

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

**Unaudited Condensed Interim Financial Statements for the Six Months and Full Year
Ended 31 August 2022**

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Part I – Condensed Interim Financial Statements for the Second Half and Full Year ended 31 August 2022

Note: All figures are in Singapore Dollars

Condensed interim consolidated statement of profit or loss and other comprehensive income

| Note | <u>Group</u> <u>Six months ended</u> | | | <u>Group</u> <u>Twelve months ended</u> | | | |
|--|---|------------------|---------------|--|------------------|---------------|----------------|
| | <u>31/8/2022</u> | <u>31/8/2021</u> | <u>Change</u> | <u>31/8/2022</u> | <u>31/8/2021</u> | <u>Change</u> | |
| | <u>\$ '000</u> | <u>\$ '000</u> | <u>%</u> | <u>\$ '000</u> | <u>\$ '000</u> | <u>%</u> | |
| Revenue | 4 | 27,000 | 20,164 | 33.90 | 43,115 | 36,584 | 17.85 |
| Cost of sales | | (10,978) | (9,318) | 17.81 | (19,400) | (19,049) | 1.84 |
| Gross profit | | 16,022 | 10,846 | 47.72 | 23,715 | 17,535 | 35.24 |
| Other losses – net | | (1,566) | (2,380) | (34.20) | (1,525) | (917) | 66.30 |
| Expenses | | | | | | | |
| - Administrative | | (2,095) | (1,827) | 14.67 | (3,565) | (3,241) | 10.00 |
| - Distribution | | (450) | (342) | 31.58 | (752) | (688) | 9.30 |
| - Finance | | (597) | (256) | 133.20 | (883) | (442) | 99.77 |
| - Apparel operating | | (148) | (84) | 76.19 | (249) | (198) | 25.76 |
| - Property operating | | (482) | (464) | 3.88 | (995) | (861) | 15.56 |
| - Gold and jewellery operating | | (73) | (60) | 21.67 | (159) | (157) | 1.27 |
| - Others | | (625) | (294) | 112.59 | (670) | (294) | 127.89 |
| | | (4,470) | (3,327) | 34.36 | (7,273) | (5,881) | 23.67 |
| Profit before income tax | 6 | 9,986 | 5,139 | 94.32 | 14,917 | 10,737 | 38.93 |
| Income tax expense | 7 | (392) | (319) | 22.88 | (721) | (914) | (21.12) |
| Net profit for the financial year | | 9,594 | 4,820 | 99.05 | 14,196 | 9,823 | 44.52 |
| Other comprehensive income: | | | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | | | |
| - Currency translation differences arising from consolidation | | (666) | 451 | Nm | (650) | 584 | Nm |
| | | (666) | 451 | Nm | (650) | 584 | Nm |
| Items that will not be reclassified subsequently to profit or loss: | | | | | | | |
| - Revaluation gain/(loss) on property, plant and equipment | | 174 | (1,298) | nm | 174 | (1,298) | Nm |
| - Fair value (loss)/gain on Financial assets, at FVOCI | | (6,922) | 8,427 | nm | (9,110) | 26,027 | Nm |
| Other comprehensive (loss)/income, net of tax | | (7,414) | 7,580 | nm | (9,586) | 25,313 | Nm |
| Total comprehensive income attributable to equity holders | | 2,180 | 12,400 | (82.42) | 4,610 | 35,136 | (86.88) |
| Earnings per share attributable to equity holders (cents per share) | | | | | | | |
| Basic earnings per share | | 1.04 | 0.64 | | 1.66 | 1.30 | |
| Diluted earnings per share | | 1.04 | 0.64 | | 1.66 | 1.30 | |

*nm - not meaningful

Condensed interim statements of financial position

| | Note | The Group | | The Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 31 Aug 2022 | 31 Aug 2021 | 31 Aug 2022 | 31 Aug 2021 |
| | | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and bank balances | | 1,145 | 348 | 360 | 97 |
| Financial assets, at FVPL | | 109 | 1,105 | - | - |
| Trade and other receivables | 10 | 146 | 379 | 8 | 603 |
| Inventories | | 16,371 | 17,384 | 297 | 494 |
| Other current assets | | 1,326 | 163 | 739 | 57 |
| Income tax receivables | | 79 | 64 | - | - |
| | | 19,176 | 19,443 | 1,404 | 1,251 |
| Property held-for-sale | 11 | 57,460 | 9,600 | 13,750 | - |
| | | 76,636 | 29,043 | 15,154 | 1,251 |
| Non-current assets | | | | | |
| Amount due from subsidiary corporations | | - | - | 169,790 | 190,232 |
| Financial assets, at FVOCI | 12 | 238,010 | 223,139 | 31,044 | 40,886 |
| Investments in subsidiary corporations | | - | - | 17,231 | 17,231 |
| Property, plant and equipment | 13 | 18,729 | 18,795 | 12 | 17 |
| Investment properties | 14 | 69,185 | 130,755 | - | 13,750 |
| Deferred tax assets | | 31 | 68 | - | - |
| | | 325,955 | 372,757 | 218,077 | 262,116 |
| Total assets | | 402,591 | 401,800 | 233,231 | 263,367 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade payables | 15 | 1,373 | 1,541 | 228 | 161 |
| Other payables | 16 | 4,082 | 915 | 2,306 | 684 |
| Borrowings | 17 | 113,032 | 115,319 | 9,581 | 39,714 |
| Current income tax liabilities | | 663 | 805 | - | - |
| | | 119,150 | 118,580 | 12,115 | 40,559 |
| Non-current liability | | | | | |
| Deferred tax liabilities | | 57 | 4 | 3 | 3 |
| | | 57 | 4 | 3 | 3 |
| Total liabilities | | 119,207 | 118,584 | 12,118 | 40,562 |
| Net assets | | 283,384 | 283,216 | 221,113 | 222,805 |
| EQUITY | | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | | |
| Share capital | 18 | 174,366 | 137,454 | 174,366 | 137,454 |
| Retained profits | | 111,706 | 132,205 | 48,374 | 82,256 |
| Other reserves | | (2,688) | 13,557 | (1,627) | 3,095 |
| Total equity | | 283,384 | 283,216 | 221,113 | 222,805 |

