

SECOND CHANCE PROPERTIES LTD

UNAUDITED FULL YEAR FINANCIAL RESULTS FOR THE YEAR ENDED 31-08-2014

Note: All figures are in Singapore Dollars

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

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

	Group			Group		
	<u>For the 12 months ended</u>			<u>For the 3 months ended</u>		
	<u>31-08-2014</u>	<u>31-08-2013</u>	<u>Change</u>	<u>31-08-2014</u>	<u>31-08-2013</u>	<u>Change</u>
	\$ '000	\$ '000	%	\$ '000	\$ '000	%
Revenue	48,459	53,917	(10.12)	17,914	21,361	(16.14)
Cost of sales	(21,553)	(24,942)	(13.59)	(8,503)	(10,247)	(17.02)
Gross profit	26,906	28,975	(7.14)	9,411	11,114	(15.32)
Other income	1,859	661	181.24	861	(82)	nm
<u>Expenses</u>						
Distribution expenses	(1,338)	(1,455)	(8.04)	(598)	(768)	(22.14)
Property operating expenses	(1,403)	(1,445)	(2.91)	(116)	(333)	(65.17)
Gold operating expenses	(269)	(242)	11.16	(64)	(61)	4.92
Apparels operating expenses	(2,636)	(2,783)	(5.28)	(713)	(728)	(2.06)
Administrative expenses	(6,050)	(5,783)	4.62	(2,237)	(2,172)	2.99
Other operating expenses	(120)	(1,015)	(88.18)	(87)	(996)	(91.27)
	(11,816)	(12,723)	(7.13)	(3,815)	(5,058)	(24.57)
Profit from operations	16,949	16,913	0.21	6,457	5,974	8.09
Gain on fair valuation of investment properties	304	42,947	(99.29)	304	42,947	(99.29)
Gain on fair valuation of securities, held-for-trading	1,208	(14)	nm	(565)	(782)	(27.75)
Finance costs	(642)	(422)	52.13	(234)	(118)	98.31
Profit before income tax	17,819	59,424	(70.01)	5,962	48,021	(87.59)
Income tax expense	(1,302)	(2,292)	(43.19)	(290)	(857)	(66.16)
Net profit	16,517	57,132	(71.09)	5,672	47,164	(87.97)

Net profit	16,517	57,132	(71.09)	5,672	47,164	(87.97)
<u>Other Comprehensive Income</u>						
Items that may be reclassified subsequently to profit or loss:						
Fair value gain on financial assets, available-for-sale	7,526	3,589	109.70	339	(8,879)	nm
Translation reserve arising from consolidation	194	(262)	nm	99	(442)	nm
Revaluation gain on property, plant and equipment	11	2,344	(99.53)	11	2,344	(99.53)
Other comprehensive income, net of tax	7,731	5,671	36.33	449	(6,977)	nm
Total comprehensive income	24,248	62,803	(61.39)	6,121	40,187	(84.77)

<u>Notes</u>	Group		Group	
	<u>For the 12 months ended</u>		<u>For the 3 months ended</u>	
	<u>31-08-2014</u>	<u>31-08-2013</u>	<u>31-08-2014</u>	<u>31-08-2013</u>
	\$ '000	\$ '000	\$ '000	\$ '000
Dividend income	4,463	3,941	1,499	1,184
Gain on disposal of financial assets, held-for-trading	740	198	345	23
Gain on disposal of investment property	81	430	-	-
Foreign exchange gain/(loss)	920	(966)	475	(1,076)
Expenses include:				
Depreciation of property, plant and equipment	345	309	38	67
Total directors' remuneration	2,064	2,078	842	876
Directors' CPF	23	23	6	6
Directors' fees	199	216	95	92
Income Tax				
Over provision for income tax	(361)	(175)	(31)	(183)
Finance costs				
Interest expenses:-				
Bank overdrafts	1	1	-	-
Short-term loans	526	295	185	89
Long-term loans	115	126	49	29
	642	422	234	118

