SECOND CHANCE PROPERTIES LTD

UNAUDITED SECOND QUARTER FINANCIAL RESULTS FOR THE PERIOD ENDED 28-02-2015

Note: All figures are in Singapore Dollars

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

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

	Group For the 6 months ended			Group For the 3 months ended		
	28-02-2015	28-02-2014	Change	28-02-2015	28-02-2014	Change
	S$ '000	S$ '000	%	S$ '000	S$ '000	%
Revenue	**18,921**	**19,717**	**(4.04)**	**10,086**	**10,514**	**(4.07)**
Cost of sales	**(7,965)**	**(8,510)**	**(6.40)**	**(4,654)**	**(4,814)**	**(3.32)**
Gross profit	**10,956**	**11,207**	**(2.24)**	**5,432**	**5,700**	**(4.70)**
Other income	463	155	198.71	(286)	(194)	47.42
Expenses						
Distribution expenses	(504)	(505)	(0.20)	(297)	(296)	0.34
Property operating expenses	(703)	(828)	(15.10)	(347)	(496)	(30.04)
Gold operating expenses	(97)	(143)	(32.17)	(37)	(60)	(38.33)
Apparels operating expenses	(1,272)	(1,253)	1.52	(616)	(615)	0.16
Administrative expenses	(2,747)	(2,339)	17.44	(1,398)	(1,131)	23.61
Other operating expenses	(11)	(40)	(72.5)	(1)	(36)	(97.22)
	(5,334)	(5,108)	4.42	(2,696)	(2,634)	2.35
Profit from operations	**6,085**	**6,254**	**(2.70)**	**2,450**	**2,872**	**(14.69)**
Gain on fair valuation of properties	1,050	-	nm	1,050	(82)	nm
(Loss)/gain on fair valuation of financial assets, at fair value through profit or loss	(2,213)	895	nm	(690)	444	nm
Finance costs	(504)	(234)	115.38	(276)	(128)	115.63
Profit before income tax	**4,418**	**6,915**	**(36.11)**	**2,534**	**3,106**	**(18.42)**
Income tax expense	(193)	(338)	(42.90)	(13)	(382)	(96.60)
Net profit	**4,225**	**6,577**	**(35.76)**	**2,521**	**2,724**	**(7.45)**

Net profit	**4,225**	**6,577**	**(35.76)**	**2,521**	**2,724**	**(7.45)**
Other Comprehensive Income						
Items that may be reclassified subsequently to profit or loss: Available-for-sale financial assets						
-Fair value (loss)/gains	(248)	1,644	nm	2,264	666	239.94
Currency translation differences arising from consolidation - (loss)/gains	(353)	19	nm	(186)	(53)	250.94
Other comprehensive income, net of tax	(601)	1,663	(136.14)	2,078	613	238.99
Total comprehensive income	**3,624**	**8,240**	**(56.02)**	**4,599**	**3,337**	**37.82**

Notes	**Group For the 6 months ended**		**Group For the 3 months ended**	
	28-02-2015	28-02-2014	28-02-2015	28-02-2014
	S$ '000	S$ '000	S$ '000	S$ '000
Net profit is arrived at after crediting / (charging)				
Dividend income	2,494	1,969	1,235	835
Profit on disposal of available-for-sale financial assets	1,488	-	246	-
Profit on disposal of financial assets, at fair value through profit or loss	120	21	80	17
Profit on disposal of investment property	-	81	-	81
Expenses include:				
Depreciation of property, plant and equipment	218	162	110	80
Total directors' remuneration	696	651	333	351
Directors' CPF	12	13	4	4
Directors' fees	66	75	33	34
Foreign exchange loss	1,191	31	636	346
Income Tax				
Under/(Over) provision of income tax	-	(322)	-	(183)
Finance costs				
Interest expenses:-				
Short-term loans	470	185	259	108
Long-term loans	34	49	17	20
	504	**234**	**276**	**128**