Condensed interim statements of changes in equity

| | Share capital | Retained profits | Other reserves* | | | Total other reserves | Total equity |
|---|---------------|------------------|--------------------|---------------------------|------------------------------|----------------------|--------------|
| | | | Fair value reserve | Asset revaluation reserve | Currency translation reserve | | |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Group | | | | | | | |
| Balance as at 31 August 2021 | 137,454 | 132,205 | 13,241 | 5,922 | (5,606) | 13,557 | 283,216 |
| Total comprehensive income/(loss) for the financial period | - | 4,602 | (2,187) | - | 16 | (2,171) | 2,431 |
| Cash dividends paid | - | (4,443) | - | - | - | - | (4,443) |
| Scrip dividend | 36,912 | (36,912) | - | - | - | - | - |
| Total transactions with owners, recognised directly in equity | 36,912 | (41,355) | - | - | - | - | (4,443) |
| Transfer upon disposal of investments in financial assets, at FVOCI | - | 3,092 | (3,092) | - | - | (3,092) | - |
| 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 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 |
| Balance as at 31 August 2020 | 138,308 | 118,381 | (8,785) | 7,220 | (6,190) | (7,755) | 248,934 |
| Total comprehensive income for the financial period | - | 5,003 | 17,600 | - | 133 | 17,733 | 22,736 |
| Share buyback | (854) | - | - | - | - | - | (854) |
| Total transactions with owners, recognised directly in equity | (854) | - | - | - | - | - | (854) |
| Transfer upon disposal of investments in financial assets, at FVOCI | - | (78) | 78 | - | - | 78 | - |
| Balance as at 28 February 2021 | 137,454 | 123,306 | 8,893 | 7,220 | (6,057) | 10,056 | 270,816 |
| Total comprehensive income/(loss) for the financial period | - | 4,820 | 8,427 | (1,298) | 451 | 7,580 | 12,400 |
| Transfer upon disposal of investments in financial assets, at FVOCI | - | 4,079 | (4,079) | - | - | (4,079) | - |
| Balance as at 31 August 2021 | 137,454 | 132,205 | 13,241 | 5,922 | (5,606) | 13,557 | 283,216 |

* 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 31 August 2021 | 137,454 | 82,256 | 3,095 | 222,805 |
| Total comprehensive income/(loss) for the financial period | - | 5,085 | (3,938) | 1,147 |
| Cash dividends paid | - | (4,443) | - | (4,443) |
| Scrip dividend | 36,912 | (36,912) | - | - |
| Total transactions with owners, recognised directly in equity | 36,912 | (41,355) | - | (4,443) |
| Transfer upon disposal of investments in financial assets, at FVOCI | - | 2,243 | (2,243) | - |
| 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 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 |
| Balance as at 31 August 2020 | 138,308 | 78,257 | (3,120) | 213,445 |
| Total comprehensive income for the period | - | 4,343 | 2,857 | 7,200 |
| Share buyback | (854) | - | - | (854) |
| Total transactions with owners, recognised directly in equity | (854) | - | - | (854) |
| Transfer upon disposal of investments in financial assets, at FVOCI | - | (78) | 78 | - |
| Balance as at 28 February 2021 | 137,454 | 82,522 | (185) | 219,791 |
| Total comprehensive income/(loss) for the period | - | (266) | 3,280 | 3,014 |
| Balance as at 31 August 2021 | 137,454 | 82,256 | 3,095 | 222,805 |

Condensed interim consolidated statements of cash flows

| | Group | | Group | |
|--|------------------|-----------------|---------------------|------------------|
| | Six months ended | | Twelve months ended | |
| | 31-08-2022 | 31-08-2021 | 31-08-2022 | 31-08-2021 |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Cash flows from operating activities | | | | |
| Net profit | 9,594 | 4,820 | 14,196 | 9,823 |
| Adjustments for | | | | |
| - Income tax expense | 392 | 319 | 721 | 914 |
| - Depreciation of property, plant and equipment | 61 | 64 | 125 | 134 |
| - Gain on disposal of investment properties | (200) | (125) | (800) | (675) |
| - Fair value (gain)/loss on financial assets, at FVPL | (153) | (74) | 5 | 21 |
| - Fair value (gain)/loss on investment properties | (766) | 2,027 | (766) | 2,027 |
| - Interest income from bank deposits | - | (9) | - | (99) |
| - Loss/(gain) on disposal of financial assets, at FVPL | 153 | - | 6 | (153) |
| - Loss on redemption of financial assets at FVPL | - | 136 | - | 140 |
| - Finance expense | 597 | 256 | 883 | 442 |
| - Unrealised currency translation differences | 2,555 | 431 | 3,147 | (157) |
| | 12,233 | 7,845 | 17,517 | 12,417 |
| Changes in working capital | | | | |
| - Trade and other receivables | 107 | 87 | 231 | 372 |
| - Inventories | 694 | (17) | 993 | (456) |
| - Other current assets | (1,143) | 59 | (1,165) | 13 |
| - Trade and other payables | 3,198 | (280) | 3,047 | (726) |
| Net cash generated from operations | 15,089 | 7,694 | 20,623 | 11,620 |
| Interest received | - | 9 | - | 326 |
| Interest paid | (597) | (252) | (883) | (438) |
| Income taxes paid | (359) | (142) | (770) | (354) |
| Net cash provided by operating activities | 14,133 | 7,309 | 18,970 | 11,154 |
| Cash flows from investing activities | | | | |
| - Proceeds from disposal of financial assets, at FVOCI | 11,764 | - | 20,676 | 145 |
| - Redemption of financial assets at FVOCI, by issuers | 15,997 | 13,738 | 16,101 | 13,886 |
| - Proceeds from disposal of financial assets, at FVPL | - | - | 985 | - |
| - Redemption of financial assets at FVPL, by issuers | - | 250 | - | 2,461 |
| - Proceeds from disposal of investment properties | 4,500 | 7,545 | 14,700 | 15,545 |
| - Purchase of financial assets, at FVOCI | (27,789) | (54,556) | (60,759) | (135,269) |
| - Additions to property, plant and equipment | - | (4) | - | (4) |
| Net cash provided by/(used in) investing activities | 4,472 | (33,027) | (8,297) | (103,236) |
| Cash flows from financing activities | | | | |
| - Proceeds from bank borrowings | 100,919 | 96,549 | 139,330 | 264,110 |
| - Repayment of bank borrowings | (119,044) | (75,515) | (144,763) | (179,717) |
| - Cash from share buyback | - | - | - | (854) |
| - Cash dividend paid to equity holders of the Company | - | - | (4,443) | - |
| Net cash (used in)/provided by financing activities | (18,125) | 21,034 | (9,876) | 83,539 |
| Net decrease in cash and cash equivalents | 480 | (4,684) | 797 | (8,543) |
| Cash and bank balances | | | | |
| Beginning of financial year | 665 | 5,032 | 348 | 8,891 |
| End of financial year | 1,145 | 348 | 1,145 | 348 |

