2017 ANNUAL REPORT

SECOND CHANCE PROPERTIES LTD

EXERCISING
PRUDENCE.

SAFEGUARDING
ASSETS.


First Lady

COMPANY PROFILE

SECOND CHANCE PROPERTIES LTD
was listed on SESDAQ on 24th January 1997. On 2nd March 2004, it was transferred to the Mainboard of Singapore Stock Exchange. Second Chance Properties Ltd is involved in 4 core businesses:

Property Investment | Retailing of Apparel | Retailing of Gold Jewellery | Investing and Trading in Financial Instruments

CONTENTS

FOUNDER AND CEO STATEMENT

Dear Shareholders,

OVERVIEW

I am pleased to present our FY2017 Annual Report for the financial year ended 31 August 2017.

The past year has seen a continuation of the negative trends that have been affecting our core businesses. Our apparels unit continues to face headwinds, from the rising competition of the e-commerce space, rising costs, and lower sales against the backdrop of a weak economy. Rental income from our properties declined due to lower rent on lease renewals and disposal of some units, while our gold jewellery business maintained its stable performance.

Over the past 2 years, the Group has deployed strategies to weather the downturn. These include streamlining our retail operations by closing less profitable outlets and lowering our debt through strategic sales of properties and securities.

Despite the weakening forces in the retail and property businesses, we have held our ground well for FY2017. EBITDA increased to $11.92 million from $9.85 million and net profit after tax increased by 36% to $9.48 million compared to the previous year. This increase is largely attributable to the performance of our financial instruments, mainly from realised and unrealised gains booked in this business segment compared to unrealised losses in FY2016.

Our balance sheet as at year end 31 August 2017, remains solid with a low gearing of 0.15 and property valuations (including self-occupied properties) at $201.78 million. Our NTA stands at a respectable $259.36 million. The Group is confident of the key strategies in place and will continue to exercise prudence during this challenging period while positioning itself to seize opportunities as they arise.

DIVIDEND POLICY & DIVIDENDS

As the Group continues to consolidate, we will continue to adopt the prudent approach with our dividend policy, adhering to the limit of 30% set in FY2016.

The Board of Directors is recommending a dividend of 0.3 cent per ordinary share (one-tier tax exempt) for the financial year ended 31 August 2017 for shareholders' approval at the upcoming Annual General Meeting on 27 December 2017. The dividend amount to be distributed, based on the share capital at the end of the financial year is $2.25 million, which is 25.23% of our net profit after tax. The actual amount could be higher depending on the quantity of warrants exercised before the book closure date.

CORPORATE GOVERNANCE

Our commitment to maintain high standards of corporate governance forms an integral part of the Group's culture and business practices. We have highlighted some of our activities relating to corporate responsibility on page 19 and outlined key corporate governance policies on page 30 - 48 of this Annual Report.

CSR-CORPORATE SOCIAL RESPONSIBILITY

For our CSR programme this year apart from sponsoring and donating to various social and community events, we have set up our first Bursary Fund to assist and support deserving students pursuing their undergraduate studies. Please refer to pages 20 & 21 of this Annual Report to view some of the highlights of our CSR programs done in the past year.

INVESTOR RELATIONS

The Company engages its shareholders from time to time with information of our performance and future plans. Shareholders interested to be on our mailing list can email us at contact@secondchance.com.sg

ACKNOWLEDGMENT

I would like to thank my fellow Directors for their counsel and commitment during the year and all key personnel and staff members for their dedication to the group.

On behalf of our Board of Directors, I would like to sincerely thank our shareholders, customers, tenants, business associates and employees for their continued confidence and support.

Mohamed Salleh Marican
Founder & CEO
30 November 2017

BOARD OF DIRECTORS

MOHAMED SALLEH MARICAN, 68
FOUNDER & CEO

Attended Victoria School Singapore 1962-1967

1968 - 1971: Served 3 years National Service and left with rank of Lieutenant.

Sole Proprietor from 15 June 1974 to 04 August 1986

Date of first appointment as a Director:
05 August 1986

Date of last re-election as a Director:
30 December 2015

Length of service as a Director (as at 31 August 2017):
31 years and 27 days

Board Committee(s) served on:
Nominating Committee (Member)
(Stepped down on 12 November 2014)

Present Directorships (as at 31 August 2017):
Listed Companies
Nil

Other Principal Directorships:
Temasek Foundation Cares CLG Limited
19 Wholly Owned Subsidiaries of the Group

Major Appointments (Other than Directorship):
Nil

Past Directorships held over the preceding 5 years:
(01 September 2012 to 31 August 2017)
Nil

Others
1988 - Inaugural Malay Businessman of the Year Award, jointly organised by the Singapore Malay Chamber of Commerce and Berita Harian
1996 - Entrepreneurship Excellence Award Conferred by Lianhe Zaobao and the Entrepreneurship Development Centre of the Nanyang Technological University
2011 - Berita Harian Achiever of the Year 2011 Award
2012 - Ernst & Young Entrepreneur of the Year
2013 - Best CEO Singapore Corporate Award
2014 - Life Member of Fellow Singapore Institute of Directors since 27 August 2014

HASAN MARICAN, 63
DEPUTY CEO

Attended Victoria School 1967-1970
GCE 'O' Level

Date of first appointment as a Director:
02 March 1987

Date of last re-election as a Director:
30 December 2015

Length of service as a Director (as at 31 August 2017):
30 years 6 months

Board Committee(s) served on:
Nil

Present Directorships (as at 31 August 2017):
Listed Companies: Nil

Other Principal Directorships:
19 Wholly Owned Subsidiaries of the Group

Major Appointments (Other than Directorship):
Nil

Past Directorships held over the preceding 5 years
(from 01 September 2012 to 31 August 2017):
Nil

DEV PISHARODY, 60
EXECUTIVE DIRECTOR

Attended St. Patricks Secondary School 1970-1972
Bartley Secondary School 1973-1974
GCE 'O' Level

April 1975 - October 1978: Served 3 1/2 years
National Service
Last rank attained - Sergeant

Date of first appointment as a Director:
02 March 1987
Date of last re-election as a Director:
30 December 2014

Length of service as a Director (as at 31 August 2017):
30 years 6 months

Board Committee(s) served on:
Nil

Present Directorships (as at 31 August 2017):
Listed Companies:
Nil

Other Principal Directorships:
Second Chance Investments Pte Ltd
First Lady Apparels (Malaysia) Sdn Bhd

Major Appointments (Other than Directorship):
City Plaza Management Corporation Strata Title No.669 - Secretary
Sim Lim Management Corporation Strata Title No.1440 - Member

Past Directorships held over the preceding 5 years (from 01 September 2011 to 31 August 2016):
Nil

DR AHMAD MAGAD JP, 64
LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Education & Qualifications:
Doctor of Business Administration (Henley Business School-UK)
Master of Business Administration (Henley Business School-UK)
Advanced Post Graduate Diploma in Management Consultancy (UK)
Ingenieur Grad (Germany)
Fellow Member of CPA Australia
Fellow Member of Chartered Institute of Marketing, UK
Fellow Member Singapore Institute of Directors

Date of first appointment as an Independent Non-Executive Director: 20 December 1996
Date of last re-election as an Independent Non-Executive Director:
30 December 2015

Length of service as Independent Non-Executive Director:
16 years 11 months 11 days (from 20 December 1996 to 30 November 2013)
Reappointed on 30 December 2015

Board Committee(s) served on:
Nominating Committee (Chairman)
Audit Committee (Member)
Remuneration Committee (Member)

Listed Companies:
II-VI Singapore Pte Ltd (Group Managing Director)
II-VI Optics Suzhou Co. Ltd (Chairman)
II-VI Vietnam Pte Ltd (Director)
All the above for II-VI Incorporated - NASDAQ USA

Other Principal Directorships:
Mendaki SENSE Pte Ltd (Chairman and Director)
Singapore Productivity Association
Singapore Productivity Centre

Major Appointments (Other than Directorship):
Singapore Productivity Association (President)
Singapore Manufacturing Federation (Vice President)
Management Development Institute of Singapore (Chairman, Senate; Chairman, Academic Advisory Committee)

Past Directorships held over the preceding 5 years:
(from 1 September 2012 to 31 August 2017)
Workforce Development Agency (Board Member)
National Productivity Council (Council Member)

Others:
Former Member of Parliament for Pasir Ris-Punggol GRC - (1997 to 2011)
Former Chairman of Pasir Ris-Punggol Town Council - (2006 to 2011)
Former Chairman, Estimates Committee of Singapore Parliament
Former Chairman, Government Parliamentary Committee for Finance and Trade & Industry
Former Chairman, Government Parliamentary Committee for Manpower
Former Chairman, Regional Parliamentary Group-Middle East
Former Dy Chairman, Institute of Technical Education
Former Dy Chairman, Malay Heritage Centre
Former Board Member, SPRING Singapore
Former Board Member, Accounting and Corporate Regulatory Authority
Former Board Member, Public Utilities Board
Former Board Member, Energy Market Authority
Former Board Member, Workforce Singapore

BOARD OF DIRECTORS

GEETHA PADMANABHAN, 44
INDEPENDENT NON-EXECUTIVE DIRECTOR

Education & Qualifications:
Bachelor of Science from Bangalore University, India
Chartered Accountant from Institute of Chartered Accountants of India

Mrs. Geetha has been with the Group since April 2003. She worked with the Group as Finance Manager from April 2003 to 30 June 2006 and then from April 2007 to Jan 2012. Prior to joining the Group, she had 3 years of accounting and auditing experience with a firm of Chartered Accountants affiliated to Deloitte & Touche Tohmatsu. She also worked as a part-time lecturer in a private Business School and as a systems consultant for ERP software of Microsoft for a brief period of time.

Date of first appointment as a Non-Executive Director: 01 March 2012
Date of last re-election as a Non-Executive Director: 17 December 2012
Date of redesignation as an Independent Non-Executive Director: 30 November 2013

Length of service as Independent Non-Executive Director as at 31 August 2017:
3 years 9 months

Board Committee(s) served on:
Audit Committee (Chairman)
Nominating Committee (Member)
Remuneration Committee (Member)

Present Directorships (as at 31 August 2017):
Listed Companies:
Nil

Other Principal Directorships:
Nil

Major Appointments (Other than Directorship):
Nil

Past Directorships held over the preceding 5 years:
(from 01 September 2012 to 31 August 2017)
Nil

Others:
July 2013 to present: Managing Director in self-owned firm, SVP Consultants & Advisors
April 2003 - January 2012: Group Finance Manager at Second Chance Properties Ltd
Articleship Training for Chartered Accountancy course with C.C. Chokshi, Mumbai; a firm affiliated to Deloitte & Touche Tohmatsu.

TAN LYE HENG PAUL, 52
INDEPENDENT NON-EXECUTIVE DIRECTOR

Education & Qualifications:
Fellow of Institute of Singapore Chartered Accountants
Fellow of Association of Chartered Certified Accountants, UK
Master of Business Administration, University of Birmingham

Date of first appointment as an Independent Non-Executive Director: 29 November 2002

Date of last re-election as an Independent Non-Executive Director: 30 December 2015

Length of service as an Independent Non-Executive Director:
10 years 19 days (from 29 November 2002 to 17 December 2012) Reappointed on 30 December 2015

Board Committee(s) served on:
Remuneration Committee (Chairman)
Audit Committee (Member)
Nominating Committee (Member)

Present Directorships (as at 31 August 2017):
Listed Companies:
Sin Ghee Huat Corporation Ltd
Serial System Ltd
China Sunsine Chemical Holdings Ltd
(Reappointed on 12 June 2017)

Other Principal Directorships:
CA TRUST PAC (Director)

Major Appointments (Other than Directorship):
Master Facilitator, Taxation Module
Singapore Chartered Accountant Qualifying Programme

Past Directorships held over the preceding 5 years:
(from 01 September 2011 to 31 August 2016)
China Sunshine Chemical Holdings Ltd

Others:
Accredited Mediator of the Consumer Association of Singapore (CASE) Mediation Panel

EXERCISING **PRUDENCE**

SAFEGUARDING **ASSETS**

MANAGEMENT TEAM

REEMA AGARWAL (35) FINANCE ADVISOR

Ms. Reema is a qualified Chartered Accountant (CA) and has worked with Chaturvedi & Shah, a leading audit and tax firm based in India, as an Assistant Tax Manager. She has also worked with different private firms in Singapore as a Finance Manager, managing their accounts and financial matters. She was part of the Group from 2012 - 2014 as our Finance Manager. In early 2015, she left the Group to set-up her own Consultancy & Accountancy Firm, ARIKA CONSULTING. She re-joined the group in August 2015 as Finance Advisor and currently is responsible for the financial accounting, management reporting, statutory audit, tax related matters and secretarial work of the Group.

J RAJ MOHAMED (52) ACCOUNTS MANAGER

Mr.Raj Mohamed has been with the Group since 01 October 1995. Prior to joining the Group, he had 10 years of experience in accounts and auditing with an Audit Firm and Taj Group of Hotels (TATA Group). He is responsible for managing the Group's full sets of accounts in Microsoft Dynamic Navision (ERP), day to day accounting and finance operations, accounts receivable & payables for Singapore & Malaysia. He also oversees the Group's bank loans and also responsible to maintain the Group's Investment in Bonds and Equities portfolio as well as liaising with Bankers and Securities Remisiers.

He also assists in the general administration of the Group. He graduated with a Master Degree of Commerce (Accounting and Finance).

AMAL MARICAN (30) EXECUTIVE DIRECTOR - FIRST LADY APPARELS (MALAYSIA) SDN BHD

Mr. Amal Marican joined the Group on 15 September 2008. Prior to that, he has been continually exposed to the retail trade within the Group for 8 years. He is assisting the CEO in the general management and operations of First Lady Malaysia. His other responsibilities include Purchasing and Advertisements and Promotions.

SAFIE BIN HUSSAIN (58) FIELD MANAGER

Mr. Safie Hussain has been with the Group since 1980. He started out in the Group as a sales staff. Between 1984 and 1989, he was one of the franchisee of 2nd Chance Men's Store. He is now responsible for ensuring that the stores are run in accordance with the Group's operational procedures and computerisation system. His new responsibility is to oversee the First Lady stores in Johor Bahru, Malaysia.

AZLAN BIN MOHD SHAFIE (41) MANAGEMENT EXECUTIVE

Mr. Azlan Shafie joined the Group since 2000. He started out in the Group as Assistant Manager in Golden Chance. From September 2002 to July 2010, he joined First Lady Apparels (M) Sdn Bhd in Malaysia as the Executive Director. He assisted the CEO in the general management of the First Lady operations of the Group. His other responsibilities include Purchasing, Advertising and Promotions. Due to personal reasons, he left the company in August 2010 but re-joined the Group in October 2011. He is now a Management Executive in Singapore and his responsibilities include the general Purchasing, Advertising and Promotions for the Group and also assisting the CEO in the general management of the business.

FINANCIAL INDICATORS AND HIGHLIGHTS

in S$' 000

Revenue	EBITDA	NTA
S$ 34,812	S$ 11,915	S$ 259,355

Profit Before Tax	Profit After Tax
S$ 9,979	S$ 9,477

	2013 (S$' 000)	2014 (S$' 000)	2015 (S$' 000)	2016 (S$' 000)	2017 (S$' 000)
Revenue	53,917	48,459	45,788	39,122	34,812
Profit Before Tax	59,424	17,819	10,496	7,588	9,979
Profit After Tax	57,132	16,517	10,263	6,972	9,477
Dividend (Net)	3.4cps	3.5cps	3.55cps	0.2cps	0.3cps
Properties & Fixed Assets	212,904	228,174	222,211	208,220	192,638
Total Assets	320,599	361,685	348,843	320,232	312,804
Net Current Assets	5,747	(20,231)	(15,402)	(2,497)	15,271
Net Tangible Assets	260,842	263,249	254,297	256,254	259,355
Capital Employed	270,589	269,086	259,604	259,486	262,231
Share Capital	116,925	120,141	120,141	138,319	137,107
Current Ratio	1.12	0.78	0.83	0.96	1.30
Debt to Equity Ratio	0.23	0.37	0.37	0.25	0.21
Capital Gearing Ratio	0.17	0.34	0.32	0.21	0.15
Earnings Per Share (cents)	9.00	2.44	1.52	0.96	1.26
Price/Earning Ratio	4.89	18.65	17.11	27.08	20.63
NTA Per Share(cents)	39.10	38.87	37.55	33.92	34.56
Interest Coverage Ratio	141.74	28.74	5.05	8.75	15.03

PROFIT & LOSS ACCOUNT

	2017 (S$ ' 000)	2016 (S$ ' 000)	Variance (%)
Revenue	34,812	39,122	-11.02% 1
Adjusted EBITDA *	11,915	9,852	20.94% 2
Interest	711	979	-27.37% 3
Profit before tax	9,979	7,588	31.51% 4
Profit after tax	9,477	6,972	35.93% 4

BALANCE SHEET

Total assets	312,804	320,232	-2.32% 5
Investment properties	171,702	183,653	-6.51% 6
Cash and cash equivalents	6,517	5,512	18.23%
Short term borrowing	42,914	55,548	-22.74% 7
Long term borrowing	2,876	3,232	-11.01% 7
Shareholders' funds	259,355	256,254	1.21%

FINANCIAL RATIOS

Return on equity (%)	3.68	2.73	34.80%
Current ratio	1.30	0.96	35.42%
Gearing ratio	0.15	0.21	-28.57%
Interest coverage (times)	15.03	8.75	71.77%
Dividend payout ratio	23.81	20.83	14.31%

PER SHARE DATA

Earnings (cents)	1.26	0.96	31.25%
Net asset value (cents)	34.56	33.92	1.89%
Dividend (cents)	0.30	0.20	50.00%
Dividend yield (%)#	1.15	0.77	49.35%

1 Decreased revenue for all business segments except gold where it increased marginally

2 Mainly due to better peformance of securities segment

3 Repayment of loan mainly from proceeds realised on disposal of financial assets

4 Mainly on account of realised and unrealised gain on trading securities

5 Decreased mainly due to drop in fair value of investment as well as self occupied property

6 Due to transfer of one property to "Property held for sale" under Current assets

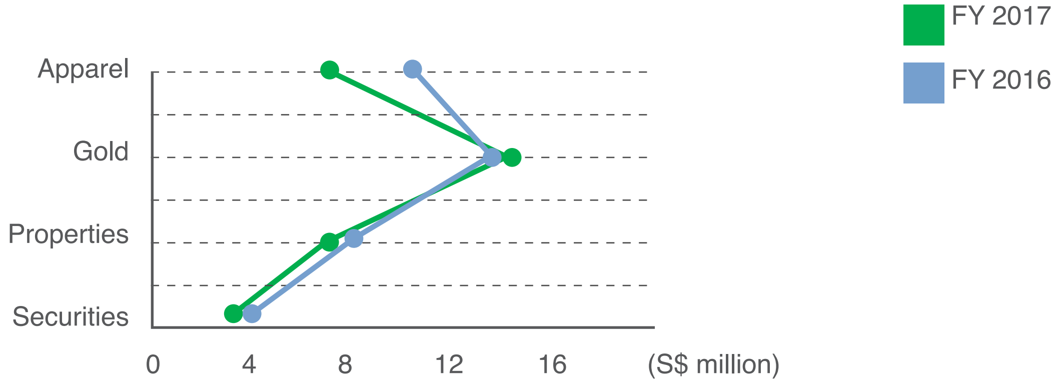
7 Part of short term and long term loan repaid during the year

* Adjusted earnings before Interest, tax, depreciation, exchange gains/ losses, revaluation gain/ldeficit, divestment profit/loss.

