SECOND CHANCE PROPERTIES LTD

UNAUDITED SECOND QUARTER FINANCIAL RESULTS FOR THE PERIOD ENDED 28-02-2017

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		
	28-02-2017	29-02-2016	Change	28-02-2017	29-02-2016	Change
	$ '000	$ '000	%	$ '000	$ '000	%
Revenue	**15,051**	**16,651**	**(9.61)**	**7,647**	**8,443**	**(9.43)**
Cost of sales	**(7,300)**	**(7,482)**	**(2.43)**	**(4,016)**	**(4,001)**	**0.37**
Gross profit	**7,751**	**9,169**	**(15.47)**	**3,631**	**4,442**	**(18.26)**
Other (loss)/income	(566)	2	nm	37	78	(52.56)
Expenses						
Distribution expenses	(331)	(366)	(9.56)	(192)	(190)	1.05
Property operating expenses	(590)	(722)	(18.28)	(320)	(252)	26.98
Gold operating expenses	(96)	(95)	1.05	(39)	(37)	5.41
Apparels operating expenses	(574)	(858)	(33.10)	(299)	(420)	(28.81)
Administrative expenses	(1,974)	(2,447)	(19.33)	(950)	(1,228)	(22.64)
Other operating expenses	(6)	-	nm	(6)	-	nm
	(3,571)	(4,488)	(20.43)	(1,806)	(2,127)	(15.09)
Profit from operations	**3,614**	**4,683**	**(22.83)**	**1,862**	**2,393**	**(22.19)**
Gain/(loss) on fair valuation of properties	-	553	nm	(600)	553	nm
Gain/(loss) on fair valuation of financial assets, at fair value through profit or loss	468	(830)	nm	1,144	(1,575)	nm
Finance costs	(436)	(626)	(30.35)	(117)	(323)	(63.78)
Profit before income tax	**3,646**	**3,780**	**(3.54)**	**2,289**	**1,048**	**118.42**
Income tax (expense)/credit	(408)	(148)	175.68	(312)	56	nm
Net profit	**3,238**	**3,632**	**(10.85)**	**1,977**	**1,104**	**79.08**

Net profit	**3,238**	**3,632**	**(10.85)**	**1,977**	**1,104**	**79.08**
Other Comprehensive Income						
Items that may be reclassified subsequently to profit or loss: Available-for-sale financial assets						
-Fair value gains/(loss)	505	(3,456)	nm	2,555	(799)	nm
Currency translation differences arising from consolidation - (loss)/gains	(1,380)	(272)	407.35	(214)	212	nm
Other comprehensive income, net of tax	(875)	(3,728)	(76.53)	2,341	(587)	(498.81)
Total comprehensive income	**2,363**	**(96)**	**nm**	**4,318**	**517**	**735.20**

Notes	**Group For the 6 months ended**		**Group For the 3 months ended**	
	28-02-2017	29-02-2016	28-02-2017	29-02-2016
	$ '000	$ '000	$ '000	$ '000
Net profit is arrived at after crediting / (charging)				
Dividend income	1,574	1,910	569	831
Profit on disposal of financial assets, at fair value through profit or loss	14	3	(5)	2
Expenses include:				
Depreciation of property, plant and equipment	157	197	78	100
Total directors' remuneration	612	705	321	362
Directors' CPF	17	14	5	5
Directors' fees	67	77	34	47
Foreign exchange loss	793	61	122	(33)
Finance costs				
Interest expenses:-				
Bank overdrafts	-	1	-	1
Short-term loans	414	562	106	289
Long-term loans	22	63	11	33
	436	**626**	**117**	**323**

