
	<u>4,792</u>	<u>4,552</u>
Changes in working capital		
- Trade and other receivables	376	(144)
- Inventories	(509)	(557)
- Other current assets	(258)	703
- Trade and other payables	(1,244)	(1,290)
	<u>3,157</u>	<u>3,264</u>
Net cash generated from operations		
Interest paid	(1,500)	(1,367)
Income taxes paid	(228)	(365)
	<u>1,429</u>	<u>1,532</u>
Net cash provided by operating activities		
Cash flows from investing activities		
- Proceeds from disposal of financial assets, at FVOCI	14,304	31,427
- Proceeds from disposal of financial assets, at FVPL	4,285	1,225
- Proceeds from disposal of investment properties	7,450	53,786
- Purchase of financial assets, at FVOCI	(4,699)	(30,635)
- Purchase of financial assets, at FVPL	(125)	(15,618)
- Additions to property, plant and equipment	(7)	-
	<u>21,208</u>	<u>40,185</u>
Net cash provided by investing activities		
Cash flows from financing activities		
- Proceeds from issue of shares	-	62
- Proceeds from bank borrowings	15,103	17,782
- Repayment of bank borrowings	(32,401)	(60,214)
- Repayment of lease liabilities	(51)	-
- Repayment of interest on lease liabilities	(10)	-
- Cash dividend paid to equity holders of the Company	(5,103)	-
	<u>(22,462)</u>	<u>(42,370)</u>
Net cash used in financing activities		
Net increase/(decrease) in cash and cash equivalents	175	(653)
Cash and bank balances		
Beginning of financial year	273	1,145
End of financial year	<u><u>448</u></u>	<u><u>492</u></u>

Notes to the condensed interim consolidated 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.

These condensed interim consolidated financial statements as at and for the six months ended 29 February 2024 comprise the Company and its subsidiaries (collectively, the “Group”).

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 Group are:

- a. Holding of properties as investments for rental income
- b. Retail of ready-made garments
- c. Retail of gold and jewellery
- d. Investing in financial instruments

2. Basis of preparation

The condensed interim financial statements for the six months ended 29 February 2024 have been prepared in accordance with the *Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting* issued by the Accounting Standards Committee (“ASC”). The condensed interim financial statements do not include all the information and disclosures required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 August 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for the accounting periods beginning on or after 1 September 2023. The adoptions of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group for the current financial period reported on.

2.2 Use of judgements and estimates

The preparation of the Group’s condensed interim financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group’s application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 August 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. Basis of preparation (continued)

2.2 Use of judgements and estimates (continued)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- (i) the determination of useful lives of property, plant and equipment (Note 13);
- (ii) the assessment of adequacy of provisions for current and deferred income taxes (Note 7);
- (iii) the determination of net realisable value of inventories;
- (iv) the valuation of the investment properties (Note 14); and
- (v) the valuation of financial assets, at FVPL and financial assets, at FVOCI (Notes 10 and 12)

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue 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 the sale of apparel, while the Singapore segment derives revenue from the sale of apparel, gold and jewellery, investment dealing and rental of investment properties.

The segment information provided to the Board of Directors for the reportable segments are as follows:

Singapore				Malaysia	Consolidated
Wearing Apparel	Gold & Jewellery	Investment Dealing	Property Rental	Wearing apparel	
HY 2024	HY 2024	HY 2024	HY 2024	HY 2024	HY 2024
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000

HY 2024

The Group

Revenue

- external parties	-	8,517	3,188	1,139	452	13,296
Segment result	15	1,943	3,031	2,251	(29)	7,211

Expenses

Administrative and other operating expenses						(1,013)
Finance expenses						(1,510)
Profit before income tax						4,688
Income tax expense						(339)
Net profit						4,349

Net profit includes:

Depreciation	3	9	-	55	52	119
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Segment assets

	270	20,880	253,703	63,252	16,276	354,381
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Segment assets includes:

Purchases of financial assets, at FVOCI	-	-	4,699	-	-	4,699
Purchases of financial assets, at FVPL	-	-	125	-	-	125

Segment liabilities

	63	288	74,608	1,608	95	76,662
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4. Segment and revenue information (continued)