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	
	28-02-2015	31-08-2014	28-02-2015	31-08-2014
	$ '000	$ '000	$ '000	$ '000
ASSETS				
Current assets				
Cash and cash equivalents	3,082	3,467	387	209
Trade and other receivables	2,693	1,164	9,845	8,526
Inventories	17,053	18,355	1,073	1,211
Other current assets	892	1,145	1,449	173
Property held for sale	5,200	-	-	-
Income tax recoverable	191	146	-	-
Financial assets, at fair value through profit or loss	50,177	47,486	-	-
Total current assets	79,288	71,763	12,754	10,119
Non-current assets				
Amounts due from subsidiaries	-	-	239,779	242,828
Investments in subsidiaries	-	-	1,209	1,209
Available-for-sale financial assets	61,068	61,748	53,750	54,399
Property, plant and equipment	26,063	25,576	62	74
Investment properties	198,378	202,598	13,500	13,500
Total non-current assets	285,509	289,922	308,300	312,010
Total assets	**364,797**	**361,685**	**321,054**	**322,129**
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	94,677	86,027	73,655	67,479
Trade payables	2,964	2,842	321	366
Other payables	3,211	1,383	2,764	986
Current income tax liabilities	1,050	1,742	348	695
Total current liabilities	101,902	91,994	77,088	69,526
Non-current liabilities				
Borrowings	5,601	5,837	5,601	5,837
Deferred income tax liabilities	579	605	13	13
Total non-current liabilities	6,180	6,442	5,614	5,850
Total liabilities	**108,082**	**98,436**	**82,702**	**75,376**
Net assets	**256,715**	**263,249**	**238,352**	**246,753**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	120,141	120,141	120,141	120,141
Reserves	136,574	143,108	118,211	126,612
Total equity	**256,715**	**263,249**	**238,352**	**246,753**

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

Amount repayable in one year or less, or on demand

As at 28-02-2015		As at 31-08-2014	
Secured	***Unsecured***	***Secured***	***Unsecured***
$94,676,712	-	$86,027,117	-

Amount repayable after one year

As at 28-02-2015		As at 31-08-2014	
Secured	***Unsecured***	***Secured***	***Unsecured***
$5,600,835	-	$5,836,753	-

Details of Collateral

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

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

	Group For the 6 months ended		Group For the 3 months ended	
	28-02-2015 S$ '000	28-02-2014 S$ '000	28-02-2015 S$ '000	28-02-2014 S$ '000
Cash flows from operating activities				
Net profit	4,225	6,577	2,521	2,724
Adjustments for				
-Income tax expense	193	338	13	382
-Depreciation of property, plant and equipment	218	162	110	80
-Fair value (gain)/loss on investment properties	(1,050)	-	(1,050)	82
-Interest income from bank deposits	(34)	(29)	(16)	(1)
-Finance expense	504	234	276	128
-Gain on disposal of available for sale financial assets	(1,488)	(1)	(246)	1
-Unrealised foreign exchange (loss)/gain on loans	1,108	(130)	532	112
-Gain on disposal of investment property held for sale	-	(81)	-	(81)
-Unrealised currency translation differences	1,225	46	648	(14)
	4,901	**7,116**	**2,788**	**3,413**
Changes in working capital				
-Financial assets at fair value through profit or loss	(2,690)	(1,789)	505	(1,103)
-Inventories	835	(140)	300	(228)
-Trade and other receivables	(1,328)	1,471	(459)	3,022
-Trade and other payables	1,965	(1,674)	2,715	26
Net cash generated from operations	**3,683**	**4,984**	**5,849**	**5,130**
Income taxes paid	(936)	(1,030)	(913)	(977)
Interest received	34	29	16	1
Interest paid	(504)	(234)	(276)	(128)
Net cash provided by operating activities	**2,277**	**3,749**	**4,676**	**4,026**

