SECOND CHANCE PROPERTIES LTD

UNAUDITED THIRD QUARTER FINANCIAL RESULTS FOR THE PERIOD ENDED 31-05-2019

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 9 months ended			Group For the 3 months ended		
	31-05-2019	31-05-2018	Change	31-05-2019	31-05-2018	Change
	$ '000	$ '000	%	$ '000	$ '000	%
Revenue	**23,440**	**22,635**	**3.56**	**9,960**	**9,710**	**2.57**
Cost of sales	**(11,590)**	**(11,287)**	**2.68**	**(5,007)**	**(4,922)**	**1.73**
Gross profit	**11,850**	**11,348**	**4.42**	**4,953**	**4,788**	**3.45**
Other income	455	1,717	(73.50)	122	139	(12.23)
Expenses						
Distribution expenses	(633)	(565)	12.04	(397)	(298)	33.22
Property operating expenses	(680)	(740)	(8.11)	(228)	(228)	nm
Gold operating expenses	(126)	(127)	(0.79)	(34)	(35)	(2.86)
Apparels operating expenses	(508)	(689)	(26.27)	(174)	(195)	(10.77)
Administrative expenses	(2,361)	(2,545)	(7.23)	(775)	(866)	(10.51)
Other operating expenses	-	(29)	nm	-	-	nm
	(4,308)	(4,695)	(8.24)	(1,608)	(1,622)	(0.86)
Profit from operations	**7,997**	**8,370**	**(4.46)**	**3,467**	**3,305**	**4.90**
Loss on fair valuation of investment property	(265)	-	nm	(265)	-	nm
Loss on fair valuation of financial assets, at fair value through profit or loss	(2,255)	(1,163)	93.90	(342)	(812)	(57.88)
Finance costs	(584)	(489)	19.43	(209)	(212)	(1.42)
Profit before income tax	**4,893**	**6,718**	**(27.17)**	**2,651**	**2,281**	**16.22**
Income tax expense	(509)	(452)	12.61	(314)	(204)	53.92
Net profit	**4,384**	**6,266**	**(30.04)**	**2,337**	**2,077**	**12.52**

Net profit	**4,384**	**6,266**	**(30.04)**	**2,337**	**2,077**	**12.52**
Other Comprehensive Income						
Items that will not be reclassified subsequently to profit or loss:						
Financial assets, at FVOCI -Fair value (loss)/gains – Equity investments	(1,213)	(5,372)	(77.42)	1,982	(2,486)	nm
Currency translation differences arising from consolidation - (loss)/gains	(301)	1,165	nm	(187)	(78)	139.74
Other comprehensive (loss)/income, net of tax	(1,514)	(4,207)	(64.01)	1,795	(2,564)	nm
Total comprehensive income/(loss)	**2,870**	**2,059**	**39.39**	**4,132**	**(487)**	**nm**

Notes	**Group For the 9 months ended**		**Group For the 3 months ended**	
	31-05-2019	31-05-2018	31-05-2019	31-05-2018
	$ '000	$ '000	$ '000	$ '000
Net profit is arrived at after crediting / (charging):				
Dividend/coupon income	3,139	3,215	1,184	1,374
Profit on disposal of financial assets, at FVOCI	-	7	-	7
Profit on disposal of financial assets, at fair value through profit or loss	13	11	(2)	42
Profit on disposal of investment property	-	753	-	-
Profit on disposal of property, plant & equipment	-	12	-	-
Expenses include:				
Depreciation of property, plant and equipment	114	154	37	49
Allowance for doubtful trade receivables	6	-	-	-
Total directors' remuneration	1,035	1,026	407	395
Directors' CPF	18	18	3	4
Directors' fees	83	91	29	27
Property, plant & equipment written off	-	79	-	-
Foreign exchange loss/(gain)	134	(669)	86	40
Finance costs				
Interest expenses:-				
Short-term loans	584	441	209	193
Long-term loans	-	48	-	19
	584	**489**	**209**	**212**