	Singapore				Malaysia	Consolidated HY 2023 \$ '000
	Wearing Apparel HY 2023 \$ '000	Gold & Jewellery HY 2023 \$ '000	Investment Dealing HY 2023 \$ '000	Property Rental HY 2023 \$ '000	Wearing apparel HY 2023 \$ '000	
HY 2023						
The Group						
Revenue						
- external parties	108	9,292	3,379	1,542	512	14,833
Segment result	(527)	1,449	5,259	5,405	11	11,597
Expenses						
Administrative and other operating expenses						(694)
Finance expenses						(1,367)
Profit before income tax						9,536
Income tax expense						(327)
Net profit						9,209
Net profit includes:						
Depreciation	2	1	-	-	56	59
Segment assets	607	16,341	255,580	77,288	18,826	368,642
Segment assets includes:						
Purchases of financial assets, at FVOCI	-	-	30,635	-	-	30,635
Purchases of financial assets, at FVPL	-	-	15,618	-	-	15,618
Segment liabilities	120	316	69,953	1,076	197	71,662

(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 office unit classified as property, plant and equipment, income tax receivables and deferred tax assets.

Reconciliation of reportable segments' assets to total assets:

	HY 2024 \$ '000	HY 2023 \$ '000
Segment assets for reportable segments	354,381	368,642
Unallocated:		
Property, plant and equipment	2,931	-
Income tax receivables	72	84
Deferred tax assets	31	31
	<u>357,415</u>	<u>368,757</u>

4. Segment and revenue information (continued)

(a) Reconciliations

(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:

	HY 2023	HY 2022
	\$ '000	\$ '000
Segment liabilities for reportable segments	76,662	71,662
Unallocated:		
Directors' fees and bonus	228	329
Amount due to director	31	117
Current income tax liabilities	479	633
Deferred income tax liabilities	203	56
	77,603	72,797

(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.

	Revenue	
	(6 months)	
	2024	2023
	\$ '000	\$ '000
Singapore	12,844	14,321
Malaysia	452	512
	13,296	14,833

5. Financial assets and financial liabilities

Financial instruments by category

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

	The Group		The Company	
	29-Feb-2024	31-Aug-2023	29-Feb-2024	31-Aug-2023
	\$'000	\$'000	\$'000	\$'000
Financial assets at amortised cost	928	872	173,766	176,307
Financial assets, at FVOCI	238,799	250,662	27,581	29,326
Financial assets, at FVPL	14,876	18,642	-	-
Financial liabilities at amortised cost	76,658	93,935	16,169	13,391

6. Profit before income tax

6.1. Significant items

	Six months ended	
	29-Feb-24	28-Feb-23
	\$'000	\$'000
Group		
Income		
Dividend/coupon income	3,189	3,379
Fair value gain/(loss) on financial assets, at FVPL	111	(609)
Gain on disposal of financial assets, at FVPL	283	96
Gain on disposal of investment properties	1,460	4,326
Currency exchange (loss)/gain – net	(409)	2,597
Expenses		
Director's remuneration	577	557
Director's CPF	14	13
Director's fees	74	71
Interest on borrowings	1,510	1,367

6.2. Related party transactions

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

- (a) Outstanding balances as at 29 February 2024 and 28 February 2023, arising from sales of goods and services, are unsecured and receivable within 12 months from the balance sheet date.

	Six months ended	
	29-Feb-2024	28-Feb-2023
	\$'000	\$'000
Group		
Directors' remuneration:		
Salaries, bonus and fees	651	628
Employer's contribution to defined contribution plans	14	13
	665	641

7. Income tax expense

The Group calculates the period's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Six months ended	
	29-Feb-2024	28-Feb-2023
	\$'000	\$'000
Group		
Current income tax expense	339	327
Income tax expense recognised in profit or loss	339	327

8. Dividends

The Group and Company	
29-Feb-2024	28-Feb-2023
\$'000	\$'000

Ordinary dividends paid:

One-tier tax-exempt cash dividend of 0.55 cents per share in respect of financial year ended 31 August 2023

5,103	-
5,103	-
5,103	-

9. Net Asset Value

Group	Group	Company	Company
29-02-2024	31-08-2023	29-02-24	31-08-2023

Net asset value per share	30.16 cents	30.53 cents	22.13 cents	22.89 cents
	30.16 cents	30.53 cents	22.13 cents	22.89 cents