	Group For the 6 months ended		Group For the 3 months ended	
	28-02-2015 S$ '000	**28-02-2014 S$ '000**	**28-02-2015 S$ '000**	**28-02-2014 S$ '000**
Cash flows from investing activities				
-Disposal of available-for-sale financial assets	2,150	408	360	38
-Disposal of investment properties held for sale	-	6,888	-	6,888
-Purchase of available-for-sale financial assets	(230)	(461)	(178)	-
-Additions to investment properties	(4)	(18,544)	-	(18,544)
-Additions to property, plant and equipment	(1,726)	(44)	(1,056)	(42)
Net cash provided by/(used in) investing activities	**190**	**(11,753)**	**(874)**	**(11,660)**
Cash flows from financing activities				
-Proceeds from conversion of shares	-	3,215	-	-
-Dividends paid to equity holders of the Company	(10,158)	(11,513)	(10,158)	(11,513)
-Proceeds from short-term bank borrowings	50,624	40,340	36,904	33,860
-Repayment of short-term bank borrowings	(43,082)	(23,773)	(30,635)	(10,874)
-Repayment of long-term bank borrowings	(236)	(3,932)	(104)	(3,729)
Net cash (used in)/provided by financing activities	**(2,852)**	**4,337**	**(3,993)**	**7,744**
Net decrease in cash and cash equivalents	(385)	(3,667)	(191)	110
Cash and cash equivalents at beginning of financial period	3,467	6,199	3,273	2,422
Cash and cash equivalents at end of financial period	**3,082**	**2,532**	**3,082**	**2,532**
Cash and cash equivalents consist of:				
Cash at bank	3,082	2,532	3,082	2,532
	3,082	**2,532**	**3,082**	**2,532**

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

Group

	Share Capital	Assets Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Balance as at 28 February 2014	**120,141**	**6,491**	**10,387**	**(1,118)**	**124,885**	**260,786**
Dividends paid	-	-	-	-	(13,544)	**(13,544)**
Total comprehensive income for the period			5,543	75	4,268	**9,886**
Balance as at 31 May 2014	**120,141**	**6,491**	**15,930**	**(1,043)**	**115,609**	**257,128**
Total comprehensive income for the period	-	11	339	99	5,672	**6,121**
Balance as at 31 August 2014	**120,141**	**6,502**	**16,269**	**(944)**	**121,281**	**263,249**
Total comprehensive (loss)/ income for the period	-	-	**(2,512)**	**(167)**	**1,704**	**(975)**
Balance as at 30 November 2014	**120,141**	**6,502**	**13,757**	**(1,111)**	**122,985**	**262,274**
Dividends paid	-	-	-	-	(10,158)	**(10,158)**
Total comprehensive income for the period	-	-	2,264	(186)	2,521	**4,599**
Balance as at 28 February 2015	**120,141**	**6,502**	**16,021**	**(1,297)**	**115,348**	**256,715**

	Share Capital	Assets Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
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/(loss) 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**
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	**120,140**	**6,491**	**10,387**	**(1,118)**	**124,885**	**260,785**

Company

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

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000
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 (loss)/income for the period	-	(8,692)	60,488	**51,796**
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	**120,140**	**9,891**	**104,121**	**234,152**

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

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

	28-02-2015	**28-02-2014**
Warrants – New	577,024,950	577,024,950

The above warrants can only be exercised with effect from 25 July 2016 and will expire on 24 July 2017. Therefore, there was no movement in the share capital during the second quarter ended 28 February 2015.

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

	As at 28-02-2015	As at 31-08-2014
Total number of issued shares	677,210,218	677,210,218
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	677,210,218	677,210,218

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

Not applicable.

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

The figures have neither been audited nor reviewed.

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

Not applicable.

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

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

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

Not applicable.

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

	Group For the 6 months ended		Group For the 3 months ended	
	28-02-2015	28-02-2014	28-02-2015	28-02-2014
Earnings per share	0.62 cents	0.97 cents	0.37 cents	0.40 cents
Earnings per share on fully diluted basis	0.59 cents	0.88 cents	0.36 cents	0.37 cents

Earnings per share for the half year ended 28 February 2015 and 28 February 2014 have been computed based on the weighted average number of shares in issue of 677,210,218.

The diluted earnings per share for the half year ended 28 February 2015 and 28 February 2014 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.

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 28-02-2015	Group 31-08-2014	Company 28-02-2015	Company 31-08-2014
Net asset value per share	37.91 cents	38.87 cents	35.20 cents	36.44 cents

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

Notes:

1. Throughout the review in this section, FP 2015 refers to the financial period of six months ended 28 February 2015. FP 2014 refers to the six months period ended 28 February 2014.

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 after tax decreased by $2.35 million or 35.71% from $6.58 million in FP 2014 to $4.23 million in FP 2015.

Revenue decreased by $0.80 million or 4.06% from $19.72 million in FP 2014 to $18.92 million in FP 2015.