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

	Group		Company	
	<u>31-08-2014</u>	<u>31-08-2013</u>	<u>31-08-2014</u>	<u>31-08-2013</u>
	\$ '000	\$ '000	\$ '000	\$ '000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	3,467	6,199	209	273
Trade and other receivables	1,164	1,272	8,526	12,319
Inventories	18,355	18,793	1,211	1,721
Other current assets	1,145	2,641	173	196
Property held-for-sale	-	2,446	-	-
Financial assets, held-for-trading	47,486	23,585	-	-
Income tax recoverable	146	118		
Total current assets	71,763	55,054	10,119	14,509
Non-current assets				
Amounts due from subsidiaries	-	-	242,828	204,797
Investments in subsidiaries	-	-	1,209	1,209
Financial assets, available-for-sale	61,748	52,639	54,399	47,539
Property, plant and equipment	25,576	11,097	74	101
Investment properties	202,598*	201,808	13,500	13,500
Total non-current assets	289,922	265,544	312,010	267,146
Total assets	361,685	320,598	322,129	281,655
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Borrowings	86,027	41,516	67,479	30,675
Trade payables	2,842	4,018	366	618
Other payables	1,383	1,556	986	1,020
Current income tax liabilities	1,742	2,216	695	976
Total current liabilities	91,994	49,306	69,526	33,289
Non-current liabilities				
Borrowings	5,837	9,747	5,837	9,747
Deferred income tax liabilities	605	703	13	17
Total non-current liabilities	6,442	10,450	5,850	9,764
Total liabilities	98,436	59,756	75,376	43,053
Net assets	263,249	260,842	246,753	238,602
<u>EQUITY</u>				
Capital and reserves attributable to equity holders of the Company				
Share capital	120,141	116,925	120,141	116,925
Reserves	143,108	143,917	126,612	121,677
Total equity	263,249	260,842	246,753	238,602

*Includes properties worth \$41.77 million in respect of which the Group has entered into an option agreement for their disposal. Please refer to paragraph 8 for further details.

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

As at 31-08-2014		As at 31-08-2013	
<i>Secured</i>	<i>Unsecured</i>	<i>Secured</i>	<i>Unsecured</i>
\$86,027,117	-	\$41,516,356	-

Amount repayable after one year

As at 31-08-2014		As at 31-08-2013	
<i>Secured</i>	<i>Unsecured</i>	<i>Secured</i>	<i>Unsecured</i>
\$5,836,753	-	\$9,746,795	-

Details of Collateral

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

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

	Group		Group	
	<u>For the 12 months ended</u>		<u>For the 3 months ended</u>	
	<u>31-08-2014</u> \$ '000	<u>31-08-2013</u> \$ '000	<u>31-08-2014</u> \$ '000	<u>31-08-2013</u> \$ '000
Cash flows from operating activities				
Net profit	16,517	57,132	5,672	47,164
Adjustments for				
-Income tax expense	1,302	2,292	290	857
-Depreciation of property, plant and equipment	345	309	38	67
-Interest expense	642	422	234	118
-Gain on fair valuation of investment properties	(304)	(42,947)	(304)	(42,947)
-Gain on disposal of financial assets, held-for-trading	(740)	(198)	(345)	(23)
-Unrealised foreign exchange (gain)/loss on loans	(393)	484	(90)	484
-Gain on disposal of investment property held for sale	(81)	(430)	-	-
-Gain/(deficit) on fair valuation of financial assets, held-for-trading	(1,208)	14	565	782
-Exchange differences	(518)	59	(590)	116
	15,562	17,137	5,470	6,618
Changes in working capital				
-Inventories	658	(1,352)	1,379	(2,667)
-Trade and other receivables	1,670	(2,572)	1,549	7,022
-Trade and other payables	(1,356)	(464)	(445)	1,197
Net cash generated from operations	16,534	12,749	7,953	12,170
Income taxes paid	(1,916)	(2,916)	(164)	(131)
Interest paid	(642)	(422)	(234)	(118)
Net cash provided by operating activities	13,976	9,411	7,555	11,921

	Group <u>For the 12 months ended</u>		Group <u>For the 3 months ended</u>	
	<u>31-08-2014</u> \$ '000	<u>31-08-2013</u> \$ '000	<u>31-08-2014</u> \$ '000	<u>31-08-2013</u> \$ '000
Cash flows from investing activities				
-Proceeds from disposal of financial assets, available-for-sale	244	194	41	53
-Proceeds from disposal of financial assets, held-for-trading	13,268	5,089	5,165	1,518
-Proceeds from disposal of investment properties	6,888	12,760	-	-
-Proceeds from disposal of property, plant and equipment	-	3	-	-
-Purchase of financial assets, available-for-sale – equity securities	(2,327)	(4,001)	(513)	(496)
-Purchase of financial assets, held-for-trading – equity securities	(20,926)	(4,363)	(10,503)	(4,363)
-Purchase of financial assets, held-for-trading – bonds	(13,795)	(23,627)	(7,517)	(625)
-Additions/ improvements to investment properties	(29)	(10)	(15)	1
-Additions to property, plant and equipment	(19,183)	(552)	(374)	(121)
Net cash used in investing activities	(35,860)	(14,507)	(13,716)	(4,033)
Cash flows from financing activities				
-Proceeds from issue of shares	3,216	34,513	1	3,959
-Cash used for share buy-back	-	(485)	-	-
-Dividend paid	(25,057)	(36,191)	-	(11,330)
-Proceeds from short-term bank borrowings	96,927	95,805	22,943	24,676
-Repayment of short-term bank borrowings	(51,741)	(72,821)	(16,615)	(19,923)
-Repayment of long-term bank borrowings	(4,193)	(11,633)	(128)	(203)
Net cash provided by/(used in) financing activities	19,152	9,188	6,201	(2,821)
Net (decrease)/increase in cash and cash equivalents	(2,732)	4,092	40	5,067
Cash and cash equivalents at beginning of financial period	6,199	2,107	3,427	1,132
Cash and cash equivalents at end of financial period	3,467	6,199	3,467	6,199
Cash and cash equivalents consist of:				
Cash at bank	3,467	6,199	3,467	6,199
	3,467	6,199	3,467	6,199