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 and full year ended 31 August 2022 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. Holding of bonds and equity securities
- e. Trading of bonds and equity securities

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 August 2022 have been prepared in accordance with the *Singapore Financial Reporting Standards (International)* (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore (“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 2021.

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 (“SFRS”) and Interpretations of Financial Reporting Standards (“INT FRS”) that are mandatory for the accounting periods beginning on or after 1 September 2021. 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 2021.

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

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 sale of apparel, while the Singapore segment derives revenue from 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 | |
| 2022 | 2022 | 2022 | 2022 | 2022 | 2022 |
| \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |

2022

The Group

Revenue

| | | | | | | |
|-----------------------|-------|--------|--------|-------|-------|--------|
| - external parties | 773 | 23,207 | 13,506 | 4,314 | 1,315 | 43,115 |
| Segment result | (858) | 3,854 | 9,684 | 5,069 | 85 | 17,834 |

Expenses

| | | | | | | |
|--|--|--|--|--|--|---------------|
| Administrative and other operating exp | | | | | | (2,034) |
| Finance expenses | | | | | | (883) |
| Profit before income tax | | | | | | 14,917 |
| Income tax expense | | | | | | (721) |
| Net profit | | | | | | 14,196 |

Net profit includes:

| | | | | | | |
|--------------|---|---|---|---|-----|-----|
| Depreciation | 5 | 2 | - | - | 118 | 125 |
|--------------|---|---|---|---|-----|-----|

Segment assets

| | | | | | | |
|---|-----|--------|---------|---------|--------|---------|
| Segment assets includes: | 395 | 15,782 | 239,075 | 127,889 | 19,340 | 402,481 |
| Purchases of financial assets, at FVOCI | - | - | 60,759 | - | - | 60,759 |

Segment liabilities

| | | | | | | |
|--|-----|-----|---------|-------|-----|---------|
| | 239 | 321 | 113,032 | 3,403 | 130 | 117,125 |
|--|-----|-----|---------|-------|-----|---------|

4. Segment and revenue information (continued)

| Singapore | | | | Malaysia | Consolidated |
|-----------------|------------------|--------------------|-----------------|-----------------|--------------|
| Wearing Apparel | Gold & Jewellery | Investment Dealing | Property Rental | Wearing apparel | |
| 2021 | 2021 | 2021 | 2021 | 2021 | 2021 |
| \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |

2021

The Group

Revenue

- external parties

| | | | | | |
|-----|--------|-------|-------|-----|--------|
| 776 | 23,188 | 7,235 | 4,647 | 738 | 36,584 |
|-----|--------|-------|-------|-----|--------|

Segment result

| | | | | | |
|-------|-------|-------|-------|-----|--------|
| (927) | 4,067 | 7,119 | 2,500 | (4) | 12,755 |
|-------|-------|-------|-------|-----|--------|

Expenses

Administrative and other operating exp

(1,576)

Finance expenses

(442)

Profit before income tax

10,737

Income tax expense

(914)

Net profit

9,823

Net profit includes:

Depreciation

| | | | | | |
|---|---|---|---|-----|-----|
| 6 | 4 | - | - | 124 | 134 |
|---|---|---|---|-----|-----|

Segment assets

| | | | | | |
|-----|--------|---------|---------|--------|---------|
| 671 | 16,501 | 224,456 | 140,505 | 19,535 | 401,668 |
|-----|--------|---------|---------|--------|---------|

Segment assets includes:

Purchases of financial assets, at FVOCI

| | | | | | |
|---|---|---------|---|---|---------|
| - | - | 135,269 | - | - | 135,269 |
|---|---|---------|---|---|---------|

Additions to property, plant and equipment

| | | | | | |
|---|---|---|---|---|---|
| 3 | 1 | - | - | - | 4 |
|---|---|---|---|---|---|

Segment liabilities

| | | | | | |
|-----|-----|---------|-------|----|---------|
| 107 | 337 | 115,316 | 1,337 | 90 | 117,187 |
|-----|-----|---------|-------|----|---------|

(a) Reconciliations

(i) Segment assets

The amounts reported to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than income tax receivables and deferred tax assets.