10. Financial assets, at fair value through profit or loss

Financial assets, at fair value through profit or loss comprise the following:

The Group	
29-Feb-2024	31-Aug-2023
\$'000	\$'000

Listed equity securities

- Singapore	4,133	6,117
- Hong Kong	10,625	11,781
- Australia	118	744
	14,876	18,642
	14,876	18,642

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

11. Trade and other receivables

	The Group		The Company	
	29-Feb-2024	31-Aug-2023	29-Feb-2024	31-Aug-2023
	\$'000	\$'000	\$'000	\$'000
Trade receivables:				
- subsidiary corporations	-	-	8	-
- non-related parties	76	453	-	-
	76	453	8	-
Advance to suppliers	2	-	-	-
Other receivables - non-related parties	68	79	-	3
	146	532	8	3
	146	532	8	3

12. Financial assets, at fair value through other comprehensive income

Financial assets, at fair value through other comprehensive income comprise the following:

	The Group		The Company	
	29-Feb-2024	31-Aug-2023	29-Feb-2024	31-Aug-2023
	\$'000	\$'000	\$'000	\$'000
Listed equity securities (Level1)				
- Singapore	65,949	81,769	27,581	29,326
- Hong Kong	164,027	164,136	-	-
- Australia	330	727	-	-
	<u>230,306</u>	<u>246,632</u>	<u>27,581</u>	<u>29,326</u>
Unquoted equity investments (Level 2)				
	8,493	4,030	-	-
	<u>238,799</u>	<u>250,662</u>	<u>27,581</u>	<u>29,326</u>

(a) The financial assets, at FVOCI assets are pledged as security for bank borrowings.

(b) During the financial period ended 29 February 2024, the Group made a gain upon disposal of listed equity securities. These investments had a fair value of \$14,173,830 (31 August 2023: \$52,147,293) at the date of disposal, and the cumulative loss on disposal amounted to \$660,722 (31 August 2023: gain of \$5,424,197), net of tax. The cumulative gain on redemption/disposal was reclassified from fair value reserve to retained profits.

13. Property, plant and equipment

During the six months ended 29 February 2024, the Group acquired assets amounting to \$7,100 (31 August 2023: \$3,389,751).

14. Investment properties

	Freehold properties	Leasehold properties	Total
	\$'000	\$'000	\$'000
The Group			
29 February 2024			
Beginning and end of financial period	<u>11,000</u>	<u>51,010</u>	<u>62,010</u>
31 August 2023			
Beginning of financial year	21,500	47,685	69,185
Disposal	-	(3,650)	(3,650)
Transfer to property held for sale	(5,990)	-	(5,990)
Transfer to property, plant and equipment	(4,510)	-	(4,510)
Transferred back from property held for sale	-	8,000	8,000
Fair value loss	-	(1,025)	(1,025)
End of financial year	<u>11,000</u>	<u>51,010</u>	<u>62,010</u>

14.1 Valuation

No valuation has been undertaken for the six months period ended 29 February 2024.

As at 31 August 2023, 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.

15. Right-of-use assets

The Group has entered into a sale and leaseback transaction with respect to a retail unit which was earlier classified as investment property.

Carrying amounts and the movement of right-of-use assets are as follows:

	<u>The Group</u>		<u>The Company</u>	
	29-Feb-2024	31-Aug-2023	29-Feb-2024	31-Aug-2023
	\$'000	\$'000	\$'000	\$'000
<i>Cost</i>				
Beginning of financial period/year	-	-	-	-
Additions	1,100	-	-	-
End of financial period/year	<u>1,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Accumulated depreciation</i>				
Beginning of financial period/year	-	-	-	-
Depreciation charged	55	-	-	-
End of financial period/year	<u>55</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Carrying amount</i>				
Beginning of financial period/year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of financial period/year	<u>1,045</u>	<u>-</u>	<u>-</u>	<u>-</u>

16. Trade payables

	<u>The Group</u>		<u>The Company</u>	
	29-Feb-2024	31-Aug-2023	29-Feb-2024	31-Aug-2023
	\$'000	\$'000	\$'000	\$'000
<i>Trade payables</i>				
- subsidiary corporations	-	-	248	195
- non-related parties	244	189	-	-
Rental deposits	571	541	-	-
Rental received in advance	44	36	-	-
Customers' deposits	2	2	-	-
Others	-	39	-	-
	<u>861</u>	<u>807</u>	<u>248</u>	<u>195</u>