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

Group

	Share Capital	Assets Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 31 August 2013	116,925	6,491	8,743	(1,138)	129,821	260,842
Issue of share capital	3,216					3,216
Total comprehensive income for the period			978	73	3,853	4,904
Balance as at 30 November 2013	120,141	6,491	9,721	(1,065)	133,674	268,962
Dividends paid					(11,513)	(11,513)
Total comprehensive income/(loss) for the period			666	(53)	2,724	3,337
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

	Share Capital	Assets Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 31 August 2012	82,897	4,147	5,154	(876)	108,880	200,202
Issue of share capital	3,993					3,993
Share Buyback	(485)					(485)
Total comprehensive income for the period			2,352	8	3,350	5,710
Balance as at 30 November 2012	86,405	4,147	7,506	(868)	112,230	209,420
Issue of share capital	26,459					26,459
Dividends paid					(24,861)	(24,861)
Total comprehensive income/(loss) for the period			5,762	(25)	3,022	8,759
Balance as at 28 February 2013	112,864	4,147	13,268	(893)	90,391	219,777
Issue of share capital	102					102
Total comprehensive income for the period			4,354	197	3,596	8,147
Balance as at 31 May 2013	112,966	4,147	17,622	(696)	93,987	228,026
Issue of share capital	3,959					3,959
Dividends paid					(11,330)	(11,330)
Total comprehensive income for the period		2,344	(8,879)	(442)	47,164	40,187
Balance as at 31 August 2013	116,295	6,491	8,743	(1,138)	129,821	260,842

Company

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 31 August 2013	116,925	8,618	113,059	238,602
Issue of share capital	3,216			3,216
Total comprehensive income for the period		976	1,644	2,620
Balance as at 30 November 2013	120,141	9,594	114,703	244,438
Dividends paid			(11,513)	(11,513)
Total comprehensive income for the period		297	931	1,228
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 income for the period		(213)	20,471	20,258
Balance as at 31 August 2014	120,141	14,051	112,561	246,753

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 31 August 2012	82,897	5,165	85,645	173,707
Issue of share capital	3,993	-	-	3,993
Share buyback	(485)			(485)
Total comprehensive income for the period	-	2,489	1,051	3,540
Balance as at 30 November 2012	86,405	7,654	86,696	180,755
Issue of share capital	26,459			26,459
Dividends paid			(24,861)	(24,861)
Total comprehensive income for the period		5,118	497	5,615
Balance as at 28 February 2013	112,864	12,772	62,332	187,968
Issue of share capital	102			102
Total comprehensive income for the period		4,538	1,569	6,107
Balance as at 31 May 2013	112,966	17,310	63,901	194,177
Issue of share capital	3,959			3,959
Dividends paid			(11,330)	(11,330)
Total comprehensive income/(loss) for the period		(8,692)	60,488	51,796
Balance as at 31 August 2013	116,925	8,618	113,059	238,602

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 no movement in the share capital during the fourth quarter ended 31 August 2014.

2,402,021 old warrants expired on 27 September 2013.

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

	31-08-2014	31-08-2013
Warrants – New	577,024,950	577,024,950

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

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

	<u>As at</u> <u>31-08-2014</u>	<u>As at</u> <u>31-08-2013</u>
Total number of issued shares	677,210,218	667,159,424
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	677,210,218	667,159,424

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 <u>For the 12 months ended</u>		Group <u>For the 3 months ended</u>	
	<u>31-08-2014</u>	<u>31-08-2013</u>	<u>31-08-2014</u>	<u>31-08-2013</u>
Earnings per share	2.44 cents	9.00 cents	0.84 cents	7.11 cents
Earnings per share on fully diluted basis	2.21 cents	8.96 cents	0.75 cents	7.08 cents

The calculation of earnings per share for the year ended 31 August 2014 and 31 August 2013 is based on the weighted average number of shares in issue of 677,210,218 and 634,526,168 respectively.

The diluted earnings per share for the year ended 31 August 2014 and 31 August 2013 were 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 and \$0.32 respectively.