Reconciliation of reportable segments' assets to total assets:

| | 2022 \$ '000 | 2021 \$ '000 |
|--|-----------------|-----------------|
| Segment assets for reportable segments | 402,481 | 401,668 |
| Unallocated: | | |
| Income tax receivables | 79 | 64 |
| Deferred tax assets | 31 | 68 |
| | 402,591 | 401,800 |

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

| | 2022 | 2021 |
|---|----------------|----------------|
| | \$ '000 | \$ '000 |
| Segment liabilities for reportable segments | 117,125 | 117,187 |
| Unallocated: | | |
| Directors' fees and bonus | 1,238 | 571 |
| Loan to director | 124 | 17 |
| Income tax provision | 663 | 805 |
| Deferred income tax liabilities | 57 | 4 |
| | 119,207 | 118,584 |

(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 | | Non-current assets | |
|-----------|----------------|----------------|---------------------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Singapore | 41,800 | 35,846 | 307,245 | 353,951 |
| Malaysia | 1,315 | 738 | 18,710 | 18,806 |
| | 43,115 | 36,584 | 325,955 | 372,757 |

A breakdown of sales

| | 31/08/2022 | 31/08/2021 | increase/ (decrease) |
|--|-------------------|-------------------|---------------------------------|
| | \$ '000 | \$ '000 | % |
| | Group | Group | Group |
| Sales reported for first half year | 16,115 | 16,420 | (1.86) |
| Operating profit after tax reported for first half year | 4,602 | 5,003 | (8.02) |
| Sales reported for second half year | 27,000 | 20,164 | 33.90 |
| Operating profit after tax reported for second half year | 9,594 | 4,820 | 99.05 |

5. Financial assets and financial liabilities

Financial instruments by category

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

| | <u>The Group</u> | | <u>The Company</u> | |
|---|------------------|----------------|--------------------|----------------|
| | 2022 \$'000 | 2021 \$'000 | 2022 \$'000 | 2021 \$'000 |
| Financial assets at amortised cost | 2,574 | 851 | 170,897 | 190,988 |
| Financial assets, at FVOCI | 238,010 | 223,139 | 31,044 | 40,886 |
| Financial assets, at FVPL | 109 | 1,105 | - | - |
| Financial liabilities at amortised cost | 118,486 | 117,684 | 12,115 | 40,557 |

6. Profit before taxation

6.1. Significant items

| | <u>Six months ended</u> | | <u>Twelve months ended</u> | |
|--|-------------------------|---------------------|----------------------------|---------------------|
| | 31-Aug-22 \$'000 | 31-Aug-21 \$'000 | 31-Aug-22 \$'000 | 31-Aug-21 \$'000 |
| Group Income | | | | |
| Dividend/coupon income | 10,460 | 6,031 | 13,506 | 7,235 |
| Fair value gain/(loss) on investment properties | 766 | (2,027) | 766 | (2,027) |
| Fair value gain/(loss) on financial assets, at FVPL | 153 | 74 | (5) | (21) |
| (Loss)/gain on disposal of financial assets, at FVPL | (153) | - | (6) | 153 |
| Loss on redemption of financial assets, at FVPL | - | (136) | - | (140) |
| Gain on disposal of investment properties | 200 | 125 | 800 | 675 |
| Interest income from bank deposits | - | 9 | - | 99 |
| Currency exchange (loss)/gain – net | (2,624) | (493) | (3,213) | 156 |
| Expenses | | | | |
| Director's remuneration | 1,278 | 878 | 1,980 | 1,570 |
| Director's CPF | 12 | 11 | 24 | 24 |
| Director's Fees | 81 | 64 | 140 | 119 |
| Interest on borrowings | 597 | 256 | 883 | 442 |

6.2. Related party transactions

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

- (a) Outstanding balances as at 31 August 2022 and 31 August 2021, arising from sales of goods and services, are unsecured and receivable within 12 months from the balance sheet date,

6. Profit before taxation (continued)

6.2. Related party transactions (continued)

| | <u>Six months ended</u> | | <u>Twelve months ended</u> | |
|---|-------------------------|---------------|----------------------------|---------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| <u>Group</u> | | | | |
| Directors' remuneration: | | | | |
| Salaries, bonus and fees | 1,266 | 867 | 1,956 | 1,546 |
| Employer's contribution to defined contribution plans | 12 | 11 | 24 | 24 |
| | <u>1,278</u> | <u>878</u> | <u>1,980</u> | <u>1,570</u> |

7. Income taxes

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:

| | <u>Six months ended</u> | | <u>Twelve months ended</u> | |
|--|-------------------------|---------------|----------------------------|---------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| <u>Group</u> | | | | |
| Current income tax expense | 300 | 342 | 629 | 886 |
| Deferred tax relating to origination/(reversal) of temporary differences | 92 | (23) | 92 | 28 |
| Income tax expense recognised in profit or loss | <u>392</u> | <u>319</u> | <u>721</u> | <u>914</u> |

8. Dividends

| <u>The Group and Company</u> | |
|------------------------------|--------------------|
| <u>31 Aug 2022</u> | <u>31 Aug 2021</u> |
| <u>\$'000</u> | <u>\$'000</u> |

Ordinary dividends paid:

| | | |
|---|---------------|----------|
| One-tier tax-exempt cash of 5.5 cents per share in respect of financial year ended 31 August 2021 | 4,443 | - |
| One-tier tax-exempt scrip dividend of 5.5 cents per share in respect of financial year ended 31 August 2021 | 36,912 | - |
| | <u>41,355</u> | <u>-</u> |