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	
	28-02-2017	31-08-2016	28-02-2017	31-08-2016
	$ '000	$ '000	$ '000	$ '000
ASSETS				
Current assets				
Cash and cash equivalents	4,960	5,512	38	742
Trade and other receivables	1,349	793	10,574	10,406
Inventories	15,132	16,418	946	990
Other current assets	1,021	529	286	196
Income tax recoverable	119	163	-	-
Financial assets, at fair value through profit or loss	33,673	34,642	-	-
Total current assets	56,254	58,057	11,844	12,334
Non-current assets				
Amounts due from subsidiaries	-	-	180,121	196,380
Investments in subsidiaries	-	-	17,231	17,231
Available-for-sale financial assets	54,387	53,955	46,891	47,713
Property, plant and equipment	23,024	24,567	69	67
Investment properties	183,568	183,653	13,500	13,500
Total non-current assets	260,979	262,175	257,812	274,891
Total assets	**317,233**	**320,232**	**269,656**	**287,225**
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	48,836	55,548	32,101	50,355
Trade payables	2,542	2,400	382	372
Other payables	6,117	1,901	5,993	1,659
Current income tax liabilities	400	705	-	266
Total current liabilities	57,895	60,554	38,476	52,652
Non-current liabilities				
Borrowings	3,054	3,232	3,054	3,232
Deferred income tax liabilities	771	192	9	9
Total non-current liabilities	3,825	3,424	3,063	3,241
Total liabilities	**61,720**	**63,978**	**41,539**	**55,893**
Net assets	**255,513**	**256,254**	**228,117**	**231,332**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	136,725	138,319	136,725	138,319
Reserves	118,788	117,935	91,392	93,013
Total equity	**255,513**	**256,254**	**228,117**	**231,332**

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

Amount repayable in one year or less, or on demand

As at 28-02-2017		As at 31-08-2016	
Secured	***Unsecured***	***Secured***	***Unsecured***
$48,836,087	$5,484,158	$55,547,868	$428,101

Amount repayable after one year

As at 28-02-2017		As at 31-08-2016	
Secured	***Unsecured***	***Secured***	***Unsecured***
$3,053,830	-	$3,231,970	-

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 6 months ended	
	28-02-2017 $ '000	29-02-2016 $ '000	28-02-2017 $ '000	29-02-2016 $ '000
Cash flows from operating activities				
Net profit	3,238	3,632	1,977	1,104
Adjustments for:				
-Income tax expense/(credit)	408	148	312	(56)
-Depreciation of property, plant and equipment	157	197	78	100
-Fair value (gain)/loss on investment properties	-	(553)	600	(553)
-Interest income from bank deposits	(46)	(41)	(25)	(36)
-Finance expense	436	626	117	323
-Unrealised currency translation differences	438	33	68	(26)
	4,631	**4,042**	**3,127**	**856**
Changes in working capital				
-Financial assets at fair value through profit or loss	969	2,588	(354)	1,823
-Inventories	1,004	(18)	1,060	1,027
-Trade and other receivables	(1,015)	1,795	(1,181)	33
-Trade and other payables	4,375	(1,299)	4,813	(176)
Net cash generated from operations	**9,964**	**7,108**	**7,465**	**3,563**
Income taxes paid	(92)	(445)	2	(324)
Interest received	46	41	25	36
Interest paid	(352)	(664)	(163)	(334)
Net cash provided by operating activities	**9,566**	**6,040**	**7,329**	**2,941**