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 <u>31-08-2014</u>	Group <u>31-08-2013</u>	Company <u>31-08-2014</u>	Company <u>31-08-2013</u>
Net asset value per share	38.87 cents	39.10 cents	36.44 cents	35.76 cents

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

Notes:

1. Throughout the review in this section, FY 2014 refers to the financial year ended 31 August 2014. FY 2013 refers to the financial year ended 31 August 2013.

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 \$40.61 million to \$16.52 million in FY 2014 from \$57.13 million in FY 2013. The net profit was higher in FY 2013 mainly because of the substantial increase in fair value of the properties in that period based on the valuations carried out by independent professional appraiser Jones Lang Lasalle Property Consultants Pte Ltd.

Revenue decreased by \$5.46 million from \$53.92 million in FY 2013 to \$48.46 million in FY 2014.

EBITDA decreased by \$0.25 million from \$17.75 million in FY 2013 to \$17.50 million in FY 2014.

REVENUE

The group revenue decreased by \$5.46 million from \$53.92 million in FY 2013 to \$48.46 million in FY 2014.

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

Revenue	FY 2014	FY 2013	Variance	
	\$ million	\$ million	\$ million	%
Apparel	19.04	21.28	(2.24)	-10.53%
Gold	15.15	18.87	(3.72)	-19.71%
Properties	9.81	9.82	(0.01)	-0.10%
Securities	4.46	3.95	0.51	12.91%

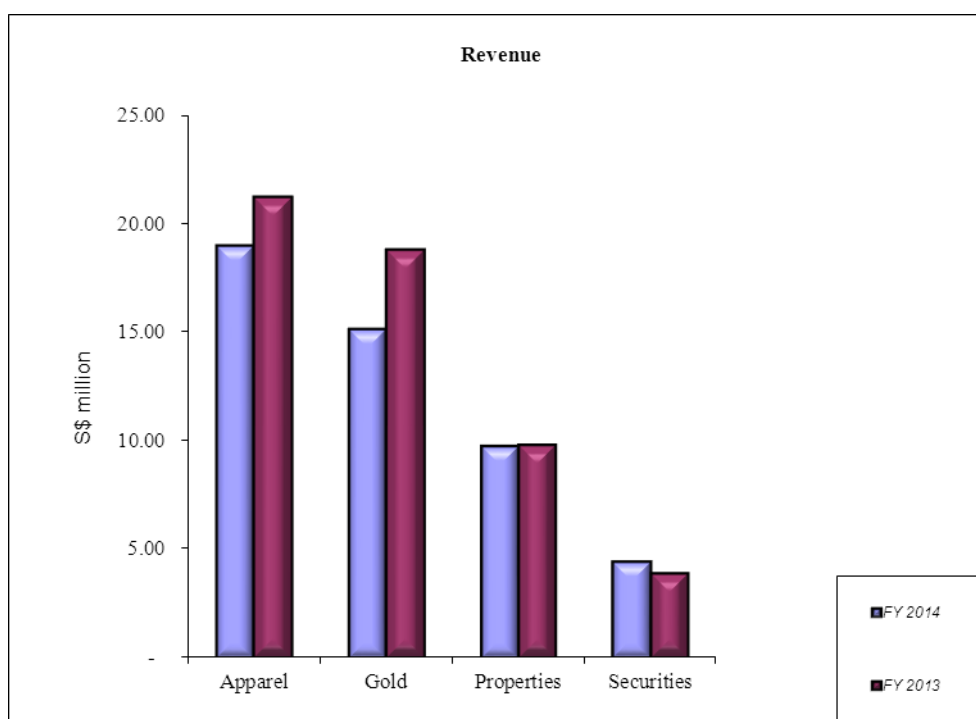
The revenue from apparel business was \$19.04 million in FY 2014 as compared to \$21.28 million in FY 2013. Of the \$19.04 million, Malaysian apparel business contributed \$16.05 million. The revenue dropped both in Singapore & Malaysia as few outlets were closed during the year.

The gold business generated \$15.15 million in FY 2014 which was less than the \$18.87 million in FY 2013. In FY 2013, sales were very high during the months of April & May due to widespread news by media that the gold prices have sunk to their lowest levels since the time they were at their

peak. This resulted in increased demand and consequently higher sales during that period. (Infact, the revenue for May 2013 was higher than that of a festive month of Hari Raya which is usually when the sales are the highest.)

Rental revenue from properties decreased marginally by \$0.01 million from \$9.82 million in FY 2013 to \$9.81 million in FY 2014. There was a loss of rental income on account of sale of six investment properties. However, this loss was partially off-set by the rental income derived from the new property acquired in Malaysia, a ten storey commercial building which is earmarked as the flagship store for First Lady apparel business.