EBITDA decreased by $3.55 million or 48.37% from $7.34 million in FP 2014 to $3.79 million in FP 2015.

REVENUE

The Group revenue decreased by $0.80 million or 4.06% from $19.72 million in FP 2014 to $18.92 million in FP 2015.

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

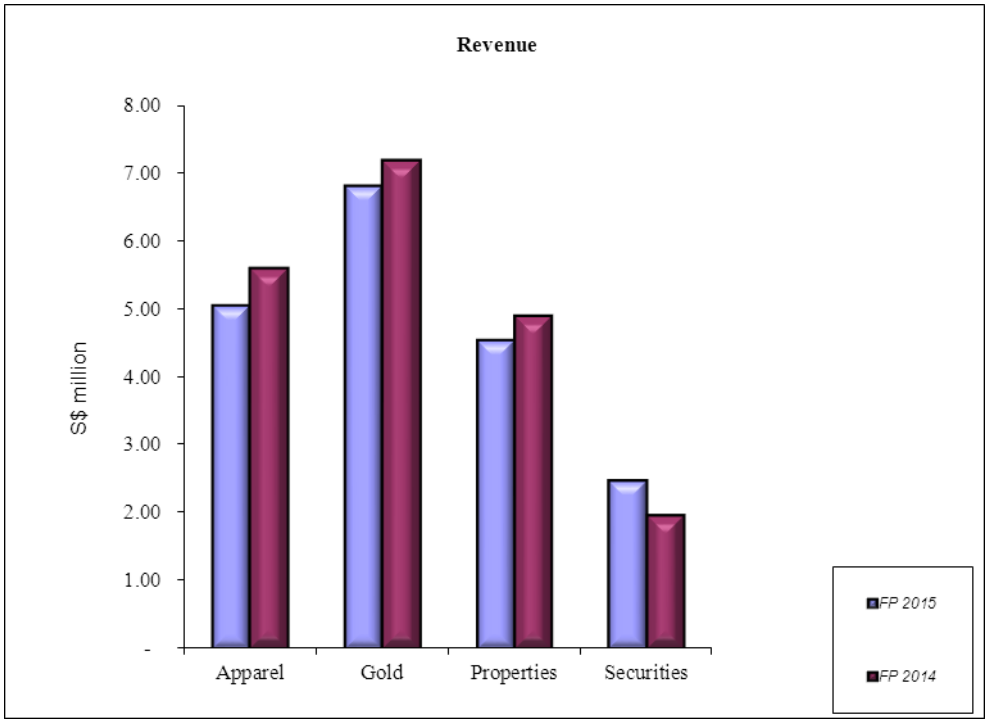
Revenue	FP 2015	FP 2014	Variance	
	$ million	$ million	$ million	%
Apparel	5.06	5.62	(0.56)	-9.96%
Gold	6.82	7.21	(0.39)	-5.41%
Properties	4.55	4.92	(0.37)	-7.52%
Securities	2.49	1.97	0.52	26.40%

The revenue from apparel business was $5.06 million in FP 2015 as compared to $5.62 million in FP 2014. Of the $5.06 million, Malaysian apparel business contributed $4.27 million. The decrease in revenue was mainly attributed to the closure of three shops in Malaysia since FP 2014 and also increased competition.

The gold business recorded revenue of $6.82 million in FP 2015 which was a drop of $0.39 million from the $7.21 million in FP 2014.

Rental revenue from the properties decreased to $4.55 million in FP 2015 from $4.92 million in FP 2014. The decrease was due to loss of rental income arising from sale of three properties.

The securities business recorded an increase in revenue of $0.52 million from $1.97 million in FP 2014 to $2.49 million in FP 2015. This increase was the result of coupon payments and dividends received on the fixed income and equity securities purchased since the end of FP 2014.



PROFIT

The Group net profit decreased by $2.35 million or 35.71% from $6.58 million in FP 2014 to $4.23 million in FP 2015.