nm – not meaningful

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	
	31-05-2019	31-08-2018	31-05-2019	31-08-2018
	$ '000	$ '000	$ '000	$ '000
ASSETS				
Current assets				
Cash and cash equivalents	10,998	10,804	692	435
Trade and other receivables	385	418	8,252	9,550
Inventories	16,438	14,051	1,006	796
Other current assets	1,484	327	249	138
Property held-for-sale	9,250	-	-	-
Income tax recoverable	75	62	-	-
Financial assets, at fair value through profit or loss	26,701	31,201	-	-
Total current assets	65,331	56,863	10,199	10,919
Non-current assets				
Amounts due from subsidiaries	-	-	177,154	181,352
Investments in subsidiaries	-	-	17,231	17,231
Financial assets, at fair value through other comprehensive income	54,868	56,294	42,757	43,959
Property, plant and equipment	21,342	21,749	31	43
Investment properties	160,955	170,470	13,500	13,500
Total non-current assets	237,165	248,513	250,673	256,085
Total assets	**302,496**	**305,376**	**260,872**	**267,004**
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	35,100	39,100	35,100	39,100
Trade payables	2,045	2,243	175	225
Other payables	1,628	796	562	643
Current income tax liabilities	499	683	53	144
Total current liabilities	39,272	42,822	35,890	40,112
Non-current liabilities				
Deferred income tax liabilities	361	294	7	7
Total non-current liabilities	361	294	7	7
Total liabilities	**39,633**	**43,116**	**35,897**	**40,119**
Net assets	**262,863**	**262,260**	**224,975**	**226,885**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	138,248	138,248	138,248	138,247
Reserves	124,615	124,012	86,727	88,638
Total equity	**262,863**	**262,260**	**224,975**	**226,885**

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

Amount repayable in one year or less, or on demand

As at 31-05-2019		As at 31-08-2018	
Secured	***Unsecured***	***Secured***	***Unsecured***
$35,100,000	$16,236	$39,100,000	$12,121

Amount repayable after one year

As at 31-05-2019		As at 31-08-2018	
Secured	***Unsecured***	***Secured***	***Unsecured***
-	-	-	-

Details of Collateral

The Group's bank borrowings are secured by the mortgage of 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 9 months ended		Group For the 3 months ended	
	31-05-2019 $ '000	31-05-2018 $ '000	31-05-2019 $ '000	31-05-2018 $ '000
Cash flows from operating activities				
Net profit	4,384	6,266	2,337	2,077
Adjustments for:				
-Income tax expense	509	452	314	204
-Allowance for doubtful trade receivables	6	-	-	-
-Depreciation of property, plant and equipment	114	154	37	49
-Fair value loss on investment properties	265	-	265	-
-Interest income from bank deposits	(287)	(196)	(171)	(106)
-Finance expense	584	489	209	212
-Gain on disposal of available for sale financial assets	-	(7)	-	(7)
-Profit on sale of property, plant and equipment	-	(12)	-	-
-Property, plant & equipment written off	-	79	-	-
-Profit on disposal of investment property	-	(753)	-	-
-Unrealised currency translation differences	(12)	(311)	(7)	20
	5,563	**6,161**	**2,984**	**2,449**
Changes in working capital:				
-Financial assets, at fair value through profit or loss	4,499	(132)	2,006	3,322
-Inventories	(2,388)	16	(2,320)	(1,280)
-Trade and other receivables	(1,132)	164	(816)	327
-Trade and other payables	637	(3,213)	1,261	41
Net cash generated from operations	**7,179**	**2,996**	**3,115**	**4,859**
Income taxes paid	(635)	(919)	(233)	(358)
Interest received	287	196	171	106
Interest paid	(584)	(549)	(209)	(212)
Net cash provided by operating activities	**6,247**	**1,724**	**2,844**	**4,395**

	Group For the 9 months ended		Group For the 3 months ended	
	31-05-2019	**31-05-2018**	**31-05-2019**	**31-05-2018**
Cash flows from investing activities				
-Proceeds on disposal of financial assets, at FVOCI	213	608	128	504
-Proceeds from disposal of investment properties held-for-sale	-	12,302	-	(8)
-Proceeds from disposal of property, plant and equipment	-	14	-	-
-Purchase of financial assets, at FVOCI	-	(7,372)	-	(356)
-Additions to investment properties	-	(11)	-	(11)
-Additions to property, plant and equipment	(1)	(9)	(1)	(4)
Net cash provided by investing activities	**212**	**5,532**	**127**	**125**
Cash flows from financing activities				
-Proceeds from issue of shares	-	1,141	-	-
-Dividend paid	(2,265)	(2,265)	-	-
-Proceeds from short-term bank borrowings	161,840	112,063	64,487	40,131
-Repayment of bank borrowings	(165,840)	(114,581)	(66,992)	(44,159)
Net cash used in financing activities	**(6,265)**	**(3,642)**	**(2,505)**	**(4,028)**
Net decrease in cash and cash equivalents	194	3,614	466	492
Cash and cash equivalents at beginning of financial period	10,804	6,517	10,532	9,639
Cash and cash equivalents at end of financial period	**10,998**	**10,131**	**10,998**	**10,131**
Cash and cash equivalents consist of:				
Cash at bank	10,998	10,131	10,998	10,131
	10,998	**10,131**	**10,998**	**10,131**