The securities business recorded an increase in revenue of \$0.51 million from \$3.95 million in FY 2013 to \$4.46 million in FY 2014. This increase was the result of coupon payments and dividends received on the fixed income and equity securities purchased since FY 2013.



PROFIT

The group net profit decreased by \$40.61 million from \$57.13 million in FY 2013 to \$16.52 million in FY 2014.

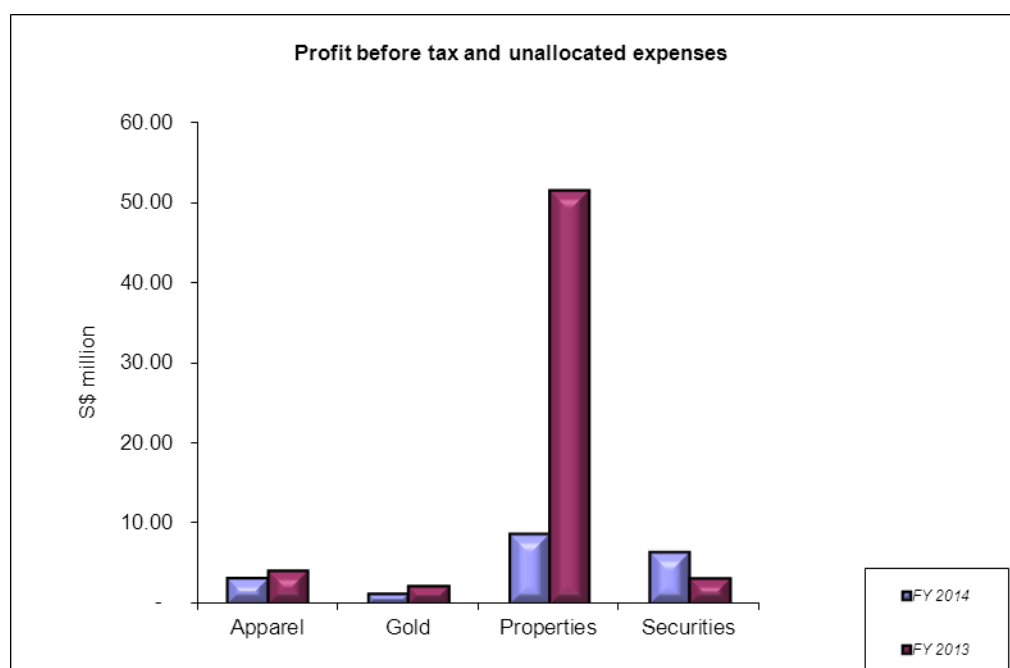
The contribution from various business segments are illustrated below (the contributions are before interest, tax and unallocated expenses).

	FY 2014	FY 2013	Variance	
	\$ million	\$ million	\$ million	%
Apparel	3.29	4.25	(0.96)	-22.59%
Gold	1.38	2.25	(0.87)	-38.67%
Properties	8.65	51.55	(42.90)	-83.22%
Securities	6.46	3.35	3.11	92.84%

The apparel business contributed \$3.29 million in FY 2014 which was \$0.96 million less than in FY 2013. This was mainly because of decrease in revenue as few outlets were closed down and also because of expenses incurred on new property purchased for carrying out the apparel business in Malaysia.

Gold business recorded \$1.38 million profit in FY 2014, a decrease of \$0.87 million in profit from the prior year. In addition to the drop in volume of sales in FY 2014, the lower gross profit margin because of lower retail price of gold in FY 2014 also contributed to the decrease in profits.

Properties segment saw a drop in profit of \$42.90 million to \$8.65 million in FY 2014 from \$51.55 million in FY 2013. This was because there was a substantial increase of \$42.95 million in the fair value of properties in FY 2013 as compared to an increase of only \$0.30 million in FY 2014. The increase in value in FY 2013 was in tandem with the rising commercial real estate market. Securities segment recorded a profit of \$6.46 million in FY 2014, which was \$3.11 million more than the profit of \$3.35 million in FY 2013. As mentioned earlier, the coupon payments and dividends received on fixed income and equity securities purchased since FY 2013 mainly contributed to this increase. In addition, the profit on disposal of financial assets, held-for-trading contributed \$0.74 million in FY 2014 as compared to \$0.20 million in FY 2013. Further there was unrealized gain of \$1.21 million on financial assets, held-for-trading in FY 2014 as compared to loss of \$0.01 million in FY 2013.



The income tax expense decreased to \$1.30 million in FY 2014 from \$2.29 million in FY 2013. In addition to the taxable profits being less in FY 2014 as compared to FY 2013, the Corporate Income Tax Rebate extended by IRAS resulted in lower income tax expense as an amount of \$0.33 million was written back in FY 2014.