Based on the last traded price of 26 cents as at 31 August 2017 and 31 August 2016

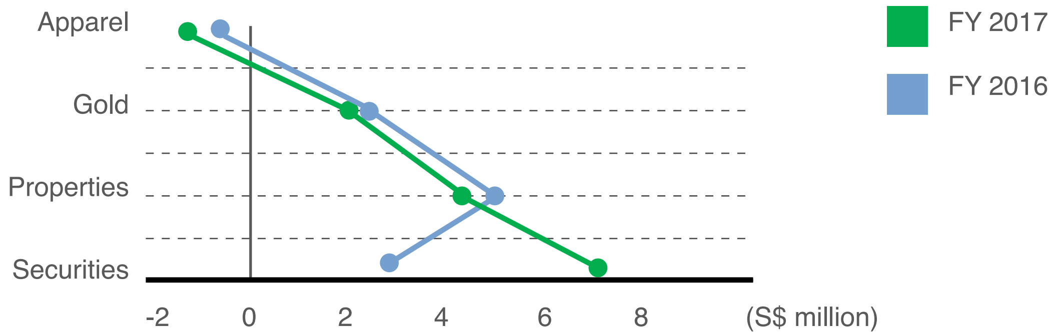
FINANCIALS AT A GLANCE

Revenue



Revenue	FY 2017 S$ million	FY 2016 S$ million	Variance S$ million	Variance %
Apparel	7.59	10.85	(3.26)	(30.05%)
Gold	15.74	15.72	0.02	0.13%
Properties	7.49	8.28	(0.79)	(9.54%)
Securities	3.99	4.27	(0.28)	(6.56%)

Profit before tax excluding unallocated expenses



	FY 2017 S$ million	FY 2016 S$ million	Variance S$ million	Variance %
Apparel	(1.86)	(0.76)	(1.10)	144.74%
Gold	2.02	2.12	(0.10)	(4.72%)
Properties	4.09	5.86	(1.77)	(30.20%)
Securities	7.89	2.85	5.04	176.84%

Overview

The group net profit increased by $2.51 million to $9.48 million in FY 2017 from $6.97 million in FY 2016.

Revenue has decreased by $4.31 million or 11.02% from $39.12 million in FY 2016 to $34.81 million in FY 2017.

Adjusted EBITDA increased by $2.07 million from $9.85 million in FY 2016 to $11.92 million in FY 2017.

Revenue

The Group revenue has decreased by $4.31 million or 11.02% from $39.12 million in FY 2016 to $34.81 million in FY 2017.

Different business segments contributed to the decrease as illustrated below:

Revenue	FY 2017	FY 2016	Variance	
	S$ million	S$ million	S$ million	%
Apparel	7.59	10.85	(3.26)	(30.05%)
Gold	15.74	15.72	0.02	0.13%
Properties	7.49	8.28	(0.79)	(9.54%)
Securities	3.99	4.27	(0.28)	(6.56%)

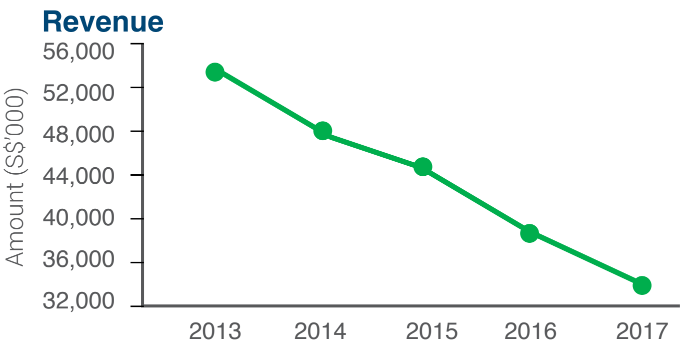
There was a decrease of $3.26 million in the revenue from apparel business mainly because of closure of thirteen shops in Malaysia since the end of FY 2016, the weakening Malaysian Ringgit and also intense competition there primarily due to increasing trend of online shopping. The revenue from apparel business was $10.85 million in FY 2016 as compared to $7.59 million in FY 2017. Of the $7.59 million, Malaysian apparel business contributed $5.49 million.

Revenue from gold business increased marginally by $0.02 million from $15.72 million in FY 2016 to $15.74 million in FY 2017 due to general market conditions.

Rental revenue from properties generated $7.49 million in FY 2017 as compared to $8.28 million in FY 2016. There was a loss of rental income on account of sale of three investment properties as well as lower rentals received on some lease renewals.

The securities business witnessed a decrease in revenue of $0.28 million from $4.27 million in FY 2016 to $3.99 million in FY 2017. This decrease was the result of drop in coupon payments and dividends on the fixed income and equity securities redeemed/sold since FY 2016.

The graph below re presents the total revenue from the group during the past five years:



Profit

The Group net profit increased by $2.51 million from $6.97 million in FY 2016 to $9.48 million in FY 2017.

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

	FY 2017	FY 2016	Variance	
	S$ million	S$ million	S$ million	%
Apparel	(1.86)	(0.76)	(1.10)	144.74%
Gold	2.02	2.12	(0.10)	(4.72%)
Properties	4.09	5.86	(1.77)	(30.20%)
Securities	7.89	2.85	5.04	176.84%

The loss from apparel business increased by $1.10 million from $0.76 million in FY 2016 to $1.86 million in FY 2017. The drop in revenue on account of closure of thirteen shops in Malaysia, 1 shop in Singapore since the end of FY 2016 and the unrealised foreign exchange loss because of the depreciating Malaysian Ringgit contributed to the decrease in profit from this segment.

The profit from gold business decreased by $0.10 million from $2.12 million in FY 2016 to $2.02 million in FY 2017 mainly because of lower gross profit margin in the current year.

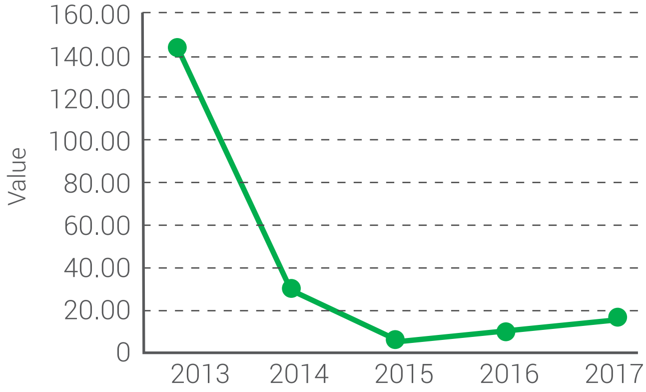
Properties segment contributed $4.09 million in FY 2017 as compared to $5.86 million in FY 2016. This was mainly because of the reduced rental income during the current year. Further, in FY 2017 there was a loss of $3.20 million on fair valuation of properties in Singapore which was partially off-set by fair valuation gain of $0.76 million on property in Malaysia resulting in net fair valuation loss of $2.44 million on properties. As compared to this, loss on fair valuation of properties was $1.55 million in FY 2016 and this also contributed to the decrease in profit from this segment.

Securities segment recorded a profit of $7.89 million in FY 2017, which was $5.04 million more than the profit of $2.85 million in FY 2016. In FY 2017, this increase was mainly attributed to the profit of $2.25 million realised on acceptance of cash offer on de-listing of one of the equity securities. Further, unrealised gain of $1.42 million recorded on financial assets, at fair value through profit or loss i.e. the financial assets held for trading purpose in the current year as compared to an unrealised loss of $1.49 million in FY 2016 contributed to the increase in profit from this segment.

Finance Costs

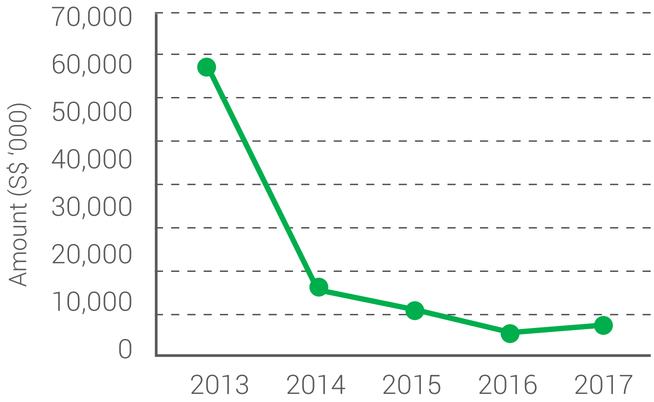
Interest expenses decreased by $0.27 million from $0.98 million in FY 2016 to $0.71 million in FY 2017 due to partial repayment of loan during the current year.

Interest Coverage Ratio



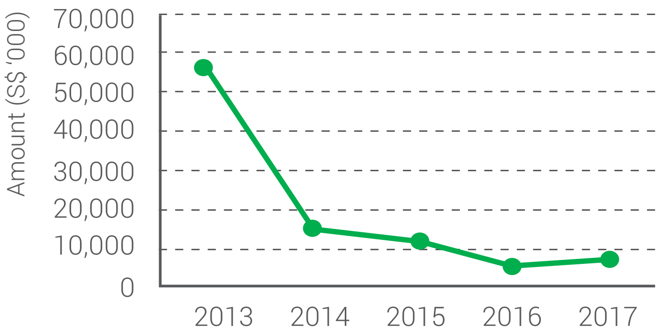
Below is a graphical representation of the profit before tax for the past five years:

Profit before tax



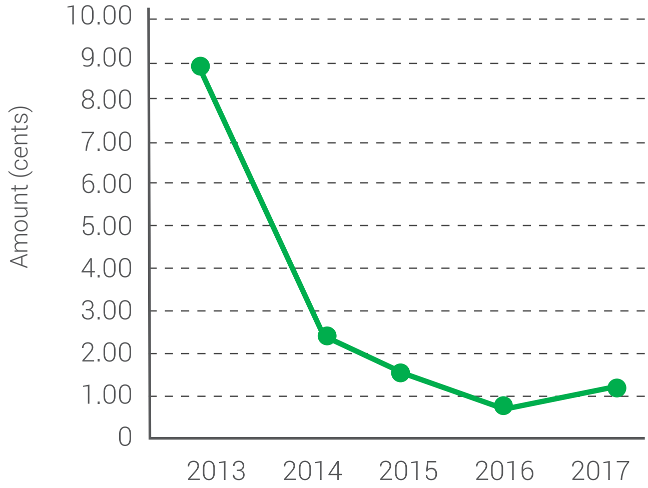
Higher taxable income in FY 2017 resulted in higher income tax expense in current year. However, reversal of part of deferred tax liabilities in Malaysia as well as group relief claimed in Singapore resulted in overall reduction of the income tax expense as compared to FY 2016. The net effect was decreased income tax expense from $ 0.62 million in FY 2016 to $0.50 million in FY 2017.

Profit after tax



The earnings per share for FY 2017 was 1.26 cents as compared to 0.96 cents in FY 2016. Below is a comparison of the earnings per share for the past five years:

Earnings Per Share



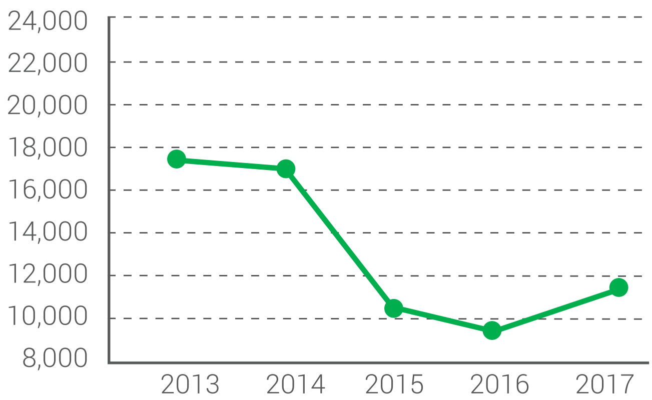
Adjusted EBITDA

Adjusted EBITDA increased by $2.07 million from $9.85 million in FY 2016 to $11.92 million in FY 2017. The details of adjusted EBITDA calculation are as below:

Adjusted EBITDA*	FY 2017 $ '000	FY 2016 $ '000
Net Profit	9,477	6,972
Add/(Less):		
Interest expenses	711	979
Taxes	502	615
Depreciation	320	379
Fair valuation deficit of properties	2,443	1,547
Divestment gain on available-for-sale financial assets	(2,245)	-
Divestment gains of investment property	-	(640)
Exchange differences	707	-
	11,915	**9,852**

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

EBITDA



Dividends

For FY 2017, the Directors have recommended a tax-exempt (one-tier) cash dividend of 0.30 cents per share to be approved by the shareholders at the Annual general Meeting.

The dividend yield for FY 2017 amounts to 1.15% based on the market price of 26 cents per share as at 31 August 2017 and the dividend payout ratio is 23.81% considering the earnings per share of 1.26 cents.

Cash Flow

The net cash flow from operating activities was $16.07 million in FY 2017.

Proceeds from divestment of financial assets, available-for-sale including capital distribution made by various REITs generated $7.01 million and the Group had drawn down an amount of $103 million from banks. Proceeds from issue of shares due to warrants conversion amounted to $0.38 million.

An amount of $1.59 million was used to buy back shares as per the Share Buyback scheme. The Group purchased securities worth $5.98 million and subscribed to rights issue totaling $0.23 million and they were classified as available-for-sale. Improvements made to property, plant and equipment totaled $0.16 million. An amount of $115.96 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 year i.e. 31 August 2017 was $6.52 million while it was $5.49 million at the beginning of the year i.e. 31 August 2016. Thus, there was an increase of $1.03 million through the year.

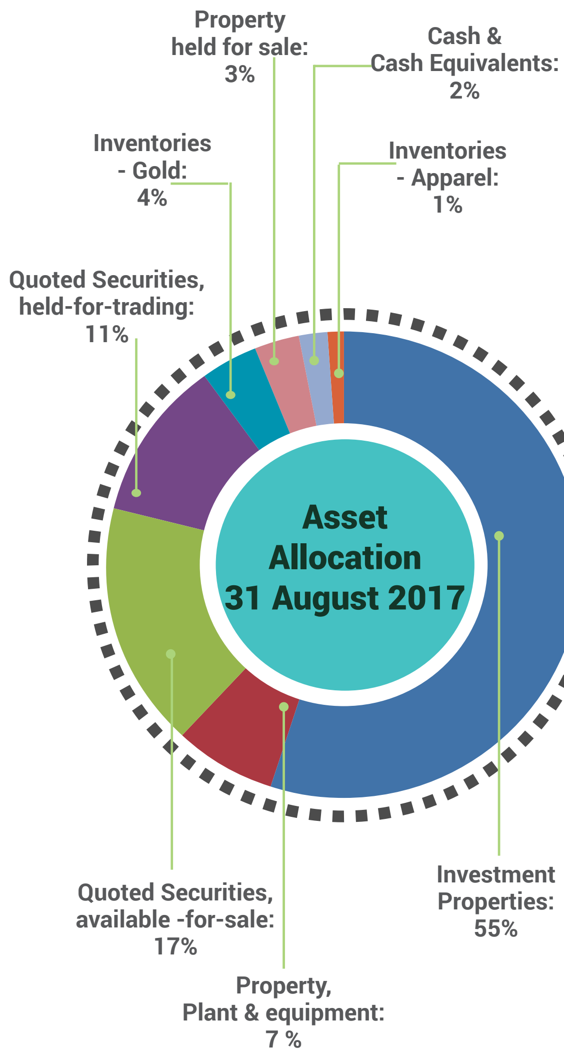
Financial Position as at 31 August 2017

Investment properties of the group totaled $171.70 million. In addition, $20.68 million worth of property owned by the group was classified as Property, Plant and equipment because it was self-occupied and one property worth $9.40 million was classified as Property held-for-sale. Thus the total value of the properties was $201.78 million.

As at 31 August 2017, available-for-sale financial assets comprised of shares valued at $54.57 million and financial assets at fair value through profit or loss comprised of fixed income securities and shares valued at $12.83 million and $19.95 million respectively. During the year, the unrealized loss in fair value on financial assets, available-for-sale was $0.82 million which was taken directly to equity while the unrealised gain on fair value of financial assets, held-for-trading was $1.42 million which was taken to the income statement.

Inventories at end August 2017 totaled $15.72 million of which $11.35 million was gold stock.

The asset allocation of the group as at 31 August 2017 is shown in the below chart:



Working capital

The Group had a positive working capital as at 31 August 2017 as compared to negative working capital as at 31 August 2016. This was mainly due to partial repayment of short term borrowings from funds realised on cash offer accepted on de-listing of one of the equity securities held by the company.

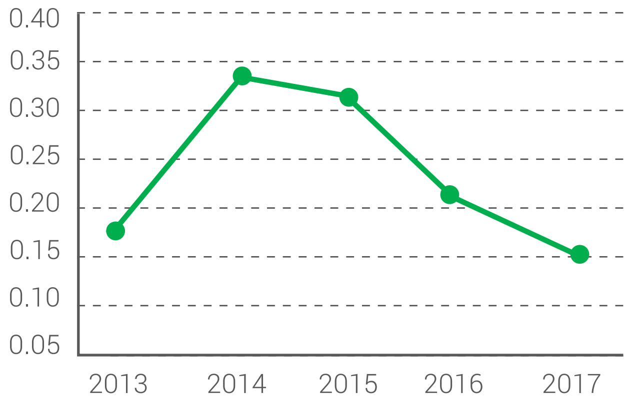
The net current assets were $15.27 million as at 31 August 2017 as compared to net current liabilities of

$2.49 million as at 31 August 2016.

Bank Borrowings

Long-term bank borrowings decreased from $3.23 million in FY 2016 to $2.88 million in FY 2017. Total borrowings of the group were $45.79 million at end August 2017 while the borrowings totaled $58.78 million at end August 2016. The gearing ratio of the group improved to 0.15 as at 31 August 2017 from 0.21 as at 31 August 2016.

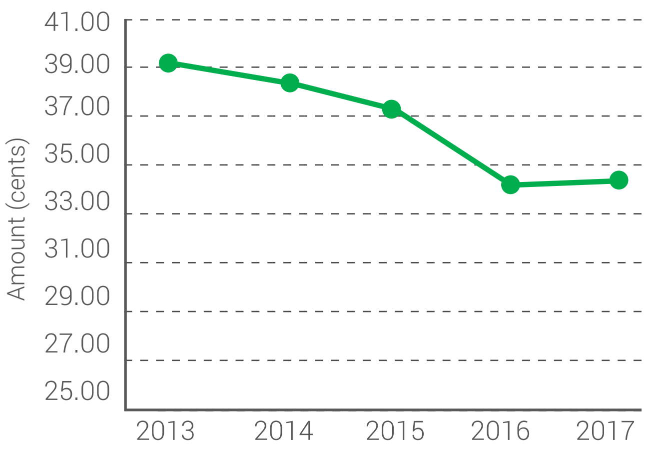
Gearing



Share Capital

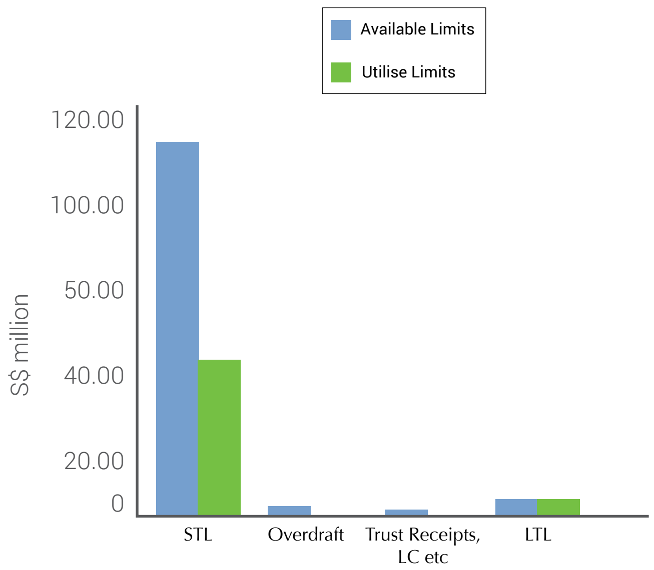
Share capital was $137.12 million as at end August 2017 as compared to $138.32 million as at end August 2016. The movement in share capital was due to share buyback during the period totaling $1.59 million offset by the issue of shares pursuant to exercise of warrants by shareholders as well as issue of scrip dividend. The number of shares in float was 750.47 million as at 31 August 2017 as compared to 755.40 million as at 31 August 2016. Total shareholders' equity stood at $259.36 million and NTA per share was 34.56 cents as at 31 August 2017.