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 31 May 2018	**138,248**	**7,849**	**3,417**	**(5,507)**	**116,283**	**260,290**
Total comprehensive income/(loss) for the period	-	115	408	(196)	1,643	**1,970**
Balance as at 31 August 2018	**138,248**	**7,964**	**3,825**	**(5,703)**	**117,926**	**262,260**
Total comprehensive (loss)/income for the period	-	-	(4,414)	(388)	218	**(4,584)**
Balance as at 30 November 2018	**138,248**	**7,964**	**(589)**	**(6,091)**	**118,144**	**257,676**
Dividends paid	-	-	-	-	(2,265)	**(2,265)**
Total comprehensive (loss)/income for the period	-	-	1,217	274	1,829	**3,320**
Balance as at 28 February 2019	**138,248**	**7,964**	**628**	**(5,817)**	**117,708**	**258,731**
Total comprehensive income/(loss) for the period	-	-	1,982	(187)	2,337	**4,132**
Balance as at 31 May 2019	**138,248**	**7,964**	**2,610**	**(6,004)**	**120,045**	**262,863**

	Share Capital	Assets Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Balance as at 31 May 2017	**136,725**	**9,439**	**9,395**	**(6,278)**	**111,448**	**260,729**
Issue of share capital	382	-	-	-	-	**382**
Total comprehensive (loss)/income for the period	-	(1,590)	(606)	(394)	834	**(1,756)**
Balance as at 31 August 2017	**137,107**	**7,849**	**8,789**	**(6,672)**	**112,282**	**259,355**
Issue of share capital	1,119	-	-	-	-	**1,119**
Total comprehensive income for the period	-	-	285	724	2,231	**3,240**
Balance as at 30 November 2017	**138,226**	**7,849**	**9,074**	**(5,948)**	**114,513**	**263,714**
Issue of share capital	22	-	-	-	-	**22**
Dividends paid	-	-	-	-	(2,265)	**(2,265)**
Total comprehensive (loss)/income for the period	-	-	(3,171)	519	1,958	**(694)**
Balance as at 28 February 2018	**138,248**	**7,849**	**5,903**	**(5,429)**	**114,206**	**260,777**
Total comprehensive (loss)/income for the period	-	-	(2,486)	(78)	2,077	**(487)**
Balance as at 31 May 2018	**138,248**	**7,849**	**3,417**	**(5,507)**	**116,283**	**260,290**

Company

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000
Balance as at 31 May 2018	**138,248**	**4,668**	**82,315**	**225,231**
Total comprehensive income for the period	-	620	1,035	**1,655**
Balance as at 31 August 2018	**138,248**	**5,288**	**83,350**	**226,886**
Total comprehensive (loss)/income for the period	-	(3,775)	585	**(3,190)**
Balance as at 30 November 2018	**138,248**	**1,513**	**83,935**	**223,696**
Dividends paid	-	-	(2,265)	**(2,265)**
Total comprehensive income for the period	-	1,347	40	**1,387**
Balance as at 28 February 2019	**138,248**	**2,860**	**81,710**	**222,818**
Total comprehensive income for the period	-	1,438	719	**2,157**
Balance as at 31 May 2019	**138,248**	**4,298**	**82,429**	**224,975**

	Share Capital	Fair Value Reserve	Retained Earnings	Total
	$ '000	$ '000	$ '000	$ '000
Balance as at 31 May 2017	**136,725**	**9,408**	**84,827**	**230,960**
Issue of share capital	382	-	-	**382**
Total comprehensive loss for the period	-	(594)	(1,254)	**(1,848)**
Balance as at 31 August 2017	**137,107**	**8,814**	**83,573**	**229,494**
Issue of share capital	1,119	-	-	**1,119**
Total comprehensive (loss)/income for the period	-	(101)	252	**151**
Balance as at 30 November 2017	**138,226**	**8,713**	**83,825**	**230,764**
Issue of share capital	22	-	-	**22**
Dividends paid	-	-	(2,265)	**(2,265)**
Total comprehensive (loss)/income for the period	-	(1,992)	313	**(1,679)**
Balance as at 28 February 2018	**138,248**	**6,721**	**81,873**	**226,842**
Total comprehensive (loss)/income for the period	-	(2,053)	442	**(1,611)**
Balance as at 31 May 2018	**138,248**	**4,668**	**82,315**	**225,231**

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

There was no movement in the share capital for the period ended 31 May 2019.