Interest expenses increased by \$0.22 million from \$0.42 million in FY 2013 to \$0.64 million in FY 2014 on account of additional short term funds borrowed for acquisition of property in Malaysia and also purchase of fixed income securities.

EBITDA

EBITDA decreased by \$0.25 million from \$17.75 million in FY 2013 to \$17.50 million in FY 2014. The details of EBITDA calculation is as below:

<u>EBITDA*</u>	<u>FY 2014</u>	<u>FY 2013</u>
	<u>\$ '000</u>	<u>\$ '000</u>
Net Profit	16,517	57,132
<u>Add/(Less):</u>		
Interest expenses	642	422
Taxes	1,302	2,293
Depreciation	345	309
Fair valuation (gain)/deficit of properties	(304)	(42,947)
Divestment gains of investment property	(81)	(430)
Exchange differences	(920)	966
	17,501	17,745

CASH FLOW

The net cash flow from operating activities was \$13.98 million in FY 2014.

The Group realized an amount of \$13.27 million from disposal of financial assets, held-for-trading while capital distribution from financial assets, available-for-sale generated \$0.24 million. Proceeds from sale of investment properties amounted to \$6.89 million and the Group had drawn down an amount of \$96.93 million from banks. Shares issued pursuant to warrants conversion generated \$3.21 million.

The Group subscribed to rights issue and also purchased equity shares totaling \$23.25 million of which \$20.93 million was classified as held-for-trading while the balance was classified as available-for-sale. Fixed income securities worth \$13.80 million were also purchased. The Group invested \$19.04 million for the acquisition of a new property in Malaysia, \$0.03 million for making improvements to existing investment properties and \$0.14 million for purchase of fixed assets. An amount of \$55.93 million was utilised to repay bank borrowing. The above funds were also deployed to distribute dividends totaling \$25.06 million.

Cash and cash equivalents at the end of the period i.e. 31 August 2014 was \$3.47 million which was a decrease of \$2.73 million from the \$6.20 million at the beginning of the period i.e. 31 August 2013.

FINANCIAL POSITION AS AT 31 AUGUST 2014

Investment properties of the group totaled \$202.60 million. In addition, \$23.71 million worth of properties owned by the group was classified as Property, Plant and equipment because they were all self-occupied.

On 6 February 2014, the Group entered into an option agreement for disposal of investment properties having carrying value of \$134.77 million. However, subsequently as per announcement made on SGX on 07 August 2014 the above option was revised and the Group executed a supplemental letter to the option agreement for disposal of investment properties having carrying value of \$41.77 million. Under Financial Reporting Standard 105 (FRS 105), “a re-classification of a non- current asset (or disposal group) as held for sale is required if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. However, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.” In respect of the option agreement signed by the Group, the terms of sale are

not usual and customary for sale of such assets. Therefore, the said assets were not re-classified as held for sale.

As at 31 August 2014 financial assets, available-for-sale comprised of shares valued at \$61.75 million and financial assets, held-for-trading comprised of fixed income securities and shares valued at \$24.33 million and \$23.16 million respectively. There was appreciation in the market value at end August 2014 as compared to end August 2013. The gain in fair value on financial assets, available-for-sale was \$7.53 million which was taken directly to equity while the gain in fair value of financial assets, held-for-trading was taken to the income statement.

Inventories at end August 2014 totaled \$18.36 million of which \$11.16 million was gold stock.

WORKING CAPITAL

The Group had a negative working capital of \$20.23 million as at 31 August 2014 as compared to a positive working capital of \$5.75 million as at 31 August 2013. The main reason for this negative working capital was that there was short term drawdown by the Group during FY 2014 to fund acquisition of property in Malaysia and also for purchase of fixed income securities. The short-term bank facilities provide the benefit of lower interest rates, are rolled over on maturity and have the flexibility of repayment at any time.

BANK BORROWINGS

Long-term bank borrowings decreased from \$9.75 million in FY 2013 to \$5.84 million in FY 2014. Total borrowings of the group were \$91.85 million at end August 2014 while the borrowings totaled \$51.26 million at end August 2013. The gearing ratio of the group increased to 0.34 as at 31 August 2014 from 0.17 as at 31 August 2013.

SHARE CAPITAL

As at 31 August 2014, share capital stood at \$120.14 million as compared to \$116.93 million as at 31 August 2013. This increase was due to the issue of shares worth \$3.21 million pursuant to exercise of warrants by shareholders. There were 677.21 million shares in float as at 31 August. Total shareholders' equity amounted to \$263.25 million and NTA per share was 38.87 cents as at 31 August 2014.

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

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

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

With uncertainty in the global economy, there is now a heightened risk of a worldwide slowdown which will affect the economies of Singapore & Malaysia.