NTA per share



Below is an overview of the various bank facilities available and amounts utilized:

	Available limits S$ million	Utilised limits S$ million	% utilised
STL	113.22	42.56	37.59%
Overdraft	1.25	-	0.00%
Trust receipts, LC etc	0.45	-	0.00%
LTL	3.23	3.23	100.00%
	118.15	**45.79**	**38.76%**



Commercial & Office

FY 2017 Appraised Value
S$ 201.78M

Net Lettable Area
41,742 sq ft

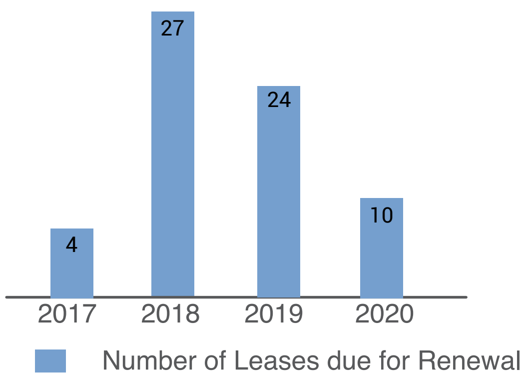
Current Utilisation
Rented Out

Occupancy Rate
99.62%

Rental Income Contribution By Tenant Trade Sector

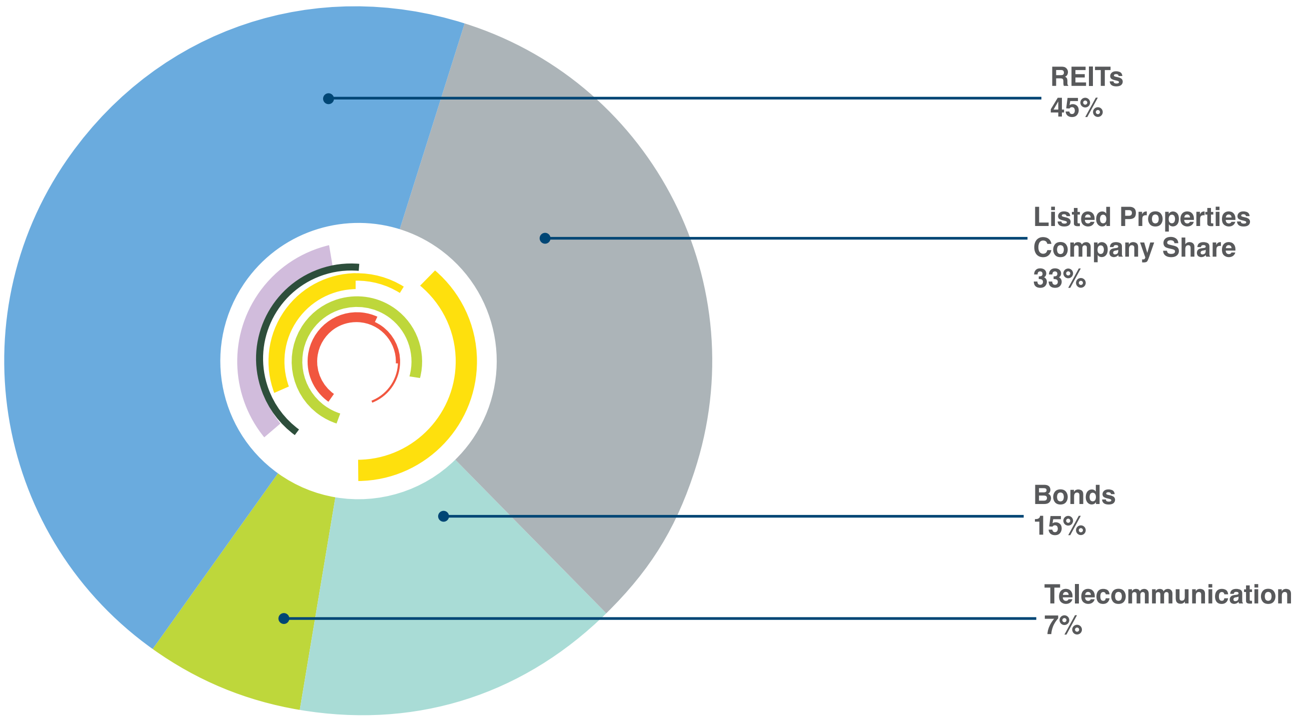
Apparels	26%
Electronics & Peripherals	19%
Food & Beverage	10%
Clinics & Opticals	3%
Hair Salon & Spa	6%
Banks & Financial Services	3%
Convenient & Departmental Stores	20%
Fashion Accessories	5%
Jewellery	2%
Office	6%

Lease Expiry Profile

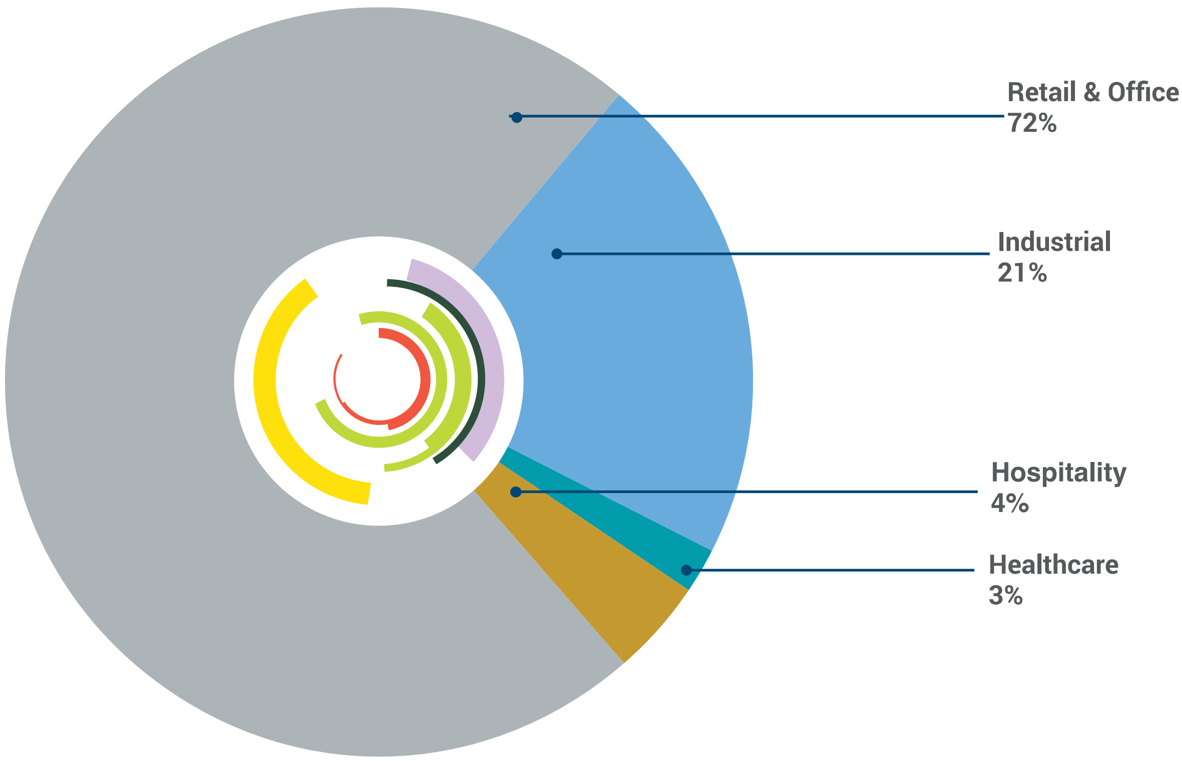


QUOTED SECURITIES INVESTMENT OVERVIEW

Quoted Securities Investment Overview As At 31 August 2017



Overview of REITs Investment by Sectors



CASINO SELF-EXCLUSION POLICY

We require our employees including top executives and senior management to sign up at National Council of Problem Gambling (NCPG) website to self-exclude their names from entering Singapore's casinos for as long as they are employed with the Group.

This move which was formalized in 2011, stemmed from the several news in the corporate world where employees including directors and senior management committed fraud due to their gambling habits and losses.

As such, it became a guiding principle and culture of our Company to deter and minimize the risk of such events by implementing this policy which at the same time boost our corporate governance standings with our shareholders.

RISK GOVERNANCE & INTERNAL CONTROL

As part of our continuous efforts to improve operational grips on our businesses, the Group has embarked on various risk governance and internal control measures throughout the years.

By engaging established and independent External Auditors - such as RSM Risk Advisory and Deloitte South East Asia - the Group opened their doors for the Auditors which resulted in frameworks and manuals crafted for our adoption on managing risks and fraud, improving our retail POS System and GST implementation.

In addition, senior management and executives are periodically tasked to conduct internal audits on various operations of the Group such as Annual Stock-Taking, Warehouse Management, Security etc. This further ensures that we have our finger on the pulse at all times on our businesses.

WHISTLE BLOWER POLICY

We have a formalized whistle blower policy where anyone is able to send feedback to the CEO or our Lead Independent Non-Executive Director through various channels of communication.

This policy intends to send a clear signal to all business partners, associates, suppliers, employees and other stakeholders of the Group that we have zero tolerance on fraud and misconduct. To make this policy more effective and as an incentive, a financial reward is offered to all whistle blowers.

SOCIAL RESPONSIBILITY

2nd Chance Inaugural STEM Bursary Awards

In May 2017, we setup our first Bursary Fund to assist and support deserving students pursuing their undergraduate studies in the fields of Science, Technology, Engineering and Mathematics (STEM).

For this year, we collaborated with Association of Muslim Professionals (AMP) to identify and shortlist 6 students to receive the bursaries worth $2000 per student.

These students were shortlisted based on their academic and extra-curricular excellence and their family Per Capita Income was below $2000 per month.

This award aims to encourage more Malay/Muslim students to pursue opportunities in STEM fields of study, in line with Singapore's vision for a smart nation. We intend to make this Bursary Award an annual affair and extend the awards to more communities in the future.

A Day Out to the Zoo

We sponsored the Group of the Disabled Singapore (KCMS) - a grassroot organisation that focuses on enabling support and assistance to their disabled and wheelchair bound members for their excursion trip to the Zoo in early September 2017.

More than 100 members and their caregivers were treated to the fun and exciting time at the Zoo. For most, this was the first time they had visited our Singapore Zoo due to their disabilities and it was such a heart-warming experience to see their smiling faces.

Festive Dinner for the Needy

We sponsored a festive dinner organised by The New Charis Mission a non-profit charitable organisation. The occasion was to foster interracial bonding and giving the needy from different races a joyful time.

PROPERTY LOCATIONS IN SINGAPORE

01 810 Geylang Road #01-43 City Plaza
02 810 Geylang Road #01-44 City Plaza
03 810 Geylang Road #01-45 City Plaza
04 810 Geylang Road #01-46 City Plaza
05 810 Geylang Road #01-47 City Plaza
06 810 Geylang Road #01-56/57 City Plaza
07 810 Geylang Road #01-60 City Plaza
08 810 Geylang Road #01-61 City Plaza
09 810 Geylang Road #01-81 City Plaza
10 810 Geylang Road #01-107 City Plaza
11 810 Geylang Road #02-49 City Plaza
12 810 Geylang Road #02-50 City Plaza
13 810 Geylang Road #02-51 City Plaza
14 810 Geylang Road #02-81/82 City Plaza
15 810 Geylang Road #02-86 City Plaza
16 810 Geylang Road #02-88 City Plaza
17 810 Geylang Road #02-105 to 108 City Plaza
18 Blk 214 Bedok North St.1 #01-161
19 Blk 710A Ang Mo Kio Ave 8 #01-2625
20 14 Scotts Road #02-40 Far East Plaza
21 14 Scotts Road #02-42 Far East Plaza
22 304 Orchard Road #01-56/57/58/59 Lucky Plaza
23 1 Park Road #01-32 People's Park Complex
24 1 Park Road #01-33 People's Park Complex
25 111 North Bridge Road #01-28/28A Peninsula Plaza
26 111 North Bridge Road #01-29 Peninsula Plaza
27 111 North Bridge Road #01-38 Peninsula Plaza
28 111 North Bridge Road #01-44 Peninsula Plaza
29 111 North Bridge Road #01-45A/B Peninsula Plaza
30 Blk 190 Toa Payoh Lor 6 #01-560

31 Blk 190 Toa Payoh Lor 6 #01-562

32 Blk 12 Haig Road #01-323

33 Blk 221 Boon Lay Shopping Centre #01-114

34 Blk 221 Boon Lay Shopping Centre #01-122

35 Blk 505 Tampines Central 1 #01-355

36 Blk 505 Tampines Central 1 #01-357

37 Blk 201B Tampines St 23 #01-1063

38 1 Rochor Canal Road #05-36 Sim Lim Square

39 1 Rochor Canal Road #05-53 Sim Lim Square

40 1 Rochor Canal Road #05-54 Sim Lim Square

41 1 Rochor Canal Road #05-60 Sim Lim Square

42 1 Rochor Canal Road #05-61 Sim Lim Square

43 1 Rochor Canal Road #05-62 Sim Lim Square

44 1 Rochor Canal Road #05-63 Sim Lim Square

45 1 Rochor Canal Road #05-64 Sim Lim Square

46 1 Rochor Canal Road #05-65 Sim Lim Square

47 1 Rochor Canal Road #05-72 Sim Lim Square

48 1 Rochor Canal Road #05-73 Sim Lim Square

49 1 Rochor Canal Road #05-74 Sim Lim Square

50 91 Bencoolen Street #07-01/02/03/04/05 Sunshine Plaza

51 Lot. 1.80, 1.81 & 1.82 Ampang Park Shopping Centre, Kuala Lumpur, Malaysia

FIRST LADY SHOPS IN MALAYSIA

OUR FIRST LADY SHOPS IN MALAYSIA

KUALA LUMPUR

Mega First Lady	Lot 165-169 Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur

SELANGOR

Selayang Mall	Lot F.01 - F.02, First Floor, Selayang Mall Taman Selayang Utama 68100 Selayang

JOHOR

Kluang Mall	L1-13 & I1-13A, 1st Floor, Kluang Mall JLN Rambutan Bandar Kluang 86000 Kluang Johor
Square One	Lot F2 & F34, Level 2 Square One Batu Pahat Johor
Plaza Larkin	G11, Ground Floor, Plaza Larkin Jalan Garuda 80000 Johor Bahru
Pasir Gudang	Lot 302B Komplek Pusat Bandar Pasir Gudang Johor Bahru
Danga City Mall	L1 - 13A, 15, 16 & 17 Danga City Mall Jalan Tun Abdul Razak 80000 Johor Bahru

PERAK

Rapid Mall	Lot 1.05 & 1.05A 1st Floor Jalan Changkat Jong 36000 Teluk Intan Perak


WISMA CHOW KIM LIN
MEGA
First Lady
RAHMAN KL


14.00


First Lady

FINANCIAL CONTENTS

CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed to define, follow and practice the highest level of corporate governance within Second Chance Properties Limited (the "Company") and its subsidiaries (the "Group") which forms the continuing obligations of the Singapore Exchange Securities Trading Limited (SGX-ST)'s listing rule. The Board aims to lead by example and learn from experience. The Board is committed to regularly improving its corporate governance practices. It has developed and, on an ongoing basis, maintains sound and transparent policies and practices to meet the specific business needs of the Group. The Board remains focused on complying with the substance and spirit of the principles of the Code of Corporate Governance 2012 ("Code") while achieving operational excellence and delivering the Group's long-term strategic objectives. This statement outlines the key corporate governance practices that were in place throughout the financial year and up to the date of this report.

Principle 1: THE BOARD'S CONDUCT OF AFFAIRS

1.1 Principal duties of the Board

The Board is primarily responsible for the overall management of the Group focusing on long term health along with the holistic success of business and its financial strength to enhance the long term value of the Group to its shareholders and other stakeholders. The other principal functions of the Board include formulating corporate strategies of the Group, reviewing strategic plans and performance objectives, planning annual budget, setting direction and goals for the executive management along with key operational initiatives, supervising executive management, reviewing investment proposals, financial performance as well as corporate governances and monitoring performance of these goals. The Board also establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets. The Board also directs and exercises appropriate controls to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and growth expectations.

In addition, the duties of the Board include:

- Setting the Group's strategic objectives, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives.
- Monitoring the Company's risk management, financial reporting, compliance and internal control system and carrying out periodic reviews of their effectiveness.
- Appointing the Group CEO and approving the remuneration policies and guidelines for the Board and senior management.
- Reviewing the performance of senior management and overseeing succession planning for the senior management.
- Setting the Group's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met.
- Considering sustainability issues eg., environmental and social factors, as part of its strategic formulation.

1.2 Board Process

The Board objectively makes decisions in the interests of the Group. The Board has delegated specific responsibilities with distinct guidelines to three committees namely Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") to assist in the efficient execution of its responsibilities. These committees function within precisely defined Terms of Reference, which clearly sets out the objectives, duties, powers and responsibilities which are reviewed on a regular basis. The effectiveness of each committee is reviewed by the Board persistently and it may further formulate other committees as per the requirement and suitability of the situation dictated by imperatives. The Board accepts that while these various Board committees have the authority to examine specific issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The Board meets at least once every quarter to review the quarterly results and as warranted by particular circumstances, ad hoc meetings are also convened to deliberate on urgent substantive matters. The Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. In between these meetings, the Board discusses matters over the tele-conference, electronic and other communication facilities which permits all parties to communicate with each other simultaneously. Dates of all Board and Board Committee meetings as well as the Annual General Meeting are fixed in advance in consultation with the Directors and relevant agenda papers are also circulated to all Directors in advance through email. Each agenda item is provided with sufficient background and all material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Minutes of all the Board committees are also circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during the Committees' meetings. Directors are encouraged to attend, at the Group's expense, relevant and useful seminars and courses for their continuing education and skills improvement that are conducted by external organization to keep in pace with new laws, regulations, changing commercial risks and financial reporting standards.

A record of Board and Board Committee meetings held during the year under review from the date of the last report 23 November 2016 till the date of this report and the attendance of each Director where relevant is as follows:

	Board	**NC**	**RC**	**AC**
No. of meetings	**4**	**2**	**2**	**4**
<u>No. of meetings attended by respective Directors:</u>				
Mr. Mohamed Salleh s/o Kadir Mohideen Saibu Maricar	4	2#	2#	4#
Mr. Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar	3	2#	2#	3#
Mr. Devnarayanan s/o K.R. Pisharody	4	NA	NA	4#
Dr. Ahmad Bin Mohamed Magad, JP	4	2	2	4
Ms. Geetha Padmanabhan	4	2	2	4
Mr. Tan Lye Heng Paul	4	2	2	4

By Invitation

1.3 Matters Requiring Board Approval

The Board has identified numerous prominent areas for which the Board has direct responsibility for decision-making such as approval of major investments and funding decisions. The Board also reviews Interested Persons Transactions and the Group's internal control procedures. The Board serves as the ultimate decision making body of the company, except for those matters reserved to or shared with the shareowners.

Moreover, Board also beholds discussions and consideration of the following corporate matters: -

- Approval of quarterly and full year result announcements;
- Approval of the Annual Reports and accounts;
- Convening of shareholders' meetings;
- Approval of corporate strategies;
- Material acquisitions and disposal of assets;
- Investments, disinvestments or capital expenditures exceeding set material limit;
- Review of management performance and compliance of values and standards;
- Strategies and objectives of the Group;
- Annual budgets and business plan;
- Issuance of shares;
- Declaration of interim dividends and proposal of final dividends; and
- Commitments to terms loans and line of credits from banks and financial institutions

Apart from the matters that specifically require the Boards approval, the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to management so as to optimize operational efficiency. It is believed that all the Directors objectively discharge their duties and responsibilities as fiduciaries in the interests of the Company.