17. Other payables

	<u>The Group</u>		<u>The Company</u>	
	29-Feb-2024	31-Aug-2023	29-Feb-2024	31-Aug-2023
	\$'000	\$'000	\$'000	\$'000
Accruals for operating expenses	122	310	63	140
Directors' bonus and fees payable	230	1,312	98	836
Amount due to a director	31	90	31	90
Security deposits	19	17	-	-
Other payables				
- non-related parties	-	79	-	-
	<u>402</u>	<u>1,808</u>	<u>192</u>	<u>1,066</u>

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

18. Borrowings

	<u>The Group</u>		<u>The Company</u>	
	29-Feb-2024	31-Aug-2023	29-Feb-2024	31-Aug-2023
	\$'000	\$'000	\$'000	\$'000
Amount payable within one year on demand				
<i>Secured</i>				
Bank borrowings	74,609	91,531	15,731	12,131

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:

	<u>The Group</u>		<u>The Company</u>	
	29-Feb-2024	31-Aug-2023	29-Feb-2024	31-Aug-2023
	\$'000	\$'000	\$'000	\$'000
Less than 12 months	74,609	91,531	15,731	12,131

The bank borrowings of the Group and the Company are secured over investment properties, financial assets, at FVPL and financial assets, at FVOCI.

19. Lease liabilities

Lease liabilities are analysed as follows:

	<u>The Group</u>		<u>The Company</u>	
	29-Feb-2024	31-Aug-2023	29-Feb-2024	31-Aug-2023
	\$'000	\$'000	\$'000	\$'000
Beginning of financial period/year	-	-	-	-
Additions	1,100	-	-	-
Interest charged	10	-	-	-
Repayment made	(61)	-	-	-
End of financial period/year	1,049	-	-	-
Disclosed as:				
Current	207	-	-	-
Non-current	842	-	-	-
	1,049	-	-	-

20. Share capital

	<u>No. of ordinary shares</u>		<u>Amount</u>	
	29-Feb-2024	31-Aug-2023	29-Feb-2024	31-Aug-2023
			\$'000	\$'000
<u>The Group and Company</u>				
At beginning of financial period/year	927,795,798	926,431,722	174,707	137,454
Warrants exercise	-	1,364,076	-	341
At end of financial period/year	927,795,798	927,795,798	174,707	174,707

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.

20. Share capital (continued)

There was an increase of \$341,019 in the share capital for the prior year ended 31 August 2023 due to warrants exercised by shareholders whereas there is no movement in the share capital during the current period.

21. Subsequent Events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed interim statements of financial position of Second Chance Properties Limited and its subsidiary corporations as at 29 February 2024 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for six months and the selected explanatory notes (the “Condensed Interim financial Statements”) have not been audited or reviewed by the Company’s auditors.

2. To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	<u>As at</u> <u>29-02-2024</u>	<u>As at</u> <u>31-08-2023</u>
Total number of issued shares	927,795,798	927,795,798
Less: Treasury shares	-	-
<hr/>		
Total number of issued shares excluding treasury shares	927,795,798	927,795,798

3. A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

4. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

The figures have neither been audited nor reviewed by the Company’s auditors.

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

Not applicable.

7. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue;

The latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

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

Please refer to note 2 on page 6.

9. 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.

Please refer to note 2 on page 6.

10. 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:—

(a) Based on the weighted average number of ordinary shares on issue; and

Please refer to the Condensed Interim Consolidated Statement of Comprehensive Income on page 1.

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

Please refer to the Condensed Interim Consolidated Statement of Comprehensive Income on page 1.

11. 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

Please refer to note 9 on page 11.

(b) Immediately preceding financial year.

Please refer to note 9 on page 11.

- 12. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. The review must discuss 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 2024 refers to the financial period of six months ended 29 February 2024. FP 2023 refers to the six months period ended 28 February 2023.

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’s net profit dropped significantly from \$9.21 million in FP 2023 to \$4.35 million in FP 2024.

Revenue was less by \$1.53 million or 10.36% in FP 2024 at \$13.30 million as compared to \$14.83 million in FP 2023.