Despite declining profits in recent years, we expect the gold business to remain profitable.

The apparels business is facing strong headwinds in Malaysia with the entry of many new competitors as barriers to entry are low. Although the situation remains challenging, we expect the business to be profitable.

The local retail trade has been negatively affected by the tightening of foreign workers policies with retailers reluctant to expand or scale up their operations with some giving up their businesses. Although retail rents are still resilient, downward pressure on rentals can be expected in the short term.

Our financial instruments sector has performed well. However, the performance of this division in next 12 months is highly dependent on market forces.

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

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

Yes

(b)

(i) Amount per share - Second and Final Dividend of 1.5 cents per share

(ii) Previous corresponding period - 1.7 cents per share

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

One-tier tax exempt

(d) The date the dividend is payable

Subject to shareholders' approval at the Annual General Meeting to be held on 30 December 2014, the dividend will be paid on 21 January 2015.

(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

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed at 5.00 pm on 12 January 2015 for the purpose of determining member's entitlements to the proposed second and final dividend of 1.5 cents in cash per ordinary share tax-exempt (one tier) for the financial year ended 31 August 2014 (the "Proposed Dividend").

Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) of 80 Robinson Road # 02-00 Singapore 068898 up to 5.00 pm on 12 January 2015 will be registered to determine member's entitlement to the Proposed Dividend.

Members whose securities accounts with the Central Depository (Pte) Limited are credited with shares at 5.00 pm on 12 January 2015 will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved by the members at the Annual General Meeting to be held on 30 December 2014, will be paid on 21 January 2015.

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

Not applicable

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

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

PART II Additional information required for full year announcement

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

Attached (Annexure A)

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

Segment Performance

APPAREL

The revenue was \$19.04 million in FY 2014 as compared to \$21.28 million in FY 2013. Of the \$19.04 million revenue in current year, the Malaysian apparel business contributed \$16.05 million. A few outlets were closed in Singapore and Malaysia during the current year resulting in decreased revenue.

The earnings before tax were \$3.29 million in FY 2014 as compared to \$4.25 million in FY 2013 which was a decrease of \$0.96 million from the prior year.

GOLD

The gold business recorded a decrease in revenue of \$3.72 million from \$18.87 million in FY 2013 to \$15.15 million in FY 2014. In the prior year, the months of April & May witnessed increased demand for gold on account of widespread news by media that the gold prices have sunk to their lowest levels since the time they were at their peak.

The earnings before tax decreased to \$1.38 million in FY 2014 from \$2.25 million in FY 2013 mainly due to lower volume of sales.