1.4 Board Orientation and Training

Directors bring to their Board considerable wealth of professional experience, diversified knowledge and skills generated over their careers. The new directors inducted to the Board are introduced to the Company culture, business and government policies through orientation sessions. CEO and senior management provide an overview of the Company's operations and familiarize the new directors with them. On appointment, a formal letter is provided to them setting out the terms and conditions of their appointment and explaining the regulatory requirements that a Director has to comply with on appointment. The Executive Directors conduct an orientation programme for newly appointed Directors to make the most of their existing knowledge base by filling any knowledge gaps, typically concerning the company's industry, the competition landscape and technical issues. They are also briefed on the governance practice including Board process, policies on disclosure of interests in securities, prohibitions on dealings in the Company's securities and restrictions on disclosure of price-sensitive information to enable them to assimilate into their new roles. The programme also allows the new director to get acquainted with senior management, thereby facilitating board interaction and independent access to senior management. There were no new Directors appointed in FY 2017.

On a quarterly basis, the Board is briefed on recent changes to the accounting standards and regulatory updates. The CEO updates the Board at each meeting on business and strategic developments of the Group.

Principle 2: BOARD COMPOSITION AND GUIDANCE

The Board is composed of eminent persons with considerable professional experience in diverse fields and comprises six Directors, three of whom are Independent Non–Executive Directors. The quorum for all Board meetings is four. All the Directors are residents in Singapore. The Directors of the Company as at the date of this statement are:

Mr. Mohamed Salleh s/o Kadir Mohideen Saibu Maricar
Founder & CEO

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

Mr. Devnarayanan s/o K.R. Pisharody
Executive Director

Dr. Ahmad Bin Mohamed Magad, JP
Lead Independent Non-Executive Director

Mr. Tan Lye Heng Paul
Independent Non-Executive Director

Ms. Geetha Padmanabhan
Independent Non-Executive Director

The Board, through the NC, reviews from time to time the size and composition of the Board, with a view to ensure that the size of the Board is appropriate and that the Directors provide diversity to the Board in terms of their skills, expertise and core competencies in order to facilitate effective decision-making taking into account the scope and nature of the Group's operations, and that the Board has a strong independent element.

The profile of each Director is given on pages 4 – 6 of this Annual Report.

The NC is of the view that the current Board comprises persons who as a group, have core competencies necessary to lead and govern the Group effectively. The NC is satisfied that sufficient time and attention was given by Directors to the affairs of the Group, taking into consideration the Director's number of listed company Board representation and other principal commitments.

2.1 Independent Directors

The Board has three Directors who are independent members. The criteria for independence are determined based on the definition as provided in the Code.

The Board considers an "independent" Director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment of the Group's affairs with a view to the best interests of the Company. The requirement of the Code that at least half of the Board comprises Independent Directors is satisfied.

Independent directors adopt an oversight role to ensure that corporate assets are exclusively utilized for the benefit of the company. The Independent Non-Executive Directors participate actively in the Board meetings. Where necessary, the Independent Non-Executive Directors meet and discuss on the Group's affairs without the presence of Management.

Each independent Director is required to disclose any relationships or appointments which would impair their independence. Each independent Director had abstained from deliberations in respect of the assessment on his / her own independence. Taking into account the views of the NC and the annual confirmation from each of the independent Director of his / her independence, the Board considers each of the independent Director to be independent and will be able to exercise independent judgement in the best interest of the company in discharging their fiduciary duties.

The NC has adopted practices which will include a retirement schedule and a rigorous review of the appointment and independence of Directors who have served on the Board for more than nine years from the date of their first appointment. Mr. Tan Lye Heng Paul and Dr. Ahmad Bin Mohamed Magad have served as Independent Non-Executive Directors of the Company for more than nine years since 29 November 2002 and 20 December 1996 respectively. Both Mr. Tan Lye Heng Paul and Dr. Ahmad Bin Mohamed Magad had retired as directors of the Company in 2012 and 2013 respectively. The Board has subjected their independence to a particularly rigorous review. The NC is of the view that Mr. Tan Lye Heng Paul and Dr. Ahmad Bin Mohamed Magad have expressed individual viewpoints, debated issues and objectively scrutinized and challenged the Management when deemed necessary. They have sought clarification and amplification whenever deemed necessary, including through direct access to the Management. Mr. Tan Lye Heng Paul and Dr. Ahmad Bin Mohamed Magad have demonstrated strong independent character and judgement over the years in discharging their duties and responsibilities as Independent Directors of the Company with the utmost commitment in upholding the interest of the minority shareholders and there is no material conflict between the tenure of their appointment as Independent Directors of the Company and their ability to discharge their duties as Independent Directors.

In view of the above and taking into account their disclosure of independence, the wealth of experience and knowledge they have brought and will continue to bring to the Board, the Board resolved that Mr. Tan Lye Heng Paul and Dr. Ahmad Bin Mohamed Magad continue to be considered independent, notwithstanding that they have served on the Board for more than nine years from the date of their first appointments.

Further Ms. Geetha Padmanabhan, who is also an Independent Non-Executive Director, has in-depth experience in the fields of audit and taxation within the areas in which the Group operates. The NC finds Ms Geetha to be independent based on all the criteria it considers and is also of the opinion that the technical expertise and skills that she has developed over the years are extremely valuable to the Group.

Role of Independent Non-Executive Directors

All the Non-Executive Directors are Independent and bring with them a number of advantages, including independence in their views and the ability to bring an outside perspective into the Board meetings.

Further, as a part of their functionality they comment on corporate strategy and on overall supervision of the company, they help to provide effective leadership.

Also, the presence of independent Directors serves us in bringing about impartiality in the Board as a whole. Such impartiality effectively means that considered advice would be provided and developed for the purposes of steering the company strategy as a whole by the Board of Directors.

The Board and independent Directors in particular are kept well informed of the Group's businesses and are knowledgeable about the industry the group operates in. Also, to ensure that the independent Directors are well supported by accurate, complete and timely information, they have unrestricted access to management.

CORPORATE GOVERNANCE

An effective and robust Board, whose members engage in open and constructive debate and challenge management on its assumptions and proposals, is fundamental to good corporate governance. A Board should also aid in the development of strategic proposals and oversee effective implementation by management to achieve set objectives.

For this to happen, the Board, in particular its Non-Executive Directors (NEDs), must be kept well informed of SGX's businesses.

To ensure that NEDs have sufficient time and resources to discharge their oversight function effectively, the Group has adopted various initiatives. These initiatives include:

- Regular informal meetings are held by the management to brief the Independent Directors on prospective deals and potential developments at an early stage, before formal Board's approval is sought.
- Periodic information papers and board papers on the latest market developments and trends, and key business initiatives are circulated to Independent Directors on a timely basis to afford Directors time to review them.
- The Group has also made available on the Company's premises an office for use by the Independent Directors at any time for them to meet regularly without the presence of the management.

Principle 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

Mr. Mohamed Salleh s/o Kadir Mohideen Saibu Maricar is the CEO of the Group since its founding in June 1975 and was also re-appointed the executive Chairman on 30 November 2013 after retirement of Dr. Ahmad Bin Mohamed Magad, JP.

As the CEO and Chairman, Mr. Mohamed Salleh plays a vital role in assisting the Board to develop policies and strategies and ensuring that they are implemented effectively, casting values with his exhaustive knowledge of business and industry. He ensures that decisions on important matters are made after extensive deliberation and in consultation with the entire Board. He also engages in constructive communication with shareholders at the General Meetings. He exercises objective judgment on corporate matters impartially, thus ensuring a balance of power and authority. He reviews Board papers before they are presented to the Board and ensures that the information provided is accurate, and consists of authentic details.

The independent element is further strengthened by the appointment of Dr. Ahmad Bin Mohamed Magad as the Lead Independent Non-Executive Director. The Lead Independent Non-Executive Director is available to shareholders where they have concerns and for which contact through the normal channels of Chairman, the CEO or the Financial Advisor has failed to resolve or is inappropriate.

All the Board Committees are chaired by Independent Directors and at least half of Board consists of Independent Directors. The Chairman also facilitates the effective contribution of Non-Executive Directors and promotes high standards of corporate governance.

Principle 4: BOARD MEMBERSHIP

NOMINATING COMMITTEE

The Nominating Committee ("NC") comprises of three members, all of whom are Independent Directors. The quorum for the NC meeting is two.

The members of the NC are:

Dr. Ahmad Bin Mohamed Magad
Chairman, Independent Non-Executive Director

Mr. Tan Lye Heng Paul
Member, Independent Non-Executive Director

Ms. Geetha Padmanabhan
Member, Independent Non-Executive Director

The NC's principal functions include the following:

A. Review and recommend to the Board on key executive and all Board appointments

The Board has established the NC, which makes recommendations to the Board on all appointments to the Board and Board Committees. The NC seeks to ensure that the composition of the Board provides an appropriate balance and diversity of skills, experience, gender and knowledge of the industry and that the Directors, as a group, have the necessary core competencies relevant to the Group's business. The NC has put in place a formal process for the selection of new Directors to increase transparency of the nominating process in identifying and evaluating nominees for Directors. The NC leads the process and makes recommendations to the Board as follows:

a. NC evaluates the balance of skills, knowledge, diversity and experience on the Board and, in the light of such evaluation and in consultation with management, determines the role and the desirable competencies for a particular appointment.

b. External help (for example, SID, search consultants, open advertisement) may be used to source for potential candidates if need be. Directors and management may also make recommendations.

c. NC recommends and arranges Board members to meet up with the short-listed candidates to assess suitability and to ensure that the candidates are aware of the expectations and the level of commitment required.

d. Devise a policy on Board diversity and to carry out a process for evaluating the performance of the Board, its Board Committees and the contributions of each Director.

e. Review the Board succession plans for Directors, in particular, the Chairman.

As part of nomination and selection process of new Directors, the NC identifies the key attributes that an incoming Director should possess, based on a matrix of the attributes of existing Board and the requirements of the Group. All new appointments are subject to the recommendation of the NC based on the following objective criteria:

1. Integrity
2. Personal, professional or business standing and the independent mindedness to evaluate new information, while still maintaining ability to learn from past
3. Diversity – Possess core competencies that meet the needs of the Company and complement the skills and competencies of the existing Directors on the Board
4. Able to commit time and effort to carry out duties and responsibilities effectively – proposed Director is on not more than five listed Company Boards
5. Proven track record in collaborating with leaders to develop a business benefiting strategy
6. Qualification, expertise and experience of the Directors in their respective fields such as expertise or experience in relevant business, International Markets, Leadership, Risk Management and Strategic Planning etc.
7. Financially literate, effective coach and a great mentor
8. Principal time commitments like full time occupation, consultancy work, committee work, Non-listed company Board representations and directorship and involvement

The Chairman in consultation with the NC proposes new Directors to be appointed to the Board or seeks the resignation of Directors. Any potential conflict of interest is also taken into consideration.

B. Review and recommend to the Board on re-appointments

The NC is also charged with the responsibility of re-nomination having regard to the Director's competencies, commitment, contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of the Individual Director by his peers. The NC also strives to strike a balance between appointing a new Director and re-electing an existing Director with specific basis for retaining long standing Director.

As a mandate of corporate governance, all Directors are required to submit themselves for re-nomination and re-election at regular intervals, and at least once every three years. Article 111 of the Company's Articles of Association ("Articles") requires one-third of the Directors, or the number nearest to but not less than one-third, to retire by rotation at every annual general meeting ("AGM") and a newly appointed Director must submit himself for re-election at the AGM immediately following his appointment.

Where, by virtue of any vacancy in the membership of the NC for any reason, the number of members of the NC is reduced to fewer than three (or such other number as may be determined by the SGX-ST), the Board shall, within three months thereafter, appoint a sufficient number of new members to the NC. The newly appointed member should hold office for the remainder of the term of office of the member of the NC in whose place he or she is appointed. From time to time, the NC will review the appropriateness of the Board with regard to structure, size and composition, considering the changes in the nature and scope of operations as well as the regulatory environment.

The Company may appoint alternate Director if the circumstances so warrant. All appointments and removals of alternate Directors shall be effected in writing under the hand of the Director making or terminating such appointment left at the Office. No person shall be appointed the alternate Director for more than one Director. No Director must act as an alternate Director. The Company does not have any Alternate Director on the Board.

C <u>Determine the independent status of the Independent Directors annually</u>

The task of assessing the independence of Directors is delegated to the NC. The NC reviews the independence of each Director annually, as and when circumstances require.

Every year, each Director is required to complete a Directors Independence Checklist to confirm his/her independence. The Checklist is drawn up based on the guidelines provided in the code of Corporate Governance.

Each Director must confirm in the Checklist whether he/she considers himself/herself independent despite not having any relationships identified in the code of Corporate Governance.

Thereafter, NC reviews the checklist completed by each Director, assess the independence of the Directors and recommends its assessment to the Board.

In accordance with the requirements of the Code, the NC has reviewed the status of the Independent Directors and is of the view that they are in compliance with the Code's definition of independence.

D <u>Decide whether a Director who has multiple Board representations is able to and has been adequately carrying out his duties as Director of the company</u>

All Directors are required to declare their Board representations. In case if a Director has multiple board representation, the NC will review whether the Director is able to adequately carry out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that Dr. Ahmad Bin Mohamed Magad and Mr. Tan Lye Heng Paul, who sit on multiple boards, have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Directors of the Company, notwithstanding their multiple board appointments.

E. <u>Review and make recommendations to the Board on relevant matters relating to the succession plans of the Board</u>

Currently, there is a succession plan put in place by the CEO. Going forward and at the relevant time, the NC will look into such plan in close consultation with the CEO.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he or she is interested.

Principle 5: BOARD PERFORMANCE

A review of the Board's performance is conducted by the NC annually to assess its effectiveness and reporting to the stakeholders. The NC has implemented a process for assessing the effectiveness of the Board as a whole, its Board Committees and for the contribution by the individual Directors to the effectiveness of the Board considering qualitative measures such as setting of strategic decisions and achievement, quality of risk management and adequacy of internal controls. The evaluation exercise is carried out by requiring the Directors to complete a Board Assessment Checklist to be returned to the NC chairman for evaluation. The evaluation considers the key performance namely Board size and composition, Board independence, Board processes, Board information and accountability, Board performance in discharging principle functions, Board committee performance, interactive skills, knowledge, Directors duties, availability at meetings, financial targets and overall contribution. The key objective of the evaluation exercise is to obtain constructive feedback from each Director to continually improve the Board's performance. Individual evaluation aims at determining whether each Director contributes effectively and demonstrates commitment.

Upon reviewing the assessment, the NC is of the opinion that the Board and each Director have been effective since their appointment. The NC has also reviewed and recommended that Mr. Mohamed Salleh s/o Kadir Mohideen Saibu Maricar, Mr. Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar, Dr. Ahmad Bin Mohamed Magad and Mr. Tan Lye Heng Paul who will retire by rotation pursuant to the Company's Articles of Association, being eligible and having consented, be nominated for re-appointment at the forthcoming Annual General Meeting ("AGM").

Further in view of our desire to instil a strong and independent element on the Board, the Board has accepted the following recommendations made by the NC with effect from 1 January 2013**.**

Maximum Length of Service of Independent Directors

An Independent Director may remain in that position for a maximum period of six (6) years only and the one acting as Chairman or Lead Independent Director of the Group or Chairman of the AC may serve an additional three (3) years, making a total of nine years' service.

Multiple Directorships

The maximum number of listed company Board representations that a Director in full-time employment may hold is five (5). The NC may consider for the Board's approval, a Director holding more than five Directorships in listed companies if he or she is not in full-time employment or retired.

However, a Director who holds more than five (5) listed company representations should be rigorously assessed by the Board to ensure that sufficient time and attention is given to the affairs of each company and he or she is able to and has been adequately carrying his/her duties as a Director of the Company.

Board Composition

At all times and irrespective of whoever holds the position of Chairman & CEO, at least half the Board should consist of Independent Directors and Non-Executive Directors, if any.

Principle 6: ACCESS TO INFORMATION

The Board has discrete and independent access to the senior management, external Auditors and the Company Secretary at all times. The quarterly financial accounts and progress reports of the Group's business operations is provided to the Board members. The Board also receives regular updates on the industry which enable Directors to keep abreast of key issues and developments in the industry, together with the challenges and opportunities for the Group. Directors are entitled to request from Management and provided with such additional information as needed to make informed and timely decisions. The Management deals with requests for information from the Board promptly. The Board is informed of all material events and transactions as and when they occur. Prior to each Board meeting, the Management provides the Board all information pertinent to the details of minutes of previous Board meeting, minutes of meeting of all Committees of the Board held since the previous Board meeting, issues dealt by management, relevant budgets, forecasts and projections, major operational and financial issues, statistics on key performance indicators, statistics on customer satisfaction and on the agenda of the meeting.

Management recognizes the importance of ensuring the flow of complete, adequate and timely information to the directors on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities.

Crucial matters requiring decision are reserved for resolution at Board meetings rather than by circulating to facilitate decision. Queries by individual Directors on circulated papers are directed to management who will respond accordingly, where relevant Directors' queries and Management's responses are circulated to all the Board members for their information.

The Company Secretary assists in the conduct of the Board meetings and ensures adherence to Board procedures. The Company Secretary also assists on matters in respect of compliance with the Companies Act, Cap. 50 and the Listing Rule of SGX-ST and is also responsible for advising the Board on all matters relating to Corporate Governance. Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed. They also assist the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long term shareholder value.

The appointment and removal of the Company Secretary are subject to the Board's approval.

Independent professional advice

The Board has a process for Directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, at the Group's expense.

REMUNERATION COMMITTEE

Principle 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 8: LEVEL AND MIX OF REMUNERATION

Principle 9: DISCLOSURE ON REMUNERATION

The Remuneration Committee ("RC") comprises three members, all of whom, including the Chairman are independent. The quorum for the RC meeting is two.

The members of the RC are:

Mr. Tan Lye Heng Paul
Chairman, Independent Non-Executive Director

Dr. Ahmad Bin Mohamed Magad
Member, Independent Non-Executive Director

Ms. Geetha Padmanabhan
Member, Independent Non-Executive Director

RC is responsible for ensuring a formal and transparent procedure for developing policies on executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. The members of RC carried out their duties in accordance with the terms of reference which include the following:

1. Review and recommend the remuneration packages of the Executive Directors, CEO and key executives of the Company and to review the appropriateness of compensation for Non-Executive Directors including but not limited to Directors' fees, allowances and share options.

2. Review the fixed as well as the variable components of the remuneration packages for all the Directors and key management personnel.

3. Determine a level and model of remuneration and benefits policies and practices of the Company, including the long term incentive schemes on yearly basis. The performance of the Company and that of individual employees would be considered by the RC in undertaking such reviews.

4. Review the Group's obligations arising in the event of termination of the executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

5. Review the development of senior staff and assesses their strengths and development needs based on the Group's leadership competencies framework, with the aim of building talent and maintaining strong and sound leadership for the Group.

In determining the Group's remuneration policy above, the RC from time to time may seek advice from external remuneration consultants specialized in the field of executive remuneration, who are unrelated to the directors or any organisation they are associated with. The remuneration policy recommended by the RC is submitted to the Board for endorsement.

In case of Mr. Mohamed Salleh s/o Kadir Mohideen Saibu Maricar (CEO) and Mr. Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar (Deputy CEO), the variable part of the remuneration is based on a formula approved by the RC and the Board. The formula is based on the Group's profit before tax for the year and excludes items such as fair valuation and/or realized gains or losses of investment properties. For the financial year ended, the variable remuneration ceilings for Mr. Mohamed Salleh and Mr. Mohamed Hasan were $1.0 million and $0.75 million respectively.

The management proposes bonuses for Mr. Devnarayanan s/o K.R. Pisharody, who is an Executive Director and the key management personnel based on their individual performance as well as the Group's performance for the year. The RC reviews the proposal and after due deliberation, sets forth the same for the Board's approval.