The company had issued new warrants having an exercise price of $0.25 on 23 January 2017. These new warrants will expire on 23 January 2020. The number of shares that may be issued on conversion of the convertibles is as follows:

	31-05-2019	**31-05-2018**
Warrants – New	747,709,180	747,709,180

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 31-05-2019	As at 31-08-2018
Total number of issued shares	755,032,224	755,032,224
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	755,032,224	755,032,224

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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

The Group has adopted all applicable Singapore Financial Reporting Standards International ("SFRS(I)") that become effective for the financial periods beginning on or after 1 September 2018. The adoption of these standards did not result in substantial changes to the Group's accounting policies and methods of computation, and there is no material impact to the financial statements of the Group for the current financial period reported on.

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 9 months ended		Group For the 3 months ended	
	31-05-2019	31-05-2018	31-05-2019	31-05-2018
Earnings per share	0.58 cents	0.83 cents	0.31 cents	0.28 cents
Earnings per share on fully diluted basis	0.58 cents	0.83 cents	0.31 cents	0.28 cents

The calculation of earnings per share for the period ended 31 May 2019 and 31 May 2018 are based on the weighted average number of shares in issue of 755,032,224 and 754,429,543 respectively.

There was no dilution in earnings per share for the period ended 31 May 2019 as the average market price of the Company's shares for the year was less than the exercise price of the new warrants of $0.25.

For the prior period ended 31 May 2018, there was an insignificant impact on the dilution of shares as the average market price of the shares was almost equal to the exercise price of the new warrants of $0.25.

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 31-05-2019	Group 31-08-2018	Company 31-05-2019	Company 31-08-2018
Net asset value per share	34.81 cents	34.73 cents	29.80 cents	30.05 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 2019 refers to the financial period of nine months ended 31 May 2019. FP 2018 refers to the nine months period ended 31 May 2018.

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 $1.89 million from $6.27 million in FP 2018 to $4.38 million in FP 2019.

Revenue increased by $0.80 million to $23.44 million in FP 2019 from $22.64 million in FP 2018.

Adjusted EBITDA increased marginally by $0.07 million from $5.92 million in FP 2018 to $5.99 million in FP 2019.

REVENUE

Revenue increased by $0.80 million to $23.44 million in FP 2019 from $22.64 million in FP 2018.

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

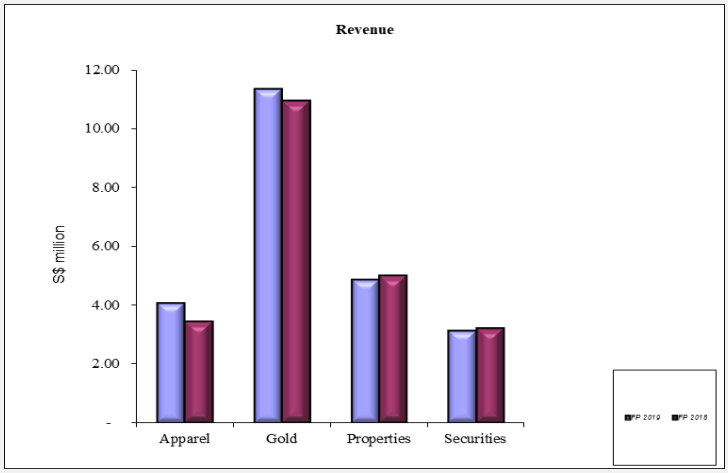
Revenue	FP 2019	FP 2018	Variance	
	$ million	$ million	$ million	%
Apparel	4.08	3.45	0.63	18.26
Gold	11.34	10.95	0.39	3.56
Properties	4.88	5.02	(0.14)	(2.79)
Securities	3.14	3.22	(0.08)	(2.48)

The revenue from apparel business has increased by $0.63 million from $3.45 million in FP 2018 to $4.08 million in FP 2019. Of the $4.08 million in FP 2019, Malaysian apparel business contributed $2.53 million as compared to $2.28 million in FP 2018. The revenue increased mainly as the peak period of the Hari Raya festive season fell in the third quarter of the current period while in the prior period i.e. FP 2018, the peak period of the festive season was in the fourth quarter when the revenue was higher.