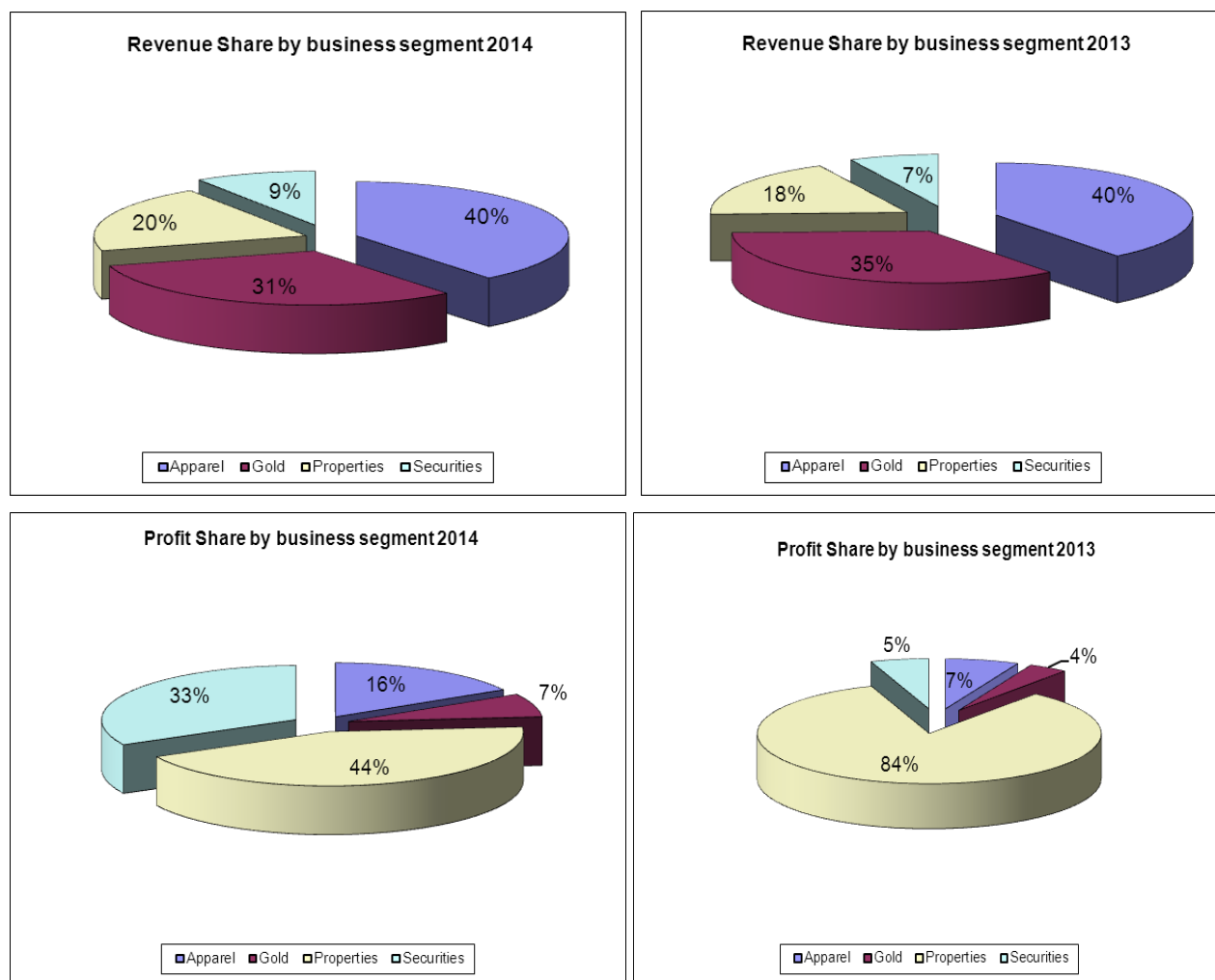
PROPERTIES

There was a marginal decrease of \$0.01 million in the rental revenue from properties. The rental loss was on account of few properties sold which was partially off-set by rental earned on new property acquired in Malaysia.

Earnings from the properties segment witnessed a decrease of \$42.90 million from \$51.55 million in FY 2013 to \$8.65 million in FY 2014. This was mainly attributable to the fair value gain of \$42.95 million on properties in the prior year as compared to only \$0.30 million in the current year. In addition, the profit on disposal of investment properties was \$0.08 million in FY 2014 as against \$0.43 million in FY 2013.

QUOTED SECURITIES

The securities segment recorded an increase in revenue of \$0.51 million from \$3.95 million in FY 2013 to \$4.46 million in FY 2014. In The coupon payments and dividends received on fixed income and equity securities purchased since FY 2013 resulted in increase in revenue from this segment. The earnings before tax increased by \$3.11 million from \$3.35 million in FY 2013 to \$6.46 million in FY 2014. This was contributed by coupon payment and dividends received, profit on disposal and unrealized gains recorded on fixed income & equity securities purchased since FY 2013.



16. A breakdown of sales

	31/08/2014	31/08/2013	% Increase / (decrease)
	\$ '000	\$ '000	
	Group	Group	Group
Sales reported for first half year	19,717	19,506	1.08
Operating profit after tax before deducting minority interests reported for first half year	6,577	6,372	3.22
Sales reported for second half year	28,742	34,411	(16.47)
Operating profit after tax reported for second half year	9,940	50,760	(80.42)

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

	31-08-2014	31-08-2013
Ordinary	23,702,358*	22,671,330
Preference	-	-
Total	23,702,357	22,671,330

* based on the interim dividend paid and the second and final dividend recommended on the number of shares in float as at 31 August 2014.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and positions held, if any, during the year
Mdm Joharbee Bte Kadir Maideen Saibu Marican	70	Sister of Mr.Mohamed Salleh and Mr.Hasan Marican	General Manager of the Group. Duties include purchasing for the “First Lady” line of garments and managing “First Lady” Shop. The position was first held in 1996.	Ceased to occupy the position from 30 September 2014
Mdm Aisamar Binte Kadil Mydin Syed Marikiah	67	Sister of Mr.Mohamed Salleh and Mr.Hasan Marican	Director in subsidiary – First Lady Apparels (Malaysia) Sdn Bhd. The position was first held in 2001.	Nil
Mr.Azhar Bin Abul Hasan	40	Nephew of Mr.Mohamed Salleh and Mr.Hasan Marican	Director in subsidiary – First Lady Apparels (Malaysia) Sdn Bhd. The position was first held in 2001.	Nil
Mr.Mohamed Amal Bin Mohamed Salleh Maricar	27	Son of Mr.Mohamed Salleh and nephew of Mr.Hasan Marican	Executive Director in subsidiary – First Lady Apparels (Malaysia) Sdn Bhd. Assisting the CEO in the Malaysian operations. The position was first held in 2010.	Nil

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 October 2014