In case of Independent Directors, the fees are a combination of a basic retainer fee plus a variable fee based on the number of meetings attended. The RC ensures that the remuneration of the Independent Directors are appropriate to their level of contribution taking into account factors such as effort, time spent and their responsibilities.

The payment of Directors' fees is subject to shareholders' approval at the AGM of the Company. No Director is involved in deciding his or her own remuneration package.

There is no share-based compensation scheme in place for any of the Directors.

Reclaim incentives - The Company has service agreements with all Directors whereby the Directors shall fully indemnify and hold the Company harmless from and against all losses, damages, claims demands, proceedings, actions, costs, expenses, interests and penalties suffered or incurred by the Company arising out of or in connection with the Directors' gross negligence, fraud or dishonesty whether or not in the performance of his/her obligations and/or the breach by the Director of the terms of the Service Agreement.

A breakdown showing the level and mix of each individual Director's remuneration payable for FY 2017 is as follows:

Remuneration Bands	**Number of Directors**		
	2015	**2016**	**2017**
$1,000,000 to $1,250,000	-	-	-
$750,000 to $1,000,000	1	-	-
$500,000 to $750,000	1	2	1
$250,000 to $500,000	1	1	1
Less than $250,0000	4	3	4
	7	6	6

CORPORATE GOVERNANCE

A summary remuneration table for the Directors for the year ended 31 August 2017:

Name	**Remuneration Band**	**Salary***	**Bonus**	**Fees**	**Total**
S$		**%**	**%**	**%**	
Mr. Mohamed Salleh	$500,000 to $750,000	28.61	71.39	-	100
Mr. Mohamed Hasan#	$250,000 to $500,000	35.34	64.66	-	100
Mr. Devnarayanan s/o K.R. Pisharody	Less than $250,000	59.74	40.26	-	100
Dr. Ahmad Bin Mohamed Magad	Less than $250,000	-	-	100	100
Mr. Tan Lye Heng Paul	Less than $250,000	-	-	100	100
Ms. Geetha Padmanabhan	Less than $250,000	-	-	100	100

Brother of Mr. Mohamed Salleh

* The percentage shown is inclusive of employer's CPF contribution

The actual remuneration in terms of salaries, bonus, fees etc. is as shown below:

Directors	**Total ($)**
Mr. Mohamed Salleh	592,884
Mr. Mohamed Hasan	433,500
Mr. Dev Pisharody	218,664
Dr. Ahmad Bin Mohamed Magad	40,869
Mr. Tan Lye Heng Paul	31,669
Ms. Geetha Padmanabhan	33,016
	1,350,602

A summary remuneration table of 4 Key Executives for the year ended 31 August 2017:

Name	**Remuneration Band**	**Salary***	**Bonus**	**Total**
		%	%	%
Mr. Jainulabedeen Raj Mohamed	Below $250,000	65.35	34.65	100
Mr. Azlan Bin Mohd Shafie	Below $250,000	85.06	14.94	100
Mr. Amal Marican	Below $250,000	63.06	36.94	100
Mr. Safie Hussain	Below $250,000	85.71	14.29	100

* The salary percentage shown is inclusive of employer's CPF contribution.

The total remuneration of the key management personnel for FY 2017 was S$392,372/-. In the above table Mr. Amal Marican is son of Mr. Mohamed Salleh. There are no other employees who are related to the Director, each of whose remuneration exceeded S$50,000/-.

Key Executives who are relatives	**Total ($)**
Mr. Amal Marican	103,407

Each member of the RC abstains from voting on any resolutions and making any recommendation and/or participating in discussion regarding his or her own remuneration package or on matters in which he or she is interested.

ACCOUNTABILITY AND AUDIT

Principle 10: ACCOUNTABILITY

The Board holds accountability to shareholders and ensures that all material information is fully disclosed and available aptly to shareholders in line with statutory and regulatory requirements. The Board provides shareholders with financial statements for the first three quarters and full financial year within the timeframe in accordance with Rule 705 of the Listing Manual of SGX-ST. The Board aims to furnish a balanced and transparent assessment of the Group's performance, position and prospects for shareholders.

The Management quarterly provides the Board with detailed management accounts, operation review, related explanation and any other information as per the requirement of Board. The Audit Committee reviews the financial statements and reports to the Board for approval. The Board then authorizes the release of the results to the SGX-ST.

The Board ensures timely and full disclosure of material corporate developments to shareholders and also reviews legislation and regulatory compliance reports from management to make sure that the Group complies with relevant regulatory requirements.

In compliance with the Listing Rules, the Board provides a negative assurance statement to the shareholders in its quarterly financial results announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements to be false or misleading in any material aspect.

Principle 11: RISK MANAGEMENT AND INTERNAL CONTROLS

Every business is exposed to various types of risk which will not be favorable for the Group's smooth and lucrative performance and for its efficiency in achieving the stated objectives. Hence, the Company regularly assesses and refines its business and operational activities to identify areas of significant business risks as well as undertakes suitable measures to get hold of and mitigate these risks. As and when required or on the recommendation of the AC, the Company may engage a third party to conduct risk assessment audit. The Company also reviews all significant control policies and procedures and highlights all significant matters to the AC and Board.

The Board, with the assistance from the AC, is responsible for the governance of the risk by ensuring that management maintains a sound system of risk management and Internal controls to safeguard shareholders' Interest and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

11.1 Internal Controls

The Group has an in-house internal audit team which regularly reviews the internal controls in place, examines the proper implementation of the controls and reports to the AC.

The AC reviews the adequacy of the internal audit function annually and ensures that the internal audit function is properly resourced and has appropriate standing within the Company. The external and internal auditors reviewed the effectiveness of the Group's key internal controls, highlighting on significant matters to the Group's preparation of financial statements that require the vigilance of the Management. Any material non-compliance or shortcomings in internal controls together with remedial measures are reported to the AC which then reviews the effectiveness of the Group's system of accounting and internal financial controls for which the Directors are responsible. The AC, together with the Board also reviews the effectiveness of the Group's system of internal controls put in place to address the key financial, operational, compliance risks and information technology controls affecting the operational activities.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls, and risk management system were adequate and effective as at 31 August 2017.

The Board has received assurance from CEO & Finance Advisor that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and also an effective risk management and internal control system has been put in place.

All the audit findings and recommendations made by the Internal and external auditors are reported to the AC and significant findings are discussed at the AC meetings. The Group's internal audit functions follows up on all recommendations to ensure timely remediation of audit issues and reports the status of the AC every quarter.

11.2.1 "Whistleblower" Policy

As part of the Company's diligent effort to ensure that sound corporate governance practices are being adopted, the Company has also implemented a "Whistleblower" Policy to empower employees, suppliers, tenants and customers to voice their grievances and/or to raise their concerns involving the Company without any fear or repercussions. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation. The whistle blowing policy is communicated to all staff and covered during staff trainings. The Chairman is in charge of managing this specific area.

The Group undertakes to investigate complaints of suspected fraud and unethical undertakings in an objective manner and has put in place, with the Audit Committee's endorsement, arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective for such arrangements is to build up independent and transparent investigation of matters raised and to allow appropriate actions to be taken.

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Group will treat all information received confidentially and protect the identity and the interest of all whistleblowers. Anonymous disclosures will be accepted and anonymity honoured. To further strengthen its Whistleblower Policy, the Company has implemented a strong deterrent by offering a cash reward to any person whether employees, suppliers, business associates or the general public who provides specific, reliable and credible information or evidence of fraudulent activities by any of the Company's Executive Director and Management team as listed in the Company's Annual Report ($50,000/- cash reward) and all other employees (up to $2,000/- cash reward) which leads to admission of guilt by the accused or leads to successful prosecution.

The AC also reviewed the adequacy of the whistle blower arrangements instituted by the Group through which staff and external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

All cases reported are objectively investigated and appropriate remedial measures are taken where warranted. All whistle blowing matters are reviewed monthly/quarterly by the AC.

The policy is communicated via the Company's website. On an ongoing basis, the whistle-blower policy is covered during staff training and periodic communication to all staff as part of the Group's efforts to promote awareness of fraud control. Further, any staff member having any specific concerns can contact the Lead Independent Director directly through email at Ahmad.magad@ii-vi.com or via telephone at +65 64811076.

11.2.2 Fraud Prevention Officer ("FPO")

As part of a continuous effort to improve the controls and also to send a clear message to every employee and stakeholder that the management has zero tolerance for fraud, Mr. Mohamed Salleh, the CEO himself is appointed as FPO. The management has put in place a policy highlighting severe consequences for the person committing fraud which will serve as a deterrent and prevent fraud to a great extent.

The principal functions of the FPO include the following:

1. Maintain Company's Whistleblower Policy

    a. Suppliers & Business Associates Ensure updated policy & advisory letter given to and acknowledged by all suppliers & business associates, both local & overseas who has any form of dealings with the company. This is to be translated in the language they best understand.

    b. Employees Ensure updated policy given and acknowledged by all employees. This is to be translated in the language they best understand.

    c. Reminders Ensure reminders are sent out to suppliers & business associates and employees on a yearly basis. To maintain a report on the reminders.

    d. Continuous Implementation Ensure that the Whistleblower Policy is continually implemented.

2. To pinpoint fraudulent activities on transactions done with the company to prevent losses and to report immediately / soonest possible any suspicions of fraud to the Chairman & AC and to update on progress of the investigation. Ensure all investigations are carried out independently and objectively in an unbiased manner.

3. To submit reports on a half yearly basis to AC. Report includes:

   a. Updates on issuance of Whistleblower Policies

   b. Updates on issuance of Advisory letter to suppliers/bankers/tenants/business associates

   c. Updates on reminders issued to suppliers /bankers/tenants/business associates & employees

   d. Updates on compliance to the recommendations of External & Internal Auditors.

4. The FPO may delegate his work but not his responsibilities to others within the organisation.

   To further improve and strengthen its Corporate Governance, the Company has included an indemnity clause to protect itself from avoidable losses. As such, with effect from 1 January 2012, all Executive Directors and Key Management personnel of the Group had their Service Agreement renewed whereby they indemnify the Company; all losses incurred arising out of or in connection with any gross negligence, fraud or dishonesty committed.

   The Board did not establish a separate Board risk committee as the Board is currently assisted by the AC and management in carrying out its responsibility of overseeing the Company's risk management framework and policies.

Principle 12: AUDIT COMMITTEE

The Audit Committee ("AC") comprises three members, all of whom, including the Chairman, are independent. All three members of the AC have relevant accounting and financial management experience. The Chairman of the AC is a qualified chartered accountant. The quorum for the AC meeting is two. At the date of this report, the AC comprises the following members:

Ms. Geetha Padmanabhan
Chairman, Independent Non-Executive Director

Dr. Ahmad Bin Mohamed Magad
Member, Independent Non-Executive Director

Mr. Tan Lye Heng Paul
Member, Independent Non-Executive Director

The main responsibilities of the AC are to assist the Board in discharging its statutory and other responsibility relating to four key areas:

- Reviewing financial reporting;
- Reviewing internal control and risk management systems;
- Reviewing internal and external audit processes; and
- Reviewing interested party transactions.

The functions of the AC include the following:

(a) conduct a review with the internal and external auditors of the Company, discuss their audit plans, evaluate the system of internal controls, and ensure co-operation is given by the Company's management to the internal and external auditors;

(b) review the interim and annual financial statements, related announcements and press releases before they are presented to the Board;

(c) review with the management, external and internal auditors the adequacy and effectiveness of the system of the Company's risk management, internal controls, business and service systems and practices;

(d) review related and interested party transactions("IPT");

(e) review the functioning of whistle blower mechanism;

(f) make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditors;

(g) meet at least once annually with the external auditors without the presence of the management;

(h) inspect significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;

(i) review the adequacy of the Group's internal controls, including financial, operational, compliance and information technology controls at least annually;

(j) analyze the scope, approach and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditor; and

(k) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC.

The AC may meet with the auditors at any time, without the presence of the Company's management. It may also examine any other aspects of the Company's affairs, as it deems necessary, where such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations.

The AC has power to conduct or authorize investigations into any matters within the AC's scope of responsibility. The AC is authorized to obtain independent professional advice if it deems it necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

In line with the recommendations of the Code, the AC had met with the auditors without the presence of the Company's management during the financial year under review.

The AC has full access to and co-operation of the Company's management and has full discretion to invite any Director or executive officer to attend the meetings, and has been given reasonable resources to enable it to discharge its functions. The external auditors regularly update the AC on the amendments to the accounting standards that are of relevance to the Group.

The Board and the AC have reviewed and are satisfied that the appointment of different auditors for its subsidiary in Malaysia would not compromise the standard and effectiveness of audit of the Group. The Company is therefore in compliance with Rule 716 of the Listing Manual of SGX-ST.

The AC reviews the non-audit services provided by the external auditors. For the financial year under review, Nexia TS Public Accounting Corporation has provided audit services only. The auditor of the Malaysian subsidiary, SSY Partners, a member firm of Nexia International, has also provided only audit services. Any non-audit services provided by the auditors are subject to review by the AC and the AC is required to opine if any provision of the non-audit services affect the independence of the auditors. The AC is also responsible for evaluating the cost-effectiveness of audit and ensuring independence and objectivity of the auditors.

The AC had also sought the consent of the auditors for re-appointment and has recommended that the auditors be re-appointed for the ensuing financial year. The Board accepted this recommendation and has proposed resolution for re-appointment.

None of the members of the Audit Committee are former partners or directors of the Group's auditing firm.

The AC also reviews the internal audit report and the auditors' management report recommendations. It then ensures Management has implemented any recommendations to strengthen the internal controls.

The total audit fees for the Group for FY 2017 is S$66,144.

There were no IPT in the financial year under review.

Financial matters

The AC reviewed the financial statements and discussed with management and external auditors the accounting principles that were applied and their judgement of certain items which involve informed assessment.

Significant Matters	**How the AC reviewed these matters**
Valuation of Investment Properties	The AC reviewed the following: (i) valuations of the properties done by independent external valuer (ii) the competence, independence and relevant experience of the external valuer (iii) key assumptions and methodology applied in arriving at the valuations (iv) the approach of the external auditor in addressing the risks in this area of audit
Valuation of Financial assets at fair value through profit or loss and available-for-sale financial assets	The AC reviewed/considered: (i) the proper classification of assets under both the asset classes FVTPL (assets at Fair Value Through Profit or Loss) and AFS (assets Available for Sale) (ii) the auditor's procedures for evaluating the fair value measurement for each of the asset classifications (iii) the key assumptions and methodology applied in arriving at the fair value of asset classes where the fair values are not readily available as quoted market prices as at the balance sheet date
Valuation and impairment of properties classified under property, plant and equipment	The AC reviewed: (i) the basis and period of classification of properties classified under this head (ii) valuations of the self-occupied properties done by independent external valuer (iii) the competence, independence and relevant experience of the external valuer (iv) key assumptions and methodology applied in arriving at the valuations and impairment assessment (v) the approach and methodology of the external auditor in their audit of the assets under this head (vi) the consolidation of PPE in overseas subsidiary books with group accounts, paying particular attention to any accounting standards or policies applied in the different jurisdictions

Following the review and discussions the AC recommended to the Board to approve the full year financial statements.

The above were also areas of focus for the external auditors.

The external auditor has included the above as items under Key Audit Matters in the audit report for the financial year ended 31 August 2017. Refer to Page no. 54 - 55 of this Annual Report for the auditor's comments.

Principle 13: INTERNAL AUDIT

The objective of the internal audit function is to provide independent, objective review and recommendations designed to improve the Group's operations. It works to determine the proper functionality of the Group's risk management, control and governance processes, as designed by the Company.

The Group has an in-house internal audit team which regularly reviews the internal controls in place, including financial, operational and compliance controls and risk management and reports to the AC. In addition, the Company on its own or on the recommendation of the AC may appoint third party internal auditors to carry out internal audit review.

The AC takes care of the approvals regarding the hiring, removal, evaluation and compensation of the Internal Auditors.

The internal auditors review the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The Board and the AC are of the view that the internal audit is adequately resourced and has appropriate standing within the Group.

The primary role of Internal Audit function is to assist the Board and senior management to meet the strategic and operational objectives of the Group, by providing an independent and objective evaluation of the adequacy and effectiveness of risk management, controls and governance processes. The Group's internal audit approach is aligned with the Group's risk management framework by focusing on key financial, operational, compliance and information technology risks. The annual internal audit plan is established in consultation with, but independent of, management. On an annual basis, the AC reviews the adequacy of the internal audit function to ensure the adequacy and effectiveness of the Group's internal audit function as well as to align it to the changing needs and risk profile of the Group's activities.

During the year, the internal audit team has assisted the Group in maintaining effective control by evaluating the effectiveness and efficiency of processes, in particular the adequacy of internal controls over initiation, processing, recording, authorisation of transactions, physical security controls, user access controls, segregation of duties and performance reviews. The internal audit team also obtained an understanding of how the Group has responded to risks arising from information technology and assessed the adequacy of automated application controls.

The professional competence of the internal auditors are maintained or upgraded through training programmes, conferences and seminars that provides updates on auditing techniques, regulations, financial products and services.

Principle 14: SHAREHOLDERS' RIGHTS

Principle 15: COMMUNICATION WITH SHAREHOLDERS

The Group recognizes the importance of maintaining transparency and accountability to its shareholders**.** The Group's corporate governance culture promotes fair and equitable treatment of all shareholders and respects shareholders' rights.

The Group is further committed to provide shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Group strongly encourages shareholders to participate and vote during AGM which will be held in Singapore. At general meetings, shareholders will be informed of the rules and voting procedures. Shareholders are able to proactively engage the Board and management on the Group's business activities, financial performance and other business related matters.

Whilst there is no limit imposed on the number of proxy votes for relevant intermediaries, the Articles of Association of the Company allow each shareholder to appoint up to two proxies to attend AGMs. Subject to legislative amendment to the Companies Act of the relevant provision regarding appointment of proxies, the Company will consider amending its Articles of Association to allow corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

The Group is committed to maintaining high standards of corporate disclosure and transparency. The Group values dialogue sessions with it shareholders and believes in regular, effective and fair communication with shareholders and is committed to hear shareholders' views and addressing their concerns. The Company maintains a database of email addresses of shareholders for this purpose. Shareholders interested to be on the mailing list can email at contact@secondchance.com.sg

Material information is disclosed in a comprehensive, accurate and timely manner through press release and corporate website. The Company does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the Listing Manual of the SGX-ST, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group.

Information required by shareholders to make investment decisions is disseminated on a timely basis through:

- SGXNET announcements and news release
- Annual Report prepared and issued to all shareholders

Announcement of financial results is made within forty five days after the end of each financial quarter for the first three quarters and within sixty days after the end of the financial year.

In addition, the Group strongly encourages shareholder participation during AGM which will be held in Singapore. At the AGM, the shareholders are able to proactively engage the Board and management on the Group's business activities, financial performance and other business related matters. Further, the shareholders have the opportunity to interact with the management and other members of the Board and also share their views or concerns.

Dividend Policy

Rising profits over the past many years, has allowed the company to distribute high dividends during those years. In the current economic environment, the Company's profitability has declined and the outlook for the next few years does not seem to be encouraging. In view of this situation, the Board of Directors has decided to be prudent and limit the distribution of dividends to be not more than 30% of net profit after tax. The quantum of dividends will now be decided and announced together with the Full Year results. However, the company does intend to pay out dividends every year for as long as the Company remains profitable and the cash flow permits.

Principle 16: CONDUCT OF SHAREHOLDER MEETINGS

The notice of the AGM is dispatched to shareholders, together with explanatory notes or a circular on items of special business, at least fourteen days prior to the meeting. The notice of AGM is also advertised in local newspaper on the date of posting for the benefit of the shareholders.

All registered shareholders are invited to participate and given the right to vote on resolutions at general meetings. Proxy form is sent with notice of general meeting to all shareholders .The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the AGM.