However, adjusted EBITDA increased by \$1.23 million from \$4.04 million in FP 2023 to \$5.27 million in FP 2024.

REVENUE

Revenue was less by \$1.53 million or 10.36% in FP 2024 at \$13.30 million as compared to \$14.83 million in FP 2023.

Different business segments contributed to the decrease as illustrated below:

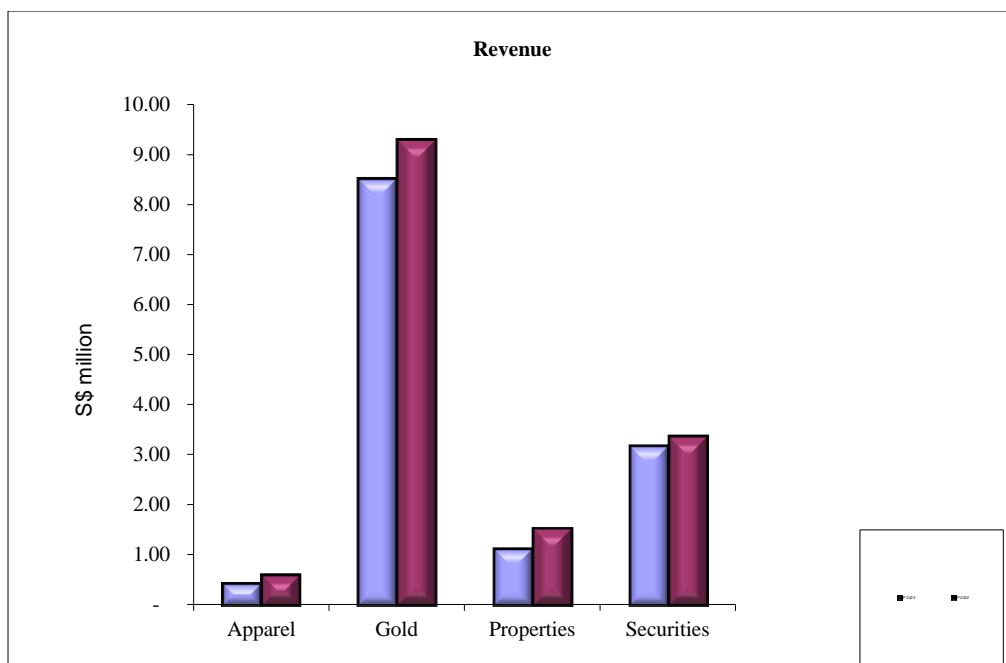
Revenue	FP 2024	FP 2023	Variance	
	\$ million	\$ million	\$ million	%
Apparel	0.45	0.62	(0.17)	(27.42)
Gold	8.52	9.29	(0.77)	(8.29)
Properties	1.14	1.54	(0.40)	(25.97)
Securities	3.19	3.38	(0.19)	(5.62)

The revenue from apparel business decreased by \$0.17 million or 27.42% from 0.62 million in FP 2023 to \$0.45 million in FP 2024. This is because the retail outlet in Singapore was not operational in current period as it was shut down in June 2023 due to a mandatory mall-wide renovation that forced all tenants to relocate.

Revenue from gold business decreased by \$0.77 million or 8.29% from \$9.29 million in FP 2023 to \$8.52 million in FP 2024 due to general market conditions.

Rental revenue from properties decreased by \$0.40 million to \$1.14 million in FP 2024 from \$1.54 million in FP 2023. In the current FP 2024, the rental dropped primarily due to loss of rental income from the sale of 2 investment properties since the end of the last financial year.

There was a decrease of \$0.19 million in revenue from securities business. This was because of lower dividend received in current FP 2024 as compared to FP 2023.



OTHER INCOME

Other income experienced a decrease of \$5.04 million, dropping from \$6.50 million in the FP 2023 to \$1.46 million in FP 2024. This was primarily because of gain of \$4.33 million on disposal of 7 investment properties in FP 2023 as compared to gain of only \$1.46 million on disposal of 2 investment properties in current FP 2024. Additionally, for FP 2023 there was an unrealised foreign exchange gain of \$2.60 million as compared to unrealised foreign exchange loss of \$0.38 million in current FP 2024. These unrealised foreign exchange gains and losses arose from our short term borrowings in foreign currencies.