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

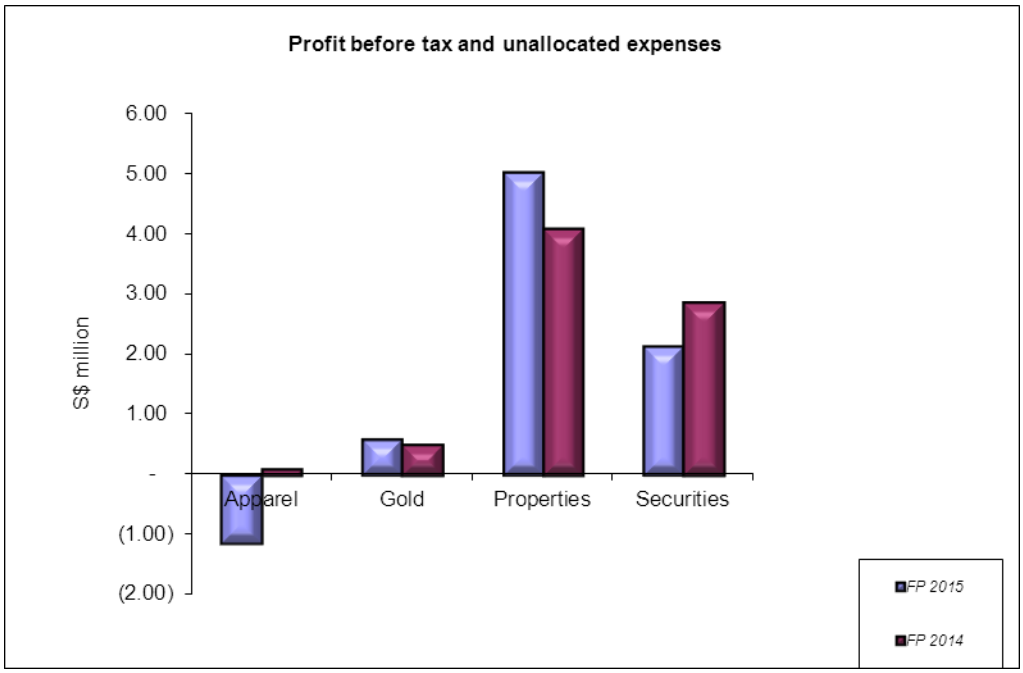
	FP 2015	FP 2014	Variance	
	$ million	$ million	$ million	%
Apparel	(1.13)	0.10	(1.23)	nm
Gold	0.59	0.50	0.09	18.00%
Properties	5.01	4.07	0.94	23.10%
Securities	2.13	2.87	(0.74)	-25.78%

There was a loss of $1.13 million from the apparel business in FP 2015 as compared to a profit of $0.10 million in FP 2014. This was mainly due to decrease in revenue from this business on account of three shops closed in Malaysia and also on account of expenses incurred on new property acquired for carrying out the apparel business in Malaysia. The foreign exchange loss on account of depreciating Malaysian Ringgit also contributed to the loss from this business.

Gold business recorded a marginal increase of $0.09 million in profit from $0.50 million in FP 2014 to $0.59 million in FP 2015. Though the revenue from this business decreased in FP 2015, the higher gross profit margin in FP 2015 as compared to FP 2014 resulted in the increase in profits.

The contribution from properties segment increased by $0.94 million from $4.07 million in FP 2014 to $5.01 million in FP 2015. In FP 2015, the profit was higher mainly on account of revaluation gain recorded on property held for sale as at 28 February 2015.

Securities segment recorded a profit of $2.13 million in FP 2015, which was $0.74 million less than the profit of $2.87 million in FP 2014. This decrease in profit was mainly attributed to the unrealized loss of $2.21 million recorded on financial assets, at fair value through profit or loss i.e. the financial assets held for trading purpose as compared to an unrealized gain of $0.90 million in FP 2014. At the same the realised profit of $1.49 million on available-for-sale financial assets and the additional coupon payments and dividends received on the fixed income and equity securities purchased since the end of FP 2014 reduced the overall loss from this segment.



The income tax expense decreased to $0.19 million in FP 2015 from $0.34 million in FP 2014. This was due to the taxable profits being less in FP 2015 as compared to FP 2014.

Interest expenses increased by $0.27 million from $0.23 million in FP 2014 to $0.50 million in FP 2015 on account of additional short term funds borrowed for acquisition of property in Malaysia and also purchase of fixed income and equity securities.