All Directors including the Chairmen of the AC, RC and NC, and the management will normally be present at the AGM to answer any questions relating to the work of these committees. The auditors are also present to assist the Directors on any queries on the financial statements.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and management and such minutes, where relevant will be made available to shareholders upon request during office hours.

The Board recognizes that voting by poll is integral in the enhancement of corporate governance and leads to greater transparency of the level of support for each resolution. The Board will adhere to the requirements of the Listing Manual where all resolutions are to be voted by poll.

All resolutions tabled at general meetings are on each substantially separate issue and all resolutions at general meetings requiring shareholders' approval are proposed as separate resolutions.

CORPORATE GOVERNANCE

Dealing in Securities

The Company has adopted an internal code on dealings in securities, which has been issued to all Directors and employees setting up the implications on insider trading.

The internal code restrains Directors and employees from getting themselves involved in deals related to Company's securities while in possession of price-sensitive information and during the window period beginning two weeks before the announcement of the quarterly results and one month before the announcement of the full year results, and ending on the date of the announcement of the respective results. Directors are required to report securities dealings to the Company Secretary who will aid in making the requisite announcements.

In addition, Directors and employees are reminded to observe insider trading laws at all times. The Company's officers are discouraged from dealing in the Company's shares on short-term considerations.

Material Contracts

Company or any of its subsidiaries has not entered into any such material contracts which involves the interest of CEO or any Director or controlling shareholder during the year under review and till date of this report.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and those transactions, if any, are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. There were no interested person transactions for the financial year ended 31 August 2017.

On a quarterly basis, management reports to the AC the IPTs in accordance with the Company's Shareholders Mandate for IPT.

The AC is satisfied that the Internal controls over the identification, evaluation, review, approval and reporting of IPTs was effective.

Statement of Compliance

The Board confirms that for the financial year ended 31 August 2017, the Company has generally adhered to the principles and guidelines as set out in the Code.

DIRECTORS' STATEMENT

For the Financial Year Ended 31 August 2017

The directors are pleased to present their statement to the members together with the audited financial statements of Second Chance Properties Ltd (the "Company") and its subsidiary corporations (the "Group") for the financial year ended 31 August 2017 and the balance sheet of the Company as at 31 August 2017.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 58 to 107 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 August 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Mohamed Salleh s/o Kadir Mohideen Saibu Maricar
Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar
Devnarayanan s/o Kallankarai Ram Pisharody
Geetha Padmanabhan
Ahmad Bin Mohamed Magad
Tan Lye Heng Paul

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	At 31.08.17	At 01.09.16	At 31.08.17	At 01.09.16
The Company				
(Ordinary shares)				
Mohamed Salleh s/o Kadir Mohideen Saibu Maricar	434,241,034	434,161,934	72,567,785	63,187,785
Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar	6,300,688	6,300,688	-	-
Devnarayanan s/o Kallankarai Ram Pisharody	4,370,816	4,370,816	-	-
Geetha Padmanabhan	-	-	1,040,052	1,040,052
Ahmad Bin Mohamed Magad	500,045	500,045	-	-
Tan Lye Heng Paul	23,054	25,710	-	-

Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar, who by virtue of his interest of not less than 20% of the issued share capital of the Company, is deemed to have an interest in shares of the Company's subsidiary corporations, all of which are wholly owned, at the beginning and at the end of the financial year.

The directors' interests in the ordinary shares of the Company as at 21 September 2017 were the same as those as at 31 August 2017, except for the holdings in which Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar is deemed to have an interest which increased from 72,567,785 ordinary shares as at 31 August 2017 to 72,783,685 ordinary shares as at 21 September 2017.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company or its subsidiary corporations.

At the end of the financial year, there were no unissued shares of the Company or its subsidiary corporations under option.

Audit committee

The members of the Audit Committee at the end of the financial year were as follows:

Geetha Padmanabhan	(Chairman)
Ahmad Bin Mohamed Magad	
Tan Lye Heng Paul	

All members of the Audit Committee were independent and non-executive directors. The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Audit Committee reviewed:

a) the scope and the results of internal audit procedures with the internal auditors;

b) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

c) the assistance given by the Company's management to the independent auditor;

d) the balance sheet of the Company as at 31 August 2017 and the consolidated financial statements of the Group for the financial year ended 31 August 2017 before their submission to the Board of Directors, as well as the Independent Auditor's Report on the balance sheet of the Company and the consolidated financial statements of the Group;

e) the quarterly and annual announcement as well as the related press releases on the financial performance and financial position of the Company and the Group; and

f) the appointment of the independent auditor of the Group.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Mohamed Salleh s/o Kadir Mohideen Saibu Maricar Director	Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar Director

30 November 2017

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Second Chance Properties Ltd (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 August 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 August 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Areas of focus	How our audit addressed the risk factor
Valuation of investment properties	
We focused on this area due to significance of the balance as at 31 August 2017 and also because the determination of fair value of investment property involves significant judgement in determining the appropriate valuation methodology. Investment properties represent 54.89% of the Group's total assets. Management engaged an independent valuer, Jones Lang Lasalle Property Consultants Pte Ltd, to perform desktop valuation to determine the indicative values of all the investment properties held as at year end. Management has adopted the indicative values determined by the independent valuer as the fair values of the Group's investment properties as at 31 August 2017 which amounted to $171.70 million. Fair value loss of $2.44 million was recognised in the Group's consolidated statement of comprehensive income as a result of this valuation exercise.	Our procedures in relation to independent external valuation of investment properties included evaluation of the independent external valuer's competence, capabilities and objectivity. We found the competence, capabilities and objectivity of the independent external valuer to be acceptable. We considered the valuation methodologies used against those applied by other valuers for similar assets. We have agreed the fair value of each investment property against the desktop valuation report. We also assessed the adequacy of disclosures in Note 21 to the financial statements.

Areas of focus	How our audit addressed the risk factor
Valuation of financial assets, at fair value through profit or loss and available-for-sale financial assets	
We focused on this area due to significance of the balance as at 31 August 2017. As at 31 August 2017, financial assets, at fair value through profit or loss were valued at $32.77 million and available-for-sale financial assets were valued at $54.57 million representing 10.48% and 17.45% of the total assets respectively. These financial assets are all traded in active market and classified as "Level 1" fair value measurement hierarchy.	Our procedures included the following: • Obtained third party audit confirmation or statement of account of investments held by the Group and its market price as at 31 August 2017. • Agreed the balance of financial assets, at fair value through profit or loss and available-for-sale financial assets held as at 31 August 2017 with the audit confirmation or statement of account. • Test of valuation used by the management based on market price as provided in the audit confirmation or statement of account. We also found that these financial assets were properly carried at fair values based on the quoted market price, representing the closing price, as at balance sheet date. We also assessed the adequacy of disclosures in Notes 12 and 18 to the financial statements.
Valuation of property, plant and equipment	
Included in the Group's property, plant and equipment are freehold land and building with carrying value of $20.68 million which represent 6.61% of the Group's total assets as at 31 August 2017. Freehold land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Building is subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses. We focused on this area due to significance of the balance as at 31 August 2017 and also because the determination of fair value of freehold land and building involves significant judgement in determining the appropriate valuation methodology. The valuations of the Group's freehold land and building were also adopted from the indicative values determined from the desktop valuation performed by an independent external valuer engaged by the Management.	Our procedures in relation to independent external valuation of freehold land and building included evaluation of the independent external valuer's competence, capabilities and objectivity. We found the competence, capabilities and objectivity of the independent external valuer to be acceptable. We considered the valuation methodologies used against those applied by other valuers for similar assets. We have agreed the fair value of freehold land and building against the desktop valuation report. We also assessed the adequacy of disclosures in Note 20 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regards.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Ross Yu Limjoco.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

30 November 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 August 2017

	Note	2017 $	2016 $
Revenue	4	34,811,780	39,122,086
Cost of sales		(17,015,953)	(18,731,321)
Gross profit		17,795,827	20,390,765
Other income/(losses) – net	5	1,192,755	(2,388,046)
Expenses			
- Administrative		4,450,051	5,158,996
- Distribution		777,892	778,042
- Finance	6	711,348	978,659
- Apparel operating		1,763,026	1,945,166
- Property operating		1,119,314	1,354,762
- Gold and jewellery operating		164,736	165,641
- Others		23,194	33,919
		9,009,561	10,415,185
Profit before income tax		9,979,021	7,587,534
Income tax expense	9	(501,980)	(615,414)
Net profit for the financial year		9,477,041	6,972,120
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value gain		1,334,393	1,040,850
- Reclassification		(2,153,155)	-
Currency translation differences arising from consolidation		(1,244,943)	(39,315)
		(2,063,705)	1,001,535
Items that will not be reclassified subsequently to profit or loss:			
- Revaluation loss on property, plant and equipment		(1,590,500)	(153,253)
Other comprehensive (loss)/income, net of tax		(3,654,205)	848,282
Total comprehensive income attributable to equity holders		5,822,836	7,820,402
Earnings per share attributable to equity holders (cents per share)			
Basic earnings per share	10	1.26	0.96
Diluted earnings per share	10	1.26	0.96

	Note	The Group		The Company	
		2017	2016	2017	2016
		$	$	$	$
ASSETS					
Current assets					
Cash and cash equivalents	11	6,517,319	5,512,471	175,643	741,947
Financial assets, at fair value through profit or loss	12	32,773,969	34,642,023	-	-
Trade and other receivables	13	646,811	792,564	10,293,776	10,405,910
Inventories	14	15,715,814	16,418,297	1,005,096	990,440
Other current assets	15	402,002	528,988	169,968	195,858
Income tax receivables		135,580	162,721	-	-
		56,191,495	58,057,064	11,644,483	12,334,155
Property held-for-sale	16	9,400,000	-	-	-
		65,591,495	58,057,064	11,644,483	12,334,155
Non-current assets					
Amount due from subsidiary corporations	17	-	-	168,293,813	196,380,053
Available-for-sale financial assets	18	54,573,589	53,954,644	47,731,360	47,712,572
Investments in subsidiary corporations	19	-	-	17,230,918	17,230,918
Property, plant and equipment	20	20,936,132	24,567,280	60,974	66,889
Investment properties	21	171,702,103	183,652,679	13,500,000	13,500,000
		247,211,824	262,174,603	246,817,065	274,890,432
Total assets		312,803,319	320,231,667	258,461,548	287,224,587
LIABILITIES					
Current liabilities					
Trade payables	22	4,246,586	2,399,736	250,065	371,754
Other payables	23	2,203,293	1,901,329	1,920,187	1,658,984
Borrowings	24	42,914,178	55,547,868	23,912,422	50,354,785
Current income tax liabilities		957,049	704,842	-	266,365
		50,321,106	60,553,775	26,082,674	52,651,888
Non-current liabilities					
Borrowings	24	2,875,690	3,231,970	2,875,690	3,231,970
Deferred income tax liabilities	25	251,612	191,474	9,187	9,014
		3,127,302	3,423,444	2,884,877	3,240,984
Total liabilities		53,448,408	63,977,219	28,967,551	55,892,872
Net assets		259,354,911	256,254,448	229,493,997	231,331,715
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	137,107,804	138,319,385	137,107,804	138,319,385
Retained profits	27	112,283,737	104,317,488	83,571,538	84,286,589
Other reserves	28	9,963,370	13,617,575	8,814,655	8,725,741
Total equity		259,354,911	256,254,448	229,493,997	231,331,715

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 August 2017

				Other reserves*				
		Share capital	**Retained profits**	**Fair value reserve**	**Asset revaluation reserve**	**Currency translation reserve**	**Total other reserves**	**Total equity**
	Note	**$**	**$**	**$**	**$**	**$**	**$**	**$**
2017								
Beginning of financial year		138,319,385	104,317,488	9,607,368	9,438,210	(5,428,003)	13,617,575	256,254,448
Share buyback		(1,593,706)	-	-	-	-	-	(1,593,706)
Issue of share capital		382,125	-	-	-	-	-	382,125
Cash dividend paid	29	-	(1,510,792)	-	-	-	-	(1,510,792)
Total comprehensive income/(loss) for the financial year		-	9,477,041	(818,762)	(1,590,500)	(1,244,943)	(3,654,205)	5,822,836
End of financial year		137,107,804	112,283,737	8,788,606	7,847,710	(6,672,946)	9,963,370	259,354,911
2016								
Beginning of financial year		120,141,158	121,386,333	8,566,518	9,591,463	(5,388,688)	12,769,293	254,296,784
Cash dividend paid	29	-	(5,862,738)	-	-	-	-	(5,862,738)
Scrip dividend	29	18,178,227	(18,178,227)	-	-	-	-	-
Total comprehensive income/(loss) for the financial year		-	6,972,120	1,040,850	(153,253)	(39,315)	848,282	7,820,402
End of financial year		138,319,385	104,317,488	9,607,368	9,438,210	(5,428,003)	13,617,575	256,254,448

* Other reserves are non-distributable.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 August 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Net profit for the financial year		9,477,041	6,972,120
Adjustments for:			
- Income tax expense	9	501,980	615,414
- Depreciation of property, plant and equipment	7	320,189	379,268
- Gain on disposal of investment properties	5	-	(640,000)
- Gain on disposal of available-for-sale financial assets	5	(2,245,215)	-
- Fair value loss on investment properties	5	2,442,535	1,547,433
- Interest income from bank deposits	5	(190,264)	(70,921)
- Finance expense	6	711,348	978,659
- Property, plant and equipment written off	7	557,259	241,919
- Unrealised currency translation differences		411,622	(6,222)
		11,986,495	**10,017,670**
Changes in working capital:			
- Financial assets, at fair value through profit or loss		1,868,054	4,223,518
- Trade and other receivables		145,250	2,483,861
- Inventories		450,116	675,601
- Other current assets		163,820	165,364
- Trade and other payables		2,162,976	(613,781)
Net cash generated from operations		16,776,711	16,952,233
Interest received		190,264	70,921
Interest paid		(717,253)	(1,143,215)
Income tax paid		(178,730)	(872,269)
Net cash provided by operating activities		**16,070,992**	**15,007,670**
Cash flows from investing activities			
Proceeds from disposal of available-for-sale financial assets		7,017,124	439,333
Proceeds from disposal of investment properties		-	12,650,000
Proceeds from disposal of property held-for-sale	16	-	6,535,000
Purchases of available-for-sale financial assets	18	(6,209,615)	(342,450)
Additions to property, plant and equipment	20	(167,216)	(374,229)
Net cash provided by investing activities		**640,293**	**18,907,654**
Cash flows from financing activities			
Proceeds from issue of shares		382,125	-
Cash used for share buyback		(1,593,706)	-
Proceeds from bank borrowings		103,000,052	79,749,360
Repayment of bank borrowings		(115,963,253)	(109,394,245)
Cash dividends paid to equity holders of the Company		(1,510,792)	(5,862,738)
Net cash used in financing activities		**(15,685,574)**	**(35,507,623)**
Net increase/(decrease) in cash and cash equivalents		1,025,711	(1,592,299)
Cash and cash equivalents			
Beginning of financial year		5,491,608	7,083,907
End of financial year	11	**6,517,319**	**5,491,608**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Second Chance Properties Ltd on 30 November 2017.

1. General information

Second Chance Properties Ltd (the "Company") is listed on the Main Board of Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is at 845 Geylang Road, #04-22 Tanjong Katong Complex, Singapore 400845.

The principal activities of the Company are those of an investment holding company, retailing of ready-made garments, holding of property as investment for rental income and investing in securities. The principal activities of the subsidiary corporations are set out in Note 19 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2016

On 1 September 2016, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

The adoption of these new or amended FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. Significant accounting policies

2.2 Revenue recognition

(b) Rental income

Rental income arising on investment properties from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease terms.

(c) Dividend/Coupon income

Dividend/Coupon income from investments in equity shares and bonds is recognised when the right to receive payment has been established.

(d) Interest income

Interest income is recognised using the effective interest method.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grant relating to assets is deducted against the carrying amount of the assets.

2.4 Group accounting

Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

2. Significant accounting policies

2.4 Group accounting

Subsidiary corporations

(ii) Acquisitions

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired, is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

2.5 Property, plant and equipment

(a) Measurement

(i) Land and buildings

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Land and buildings are revalued by independent professional valuers on annual basis (full valuation every 3 years and desktop valuation on the intervening years) or whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increase in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in profit or loss.

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Significant accounting policies

2.5 Property, plant and equipment

(b) Depreciation

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Depreciation rate
Freehold buildings	2.0% to 2.5%
Renovation, furniture and fittings	8.3% to 10.0%
Shop and office equipment	10.0% to 12.5%
Computers and peripherals	20.0% to 33.3%
Motor vehicles	10.0% to 16.6%

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained profits directly.

2.6 Investment properties

Investment properties include properties that are held for long-term rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at fair value which is determined by independent professional valuers annually (full valuation every 3 years and desktop valuation on the intervening years). Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvement is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest.

2.8 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiary corporations, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. Significant accounting policies

2.9 Impairment of non-financial assets

Property, plant and equipment
Investments in subsidiary corporations

Property, plant and equipment and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Property, plant and equipment" for the treatment of revaluation decrease.

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

2.10 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

As at balance sheet date, the Group has financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables include cash and cash equivalents, trade and other receivables, amount due from subsidiary corporations, and deposits under other current assets accounts.

2. Significant accounting policies

2.10 Financial assets

(a) Classification

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is transferred to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when changes arise.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences, if any.

(e) Impairment

The Group assesses at each balance sheet date whether there is an objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2. Significant accounting policies

2.10 Financial assets

(e) Impairment

(ii) Available-for-sale financial assets

Significant or prolonged declines in the fair value of the equity securities below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in normal operating cycle of the business if longer). Otherwise they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the closing prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.14 Leases

(a) When the Group is the lessee – operating lease:

The Group leases office and warehouses under operating leases from non-related party.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) When the Group is the lessor – operating lease:

The Group leases out retail spaces and office buildings under operating lease to non-related parties.

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as income in profit or loss when earned.

2. Significant accounting policies

2.15 Inventories

Inventories are carried at the lower of cost (specific identification method and weighted average method) and net realisable value. Cost comprises direct materials and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.17 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2.18 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2. Significant accounting policies

2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

(b) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing. The Group recognises a provision when contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.20 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency").The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations is recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gain and losses that relate to borrowings are presented in the statement of comprehensive income within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other income/(losses)- net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The financial performance and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expense are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2. Significant accounting policies

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.23 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors who are responsible for allocating resources and assessing performance of the operating segments.

2.25 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

3. Critical accounting estimates, assumptions and judgements

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

a) Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has not made any judgements that will have a significant effect on the amounts recognised in the financial statements except for the valuation of freehold land and building and investment properties as disclosed in Notes 20 and 21 to the financial statements.

b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include the below:

i) the determination of useful lives of property, plant and equipment (Note 20);

ii) the assessment of adequacy of provisions for current and deferred income taxes (Notes 9 and 25 respectively).