	Group For the 6 months ended		Group For the 3 months ended	
	28-02-2017 $ '000	**29-02-2016 $ '000**	**28-02-2017 $ '000**	**29-02-2016 $ '000**
Cash flows from investing activities				
-Proceeds from disposal of available-for-sale financial assets	96	149	64	98
-Proceeds from disposal of investment properties	-	6,535	-	-
-Purchase of available-for-sale financial assets	(24)	(342)	-	-
-Additions to property, plant and equipment	(112)	(242)	(6)	(135)
Net cash (used in)/provided by investing activities	**(40)**	**6,100**	**58**	**(37)**
Cash flows from financing activities				
-Cash used in Share Buyback	(1,594)	-	(1,594)	-
-Dividend paid	(1,511)	(5,863)	(1,511)	(5,863)
-Proceeds from bank borrowings	57,963	64,124	16,924	28,370
-Repayment of bank borrowings	(65,024)	(74,402)	(21,845)	(26,087)
Net cash used in financing activities	**(10,166)**	**(16,141)**	**(8,026)**	**(3,580)**
Net decrease in cash and cash equivalents	(640)	(4,001)	(639)	(676)
Cash and cash equivalents at beginning of financial period	5,492	7,084	5,491	3,759
Cash and cash equivalents at end of financial period	**4,852**	**3,083**	**4,852**	**3,083**
Cash and cash equivalents consist of:				
Cash at bank	4,960	3,083	4,960	3,083
Bank overdrafts	(108)	-	(108)	-
	4,852	**3,083**	**4,852**	**3,083**

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 29 February 2016	**138,319**	**9,592**	**5,110**	**(5,660)**	**100,977**	**248,338**
Total comprehensive income for the period	-	-	2,703	97	3,136	5,936
Balance as at 31 May 2016	**138,319**	**9,592**	**7,813**	**(5,563)**	**104,113**	**254,274**
Total comprehensive (loss)/income for the period	-	(153)	1,794	136	204	1,981
Balance as at 31 August 2016	**138,319**	**9,439**	**9,607**	**(5,427)**	**104,317**	**256,255**
Total comprehensive (loss)/income for the period	-	-	(2,050)	(1,166)	1,261	**(1,955)**
Balance as at 30 November 2016	**138,319**	**9,439**	**7,557**	**(6,593)**	**105,578**	**254,300**
Share buyback	(1,594)	-	-	-	-	**(1,594)**
Dividends paid	-	-	-		(1,511)	**(1,511)**
Total comprehensive income/(loss) for the period	-	-	2,555	(214)	1,977	**4,318**
Balance as at 28 February 2017	**136,725**	**9,439**	**10,112**	**(6,807)**	**106,044**	**255,513**

	Share Capital	Assets Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Balance as at 28 February 2015	**120,141**	**6,502**	**16,021**	**(1,297)**	**115,348**	**256,715**
Total comprehensive (loss)/income for the period	-	-	(1,578)	(88)	3,955	**2,289**
Balance as at 31 May 2015	**120,141**	**6,502**	**14,443**	**(1,385)**	**119,303**	**259,004**
Total comprehensive income /(loss) for the period	-	3,090	(5,877)	(4,003)	2,083	**(4,707)**
Balance as at 31 August 2015	**120,141**	**9,592**	**8,566**	**(5,388)**	**121,386**	**254,297**
Total comprehensive (loss)/income for the period	-	-	(2,657)	(484)	2,528	**(613)**
Balance as at 30 November 2015	**120,141**	**9,592**	**5,909**	**(5,872)**	**123,914**	**253,684**
Cash dividends paid	-	-	-	-	(5,863)	**(5,863)**
Scrip dividend	18,178	-	-	-	(18,178)	-
Total comprehensive loss/(income) for the period	-	-	(799)	212	1,104	**517**
Balance as at 29 February 2016	**138,319**	**9,592**	**5,110**	**(5,660)**	**100,977**	**248,338**

Company

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000
Balance as at 29 February 2016	**138,319**	**3,851**	**81,603**	**223,773**
Total comprehensive income for the period	-	2,881	672	**3,553**
Balance as at 31 May 2016	**138,319**	**6,732**	**82,275**	**227,326**
Total comprehensive income for the period	-	1,994	2,012	**4,006**
Balance as at 31 August 2016	**138,319**	**8,726**	**84,287**	**231,332**
Total comprehensive (loss)/ income for the period	-	(2,026)	130	**(1,896)**
Balance as at 30 November 2016	**138,319**	**6,700**	**84,417**	**229,436**
Share buyback	(1,594)	-	-	**(1,594)**
Dividends paid	-	-	(1,511)	**(1,511)**
Total comprehensive income/(loss) for the period	-	1,276	510	**1,786**
Balance as at 28 February 2017	**136,725**	**7,976**	**83,416**	**228,117**