EBITDA

EBITDA decreased by $3.55 million or 48.37% from $7.34 million in FP 2014 to $3.79 million in FP 2015. The details of EBITDA calculation is as below:

EBITDA*	**FP 2015**	**FP 2014**
	S$ '000	S$ '000
Net Profit	4,225	6,577
Add/(Less):		
Interest expenses	504	234
Taxes	193	338
Depreciation	218	162
Fair valuation (gain)/deficit of properties	(1,050)	-
Divestment (gains)/losses of available-for-sale financial assets	(1,488)	-
Exchange differences	1,191	31
	3,793	**7,342**

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

CASH FLOW

The net cash flow from operating activities is $2.28 million in FP 2015.

Proceeds from divestment of available-for-sale financial assets and capital distribution generated $2.15 million. The Group had drawn down an amount of $50.63 million from banks.

The Group reinvested the $0.05 million dividend received from equities and also purchased new shares totaling $0.18 million. These were classified as available-for-sale financial assets. The Group spent $1.68 million for renovation of the new property acquired in Malaysia, $0.04 million for making improvements to existing investment properties and $0.04 million for purchase of fixed assets. The above funds were also utilized to repay bank borrowings totaling to $43.31 million. . An amount of $10.15 million was used to distribute dividends.

Cash and cash equivalents at the end of the period i.e. 28 February 2015 was $3.08 million which was a decrease of $0.39 million from the $3.47 million at the beginning of the period i.e. 31 August 2014.

FINANCIAL POSITION AS AT 28 FEBRUARY 2015

Investment properties of the Group totaled $198.38 million. In addition, $24.45 million worth of properties owned by the Group was classified as Property, Plant and equipment because they were all self-occupied.

Available-for-sale financial assets comprised of equities valued at $61.07 million and financial assets at fair value, through profit or loss comprised of fixed income securities and equities valued at $26.15 million and $24.03 million respectively as at 28 February 2015. There was a decline in the market value at end February 2015 as compared to end August 2014. The loss on fair valuation of available-for-sale financial assets was $0.25 million which was taken directly to equity while the loss of $2.21 million on fair valuation of financial assets at fair value, through profit or loss was taken to the income statement.

Inventories at end 28 February 2015 totaled $17.05 million of which $10.28 million was gold stock.

WORKING CAPITAL

The working capital was negative, similar to the position as at 31 August 2014. This was mainly because the Group raised short term funds for purchase of property in Malaysia. 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.

The net current liabilities were $22.61 million as at 28 February 2015 as compared to $20.23 million as at 31 August 2014.

BANK BORROWINGS

Long-term borrowings amounted to $5.60 million as at end February 2015. Total borrowings of the Group were $100.28 million at end February 2015 while the borrowings totaled $91.86 million at end August 2014. The gearing ratio of the Group increased marginally from 0.34 as at 31 August 2014 to 0.38 as at 28 February 2015.

SHARE CAPITAL

There was no movement in share capital since the end of August 2014. The share capital stood at $120.14 million and there were 677.21 million shares in float as at 28 February 2015. Total shareholders' equity amounted to $256.72 million and NTA per share was 37.91 cents as at 28 February 2015.

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

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

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

The ongoing economic restructuring and tight labour constraints are impacting labour intensive industries and hurting economic growth.

Despite the decline in revenue, the gold business is expected to remain profitable.

Due to the highly seasonal nature of the apparel business, we expect the festive period in the fourth quarter of the financial year to contribute sufficient profits to end the year profitably.

Retail rents are facing pressure and rentals can be expected to continue their downward trend.

Interest rates have increased and are expected to gradually move upwards which will result in higher interest expense.

Market forces will determine the performance of the financial instruments sector in the next twelve months.

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

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

No

(b)

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

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

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

Not applicable

(d) The date the dividend is payable

Not applicable

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

Not applicable

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

No dividend has been declared or recommended for the current period ended 28 February 2015.

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

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

14. Negative confirmation pursuant to Rule 705(5)

To the best of our knowledge, nothing has come to the attention of the Board of Directors, which may render the financial statements for the six months period ended 28 February 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Mohamed Salleh
s/o Kadir Mohideen Saibu Maricar
CEO

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

30 March 2015