**SECOND CHANCE PROPERTIES LTD**

UNAUDITED FIRST QUARTER FINANCIAL RESULTS FOR THE PERIOD ENDED 30-11-2015

*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 3 months ended | | |
|---|---|---|---|
| | 30-11-2015 | 30-11-2014 | Change |
| | $ '000 | $ '000 | % |
| **Revenue** | **8,208** | **8,835** | **(7.10)** |
| **Cost of sales** | **(3,481)** | **(3,311)** | **5.13** |
| **Gross profit** | **4,727** | **5,524** | **(14.43)** |
| Other (loss)/income | (76) | 749 | nm |
| Expenses | | | |
| Distribution expenses | (176) | (207) | (14.98) |
| Property operating expenses | (470) | (356) | 32.02 |
| Gold operating expenses | (58) | (60) | (3.33) |
| Apparels operating expenses | (438) | (656) | (33.23) |
| Administrative expenses | (1,219) | (1,349) | (9.64) |
| Other operating expenses | - | (10) | nm |
| | (2,361) | (2,638) | (10.50) |
| **Profit from operations** | **2,290** | **3,635** | **(37.00)** |
| Gain/(loss) on fair valuation of financial assets, at fair value through profit or loss | 745 | (1,523) | nm |
| Finance costs | (303) | (228) | 32.89 |
| **Profit before income tax** | **2,732** | **1,884** | **45.01** |
| Income tax expense | (204) | (180) | 13.33 |
| **Net profit** | **2,528** | **1,704** | **48.36** |

| | | | |
|---|---|---|---|
| **Net profit** | **2,528** | **1,704** | **48.36** |
| *Other Comprehensive Loss* | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Available-for-sale financial assets -Fair value loss | (2,657) | (2,512) | 5.77 |
| Currency translation differences arising from consolidation - loss | (484) | (167) | 189.82 |
| Other comprehensive loss, net of tax | (3,141) | (2,679) | 17.25 |
| **Total comprehensive loss** | **(613)** | **(975)** | **(37.13)** |

| **Notes** | **Group** | |
|---|---|---|
| | **For the 3 months ended** | |
| | 30-11-2015 | 30-11-2014 |
| | $ '000 | $ '000 |
| Net profit is arrived at after crediting | | |
| Dividend income | 1,079 | 1,259 |
| Profit on disposal of available-for-sale financial assets, | - | 1,242 |
| Profit on disposal of financial assets, at fair value through profit or loss | 1 | 40 |
| **Expenses include:** | | |
| Depreciation of property, plant and equipment | 97 | 108 |
| Total directors' remuneration | 343 | 363 |
| Directors' CPF | 9 | 8 |
| Directors' fees | 30 | 33 |
| Finance costs | 303 | 228 |
| Foreign exchange loss | 94 | 555 |
| Interest expenses:- | | |
| Short-term loans | 273 | 211 |
| Long-term loans | 30 | 17 |
| | **303** | **228** |