These estimates, judgements and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Revenue

	The Group	
	2017	2016
	$	$
Sale of goods	23,328,720	26,570,683
Rental income	7,492,736	8,277,277
Dividend/Coupon income	3,990,324	4,274,126
	34,811,780	39,122,086

5. Other income/(losses) – net

	The Group	
	2017	2016
	$	$
Fair value loss on investment properties (Note 21)	(2,442,535)	(1,547,433)
Fair value gain/(loss) on financial assets, at fair value through profit or loss	1,417,786	(1,485,683)
Gain on disposal of financial assets, at fair value through profit or loss	264,180	54,145
Gain on disposal of available-for-sale financial assets		
- Gain on disposal	92,060	-
- Reclassification from other comprehensive income on disposal (Note 28(b)(i))	2,153,155	-
	2,245,215	-
Gain on disposal of investment properties	-	640,000
Interest income from bank deposits	190,264	70,921
Bad debts written off	-	(179,991)
Currency exchange loss – net	(706,960)	(411)
Others	224,805	60,406
	1,192,755	(2,388,046)

6. Finance expense

	The Group	
	2017	2016
	$	$
Interest on bank borrowings	717,273	1,156,038
Currency exchange gains – net	(5,925)	(177,379)
	711,348	978,659

7. Expenses by nature

	The Group	
	2017	2016
	$	$
Purchases of inventories	16,313,470	18,055,720
Employee compensation (Note 8)	3,330,043	4,227,414
Rental on operating leases	1,063,679	1,526,655
Property tax	666,793	759,037
Changes in inventories	702,483	675,601
Advertising	570,428	540,035
Property, plant and equipment written off	557,259	241,919
Depreciation of property, plant and equipment (Note 20)	320,189	379,268
Commission	87,197	165,479
Fees on audit services paid/payable to:		
- Auditor of the Company	61,700	59,500
- Other auditor	6,444	6,674
Other expenses	1,634,481	1,530,545
	25,314,166	28,167,847

8. Employee compensation

	The Group	
	2017	2016
	$	$
Salaries and wages	2,944,253	3,786,083
Employer's contribution to defined contribution plans	244,316	312,535
Other benefits	141,474	128,796
	3,330,043	4,227,414

9. Income taxes

	The Group	
	2017	**2016**
	$	**$**
(a) Tax expense attributable to profit is made up of:		
Profit for the financial year:		
Current income tax	963,730	706,543
Deferred income tax (Note 25)	108,879	(24,179)
	1,072,609	682,364
Over provision in prior financial years:		
Current income tax		
- Singapore	(570,629)	(66,950)
	(570,629)	(66,950)
	501,980	615,414

The tax on Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	The Group	
	2017	**2016**
	$	**$**
Profit before income tax	9,979,021	7,587,534
Tax calculated at tax rate of 17% (2016:17%)	1,696,434	1,289,881
Effects of:		
- expenses not deductible for tax purposes	530,475	620,102
- income not subject to tax	(721,449)	(924,655)
- effect of different tax rate for a subsidiary corporation in another jurisdiction	(41,503)	(22,584)
- deferred tax assets not recognised	89,026	187,902
- tax incentives	(442,632)	(464,855)
- over provision of tax in prior years	(570,629)	(66,950)
- others	(37,742)	(3,427)
	501,980	615,414

The Group has unrecognised tax losses of approximately $2,247,685 (2016: $1,724,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

9. Income taxes

(b) The tax charge relating to each component of other comprehensive income is as follows:

	The Group					
	2017			2016		
	Before Tax	Tax charge	After Tax	Before Tax	Tax charge	After Tax
	$	$	$	$	$	$
Fair value gain on available-for-sale financial assets	1,344,393	-	1,344,393	1,040,850	-	1,040,850
Currency translation differences arising from consolidation	(1,244,943)	-	(1,244,943)	(39,315)	-	(39,315)
Revaluation loss on property, plant and equipment	(1,590,500)	-	(1,590,500)	(153,253)	-	(153,253)

10. Earnings per share

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effect of all dilutive potential ordinary shares. The Company has one category of potential dilutive ordinary shares: warrants.

For the financial year ended 31 August 2016, the warrants were not included in the calculation of diluted earnings per share because they are antidilutive.

	The Group	
	2017	2016
Net profit attributable to equity holders of the Company ($)	9,477,041	6,972,120
Weighted average number of ordinary shares outstanding for basic earnings per share	751,428,169	722,818,680
Weighted average number of ordinary shares outstanding for diluted earnings per share	753,794,702	722,818,680
Basic earnings per share (cents per share)	1.26	0.96
Diluted earnings per share (cents per share)	1.26	0.96

11. Cash and cash equivalents

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Cash at banks and on hand	6,517,319	5,512,471	175,643	741,947

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	The Group	
	2017	2016
	$	$
Cash and cash equivalents (as above)	6,517,319	5,512,471
Less: Bank overdraft (Note 24)	-	(20,863)
Cash and cash equivalents per consolidated statement of cash flows	6,517,319	5,491,608

12. Financial assets, at fair value through profit or loss

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Held for trading				
Listed securities:				
Equity securities – Singapore	19,947,836	16,890,394	-	-
Bonds – Singapore	12,826,133	17,751,629	-	-
	32,773,969	34,642,023	-	-

The bonds bear interest ranging from 2.625% to 8.625% (2016: 4.3% to 9.5%) per annum and have maturity dates from 3 months to perpetuity (2016: 9 months to 98 months) from the balance sheet date.

The financial assets, at fair value through profit or loss are used as security for short-term bank borrowings (Note 24).

13. Trade and other receivables

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Trade receivables				
- subsidiary corporations	-	-	10,073,028	10,040,247
- non-related parties	648,300	599,154	132,872	93,352
	648,300	599,154	10,205,900	10,133,599
Less: Allowance for impairment of receivables – non-related parties (Note 31(b)(ii))	- (71,230)	(71,230)	-	-
Trade receivables – net	577,070	527,924	10,205,900	10,133,599
Advances to suppliers	-	258,439	-	258,438
Other receivables – non-related parties	69,741	6,201	87,876	13,873
	646,811	792,564	10,293,776	10,405,910

14. Inventories

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Finished goods	15,715,814	16,418,297	1,005,096	990,440

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $17,015,953 (2016: $18,731,321).

15. Other current assets

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Deposits	381,141	483,245	169,968	172,358
Prepayment	20,861	45,743	-	23,500
	402,002	**528,988**	**169,968**	**195,858**

16. Property held-for-sale

During the current financial year, a Subsidiary corporation and a prospective Buyer entered into an option to purchase the subsidiary corporation's investment property with an option price of $10,000,000. As at 31 August 2017, no sale and purchase agreement has been entered into and the subsidiary corporation has not recognised the sale and corresponding gain or loss, if any. The investment property was transferred to property held-for-sale account at the lower of its carrying amount and fair value less cost to sell.

The disposal was subsequently completed on 4 October 2017.

17. Amounts due from subsidiary corporations

The amounts due from subsidiary corporations in the Company's balance sheet are non-trade, unsecured, and bear effective interest of 1.50% (2016: 1.74%) per annum. These amounts are not expected to be paid within the next 12 months from the balance sheet date.

The management is of the opinion that the carrying amounts approximate their fair values.

18. Available-for-sale financial assets

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Beginning of financial year	53,954,644	53,010,677	47,712,572	46,663,046
Additions	6,209,615	342,450	226,617	342,450
Fair value gain recognised in other comprehensive income (Note 28(b)(i))	1,334,393	1,040,850	88,914	1,146,409
Redeemed by issuers	(296,743)	(439,333)	(296,743)	(439,333)
Disposals	(6,628,320)	-	-	-
End of financial year	54,573,589	53,954,644	47,731,360	47,712,572

Available-for-sale financial assets are analysed as follows:

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Listed equity securities – Singapore	54,573,589	53,954,644	47,731,360	47,712,572

The available-for-sale financial assets are pledged as security for bank borrowings (Note 24).

19. Investment in subsidiary corporations

	The Company	
	2017	2016
	$	$
Unquoted equity investments at cost	17,230,918	17,230,918

19. Investment in subsidiary corporations

Details of subsidiary corporations are as follows:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2017	2016
			%	%
Held by the Company				
Winning Chance Investments Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Another Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Best Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Better Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Double Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Equal Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Fair Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
First Lady Apparels (Malaysia) Sdn Bhd (2)	Retail of ready-made garments	Malaysia	100	100
Golden Chance Goldsmith Pte Ltd (1)	Retail of gold and jewellery, holding of properties as investments for rental income and holding of bonds and equity securities	Singapore	100	100
Good Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100

19. Investment in subsidiary corporations

Details of subsidiary corporations are as follows:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2017	2016
			%	%
Held by the Company				
New Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Top Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Second Chance Investments Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Super Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income and trading of bonds and equity securities	Singapore	100	100
Classic Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Great Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Prime Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Easy Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
One Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100

(1) Audited by Nexia TS Public Accounting Corporation, Singapore, an independent member firm of Nexia International.

(2) Audited by SSY Partners, Malaysia, an independent member firm of Nexia International.

20. Property, plant and equipment

	Freehold land	Freehold buildings	Renovation, furniture and fittings	Shop and office equipment	Computers and peripherals	Motor vehicles	Total
	$	$	$	$	$	$	$
The Group							
2017							
Cost or valuation							
Beginning of financial year							
Cost	-	-	3,085,283	214,895	934,715	115,125	4,350,018
Valuation	17,257,427	6,303,174	-	-	-	-	23,560,601
	17,257,427	6,303,174	3,085,283	214,895	934,715	115,125	27,910,619
Currency translation differences	(956,800)	(332,403)	(93,335)	(2,002)	(21,463)	(1,417)	(1,407,420)
Additions	-	119,087	1,694	8,688	37,747	-	167,216
Revaluation loss (Note 28)	(1,590,500)	-	-	-	-	-	(1,590,500)
Revaluation adjustments	-	(117,884)	-	-	-	-	(117,884)
Written-off	-	-	(867,855)	-	-	-	(867,855)
End of financial year	14,710,127	5,971,974	2,125,787	221,581	950,999	113,708	24,094,176
Representing:							
Cost	-	-	2,125,787	221,581	950,999	113,708	3,412,075
Valuation	14,710,127	5,971,974	-	-	-	-	20,682,101
	14,710,127	5,971,974	2,125,787	221,581	950,999	113,708	24,094,176
Accumulated depreciation							
Beginning of financial year	-	5,600	2,153,646	191,453	882,580	110,060	3,343,339
Currency translation differences	-	-	(53,946)	(1,669)	(20,218)	(1,171)	(77,004)
Depreciation charge (Note 7)	-	117,884	153,968	7,147	38,687	2,503	320,189
Written-off	-	-	(310,596)	-	-	-	(310,596)
Revaluation adjustments	-	(117,884)	-	-	-	-	(117,884)
End of financial year	-	5,600	1,943,072	196,931	901,049	111,392	3,158,044
Net book value **End of financial year**	**14,710,127**	**5,966,374**	**182,715**	**24,650**	**49,950**	**2,316**	**20,936,132**

20. Property, plant and equipment

	Freehold land	Freehold buildings	Renovation, furniture and fittings	Shop and office equipment	Computers and peripherals	Motor vehicles	Total
	$	$	$	$	$	$	$
The Group							
2016							
Cost or valuation							
Beginning of financial year							
Cost	-	-	3,645,237	204,462	901,393	115,156	4,866,248
Valuation	21,191,227	6,697,373	-	-	-	-	27,888,600
	21,191,227	6,697,373	3,645,237	204,462	901,393	115,156	32,754,848
Currency translation differences	(20,800)	(4,869)	(4,816)	(29)	(298)	(31)	(30,843)
Additions	-	277,663	52,484	10,462	33,620	-	374,229
Revaluation loss (Note 28)	-	(154,308)	-	-	-	-	(154,308)
Revaluation adjustments	-	(128,252)	-	-	-	-	(128,252)
Written-off	-	-	(607,622)	-	-	-	(607,622)
Reclassified to investment properties (Note 21)	(3,913,000)	(384,433)	-	-	-	-	(4,297,433)
End of financial year	17,257,427	6,303,174	3,085,283	214,895	934,715	115,125	27,910,619
Representing:							
Cost	-	-	3,085,283	214,895	934,715	115,125	4,350,018
Valuation	17,257,427	6,303,174	-	-	-	-	23,560,601
	17,257,427	6,303,174	3,085,283	214,895	934,715	115,125	27,910,619
Accumulated depreciation							
Beginning of financial year	-	5,600	2,307,391	185,029	852,330	107,685	3,458,035
Currency translation differences	-	-	217	4	(228)	(2)	(9)
Depreciation charge (Note 7)	-	128,252	211,741	6,420	30,478	2,377	379,268
Written-off	-	-	(365,703)	-	-	-	(365,703)
Revaluation adjustments	-	(128,252)	-	-	-	-	(128,252)
End of financial year	-	5,600	2,153,646	191,453	882,580	110,060	3,343,339
Net book value							
End of financial year	**17,257,427**	**6,297,574**	**931,637**	**23,442**	**52,135**	**5,065**	**24,567,280**

20. Property, plant and equipment

	Renovation, furniture and fittings	Shop and office equipment	Computers and peripherals	Motor vehicles	Total
	$	$	$	$	$
The Company					
2017					
Cost					
Beginning of financial year	822,296	80,484	368,615	89,216	1,360,611
Additions	-	7,090	8,941	-	16,031
End of financial year	822,296	87,574	377,556	89,216	1,376,642
Accumulated depreciation					
Beginning of financial year	787,189	75,022	342,295	89,216	1,293,722
Depreciation charge	8,911	2,208	10,827	-	21,946
End of financial year	796,100	77,230	353,122	89,216	1,315,668
Net book value					
End of financial year	**26,196**	**10,344**	**24,434**	**-**	**60,974**
2016					
Cost					
Beginning of financial year	804,536	73,684	351,713	89,216	1,319,149
Additions	17,760	6,800	16,902	-	41,462
End of financial year	822,296	80,484	368,615	89,216	1,360,611
Accumulated depreciation					
Beginning of financial year	774,373	72,853	335,013	89,216	1,271,455
Depreciation charge	12,816	2,169	7,282	-	22,267
End of financial year	787,189	75,022	342,295	89,216	1,293,722
Net book value					
End of financial year	**35,107**	**5,462**	**26,320**	**-**	**66,889**

(a) Fair value of freehold land and buildings

Fair value hierarchy

As at 31 August 2017, freehold land and buildings are measured at fair value under Level 2 measurement hierarchy.

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's freehold land and buildings have been generally derived using the sales comparison approach. Sales prices and rental yield of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square metre and rental yield per square metre.

20. Property, plant and equipment

(a) Fair value of freehold land and buildings

Valuation process of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of the financial year based on the properties' highest-and-best-use. As at 31 August 2017 and 2016, the fair values of the properties have been determined by Jones Lang Lasalle Property Consultants Pte Ltd.

Changes in Level 2 fair values are analysed at each reporting date during the board meeting. As part of the discussion, the management presents a report that explains the reason for the fair value movements.

(b) If the land and buildings stated at valuation were included in the financial statements at cost less accumulated depreciation, their net book values would be:

	The Group	
	2017	**2016**
	$	**$**
Freehold land	12,131,397	12,833,119
Buildings	7,039,083	7,560,321

Under the Land Title (Strata) Act for properties located in Singapore, the subsidiary proprietors own a share of the common properties according to the share allotment which includes land. Accordingly, the properties are apportioned into freehold land and building. The apportionment was carried out by an independent property consultant, Jones Lang Lasalle Property Consultants Pte Ltd, in accordance with the Royal Institute of Chartered Surveyors practices.

21. Investment properties

	Freehold properties	**Leasehold properties**	**Total**
	$	**$**	**$**
The Group			
2017			
Beginning of financial year	58,010,502	125,642,177	183,652,679
Currency translation differences	(108,041)	-	(108,041)
Reclassified to property held-for -sale (Note 16)	-	(9,400,000)	(9,400,000)
Fair value loss (Note 5)	(442,535)	(2,000,000)	(2,442,535)
End of financial year	57,459,926	114,242,177	171,702,103
2016			
Beginning of financial year	55,262,146	137,652,177	192,914,323
Currency translation differences	(1,644)	-	(1,644)
Reclassified from property, plant and equipment (Note 20)	4,297,433	-	4,297,433
Disposal	-	(12,010,000)	(12,010,000)
Fair value loss (Note 5)	(1,547,433)	-	(1,547,433)
End of financial year	58,010,502	125,642,177	183,652,679

21. Investment properties

	Leasehold property
	$
The Company	
2017 and 2016	
Beginning and end of financial year	13,500,000

The property rental income earned by the Group from its investment properties, all of which are leased out to non-related parties under operating leases, amounted to $7,492,736 (2016: $8,277,277) (Note 4). Direct operating expenses arising on the investment properties during the year amounted to $1,119,314 (2016: $1,333,236).

As at 31 August 2017, the Group has mortgaged investment properties and assigned the rental proceeds from all of these properties to secure bank overdraft, short-term and long-term bank loan facilities (Note 24).

Fair value hierarchy

	Fair value measurement at 31 August 2017 using		
	Quoted price in active markets for identical asset (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$	$	$
Recurring fair value measurement			
Investment properties:			
- Retail spaces – Singapore	-	159,655,000	-
- Office buildings – Singapore	-	10,015,000	-
- Retail spaces – Malaysia	-	2,032,103	-

	Fair value measurement at 31 August 2016 using		
	Quoted price in active markets for identical asset (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$	$	$
Recurring fair value measurement			
Investment properties:			
- Retail spaces – Singapore	-	171,855,000	-
- Office buildings – Singapore	-	10,415,000	-
- Retail spaces – Malaysia	-	1,382,679	-

As at 31 August 2017 and 2016, the investment properties of the Group were valued by an independent professional valuer based on properties' highest-and-best-use using sales comparison approach. These are regarded as Level 2 fair values. A description of the valuation technique and valuation processes of the Group are provided in Note 20(a).

21. Investment properties

The Group's investment properties consist of the following:

Location of properties	Description	Tenure of land	Valuation
			$
The Company			
Blk 190 Toa Payoh Lorong 6 #01-560 Singapore 310190	A leasehold unit of approximately 137 square metres	79-year lease from July 1992	13,500,000
Subsidiary corporations			
Blk 710A Ang Mo Kio Avenue 8 #01-2625 Singapore 561710	A leasehold unit of approximately 332 square metres	86-year lease from July 1993	10,000,000
Blk 214 Bedok North Street 1 #01-161 Singapore 460214	A leasehold unit of approximately 148 square metres	86-year lease from October 1992	3,700,000
No. 810 Geylang Road City Plaza #01-43/44/45/46/47/56/57 /60/61/81/107 #02-49/50/51/81/82/86/88 Singapore 409286	20 freehold units of approximately 837 square metres	Freehold	39,050,000
111 North Bridge Road Peninsula Plaza #01-28/28A/29/38/44/ 45A/45B Singapore 179098	5 leasehold units of approximately 253 square metres	999-year lease from October 1829	22,450,000
No. 304 Orchard Road Lucky Plaza #01-56/57/58/59 Singapore 238863	4 freehold units of approximately 76 square metres	Freehold	11,000,000
1 Park Road #01-32/33 People's Park Complex Singapore 059108	2 leasehold units of approximately 76 square metres	99-year lease from March 1968	4,830,000
No. 14 Scotts Road Far East Plaza #02-40/42 Singapore 228213	2 freehold units of approximately 70 square metres	Freehold	5,700,000
Blk 190 Toa Payoh Lorong 6 #01-562 Singapore 310190	A leasehold unit of approximately 96 square metres	79-year lease from July 1992	11,000,000
Blk 201B Tampines St 21 #01-1063 Singapore 522201	A leasehold unit of approximately 184 square metres	92-year lease from October 1992	4,300,000

21. Investment properties

The Group's investment properties consist of the following:

Location of properties	Description	Tenure of land	Valuation
			$
Subsidiary corporations			
Blk 505 Tampines Central 1 #01-355 Singapore 520505	A leasehold unit of approximately 55 square metres	99-year lease from January 1991	2,800,000
Blk 505 Tampines Central 1 #01-357 Singapore 520505	A leasehold unit of approximately 53 square metres	99-year lease from January 1991	2,700,000
Blk 221 Boon Lay Shopping Centre #01-114 Singapore 640221	A leasehold unit of approximately 55 square metres	85-year lease from April 1993	3,150,000
Blk 221 Boon Lay Shopping Centre #01-122 Singapore 640221	A leasehold unit of approximately 55 square metres	85-year lease from April 1993	2,900,000
#05-53/54 Sim Lim Square 1 Rochor Canal Road Singapore 188504	2 leasehold units of approximately 92 square metres	99-year lease from April 1983	3,780,000
#05-36/62/63 Sim Lim Square 1 Rochor Canal Road Singapore 188504	3 leasehold units of approximately 117 square metres	99-year lease from April 1983	5,150,000
#05-64/65 Sim Lim Square 1 Rochor Canal Road Singapore 188504	2 leasehold units of approximately 89 square metres	103-year lease from December 1982	4,040,000
#05-60/61 Sim Lim Square 1 Rochor Canal Road Singapore 188504	2 leasehold units of approximately 69 square metres	99-year lease from April 1983	3,440,000
#05-73/74 Sim Lim Square 1 Rochor Canal Road Singapore 188504	2 leasehold units of approximately 93 square metres	103-year lease from December 1982	4,125,000
#05-72 Sim Lim Square 1 Rochor Canal Road Singapore 188504	A leasehold units of approximately 46 square metres	99-year lease from April 1983	2,040,000
91 Bencoolen Street, #07-01/02/03/04/05 Sunshine Plaza, 523 Singapore 189652	5 leasehold units of approximately square metres	99-year lease from March 1997	10,015,000
Lot.1.80, 1.81 & 1.82 Ampang Park shopping Centre, KL, Malaysia	A freehold unit of approximately 459 square feet	Freehold	2,032,103

22. Trade payables

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Trade payables				
- non-related parties	2,323,527	295,373	101,496	94,871
Rental deposits	1,790,235	1,954,121	146,299	245,596
Rental received in advance	66,502	107,549	2,270	1,178
Advance from supplier	-	30,109	-	30,109
Customers' deposits	4,485	12,584	-	-
Others	61,837	-	-	-
	4,246,586	2,399,736	250,065	371,754

23. Other payables

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Accruals for operating expenses	278,757	477,724	116,651	300,548
Directors' bonus and fees payable	856,352	855,279	846,352	855,279
Amount due to director	886,414	428,101	886,414	428,101
Security deposits	30,500	30,500	30,500	30,500
Other payables – non-related parties	151,270	109,725	40,270	44,556
	2,203,293	1,901,329	1,920,187	1,658,984

The amount due to director is unsecured, interest-free and repayable upon demand.