9. Net Asset Value

| | <u>Group</u> | <u>Group</u> | <u>Company</u> | <u>Company</u> |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>31-08-2022</u> | <u>31-08-2021</u> | <u>31-08-2022</u> | <u>31-08-2021</u> |
| Net asset value per share | 30.59 cents | 37.67 cents | 23.87 cents | 29.63 cents |

10. Trade and other receivables

| | <u>The Group</u> | | <u>The Company</u> | |
|---|------------------|------------|--------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| Trade receivables: | | | | |
| - subsidiary corporations | - | - | - | 558 |
| - non-related parties | 76 | 327 | - | 28 |
| | <u>76</u> | <u>327</u> | <u>-</u> | <u>586</u> |
| Other receivables - non-related Parties | 70 | 52 | 8 | 17 |
| α | <u>146</u> | <u>379</u> | <u>8</u> | <u>603</u> |

11. Properties held-for-sale

During the current financial year, the Group's holding company & subsidiary corporations and prospective buyers entered into options to purchase the holding company & subsidiary corporations' investment properties with option price totalling \$61,986,000. As at 31 August 2022, the sale of the properties has not been completed and the holding company & subsidiary corporations have not recognised the sale and corresponding gain or loss, if any. The investment properties (Note 14) with fair value of \$57,460,000 were transferred to and presented as properties held-for-sale.

One of the properties' sale was subsequently completed on 1 September 2022.

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

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

| | <u>The Group</u> | | <u>The Company</u> | |
|--------------------------|------------------|----------------|--------------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Listed equity securities | | | | |
| - Singapore | <u>238,010</u> | <u>223,139</u> | <u>31,044</u> | <u>40,886</u> |

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

(b) During the financial year ended 31 August 2022, the Group made a gain upon cash acquisition and disposal of listed equity securities. These investments had a fair value of \$33,627,426 (2021: \$13,758,423) at the date of disposal, and the cumulative gain on disposal amounted to \$6,658,765 (2021: \$4,002,191), net of tax. The cumulative gain on disposal was reclassified from fair value reserve to retained profits.

13. Property, plant and equipment

During the full year ended 31 August 2022, the Group acquired assets amounting to \$ Nil (31 August 2021: \$4,012).

14. Investment properties

| | <u>Freehold properties</u> | <u>Leasehold properties</u> | <u>Total</u> |
|------------------------------------|----------------------------|-----------------------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| <u>The Group</u> | | | |
| 2022 | | | |
| Beginning of financial year | 45,740 | 85,015 | 130,755 |
| Disposal | - | (4,300) | (4,300) |
| Transfer to property held for sale | (24,220) | (33,240) | (57,460) |
| Fair value loss | (20) | 210 | 190 |
| End of financial year | <u>21,500</u> | <u>47,685</u> | <u>69,185</u> |

| | | | |
|------------------------------------|---------------|---------------|----------------|
| 2021 | | | |
| Beginning of financial year | 54,760 | 101,905 | 156,665 |
| Disposal | (9,020) | (5,850) | (14,870) |
| Transfer to property held for sale | - | (9,600) | (9,600) |
| Fair value loss | - | (1,440) | (1,440) |
| End of financial year | <u>45,740</u> | <u>85,015</u> | <u>130,755</u> |

**Leasehold
property**
\$

The Company

| | |
|------------------------------------|-----------------|
| 2022 | |
| Beginning of financial year | 13,750 |
| Transfer to property held for sale | <u>(13,750)</u> |
| End of financial year | <u>-</u> |

| | |
|-------------------------------------|---------------|
| 2021 | |
| Beginning and end of financial year | <u>13,750</u> |

14.1 Valuation

As at 31 August 2022 and 31 August 2021, the investment properties of the Group and of the Company 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. Trade payables

| | <u>The Group</u> | | <u>The Company</u> | |
|----------------------------|-------------------------|--------------|---------------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| Trade payables | | | | |
| -subsidiary corporations | - | - | 20 | - |
| - non-related parties | 306 | 291 | 58 | 13 |
| Rental deposits | 967 | 1,148 | 150 | 148 |
| Rental received in advance | 49 | 92 | - | - |
| Customers' deposits | 6 | 10 | - | - |
| Others | 45 | - | - | - |
| | <u>1,373</u> | <u>1,541</u> | <u>228</u> | <u>161</u> |

16. Other payables

| | <u>The Group</u> | | <u>The Company</u> | |
|-----------------------------------|-------------------------|-------------|---------------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| Accruals for operating expenses | 272 | 254 | 133 | 159 |
| Directors' bonus and fees payable | 1,238 | 501 | 1,236 | 496 |
| Amount due to a director | 124 | 17 | 124 | 17 |
| Security deposits | 25 | 23 | 9 | 12 |
| Other payables | | | | |
| - non-related parties | 2,423 | 120 | 804 | - |
| | <u>4,082</u> | <u>915</u> | <u>2,306</u> | <u>684</u> |

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

17. Borrowings

| | <u>The Group</u> | | <u>The Company</u> | |
|---|------------------|---------|--------------------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Amount payable within one year on demand | | | | |
| <i>Secured</i> | | | | |
| Bank borrowings | 113,032 | 115,319 | 9,581 | 39,714 |

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> | |
|---------------------|------------------|---------|--------------------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Less than 12 months | 113,032 | 115,319 | 9,581 | 39,714 |

The bank borrowings of the Group and the Company are secured over financial assets, at FVPL and financial assets, at FVOCI for FY 2022 while they were secured over investment properties, financial assets, at FVPL and financial assets, at FVOCI for FY 2021.