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 | |
|---|---|---|---|---|
| | 30-11-2015 | 31-08-2015 | 30-11-2015 | 31-08-2015 |
| | $ '000 | $ '000 | $ '000 | $ '000 |
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | 3,759 | 7,084 | 557 | 3,796 |
| Trade and other receivables | 1,535 | 3,276 | 7,219 | 6,803 |
| Inventories | 18,015 | 17,094 | 1,067 | 1,104 |
| Other current assets | 664 | 694 | 975 | 169 |
| Property held for sale | - | 6,535 | - | - |
| Income tax recoverable | 85 | 72 | - | - |
| Financial assets, at fair value through profit or loss | 38,100 | 38,866 | - | - |
| Total current assets | 62,158 | 73,621 | 9,818 | 11,872 |
| **Non-current assets** | | | | |
| Amounts due from subsidiaries | - | - | 231,370 | 235,081 |
| Investments in subsidiaries | - | - | 1,209 | 1,209 |
| Available-for-sale financial assets | 50,646 | 53,011 | 44,256 | 46,663 |
| Property, plant and equipment | 28,900 | 29,297 | 39 | 48 |
| Investment properties | 192,892 | 192,914 | 13,500 | 13,500 |
| Total non-current assets | 272,438 | 275,222 | 290,374 | 296,501 |
| **Total assets** | **334,596** | **348,843** | **300,192** | **308,373** |
| **LIABILITIES AND EQUITY** | | | | |
| **Current liabilities** | | | | |
| Borrowings | 70,407 | 83,261 | 63,296 | 67,945 |
| Trade payables | 2,902 | 2,737 | 286 | 376 |
| Other payables | 884 | 2,178 | 570 | 1,646 |
| Current income tax liabilities | 815 | 847 | 324 | 359 |
| Total current liabilities | 75,008 | 89,023 | 64,476 | 70,326 |
| **Non-current liabilities** | | | | |
| Borrowings | 5,572 | 5,307 | 5,572 | 5,307 |
| Deferred income tax liabilities | 332 | 216 | 8 | 8 |
| Total non-current liabilities | 5,904 | 5,523 | 5,580 | 5,315 |
| **Total liabilities** | **80,912** | **94,546** | **70,056** | **75,641** |
| **Net assets** | **253,684** | **254,297** | **230,136** | **232, 732** |
| **EQUITY** | | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | | |
| Share capital | 120,141 | 120,141 | 120,141 | 120,141 |
| Reserves | 133,543 | 134,156 | 109,995 | 112,591 |
| **Total equity** | **253,684** | **254,297** | **230,136** | **232,732** |

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

**Amount repayable in one year or less, or on demand**

| As at 30-11-2015 | | As at 31-08-2015 | |
|---|---|---|---|
| ***Secured*** | ***Unsecured*** | ***Secured*** | ***Unsecured*** |
| $70,407,489 | $105,843 | $83,261,277 | $526,305 |

**Amount repayable after one year**

| As at 30-11-2015 | | As at 31-08-2015 | |
|---|---|---|---|
| ***Secured*** | ***Unsecured*** | ***Secured*** | ***Unsecured*** |
| $5,571,946 | - | $5,307,139 | - |

**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 3 months ended | |
| | 30-11-2015 | 30-11-2014 |
| | $ '000 | $ '000 |
| **Cash flows from operating activities** | | |
| Net profit | 2,528 | 1,704 |
| Adjustments for | | |
| -Income tax expense | 204 | 180 |
| -Depreciation of property, plant and equipment | 97 | 108 |
| -Interest income from bank deposits | (5) | (18) |
| -Finance expense | 303 | 228 |
| -Gain on disposal of available for sale financial assets | - | (1,242) |
| -Unrealised foreign exchange loss on loans | - | 576 |
| -Unrealised currency translation differences | 59 | 577 |
| | **3,186** | **2,113** |
| Changes in working capital | | |
| Financial assets at fair value through proft or loss | 765 | (3,195) |
| -Inventories | (1,045) | 535 |
| -Trade and other receivables | 1,762 | (869) |
| -Trade and other payables | (1,123) | (750) |
| Net cash generated from/(used in) operations | **3,545** | **(2,166)** |
| Income taxes paid | (121) | (23) |
| Interest received | 5 | 18 |
| Interest paid | (330) | (228) |
| **Net cash provided by/(used in) operating activities** | **3,099** | **(2,399)** |
| **Cash flows from investing activities** | | |
| -Disposal of available-for-sale financial assets | 51 | 1,790 |
| -Disposal of investment properties held for sale | 6,535 | - |
| -Purchase of available-for-sale financial assets | (342) | (52) |
| -Additions to investment properties | - | (4) |
| -Additions to property, plant and equipment | (107) | (670) |
| Net cash provided by investing activities | **6,137** | **1,064** |
| **Cash flows from financing activities** | | |
| -Proceeds from short-term bank borrowings | 35,754 | 13,720 |
| -Repayment of short-term bank borrowings | (48,183) | (12,447) |
| -Repayment of long-term bank borrowings | (132) | (132) |
| Net cash (used in)/provided by financing activities | **(12,561)** | **1,141** |
| **Net decrease in cash and cash equivalents** | (3,325) | (195) |
| Cash and cash equivalents at beginning of financial period | 7,084 | 3,467 |
| **Cash and cash equivalents at end of financial period** | **3,759** | **3,273** |
| Cash and cash equivalents consist of: | | |
| Cash at bank | 3,759 | 3,273 |
| Bank overdrafts | - | - |
| | **3,759** | **3,273** |