PROFIT

The Group's net profit dropped significantly from \$9.21 million in FP 2023 to \$4.35 million in FP 2024.

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

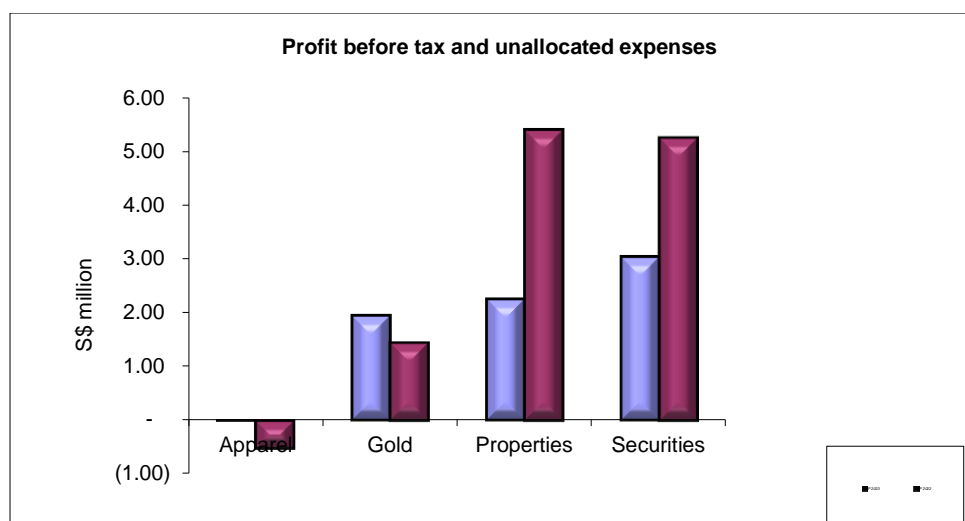
	FP 2024	FP 2023	Variance	
	\$ million	\$ million	\$ million	%
Apparel	(0.01)	(0.52)	0.51	(98.08)
Gold	1.94	1.45	0.49	33.79
Properties	2.25	5.41	(3.16)	(58.41)
Securities	3.03	5.26	(2.23)	(42.40)

The loss from apparel business decreased marginally by \$0.51 million from \$0.52 million in FP 2023 to \$0.01 million in FP 2024. This was mainly due to shutting down of retail outlet in Singapore which had high fixed costs.

The gold business contributed \$1.94 million in FP 2024 which was higher by \$0.49 million from the \$1.45 million generated in FP 2023. Despite decreased revenue, the profit from this segment increased due to higher gross profit margin on account of rise in gold prices in current FP 2024 as compared to FP 2023.

Properties segment contributed \$2.25 million in FP 2024 as compared to \$5.41 million in FP 2023. The higher profit in FP 2023 was mainly attributed to gains of \$4.33 million recorded on disposal of investment properties as compared to gain of \$1.46 million in current FP 2024.

Securities segment recorded a decrease in profit of \$2.23 million from \$5.26 million in FP 2023 to \$ 3.03 million in FP 2024. In addition to decreased revenue from this segment, the unrealised foreign exchange loss of \$0.38 million in FP 2024 on borrowings made for purchasing securities as compared to unrealised foreign exchange gain of \$2.60 million in FP 2023 also contributed to the decrease in profit.



The income tax expense increased marginally because of increase in taxable profits from the gold business.

Interest expenses increased from \$1.37 million in FP 2023 to \$1.51 million in FP 2024 due to higher roll over of fund in current FP 2024.

ADJUSTED EBITDA

Adjusted EBITDA increased by \$1.23 million from \$4.04 million in FP 2023 to \$5.27 million in FP 2024.

Though the Group profit decreased by \$4.86 million from \$9.21 million in FP 2023 to \$4.35 million in FP 2024, the adjusted EBITDA has increased. This is because the gain of \$4.33 million on disposal of investment properties and the unrealised foreign exchange gain of \$2.60 million which contributed to increased profits in FP 2023 have been excluded in calculation of EBITDA.