18. Share capital

| | <u>No. of ordinary shares</u> | | <u>Amount</u> | |
|-------------------------------------|-------------------------------|-------------|---------------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| | | | \$'000 | \$'000 |
| <u>The Group and Company</u> | | | | |
| At beginning of financial year | 751,906,638 | 755,271,338 | 137,454 | 138,308 |
| Scrip dividend | 174,525,084 | - | 36,912 | - |
| Share buyback | - | (3,364,700) | - | (854) |
| At end of financial year | 926,431,722 | 751,906,638 | 174,366 | 137,454 |

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.

There was an increase of \$36,912,055 in the share capital for the current year ended 31 August 2022 due to issue of shares pursuant to the scrip dividend scheme.

During the financial year ended 31 August 2021, cancelled shares due to share buyback reduced the share capital by \$853,631.

As at 31 August 2022 and 31 August 2021, there are outstanding warrants of 2,265,814,014, with each warrant carrying the right to subscribe for one new share at an exercise price of \$0.25. The warrants were issued on 6 February 2020 and can be exercised with effect from 6 February 2023 and will expire on 8 March 2023.

The number of shares that may be issued on conversion of the convertibles is as follows:

| | 31-08-2022 | 31-08-2021 |
|----------|---------------|---------------|
| Warrants | 2,265,814,014 | 2,265,814,014 |

19. Subsequent Events

There are no known subsequent events which have led to adjustments to this set of 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 31 August 2022 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for six months and full year ended 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>31-08-2022</u> | <u>As at</u> <u>31-08-2021</u> |
|--|-----------------------------------|-----------------------------------|
| Total number of issued shares | 926,431,722 | 751,906,638 |
| Less: Treasury shares | - | - |
| <hr/> | | |
| Total number of issued shares excluding treasury shares | 926,431,722 | 751,906,638 |

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 Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 1

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

Please refer to the Condensed Consolidated Statement of Profit or Loss and Other 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, FY 2022 refers to the financial year ended 31 August 2022. FY 2021 refers to the financial year ended 31 August 2021.

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 increased by \$4.38 million from \$9.82 million in FY 2021 to \$14.20 million in FY 2022.

Revenue increased by \$6.54 million or 17.85% from \$36.58 million in FY 2021 to \$43.12 million in FY 2022.

Adjusted EBITDA increased by \$5.06 million from \$12.51 million in FY 2021 to \$17.57 million in FY 2022.

In addition, there was a realised profit of \$6.66 million in FY 2022 upon cash acquisition and disposal of few equity instruments held by the group and classified as financial assets, at fair value through other comprehensive income and this gain was taken directly to equity through retained earnings.

REVENUE

Revenue has increased by \$6.54 million or 17.85% from \$36.58 million in FY 2021 to \$43.12 million in FY 2022.

Different business segments contributed to the increase as illustrated below:

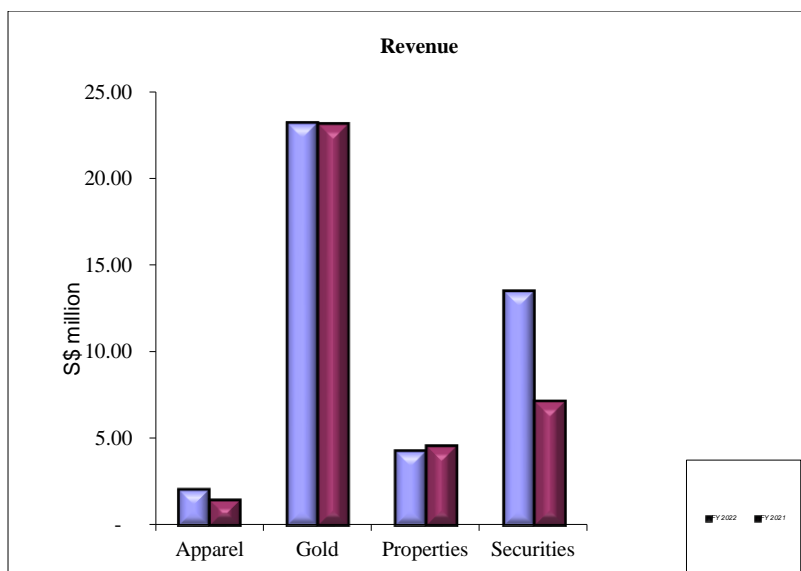
| Revenue | FY 2022 | FY 2021 | Variance | |
|----------------|-------------------|-------------------|-------------------|----------|
| | \$ million | \$ million | \$ million | % |
| Apparel | 2.09 | 1.51 | 0.58 | 38.41 |
| Gold | 23.21 | 23.19 | 0.02 | 0.09 |
| Properties | 4.31 | 4.65 | (0.34) | (7.31) |
| Securities | 13.51 | 7.23 | 6.28 | 86.86 |

The revenue from apparel business increased by \$0.58 million or 38.41% from 1.51 million in FY 2021 to \$2.09 million in FY 2022. Of the \$2.09 million in FY 2022, Malaysia apparel business contributed \$1.32 million. This segment witnessed increased sales in Malaysia as FL Mega mall was fully operational during the festive season of Hari Raya after two years of Covid 19 restrictions.

Revenue from gold business increased marginally by \$0.02 million from \$23.19 million in FY 2021 to \$23.21 million in FY 2022 due to general market conditions.

Rental revenue from properties decreased by \$0.34 million to \$4.31 million in FY 2022 from \$4.65 million in FY 2021. In the current FY 2022, the rental dropped due to loss of rental income from sale of 9 investment properties since FY 2021 as well as lower rentals received on some lease renewals.

The securities business witnessed significant increase in revenue of \$6.28 million from \$7.23 million in FY 2021 to \$13.51 million in FY 2022. This was because the Group has started investing substantially in equity securities classified as financial assets, at fair value through other comprehensive income since FY 2021 and has received dividends on the same. The Group invested an amount of \$135.27 million in these securities in FY 2021 and a further \$60.76 million in FY 2022.