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000
Balance as at 28 February 2015	**120,141**	**14,012**	**104,199**	**238,352**
Total comprehensive income for the period	-	(1,106)	1,646	540
Balance as at 31 May 2015	**120,141**	**12,906**	**105,845**	**238,892**
Total comprehensive income for the period	-	(5,326)	(834)	(6,160)
Balance as at 31August 2015	**120,141**	**7,580**	**108,515**	**232,732**
Total comprehensive (loss)/ income for the period	-	(2,699)	103	**(2,596)**
Balance as at 30 November 2015	**120,141**	**4,881**	**108,972**	**230,136**
Cash dividends paid	-	-	(5,863)	**(5,863)**
Scrip dividend	18,178	-	(18,178)	**-**
Total comprehensive loss/(income) for the period	-	(1,030)	530	**(500)**
Balance as at 29 February 2016	**138,319**	**3,851**	**81,603**	**223,773**

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

Cancelled shares due to Share Buyback reduced the share capital by $1,593,707 during the quarter ended 28 February 2017 .

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

	28-02-2017	**29-02-2016**
Warrants – New	577,024,950	577,024,950

The exercise period of the above warrants is from 25 July 2016 to 24 July 2017. However, no warrants were exercised during the current period.

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 28-02-2017	As at 31-08-2016
Total number of issued shares	748,944,052	755,396,152
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	748,944,052	755,396,152

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	
	28-02-2017	29-02-2016	28-02-2017	29-02-2016
Earnings per share	0.43 cents	0.53 cents	0.26 cents	0.16 cents
Earnings per share on fully diluted basis	0.43 cents	0.53 cents	0.26 cents	0.16 cents

Earnings per share for the half year ended 28 February 2017 and 29 February 2016 have been computed based on the weighted average number of shares in issue of 753,652,785 and 690,241,207 respectively.

There was no dilution in earnings per share for the period ended 28 February 2017 and 29 February 2016 as the average market price of the Company's shares for the period was less than 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 28-02-2017	Group 31-08-2016	Company 29-02-2016	Company 31-08-2016
Net asset value per share	34.12 cents	33.92 cents	30.46 cents	30.62 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 2017 refers to the financial period of six months ended 28 February 2017. FP 2016 refers to the six months period ended 29 February 2016.

2. Adjusted EBITDA is the operating earnings before interest expenses, tax, depreciation, divestment and revaluation gains/deficits on non-current assets and foreign exchange differences.

OVERVIEW

The Group net profit decreased by $0.39 million or 10.85% from $3.63 million in FP 2016 to $3.24 million in FP 2017.

Revenue decreased by $1.60 million to $15.05 million in FP 2017 from $16.65 million in FP 2016.

Adjusted EBITDA increased by $0.92 million from $4.11 million in FP 2016 to $5.03 million in FP 2017.

REVENUE

The Group revenue decreased by $1.60 million or 9.61% to $15.05 million in FP 2017 from $16.65 million in FP 2016.

Below is the contribution of the various business segments to revenue:

