



**Second Chance Properties Ltd**  
(Company Registration No. 198103193M)

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## **RESPONSE TO QUESTIONS RECEIVED FROM SHAREHOLDERS FOR ANNUAL GENERAL MEETING TO BE HELD ON 21 DECEMBER 2021**

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The Board of Directors ("**Board**") of Second Chance Properties Ltd ("**Company**") and together with its subsidiaries, the "**Group**") refers to the Company's annual report for the financial year ended 31 August 2021 ("**AR 2021**") and the announcement dated 6 December 2021 in relation to the Notice of Annual General Meeting to be held by electronic means on Tuesday, 21 December 2021 at 11.00 a.m. ("**AGM 2021**").

The Company would like to express its appreciation to its shareholders for submitting their questions in advance of AGM 2021. The Company would like to inform shareholders that all the questions submitted by shareholders by the Registration Cut-off Date, i.e. 11.00 a.m. on 18 December 2021 have been responded and are published in this announcement.

Please refer to the Appendix of this announcement for details of the questions and the responses of the Company.

### **By Order of the Board**

Mohamed Salleh s/o Kadir Mohideen Saibu Maricar  
Executive Director and Chief Executive Officer

20 December 2021

## **APPENDIX**

### **Question 1**

What is the dividend (first and final & special dividend) payout ratio for the financial year ended 31 August 2021?

What is the reason for the special dividend of 5 cents?

#### **Company's Response to Question 1**

The total payout for the first and final & special dividends amount to S\$41.35 million. The payout ratio is 299% based on the profit after tax in the financial year ended 31 August 2021 ("FY2021") of S\$13.8 million comprising of S\$9.8 million in profit and loss statement (P&L) and S\$4.0 million in other comprehensive income (OCI).

The company used to distribute relatively high dividends year after year. However, in the last 5 years, the dividends were reduced significantly due to declining profitability and uncertain business environment.

Now that our profits are back on track and we expect good profitability in the coming years, we decided to reward our shareholders by giving the special dividend of 5 cents.

### **Question 2**

How has the pandemic affected the company's business and operations? What business plans or measures do the company have to mitigate the pandemic situation?

#### **Company's Response to Question 2**

The pandemic has badly affected our apparels business. In Malaysia, multiple phases of movement restrictions were imposed by the government throughout the financial year, including a total of 105 days of store closure during phases of heightened restrictions. Even during phases where retail operations were allowed, sales were weak due to other movement restrictions in place and changes in consumer spending habits. Although there were no lockdowns imposed in Singapore during the financial year, similarly weak retail conditions led to drastic decrease in sales.

As with our apparel business, our retail tenants were also badly affected, which led us to lower rents in order to support them.

However, the pandemic had a positive impact on our gold business. A substantial increase in sales revenue led to greater profits as compared to the previous year as we see a change in consumer behaviour during these uncertain times.

Moving forward, the group has pivoted its core business from property investments and rental income to investing in battered down stocks with strong fundamentals for recurring dividend income. We expect this strategic move to contribute to greater profitability in the coming years.

### **Question 3**

Is there any property sold this year. What amount collected? Any new property bought?

#### **Company's Response to Question 3**

We sold seven properties in FY2021 and collected a total of S\$15,545,000. There were no new properties purchased.