The above-mentioned reason regarding the peak period of Hari Raya festive season has also resulted in revenue from gold business to increase by $0.39 million from $10.95 million in FP 2018 to $11.34 million in FP 2019.

Rental revenue from properties decreased by $0.14 million from $5.02 million in FP 2018 to $4.88 million in FP 2019 primarily due to lower rentals received on some lease renewals.

The securities segment witnessed a marginal decline of $0.08 million in revenue from $3.22 million in FP 2018 to $3.14 million in FP 2019 mainly on account of loss of coupon income upon redemption of a few bonds.



Other income consists mainly of unrealised foreign exchange gain/(loss), interest on fixed deposits and profit from sale of investment properties. For FP 2018, there was unrealized foreign exchange gain of $0.67 million as compared to unrealized foreign exchange loss of $0.13 million for the current period ended 31 May 2019. Moreover, profit of $0.75 million on sale of two investment properties in the prior period resulted in higher other income in FP 2018 as compared to the current period.

PROFIT

The Group net profit decreased by $1.89 million from $6.27 million in FP 2018 to $4.38 million in FP 2019.

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

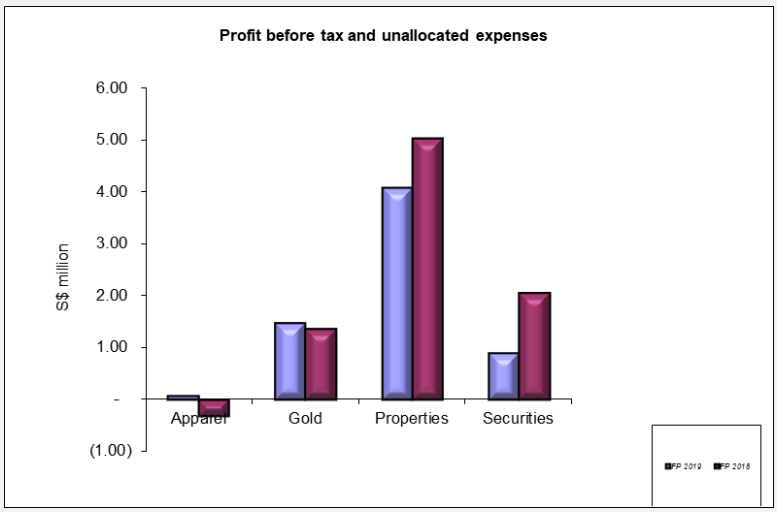
	FP 2019	FP 2018	Variance	
	$ million	$ million	$ million	%
Apparel	0.08	(0.31)	0.39	nm
Gold	1.47	1.36	0.11	8.09
Properties	4.08	5.03	(0.95)	(18.89)
Securities	0.90	2.05	(1.15)	(56.10)

The apparel business witnessed a profit of $0.08 million in FP2019 as compared to a loss of $0.31 million in FP 2018. The closure of all retail apparel outlets except the flagship First Lady store in Malaysia helped in lowering losses from the apparel business segment in Malaysia as fixed costs were eliminated. Additionally, improved sales in FP 2019 in both Singapore and Malaysia due to Hari Raya festive season also contributed to the profit from this business segment.

The gold business contributed $1.47 million in FP 2019 which was $0.11 million higher than the $1.36 million in FP 2018. Increased revenue in the current period resulted in increased profits.

Properties segment witnessed $4.08 million profit in FP 2019 which is $0.95 million lower than the $5.03 million profit in the prior period. This is largely due to lower rental income in FP 2019 as compared to the previous financial period as well as unrealized loss of $0.27 million recorded on fair valuation of property held-for-sale in the current period. Further, profit on sale of two investment properties recorded in the prior financial period contributed to higher profits then.

The securities segment witnessed lower profit of $0.90 million in FP 2019 as compared to a profit of $2.05 million in FP 2018. This is primarily due to decreased coupon income as a result of bond redemptions in the current period as well as unrealized loss of $2.26 million recorded on financial assets, at fair value through profit or loss in FP 2019 as compared to lower unrealized loss of $ 1.16 million recorded on those assets in FP 2018.