**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 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** |
| Total comprehensive 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 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 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** |

| | Share Capital | Assets Revaluation Reserve | Fair Value Reserve | Translation Reserve | Retained Earnings | Total |
|---|---|---|---|---|---|---|
| | $ '000 | $ '000 | $ '000 | $ '000 | $ '000 | $ '000 |
| **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** | **120,141** | **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** |

## Company

| | Share Capital | Fair Value Reserve | Translation Reserve | Retained Earnings | Total |
|---|---|---|---|---|---|
| | $ '000 | $ '000 | $ '000 | $ '000 | $ '000 |
| **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** |
| 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) | (3,504) | 2,670 | (6,160) |
| **Balance as at 31August 2015** | **120,141** | **7,580** | **(3,504)** | **108,515** | **232,732** |
| Total comprehensive (loss)/ income for the period | - | **(2,699)** | **(354)** | **457** | **(2,596)** |
| **Balance as at 30 November 2015** | **120,141** | **4,881** | **(3,858)** | **108,972** | **230,136** |

| | Share Capital | Fair Value Reserve | Retained Earnings | Total |
|---|---|---|---|---|
| | $ '000 | $ '000 | $ '000 | $ '000 |
| **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** | **120,141** | **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** |

**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**

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:

| | **30-11-2015** | **30-11-2014** |
|---|---|---|
| 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 first quarter ended 30 November 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 30-11-2015 | As at 31-08-2015 |
|---|---|---|
| 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<br>For the 3 months ended | |
|---|---|---|
| | 30-11-2015 | 30-11-2014 |
| Earnings per share | 0.37 cents | 0.25 cents |
| Earnings per share on fully diluted basis | 0.37 cents | 0.23 cents |

The calculation of earnings per share for the period ended 30 November 2015 and 30 November 2014 is based on the weighted average number of shares in issue of 677,210,218.

There was no dilution in earnings per share for the period ended 30 November 2015 as the average market price of the Company's shares for the period was less than the exercise price of $0.40.

The diluted earnings per share for the period ended 30 November 2014 was 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<br>30-11-2015 | Group<br>31-08-2015 | Company<br>30-11-2015 | Company<br>31-08-2015 |
|---|---|---|---|---|
| Net asset value per share | 37.46 cents | 37.55 cents | 33.98 cents | 34.37 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 2016 refers to the financial period of three months ended 30 November 2015. FP 2015 refers to the three months period ended 30 November 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 increased by $0.83 million from $1.70 million in FP 2015 to $2.53 million in FP 2016.

Revenue decreased by $0.63 million to $8.21 million in FP 2016 from $8.84 million in FP 2015.

EBITDA increased by $1.70 million from $1.53 million in FP 2015 to $3.23 million in FP 2016.

## REVENUE

**Revenue decreased by $0.63 million to $8.21 million in FP 2016 from $8.84 million in FP 2015.**

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

| Revenue | FP 2016 | FP 2015 | Variance | |
|---|---|---|---|---|
| | $ million | $ million | $ million | % |
| Apparel | 1.74 | 2.25 | (0.51) | -22.67% |
| Gold | 3.26 | 3.00 | 0.26 | 8.67% |
| Properties | 2.14 | 2.33 | (0.19) | -8.15% |
| Securities | 1.07 | 1.26 | (0.19) | -15.08% |