OTHER LOSSES - NET

Other losses increased by \$0.61 million from \$0.92 million in FY 2021 to \$1.53 million in FY 2022. This was primarily because of unrealised foreign exchange loss of \$3.21 million in FY 2022 mainly on borrowings denominated in foreign currencies. In comparison, there was an unrealised foreign exchange gain of \$0.16 million in FY 2021. This loss was offset partially by gain of \$0.80 million on disposal of investment properties as well as fair valuation gain of \$0.77 million on investment properties in current FY 2022. For FY 2021, the gain on disposal of investment properties was \$ 0.68 million and there was a fair valuation loss on investment properties of \$2.03 million.

PROFIT

The Group net profit increased by \$4.38 million from \$9.82 million in FY 2021 to \$14.20 million in FY 2022.

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

| | FY 2022 | FY 2021 | Variance | |
|------------|-------------------|-------------------|-------------------|----------|
| | \$ million | \$ million | \$ million | % |
| Apparel | (0.77) | (0.93) | 0.16 | 17.20 |
| Gold | 3.85 | 4.07 | (0.22) | (5.41) |
| Properties | 5.07 | 2.50 | 2.57 | 102.80 |
| Securities | 9.68 | 7.12 | 2.56 | 35.96 |

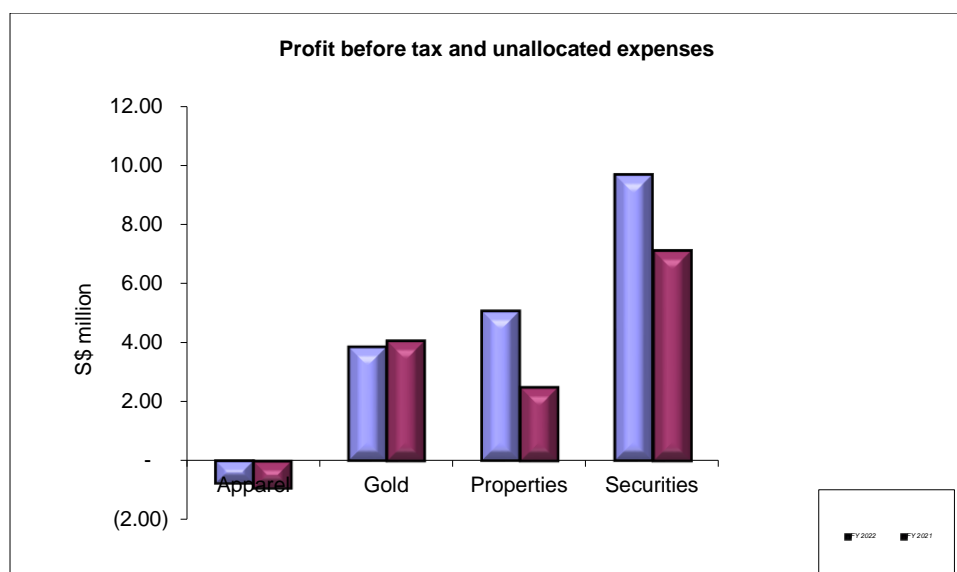
The loss from apparel business decreased by \$0.16 million from \$0.93 million in FY 2021 to \$0.77 million in FY 2022 mainly because of higher sales volume in current FY 2022.

The gold business contributed \$3.85 million in FY 2022 which was lower by \$0.22 million from the \$4.07 million generated in FY 2021. The marginally lower gross profit margin and slightly higher operating costs in FY 2022 contributed to this decrease.

Properties segment contributed \$5.07 million in FY 2022 as compared to \$2.50 million in FY 2021.

Though the revenue from this segment decreased in FY 2022, the contribution from this business segment increased significantly mainly due to unrealised gain on revaluation of properties of \$0.77 million in current FY 2022 as compared to unrealised loss of \$2.03 million on revaluation of properties in prior FY 2021. In addition, the gain on disposal of properties was \$0.80 million in FY 2022 as compared to \$0.68 million in FY 2021.

Securities segment recorded a gain of \$9.68 million in FY 2022 as compared to \$7.12 million in FY 2021. Though the revenue from this business segment increased by \$6.28 million, the profit increased by only \$2.56 million. This was mainly because of unrealised foreign exchange loss of \$ 3.15 million on borrowings for purchasing securities in FY 2022 as compared to unrealised foreign exchange gain of \$0.21 million in FY 2021.



The income tax expense decreased by \$ 0.19 million from \$0.91 million in FY 2021 to \$0.72 million in FY 2022 mainly because of group relief claimed.

Interest expenses increased from \$0.44 million in FY 2021 to \$0.88 million in FY 2022 due to increased rates of borrowing in the current year.

ADJUSTED EBITDA

Adjusted EBITDA increased by \$5.06 million from \$12.51 million in FY 2021 to \$17.57 million in FY 2022.

The details of Adjusted EBITDA calculation are as below:

| <u>Adjusted EBITDA*</u> | <u>FY 2022</u> | <u>FY 2021</u> |
|---|-----------------------|-----------------------|
| | <u>\$ '000</u> | <u>\$ '000</u> |
| Net Profit | 14,196 | 9,823 |
| <u>Add/(Less):</u> | | |
| Interest expenses | 883 | 442 |
| Tax expense | 721 | 914 |
| Depreciation | 125 | 134 |
| Fair value (gains)/losses on properties | (766) | 2,027 |
| Gain on divestment of investment property | (800) | (675) |
| Exchange differences | 3,213 | (156) |
| | 17,572 | 12,509 |

**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 \$18.97 million in FY 2022.

Proceeds from redemption and disposal of financial assets, at fair value through other comprehensive income including capital distribution generated \$36.78 million. In addition, proceeds from disposal of financial assets, at fair value through profit or loss generated \$0.98 million. An amount of \$14.70 million was generated on disposal of investment properties. Further, the Group had drawn down an amount of \$139.33 million from banks during the year.