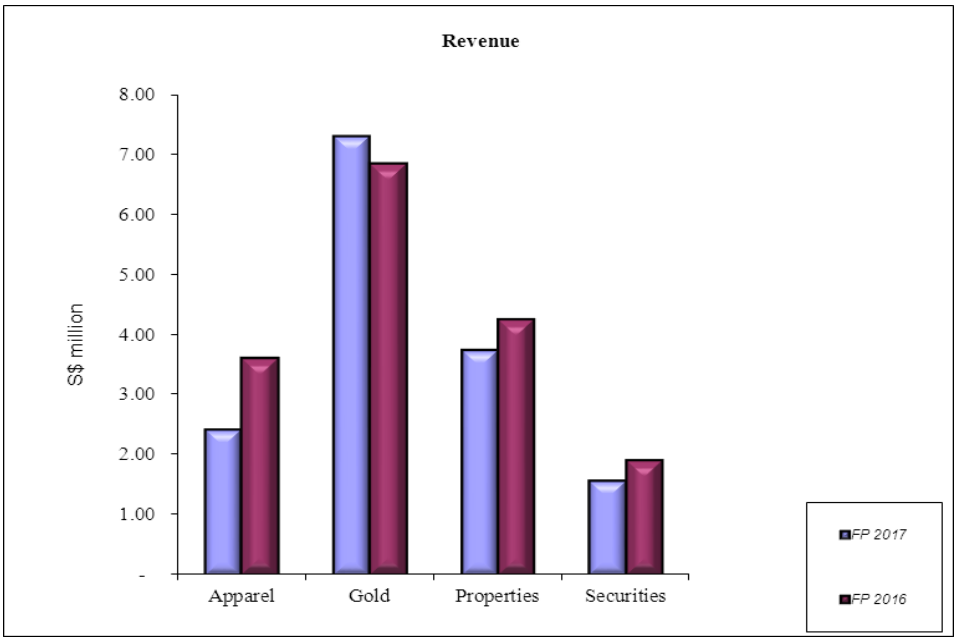
Revenue	FP 2017	FP 2016	Variance	
	$ million	$ million	$ million	%
Apparel	2.42	3.62	(1.20)	-33.15%
Gold	7.31	6.86	0.45	6.56%
Properties	3.75	4.26	(0.51)	-11.97%
Securities	1.57	1.91	(0.34)	-17.80%

The revenue from apparel business decreased by $1.20 million from $3.62 million in FP 2016 to $2.42 million in FP 2017. Of the $1.20 million decrease, Malaysian operations contributed $1.04 million decrease. The closure of twelve shops in Malaysia since the end of FP 2016, the weakening Malaysian Ringgit and intense competition there, all resulted in the decreased revenue. In Singapore, the revenue from this segment decreased by $0.16 million on account of closure of one shop since the end of FP 2016.

The revenue from gold business increased by $0.45 million from $6.86 million in FP 2016 to $7.31 million in FP 2017 due to better second quarter performance in 2017.

Rental income from properties decreased by $0.51 million or 11.97% from $4.26 million in FP 2016 to $3.75 million in FP 2017. There was a loss of rental income on account of sale of four investment properties since the end of the prior period as well as lower rentals received on some lease renewals.

The sale of a few fixed income securities since the end of FP 2016 resulted in decrease in revenue by $0.34 million from $1.91 million in FP 2016 to $1.57 million in FP 2017 for the securities business.



Other losses consisted mainly of unrealised foreign exchange losses. In FP 2017, because of the depreciating Malaysian Ringgit, the unrealised foreign exchange loss was $0.79 million as compared to an unrealised loss of only $0.06 million in FP 2016.

PROFIT

The Group net profit decreased by $0.39 million or 10.85% from $3.63 million in FP 2016 to $3.24 million in FP 2017.

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

	FP 2017	FP 2016	Variance	
	$ million	$ million	$ million	%
Apparel	(1.45)	(0.75)	(0.70)	-93.33%
Gold	0.87	0.60	0.27	45.00%
Properties	3.31	4.15	(0.84)	-20.24%
Securities	2.04	1.09	0.95	87.16%