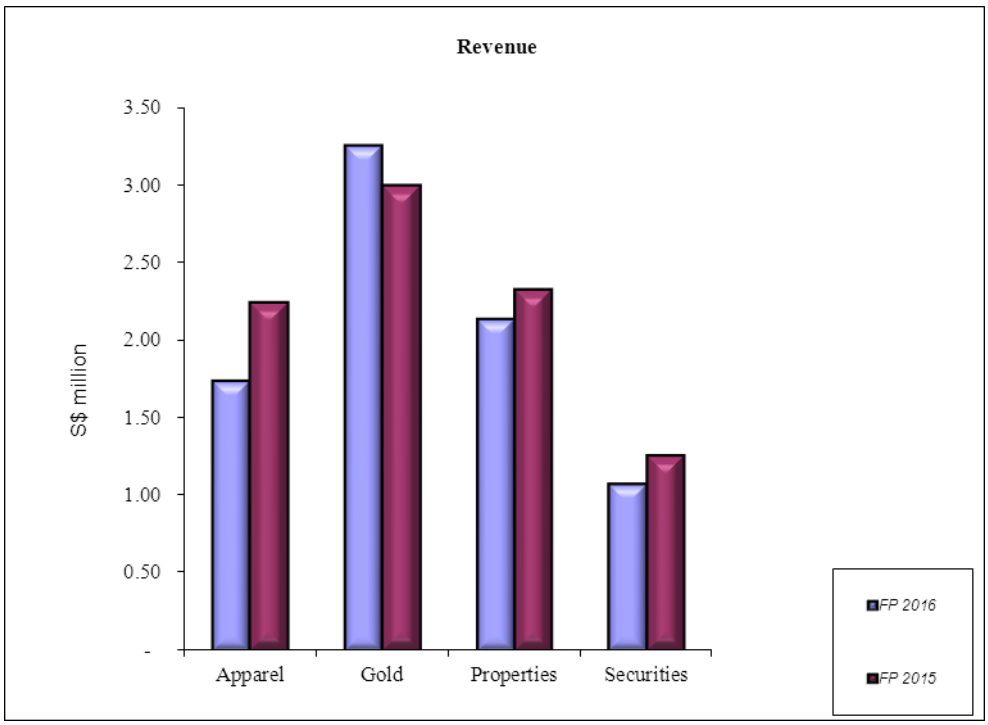
The revenue from apparel business decreased by $0.51 million from $2.25 million in FP 2015 to $1.74 million in FP 2016. Of the $1.74 million, Malaysian apparel business contributed $1.40 million. The closure of four shops in Malaysia since the end of FP 2015, the introduction of GST, the weakening Malaysian Ringgit and intense competition there, all resulted in the decreased revenue.

The gold business experienced better sales in the first quarter of the current period resulting in an increase in revenue of $0.26 million from $3.00 million in FP 2015 to $3.26 million in FP 2016.

Rental revenue from properties decreased by $0.19 million from $2.33 million in FP 2015 to $2.14 million in FP 2016. There was a loss of rental income on account of sale of two investment properties as well as lower rentals received on some lease renewals. However, this loss was

partially off-set by the rental income derived from the new property acquired in Malaysia, a ten storey commercial building which is earmarked as the flagship store for First Lady apparel business.

The sale of a few fixed income and equity securities since the end of FP 2015 resulted in decrease in revenue of $0.19 million from $1.26 million in FP 2015 to $1.07 million in FP 2016 for the securities business.




Other income comprised of profit on sale of securities and unrealised foreign exchange gain/loss. For FP 2016, there was a loss of $0.08 million as compared to an income of $0.75 million in FP 2015. This was mainly attributed to the profit on sale of securities of $1.28 million in FP 2015 as compared to only $0.01 million in FP 2016. The increase in other income in FP 2015 was however partially offset by unrealised foreign exchange loss of $0.55 million in FP 2015 as compared to unrealised foreign exchange loss of $0.09 million in FP 2016.

