



SECOND CHANCE PROPERTIES LTD
(Company Registration No.198103193M)

REPLY TO SGX ON QUERY REGARDING CLARIFICATION ON DIVIDEND FOR FY 2022

The Board of Directors (“**Board**”) of Second Chance Properties Ltd (“**Company**” and together with its subsidiaries, the “**Group**”) refers to the query raised by SGX RegCo as per their email dated 13 January 2023 (“**Question**”). The question was raised following the Company’s announcement dated 12 January 2023 titled “Clarification on Dividend for FY 2022”. The Company and the Board wishes to provide its responses to the Question as follows:

Question

1. What were the factors taken into consideration by the Company in making the decision not to proceed with the scrip dividend option? What are the reasons for the change?

Company’s Response

The reason for the change is as follows:

- 1) We announced the dividend on 28 October 2022.
On 24 November 2022, **Chip Eng Seng** announced a take-over offer for delisting which will result in us receiving around **S\$12.7 million**.
This amount is more than the \$9.26 million that we need to distribute if all dividends are given in cash.
- 2) On 15 February 2023 we expect to receive a further \$5.40 million from the sale of our property.
- 3) Our present gearing is 0.26.
With these two cash infusion it shall result in a much lower gearing.
- 4) Many shareholders who had taken Cash Dividends in the past complained that it dilutes their shareholdings due to other shareholders taking up the Scrip Dividends.
- 5) Furthermore there will be cost savings in distributing Cash Dividends instead of Scrip Dividends

As such the Board decided to change and distribute out all as Cash Dividends.

By order of the Board
Mohamed Salleh s/o Kadir Mohideen Saibu Maricar
Executive Director and Chief Executive Officer

16 January 2023