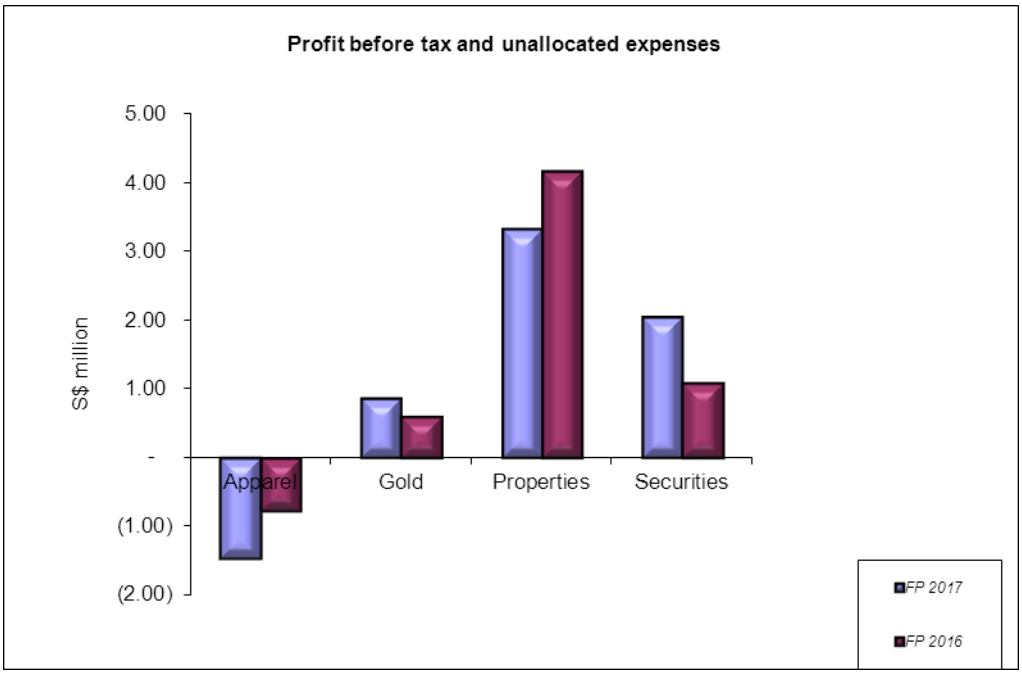
The loss from apparel business increased by $0.70 million from $0.75 million in FP 2016 to $1.45 million in FP 2017. The drop in revenue on account of closure of twelve shops in Malaysia, 1 shop in

Singapore since the end of FP 2016 and the unrealised foreign exchange loss because of the depreciating Malaysian Ringgit contributed to the decrease in profit from this segment.

The gold business contributed $0.87 in FP 2017 which was $0.27 million higher than the $0.60 million in FP 2016. The increase in revenue and better gross profit margin in FP 2017 resulted in this increase.

Properties segment recorded $3.31 million profit in FP 2017, a decrease of $0.84 million in profit from the prior period. This was mainly because of the reduced rental income during the current period. Further in FP 2016, an amount of $0.55 million was recorded as revaluation gain on property held for sale as at 29 February 2016 resulting in higher profit in the prior period.

The contribution from securities segment was $2.04 million in FP 2017 which was $0.95 million higher than the profit of $1.09 million in FP 2016. This increase in profit was mainly attributed to the unrealized gain of $0.47 million recorded on financial assets, at fair value through profit or loss i.e. the financial assets held for trading purpose in the current period as compared to an unrealized loss of $0.83 million in FP 2016.



The income tax expense increased by $0.26 million from $0.15 million in FP 2016 to $0.41 million in FP 2017 due to increased taxable profits in the current year.

Interest expenses decreased by $0.19 million from $0.63 million in FP 2016 to $0.44 million in FP 2017 due to partial repayment of loan during the current period.

Adjusted EBITDA

Adjusted EBITDA increased by $0.92 million from $4.11 million in FP 2016 to $5.03 million in FP 2017.

This was mainly because there was unrealised gain of $0.47 million on financial assets, at fair value through profit or loss in FP 2017 as compared to unrealised loss of $0.83 million in FP 2016.