## PROFIT

**The Group net profit increased by $0.83 million from $1.70 million in FP 2015 to $2.53 million in FP 2016.**

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

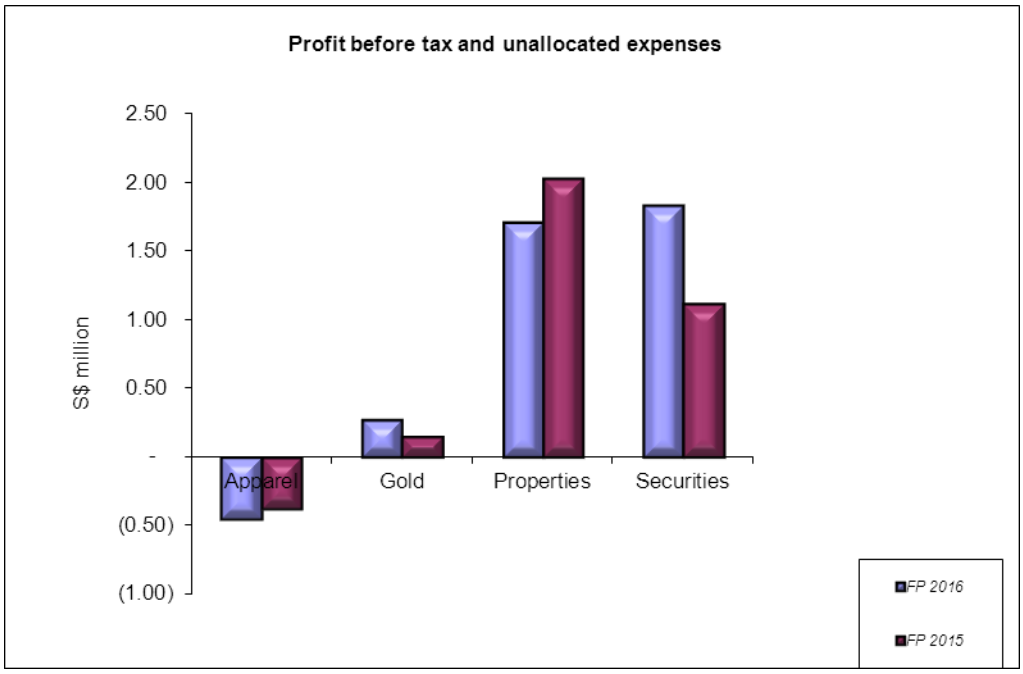
| | FP 2016 | FP 2015 | Variance | |
|---|---|---|---|---|
| | $ million | $ million | $ million | % |
| Apparel | (0.44) | (0.37) | (0.07) | 18.92% |
| Gold | 0.28 | 0.15 | 0.13 | 86.67% |
| Properties | 1.71 | 2.02 | (0.31) | -15.35% |
| Securities | 1.83 | 1.12 | 0.71 | 63.39% |

The loss from apparel business increased by $0.07 million from $0.37 million in FP 2015 to $0.44 million in FP 2016. The drop in revenue on account of closure of four shops in Malaysia and the unrealised foreign exchange loss because of the depreciating Malaysian Ringgit contributed to the decrease in profit from this business.

The gold business contributed $0.28 million in FP 2016 which was $0.13 million higher than the $0.15 million in FP 2015. This was mainly because of the increased revenue during the current period.

Properties segment recorded $1.71 million profit in FP 2016, a decrease of $0.31 million in profit from the prior period. In addition to the reduced rental income, brokerage expense incurred on property sold and expenses incurred on year end valuation of properties during the current period resulted in the decrease in profit from this segment.

The contribution from securities segment was $1.83 million in FP 2016 which was $0.71 million higher than the profit of $1.12 million in FP 2015. This increase in profit was mainly attributed to the unrealized gain of $0.75 million recorded on financial assets, at fair value through profit or loss i.e. the financial assets held for trading purpose in FP 2016 as compared to an unrealized loss of $1.52 million in FP 2015.



The income tax expense increased marginally by $0.02 million from $0.18 million in FP 2015 to $0.20 million in FP 2016.

Interest expenses increased by $0.07 million from $0.23 million in FP 2015 to $0.30 million in FP 2016 on account of rise in interest rates.

## EBITDA

EBITDA increased by $1.70 million from $1.53 million in FP 2015 to $3.23 million in FP 2016.