Of the above, an amount of \$60.76 million was used for investing in quoted securities classified as financial assets, at fair value through other comprehensive income. Cash dividend paid to equity holders of the Company amounted to \$4.44 million and an amount of \$144.76 million was utilized to repay bank borrowings.

Cash and cash equivalents at the end of the period i.e. 31 August 2022 was \$1.15 million while it was \$0.35 million at the beginning of the period i.e. 31 August 2021. Thus, there was an increase of \$0.80 million through the year.

FINANCIAL POSITION AS AT 31 AUGUST 2022

Investment properties of the group in Singapore totalled \$69.18 million. In addition, \$18.08 million worth of property owned by the group in Malaysia was classified as Property, Plant and equipment because it was self-occupied. Further, investment property carrying value of \$57.46 million were classified as Property held-for-sale. Thus the total value of the properties was \$144.72 million.

As at 31 August 2022, financial assets, at fair value through other comprehensive income comprised of shares valued at \$238.01 million while financial assets at fair value through profit or loss comprised of equities valued at \$0.01 million. There was a decrease of \$9.11 million in the market value of financial assets, at fair value through other comprehensive income as at 31 August 2022 and this unrealised gain was taken directly to quoted securities reserve under equity. For financial assets, at fair value through profit or loss, there was an unrealised loss of \$0.01 million during the current financial year which was taken to the income statement.

Inventories at financial year ended 31 August 2022 totalled \$16.37 million of which \$15.63 million was gold stock.

WORKING CAPITAL

The Group had a negative working capital of \$42.51 million as at 31 August 2022 as compared to \$89.54 million as at 31 August 2021. This was because the group utilised short-term borrowing facilities in order to benefit from lower interest rates.

BANK BORROWINGS

As at 31 August 2022, the Group has short-term borrowings of \$113.03 million as compared to \$115.32 million as at prior year ended 31 August 2021. The gearing ratio of the Group improved marginally to 0.39 as at 31 August 2022 from 0.41 as at 31 August 2021.

SHARE CAPITAL

Share capital stood at \$174.37 million as at 31 August 2022 as compared to \$137.45 million as at 31 August 2021. This increase was due to shares issued pursuant to scrip dividend scheme. There were 926.43 million shares in float as at 31 August 2022 as compared to 751.91 million as at 31 August 2021. Total shareholders' equity stood at \$283.38 million and NTA per share was 30.59 cents as at 31 August 2022.

13. 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.

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 future remains uncertain amidst the Russia –Ukraine conflict, Covid-19, rising inflation and interest rates as well as a potential global recession.

The ever increasing trend of online shopping and intense competition from new players has and will continue to pose challenges to our apparel business.

The profitability from our gold business will continue to remain good.

Group rental income will decrease substantially due to sale of several shops.

Dividend income is expected to increase further as we continue to add high yield stocks to our investment portfolio.

Market forces, interest rates as well as government stimulus will continue to determine the performance of the financial instruments sector.

15. If a decision regarding dividend has been made

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

Name of Dividend: First and Final

Dividend type: Cash or scrip

Dividend Amount per share (in cents): 1 cent per ordinary share as final dividend

Tax Rate: Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of Dividend: First and Final

Dividend type: Cash, scrip or a combination of both

Dividend Amount per share (in cents): 0.5 cents per ordinary share as final dividend

5 cents per ordinary share as special dividend

Tax Rate: Tax exempt

(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

To be announced at a later date

- (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*

To be announced at a later date

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

Not Applicable

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. **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.

PART II - Additional Information Required for Full Year Announcement

19. **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.**

Please refer to note 4 on pages 7 to 9

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

Please refer to note 12 for details

21. **A breakdown of sales as follows:-**

| | 31/08/2022 | 31/08/2022 | increase/ (decrease) |
|--|------------|------------|-------------------------|
| | \$ '000 | \$ '000 | % |
| | Group | Group | Group |
| Sales reported for first half year | 16,115 | 16,420 | (1.86) |
| Operating profit after tax reported for first half year | 4,602 | 5,003 | (8.02) |
| Sales reported for second half year | 27,000 | 20,164 | 33.90 |
| Operating profit after tax reported for second half year | 9,594 | 4,820 | 99.05 |

22. A breakdown of the total annual dividend (in dollar value) for issuer's latest full year and its previous full year as follows:-

| | 31-08-2022 | 31-08-2021 |
|------------------|-------------------|------------|
| Ordinary - cash | 4,442,810 | - |
| Ordinary - scrip | 36,912,055 | - |
| Preference | - | - |
| Total | 41,354,865 | - |

23. 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) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

| 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 Aisamar Binte Kadil Mydin Syed Marikiah | 75 | Sister of Mr.Mohamed Salleh, CEO and substantial shareholder | Director in subsidiary – First Lady Apparels (Malaysia) Sdn Bhd. The position was first held in 2001. | Nil |
| Mr.Azhar Bin Abul Hasan | 48 | Nephew of Mr.Mohamed Salleh, CEO and substantial shareholder | Director in subsidiary – First Lady Apparels (Malaysia) Sdn Bhd. The position was first held in 2001. | Nil |
| Mr.Mohamed Amal Bin Mohamed Salleh Maricar | 35 | Son of Mr.Mohamed Salleh, CEO and substantial shareholder | Executive Director in subsidiary – First Lady Apparels (Malaysia) Sdn Bhd. Assisting the CEO in the Malaysian operations. The position was first held in 2010. Also assisting the CEO with the financial instruments portfolio in Singapore. | 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

26 October 2022