The details of Adjusted EBITDA calculation are as below:

<u>Adjusted EBITDA*</u>	<u>FP 2024</u>	<u>FP 2023</u>
	<u>\$ '000</u>	<u>\$ '000</u>
Net Profit	4,349	9,209
<u>Add/(Less):</u>		
Interest expenses	1,510	1,367
Tax expense	339	327
Depreciation	119	59
Gain on divestment of investment properties	(1,460)	(4,326)
Exchange differences	409	(2,597)
	5,266	4,039

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

CASH FLOW

The net cash flow from operating activities was \$1.43 million in FP 2024.

Proceeds from disposal of financial assets, at fair value through other comprehensive income including capital distribution generated \$14.30 million. In addition, proceeds from disposal of financial assets, at fair value through profit or loss generated \$4.29 million. An amount of \$7.45 million was generated on disposal of investment properties. Furthermore, the Group had drawn down an amount of \$15.10 million from banks during the year.

Of the above, an amount of \$4.70 million and \$0.13 million was used for investing in investments classified as financial assets, at FVOCI and financial assets, at FVPL respectively. Cash dividend paid to equity holders of the Company amounted to \$5.10 million. An amount of \$32.40 million was utilised to repay bank borrowings and \$0.06 million was used in the repayment of lease liabilities.

Cash and cash equivalents at the end of the period i.e. 29 February 2024 was \$0.45 million while it was \$0.27 million at the beginning of the period i.e. 31 August 2023. Thus, there was an increase of \$0.18 million through the period.

FINANCIAL POSITION AS AT 29 FEBRUARY 2024

Investment properties of the group in Singapore totalled \$62.01 million. In addition, \$7.44 million worth of property owned by the Group in Singapore and \$15.48 million worth of property owned by the group in Malaysia were classified as Property, plant and equipment because it was self-occupied. Furthermore, one property valued at \$1.05 million was classified as a Right-of-Use asset.

As at 29 February 2024, financial assets, at FVOCI comprised of quoted equity securities valued at \$230.31 million and unquoted equity investments valued at \$8.49 million while financial assets, at FVPL comprised of quoted equity securities valued at \$14.88 million. There was a decrease of 2.26 million in the market value of financial assets, at FVOCI as at 29 February 2024 and this unrealised gain was taken directly to fair value reserve under equity. For financial assets, at FVPL, there was an unrealised gain of \$0.11 million during the current financial year which was taken to the income statement.

Inventories at 29 February 2024 totalled \$16.27 million of which \$15.68 million was gold stock.

WORKING CAPITAL

The Group had a negative working capital of \$44.40 million and \$53.12 million as at 29 February 2024 and 31 August 2023 respectively. This was because the group utilised short-term borrowing facilities which have the flexibility of repayment at anytime.

BANK BORROWINGS

As at 29 February 2024, the Group has short-term borrowings of \$74.61 million as compared to \$91.53 million as at prior year ended 31 August 2023. The gearing ratio of the Group stood at 0.27 as at 29 February 2024 as against 0.32 as at 31 August 2023.

SHARE CAPITAL

Share capital stood at \$174.71 million as at 29 February 2024 as well as at 31 August 2023. There were 927.79 million shares in float as at 29 February 2024 and as at 31 August 2023. Total shareholders' equity stood at \$279.81 million and NTA per share was 30.16 cents as at 29 February 2024.

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

The half year results are in line with disclosures made in the previous announcement of results of the Group.

14. A commentary at the date of the announcement of the 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 12 months remain challenging as the macroeconomic conditions remain uncertain.

A total of \$18.30 million from the Group's investment portfolio has been divested in the first half of FY 2024, with ongoing orderly share disposals as we comply with SGX listing rule 1020 and downsize our investment portfolio.

Our remaining First Lady outlet in Kuala Lumpur continues to face headwinds amid heightened competition.

The performance of the financial instruments sector will continue to be influenced by market forces, interest rates, and government stimulus.

The Gold business will generally depend on the state of the Gold market.

In line with the group's current strategy, we will continue to look for opportunities to dispose of our remaining investment properties.

15. 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

No

(ii) Previous corresponding period cents

No

(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

16. If no dividend has been declared (recommended), a statement to that effect and reason(s) for the decision.

No dividend has been declared or recommended by the Board of Directors of the company for the current financial period ended 29 February 2024. The management has decided to declare dividend at the end of the financial year with the full year results announcement instead of declaring it now with the half year results announcement.

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

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

18. 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 2024 to be false or misleading in any material aspect.

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

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

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

27 March 2024