The unrealised gain of $0.75 million on financial assets, at fair value through profit or loss in FP 2016 as compared to unrealised loss of $1.52 million in FP 2015 mainly resulted in the increase in EBITDA in FP 2016.

The details of EBITDA calculation is as below:

| **EBITDA*** | **FP 2016** | **FP 2015** |
|---|---|---|
| | $ '000 | $ '000 |
| Net Profit | 2,528 | 1,704 |
| Add/(Less): | | |
| Interest expenses | 303 | 228 |
| Taxes | 204 | 180 |
| Depreciation | 97 | 108 |
| Divestment gainsof available-for-sale financial assets | - | (1,242) |
| Exchange differences | 94 | 555 |
| | **3,226** | **1,533** |

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

## CASH FLOW

The net cash provided by operating activities was $3.10 million in FP 2016.

Capital distribution from available-for-sale financial assets generated $0.05 million and an amount of $6.54 million was realized from sale of investment property. The Group had drawn down an amount of $35.75 million from banks.

The Group exercised warrants totaling $0.34 million and they were classified as available-for-sale. Improvements made to investment properties totaled $0.11 million. An amount of $48.31 million was utilised to repay bank borrowings.

Cash and cash equivalents at the end of the period i.e. 30 November 2015 was $3.76 million which was a decrease of $3.32 million from the $7.08 million at the beginning of the period i.e. 31 August 2015.

## FINANCIAL POSITION AS AT 30 November 2015

Investment properties of the Group totaled $192.89 million. In addition, $27.58 million worth of properties owned by the Group was classified as Property, Plant and equipment because they were all self-occupied.

As at 30 November 2015, available-for-sale financial assets comprised of equities valued at $50.65 million and financial assets at fair value, through profit or loss comprised of fixed income securities and equities valued at $19.35 million and $18.75 million respectively. There was a decline of $2.66 million in the market value of available-for-sale financial assets at end November 2015 as compared to end August 2015 and this loss was taken directly to equity. For financial assets at fair value, through profit or loss, there was an unrealised gain of $0.75 million during FP 2016 which was taken to the income statement.

Inventories at end November 2015 totaled $18.01 million of which $11.01 million was gold stock.

## WORKING CAPITAL

The working capital was negative, similar to the position as at 31 August 2015. 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 $12.85 million as at 30 November 2015 as compared to $15.40 million as at 31 August 2015.

## BANK BORROWINGS

There was an increase of $0.26 million in long-term bank borrowings from $5.31million at end 31 August 2015 to $5.57 million at end November 2015. Total borrowings of the Group were $75.98 million at end November 2015 while the borrowings totaled $88.57 million at end August 2015. The gearing ratio of the Group improved from 0.32 at 31 August 2015 to 0.28 at 30 November 2015.

## SHARE CAPITAL

There was no movement in share capital since the end of August 2015. The share capital stood at $120.14 million and there were 677.21 million shares in float as at 30 November 2015. Total shareholders' equity amounted to $253.68 million and NTA per share was 37.46 cents as at 30 November 2015.

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

The first 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**

Singapore's economic growth for 2016 is expected to be lower than 2015.

The ongoing restructuring and tight labor constraints continue to have a negative impact on retail industry.

The introduction of GST and the weakening Ringgit on top of the political crisis in Malaysia have led to a drastic drop in consumer spending badly hitting the retail industry. Our apparel business in Malaysia has deteriorated further and we expect continued losses during the year. In order to mitigate these losses, we will be closing at least 10 stores in this financial year.

The apparel business in Singapore is expected to remain profitable.

The gold business is expected to continue being profitable.

Increasing stock of retail space and falling occupancy is causing rentals to trend downwards. This coupled with loss of rental income from properties sold will lead to lower rental income for the group.

Interest rates have increased and are expected to move upwards.

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 30 November 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 three months period ended 30 November 2015 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

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|---|---|
| Mohamed Salleh<br>s/o Kadir Mohideen Saibu Maricar<br>CEO | Mohamed Hasan Marican<br>s/o Kadir Mohideen Saibu Maricar<br>Deputy CEO |

31 December 2015