The details of Adjusted EBITDA calculation is as below:

Adjusted EBITDA*	**FP 2017**	**FP 2016**
	$ '000	$ '000
Net Profit	3,238	3,632
Add/(Less):		
Interest expenses	436	626
Taxes	408	148
Depreciation	157	197
Fair valuation gain on property held for sale	-	(553)
Exchange differences	793	61
	5,032	**4,111**

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

CASH FLOW

The net cash flow from operating activities was $9.56 million in FP 2017 as compared to $6.04 million in FP 2016.

Capital distribution from available-for-sale financial assets generated $0.09 million and the Group had drawn down an amount of $57.96 million from banks.

An amount of $1.59 million was used to buy back shares as per the Share Buyback scheme. The Group subscribed to rights issue totaling $0.02 million and they were classified as available-for-sale. Improvements made to property, plant and equipment totaled $0.11 million. An amount of $65.02 million was utilised to repay bank borrowings. The above funds were also deployed to distribute dividends totaling $1.51 million.

Cash and cash equivalents at the end of the period i.e. 28 February 2017 was $4.85 million which was a decrease of $0.64 million from the $5.49 million at the beginning of the period i.e. 31 August 2016.

FINANCIAL POSITION AS AT 28 FEBRUARY 2017

Investment properties of the Group totaled $183.57 million. In addition, $22.20 million worth of property owned by the Group was classified as Property, Plant and equipment because it was self-occupied.

As at 28 February 2017, available-for-sale financial assets comprised of equities valued at $54.39 million and financial assets at fair value, through profit or loss comprised of fixed income securities and equities valued at $15.92 million and $17.75 million respectively. There was an appreciation of $0.51 million in the market value of available-for-sale financial assets at end February 2017 as compared to end August 2016 and this gain was taken directly to equity. For financial assets at fair value, through profit or loss, there was an unrealised gain of $0.47 million during FP 2017 which was taken to the income statement.

Inventories at end February 2017 totaled $15.13 million of which $10.51 million was gold stock.

WORKING CAPITAL

The working capital was negative, similar to the position as at 31 August 2016. This was because the Group utilized short-term bank facilities in order to benefit from lower interest rates. These loans are rolled over on maturity and have the flexibility of repayment at anytime.

The net current liabilities were $1.64 million as at 28 February 2017 as compared to $2.49 million as at 31 August 2016 due to partial repayment of loan during the current period.

BANK BORROWINGS

The long term borrowings decreased by $0.18 million from $3.23 million as at 31 August 2016 to $3.05 million as at 28 February 2017. Total borrowings of the Group were $51.89 million at end February 2017 while the borrowings totaled $58.78 million at end August 2016. The gearing ratio of the Group improved from 0.21 at end August 2016 to 0.18 at end February 2017.

SHARE CAPITAL

Share capital was $136.73 million as at end February 2017 as compared to $138.32 million as at end August 2016**.** Cancelled shares due to share buyback totaled $1.59 million. There were 748.94 million shares in float as at 28 February 2017. Total shareholders' equity amounted to $255.51 million and NTA per share was 34.12 cents as at 28 February 2017.

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

Inspite of more optimism that the economy will improve in 2017, the retail industry continues to be negatively affected by the tight labour situations, online sales and overseas shopping by Singaporeans which is also affecting our apparel business.

Our apparel business in Malaysia continues to be affected by the weakening Ringgit and poor consumer spending.

The gold business is expected to continue to be profitable.

Our rental income will be lower due to the weakening rental market and the sale of several shops.

Interest rates are expected to continue their upward movement.

Market forces will continue to determine the performance of the financial instruments sector.

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 2017.

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 three months period ended 28 February 2017 to be false or misleading in any material aspect.

15. Confirmation of undertakings from directors and executive officers.

The Company has procured undertakings from all its Directors and Executive Officers under Rule 720(1) of the SGX Listing Manual.

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

29 March 2017