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The income tax expense increased by $0.06 million from $0.45 million in FP 2018 to $0.51 million in FP 2019 mainly because of lower tax exemptions available in FP 2019 as compared to FP 2018.

Interest expenses increased from $0.49 million in FP 2018 to $0.58 million in FP 2019 because of higher interest rates during the current period as compared to the prior period.

Adjusted EBITDA

Adjusted EBITDA increased marginally by $0.07 million from $5.92 million in FP 2018 to $5.99 million in FP 2019.

The details of Adjusted EBITDA calculation is as below:

Adjusted EBITDA*	**FP 2019**	**FP 2018**
	$ '000	$ '000
Net Profit	4,384	6,266
Add/(Less):		
Interest expenses	584	489
Taxes	509	452
Depreciation	114	154
Profit on disposal of financial assets, at FVOCI	-	(7)
Profit on disposal of property, plant & equipment		(12)
Divestment gains on property held- for-sale	-	(753)
Fair valuation deficit of property held-for-sale	265	-
Exchange differences	134	(669)
	5,990	**5,920**

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

CASH FLOW

The net cash generated from operating activities was $6.25 million in FP 2019.

Capital distribution from financial assets, at fair value through other comprehensive income generated $0.21 million and the Group had drawn down an amount of $161.84 million from banks while an amount of $165.84 million was utilized to repay bank borrowings. The above funds were also deployed to distribute dividends totalling $2.26 million.

Cash and cash equivalents at the end of the period i.e. 31 May 2019 was $11.00 million which was an increase of $0.20 million from the $10.80 million at the beginning of the period i.e. 31 August 2018.

FINANCIAL POSITION AS AT 31 May 2019

Investment properties of the Group totaled $160.96 million.

As at 31 May 2019, financial assets, at fair value through other comprehensive income comprised of equities valued at $54.87 million and financial assets at fair value, through profit or loss comprised of fixed income securities and equities valued at $5.94 million and $20.76 million respectively. There was a decrease of $1.21 million in the market value of financial assets, at fair value through other comprehensive income as at 31 May 2019 as compared to 31 August 2018 and this unrealised loss was taken directly to equity. For financial assets, at fair value through profit or loss, there was an unrealised loss of $2.26 million during FP 2019 which was taken to the income statement.

Inventories as at 31 May 2019 totaled $16.44 million of which $13.91 million represents gold stock.

WORKING CAPITAL

The Group had a positive working capital of $26.06 million as at 31 May 2019 which was higher than the working capital as at 31 August 2018 where it stood at $14.04 million.

BANK BORROWINGS

The short term borrowings of the Group totaled $35.10 million as at 31 May 2019 while the borrowings totaled $39.10 million as at 31 August 2018. The gearing ratio of the Group improved marginally from 0.11 as at 31 August 2018 to 0.09 as at 31 May 2019.

SHARE CAPITAL

There was no movement in the share capital during the current period and it stood at $138.25 million as at 31 May 2019. There were 755.03 million shares in float as at 31 May 2019. Total shareholders' equity amounted to $262.86 million and NTA per share was 34.81 cents as at 31 May 2019.

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

The third 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

Amidst growing uncertainties over US-China relations, the pace of economic growth in Singapore is expected to further weaken in 2019.

The apparel business is expected to be profitable this year in Malaysia as only our flagship First Lady store will be operational there. First Lady Singapore is facing great challenges mainly from stiff competition and changes have been implemented to mitigate these challenges.

We remain confident of our gold business and it will continue to be profitable.

The rental income will be adversely affected due to loss of rental income from properties sold. Further, the weakening rental market will pose challenges in lease renewals.

Market forces will 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)***

Yes

(i) Name of Dividend: Interim*
(ii) Dividend type: Cash
(iii) Dividend Amount per share (in cent): 0.4 cent per ordinary share*
(iv) Tax Rate: Tax exempt

*The Company will declare an interim dividend of 0.4 cent per ordinary share.
No further dividend will be declared for the current FY 2019.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No

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

One-tier tax exempt

(d) The date the dividend is payable

15 July 2019

(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

5 July 2019

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

Not applicable

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 nine months period ended 31 May 2019 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the 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

27 June 2019