24. Borrowings

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Current				
Bank borrowings[i]	42,557,898	55,170,725	23,556,142	49,977,642
Bank overdraft (Note 11)	-	20,863	-	20,863
Current portion of long-term bank borrowings(ii)	356,280	356,280	356,280	356,280
	42,914,178	55,547,868	23,912,422	50,354,785
Non-current				
Long-term bank borrowings[ii]	2,875,690	3,231,970	2,875,690	3,231,970
	45,789,868	58,779,838	26,788,112	53,586,755

24. Borrowings

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Less than 4 months	45,789,868	58,779,838	26,788,112	53,586,755

(i) The current bank borrowings bear interest ranging from 1.03% to 1.80% (2016: 0.69% to 2.18%) per annum, which represent a fixed margin above the Singapore Interbank Offer Rate.

(ii) The long-term bank borrowings bear interest ranging from 1.09% to 1.73% (2016: 1.37% to 2.32%) per annum, which represent a fixed margin above the Singapore Interbank Offer Rate. The facilities mature on 11 June 2026 (2016: 11 June 2026). These loans are repayable in equal instalments.

(a) Security granted

The bank borrowings of the Group and the Company are secured over financial assets, at fair value through profit or loss (Note 12), available-for-sale financial assets (Note 18), investment properties and assignment of rental proceeds from these properties (Note 21).

(b) Fair value of non-current borrowings

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Long term bank borrowings	2,560,276	2,820,536	2,560,276	2,820,536

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	The Group		The Company	
	2017	2016	2017	2016
Bank borrowings	1.50%	1.50%	1.50%	1.50%

The fair values are within Level 2 of the fair values hierarchy (Note 31(e)).

25. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are show on the balance sheet as follows:

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Deferred income tax liabilities				
- to be settled after one year	251,612	191,474	9,187	9,014

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

	Accelerated tax depreciation	Asset revaluation reserve	Tax losses	Total
	$	$	$	$
The Group				
At 31 August 2015	128,003	721,986	(634,149)	215,840
Currency translation differences	(950)	763	-	(187)
Credited to profit or loss (Note 9(a))	54,374	-	(78,553)	(24,179)
At 31 August 2016	181,427	722,749	(712,702)	191,474
Currency translation differences	-	(48,741)	-	(48,741)
Charged to profit or loss (Note 9(a))	609	(604,432)	712,702	108,879
At 31 August 2017	182,036	69,576	-	251,612

	Accelerated tax depreciation	Asset revaluation reserve	Tax losses	Total
	$	$	$	$
The Company				
At 31 August 2015	8,108	-	-	8,108
Charged to profit or loss	906	-	-	906
At 31 August 2016	9,014	-	-	9,014
Charged to profit or loss	173	-	-	173
At 31 August 2017	9,187	-	-	9,187

26. Share capital

	No. of ordinary shares		Amount	
	2017	2016	2017 $	2016 $
The Group and the Company:				
At beginning of financial year	755,396,152	677,210,218	138,319,385	120,141,158
Shares issued	1,528,500	78,185,934	382,125	18,178,227
Shares bought back	(6,452,100)	-	(1,593,706)	-
At end of financial year	750,472,552	755,396,152	137,107,804	138,319,385

26. Share capital

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

As at 31 August 2016, the Company issued 78,185,934 ordinary shares for value of $18,178,227 upon the application of Scrip Dividend Scheme.

The newly issued shares rank pari passu in all respects with the existing shares of the Company.

As at 31 August 2016, there are outstanding warrants of 577,024,950, with each warrant carrying the right to subscribe for one new share at an exercise price of $0.40. The warrants were issued on 25 July 2012 and can be exercised with effect from 25 July 2016 and expired on 24 July 2017.

As at 31 August 2017, there are outstanding warrants of 752,268,852, with each warrant carrying the right to subscribe for one new share at an exercise price of $0.25. The warrants were issued on 23 January 2017 and can be exercised with effect from 23 July 2017 and will expire on 23 January 2020.

27. Retained profits

(a) Retained profits of the Group and of the Company are distributable.

(b) Movement in retained profits for the Group and the Company are as follows:

	The Group		The Company	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Beginning of financial year	104,317,488	121,386,333	84,286,589	105,011,805
Net profit	9,477,041	6,972,120	795,741	3,315,749
Dividends declared and paid (Note 29)	(1,510,792)	(24,040,965)	(1,510,792)	(24,040,965)
End of financial year	112,283,737	104,317,488	83,571,538	84,286,589

28. Other reserves

(a) Composition:

	The Group		The Company	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Fair value reserve	8,788,606	9,607,368	8,814,655	8,725,741
Asset revaluation reserve	7,847,710	9,438,210	-	-
Currency translation reserve	(6,672,946)	(5,428,003)	-	-
	9,963,370	13,617,575	8,814,655	8,725,741

28. Other reserves

(b) Movements:

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
(i) Fair value reserve				
Beginning of financial year	9,607,368	8,566,518	8,725,741	7,579,332
Available-for-sale financial assets				
- Fair value gain (Note 18)	1,334,393	1,040,850	88,914	1,146,409
- Reclassification to profit or loss (Note 5)	(2,153,155)	-	-	-
	(818,762)	1,040,850	88,914	1,146,409
End of financial year	8,788,606	9,607,368	8,814,655	8,725,741
(ii) Asset revaluation reserve				
Beginning of financial year	9,438,210	9,591,463	-	-
Revaluation loss (Note 20)	(1,590,500)	(154,308)	-	-
Currency translation differences	-	1,055	-	-
	(1,590,500)	(153,253)	-	-
End of financial year	7,847,710	9,438,210	-	-
(iii) Currency translation reserve				
Beginning of financial year	(5,428,003)	(5,388,688)	-	-
Net currency translation difference of financial statements for foreign subsidiary corporation	(1,244,943)	108,543	-	-
Currency translation difference on net investment in foreign operation	-	(147,858)	-	-
	(1,244,943)	(39,315)	-	-
End of financial year	(6,672,946)	(5,428,003)	-	-

29. Dividends

	The Group and the Company	
	2017	**2016**
	$	**$**
One-tier tax-exempt cash or scrip dividend of 3.55 cents per share in respect of financial year ended 31 August 2015	-	24,040,965
One-tier tax-exempt cash dividend of 0.20 cents per share in respect of financial year ended 31 August 2016	1,510,792	-
	1,510,792	24,040,965

30. Commitments

(a) Operating lease commitments – where the Group is a lessee

The Group and the Company leases offices and warehouses from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	The Group		The Company	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Not later than one year	370,677	729,349	277,562	319,588
Between one and five years	70,002	334,210	70,002	308,800
	440,679	1,063,559	347,564	628,388

(b) Operating lease commitments – where the Group is a lessor

The Group and the Company lease out retail spaces and office buildings to non-related parties under non-cancellable operating leases. The lessees are required to pay either absolute amounts or fixed annual increases to the lease payments.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	The Group		The Company	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Not later than one year	6,139,190	6,082,226	637,200	246,250
Between one and five years	5,200,973	3,882,624	581,150	-
	11,340,163	9,964,850	1,218,350	246,250

31. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk, and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and this includes establishing detailed policies, such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) Market risk

(i) Currency risk

The Group operates in Singapore and Malaysia. Revenue and expenses are predominantly denominated in Singapore Dollar ("SGD") and Malaysia Ringgit ("MYR").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollar ("USD").

In addition, the Group is exposed to currency translation risk on the net assets in Malaysia.

The Group's currency exposure based on the information provided to key management is as follows:

	SGD	USD	MYR	Others	Total
	$	$	$	$	$
At 31 August 2017					
Financial assets					
Cash and cash equivalents, financial assets, at fair value through profit or loss and available-for-sale	77,214,741	9,516,461	6,234,703	898,972	93,864,877
Trade and other receivables	576,542	-	70,269	-	646,811
Receivables from subsidiary corporations	166,761,548	-	11,605,293	-	178,366,841
Other current assets	225,945	-	155,196	-	381,141
	244,778,776	9,516,461	18,065,461	898,972	273,259,670
Financial liabilities					
Borrowings	(43,609,244)	(2,180,624)	-	-	(45,789,868)
Trade and other payables	(4,540,958)	-	(1,842,419)	-	(6,383,377)
Payables to subsidiary corporations	(166,761,548)	-	(11,605,293)	-	(178,366,841)
	(214,911,750)	(2,180,624)	(13,447,712)	-	(230,540,086)
Net financial assets	**29,867,026**	**7,335,837**	**4,617,749**	**898,972**	**42,719,584**
Add: Net non-financial assets	190,497,258	-	26,138,069	-	216,635,327
Currency profile including non-financial assets and liabilities	**220,364,284**	**7,335,837**	**30,755,818**	**898,972**	**259,354,911**
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	**-**	**7,335,837**	**11,605,293**	**898,972**	**19,840,102**

31. Financial risk management

(a) Market risk

(i) Currency risk

	SGD	USD	MYR	Others	Total
	$	**$**	**$**	**$**	**$**
At 31 August 2016					
Cash and cash equivalents, financial assets, at fair value through profit or loss and available-for-sale	77,827,892	10,905,362	4,507,842	868,042	94,109,138
Trade and other receivables	524,939	-	9,186	-	534,125
Receivables from subsidiary corporations	194,759,157	-	11,661,143	-	206,420,300
Other current assets	229,687	-	253,558	-	483,245
	273,341,675	10,905,362	16,431,729	868,042	301,546,808
Financial liabilities					
Borrowings	(55,582,176)	(3,197,662)	-	-	(58,779,838)
Trade and other payables	(2,296,007)	-	(1,867,400)	-	(4,163,407)
Payables to subsidiary corporations	(194,759,157)	-	(11,661,143)	-	(206,420,300)
	(252,637,340)	(3,197,662)	(13,528,543)	-	(269,363,545)
Net financial assets	**20,704,335**	**7,707,700**	**2,903,186**	**868,042**	**32,183,263**
Add: Net non-financial assets	193,668,345	-	30,402,840	-	224,071,185
Currency profile including non-financial assets and liabilities	**214,372,680**	**7,707,700**	**33,306,026**	**868,042**	**256,254,448**
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	**-**	**7,707,700**	**11,661,143**	**868,042**	**20,236,885**

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For the Financial Year Ended 31 August 2017

31. Financial risk management

(a) Market risk

(i) Currency risk

The Company's currency exposure based on the information provided to key management is as follows:

	SGD	USD	MYR	Total
	$	$	$	$
At 31 August 2017				
Financial assets				
Cash and cash equivalents, and available-for-sale financial assets	47,906,900	103	-	47,907,003
Trade and other receivables	220,748	-	10,073,028	10,293,776
Amount due from subsidiary corporations	166,761,548	-	1,532,265	168,293,813
Other current assets	169,968	-	-	169,968
	215,059,164	103	11,605,293	226,664,560
Financial liabilities				
Borrowings	(26,788,112)	-	-	(26,788,112)
Trade and other payables	(2,167,982)	-	-	(2,167,982)
	(28,956,094)	-	-	(28,956,094)
Net financial assets	**186,103,070**	**103**	**11,605,293**	**197,708,466**
Add: Net non-financial assets	31,785,531	-	-	31,785,531
Currency profile including non-financial assets	**217,888,601**	**103**	**11,605,293**	**229,493,997**
Net currency exposure of financial assets net of those denominated in Company's functional currency	**-**	**103**	**11,605,293**	**11,605,396**

31. Financial risk management

(a) Market risk

(i) Currency risk

	SGD	USD	MYR	Total
	$	**$**	**$**	**$**
At 31 August 2016				
Financial assets				
Cash and cash equivalents, and available-for-sale financial assets	48,454,416	103	-	48,454,519
Trade and other receivables	107,225	-	10,040,247	10,147,472
Amount due from subsidiary corporations	194,759,157	-	1,620,896	196,380,053
Other current assets	172,358	-	-	172,358
	243,493,156	103	11,661,143	255,154,402
Financial liabilities				
Borrowings	(53,586,755)	-	-	(53,586,755)
Trade and other payables	(1,999,451)	-	-	(1,999,451)
	(55,586,206)	-	-	(55,586,206)
Net financial assets	**187,906,950**	**103**	**11,661,143**	**199,568,196**
Add: Net non-financial assets	31,763,519	-	-	31,763,519
Currency profile including non-financial assets	**219,670,469**	**103**	**11,661,143**	**231,331,715**
Net currency exposure of financial assets net of those denominated in Company's functional currency	**-**	**103**	**11,661,143**	**11,661,246**

31. Financial risk management

(a) Market risk

(i) Currency risk

If the USD and MYR change against SGD by 7% (2016: 7%) and 6% (2016: 12%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset position will be as follows:

	2017		2016	
	Increase/(Decrease)			
	Net profit	Other comprehensive income	Net profit	Other comprehensive income
	$	$	$	$
The Group				
USD against SGD				
-Strengthened	426,212	-	447,817	-
-Weakened	(426,212)	-	(447,817)	-
MYR against SGD				
- Strengthened	-	577,944	-	1,161,450
- Weakened	-	(577,944)	-	(1,161,450)
The Company				
USD against SGD				
-Strengthened	6	-	6	-
-Weakened	(6)	-	(6)	-
MYR against SGD				
- Strengthened	-	577,944	-	1,161,450
- Weakened	-	(577,944)	-	(1,161,450)

Changes in other currency will not have significant effect on the net profit.

(ii) Price risk

The Group is exposed to equity securities and bonds price risk arising from the investments held by the Group which are classified in the balance sheets as available-for-sale financial assets and financial assets, at fair value through profit or loss. These securities are listed in Singapore. To manage its price risk arising from investments in equity securities and bonds, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

31. Financial risk management

(a) Market risk

(ii) Price risk

If prices for equity securities and bonds listed in Singapore had changed by 5% (2016: 5%) with all other variables including tax rate being held constant, the effects on profit after tax and equity would have been:

	2017		2016	
	Increase/(Decrease)			
	Net profit	Equity	Net profit	Equity
	$	$	$	$'
The Group				
Listed in Singapore				
- increased by	1,360,120	2,728,679	1,437,644	2,697,732
- decreased by	(1,360,120)	(2,728,679)	(1,437,644)	(2,697,732)
The Company				
Listed in Singapore				
- increased by	-	2,386,568	-	2,385,629
- decreased by	-	(2,386,568)	-	(2,385,629)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings mainly denominated in SGD and USD. The Company's exposure to cash flow interest rate risks arises mainly from borrowings and loans to subsidiary corporations at variable rates. The Group manages its interest rate risk by keeping bank borrowings to the minimum required to sustain operations of the Group.

If the SGD interest rates had increased/decreased by 0.5% (2016: 0.5%) with all other variables including tax rate being held constant, the profit after tax would have been lower/higher by $180,978 (2016: $230,666) as a result of higher/lower interest expense on these borrowings.

If the USD interest rates had increased/decreased by 0.5% (2016: 0.5%) with all other variables including tax rate being held constant, the profit after tax would have been lower/higher by $9,049 (2016: $13,270) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Concentration of credit risk exist when changes in economic, industry and geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified along industry and product lines, and transactions are entered into with diverse credit-worthy counterparties, thereby mitigating any significant concentration of credit risk.

Credit risk arising from the inability of a counterparty to meet the terms of the Group's financial instruments contracts is generally limited to the amounts, if any, by which the counterparty's obligations exceeds the obligations of the Group. It is the Group's policy to enter into transactions with a diversity of credit-worthy counterparties.

31. Financial risk management

(b) Credit risk

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

No concentration of risk with respect to trade receivables exist. The Group's and the Company's trade receivables are primarily due from tenants in respect of their rental income receivable. The management monitor these trade receivables closely and consider the risk of default by these customers to be minimal.

The profile of trade receivables based on the information provided to key management is as follows:

	The Group		**The Company**	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
By types of customers				
Non-related parties				
- Individuals	116,323	125,900	-	-
- Other corporations	460,747	402,024	132,872	93,352
Subsidiary corporations	-	-	10,073,028	10,040,247
	577,070	527,924	10,205,900	10,133,599

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	The Group		**The Company**	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Past due < 3 months	238,763	264,454	-	80,250
Past due 3 to 6 months	3,184	13,197	-	12,250
Past due over 6 months	106,995	71,501	27,910	-
	348,942	349,152	27,910	92,500

31. Financial risk management

(b) Credit risk

(ii) Financial assets that are past due and/or impaired

The carrying amount of trade receivable individually determined to be impaired and the movement in the related allowance for impairment is as follows:

	The Group		The Company	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Past due over 6 months	71,230	71,230	-	-
Less: Allowance for impairment	(71,230)	(71,230)	-	-
	-	-	-	-
Allowance for impairment:				
Beginning and end of financial year (Note 13)	71,230	71,230	-	-

The impaired trade receivables arise mainly from rental income from tenants which has suffered significant losses on its operations and management are of the opinion that repayments are not forthcoming.

(c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risks by monitoring its liquidity position through periodic preparation of cash flows and cash balances forecasts and periodic evaluation of the ability of the Group to meet its financial obligations, measured by the debt-to-equity ratio.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	$	**$**	**$**	**$**
The Group				
At 31 August 2017				
Trade and other payables	6,383,377	-	-	-
Borrowings	42,914,178	396,966	1,534,422	1,120,184
At 31 August 2016				
Trade and other payables	4,163,407	-	-	-
Borrowings	55,547,868	402,310	1,174,865	1,876,707
The Company				
At 31 August 2017				
Trade and other payables	2,167,982	-	-	-
Borrowings	23,912,422	396,966	1,534,422	1,120,184
At 31 August 2016				
Trade and other payables	1,999,451	-	-	-
Borrowings	50,354,785	402,310	1,174,865	1,876,707

31. Financial risk management

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	The Group		**The Company**	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Net debt	45,722,428	57,568,432	28,782,721	54,875,546
Total equity	259,354,911	256,254,448	229,493,997	231,331,715
Total capital	305,077,339	313,822,880	258,276,718	286,207,261
Gearing ratio	15%	18%	11%	19%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 2017 and 2016.

(e) Fair value measurement

The Group presents assets and liabilities measured and carried at fair value according to the following level of fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

See Note 20 for disclosure of the property, plant and equipment that are measured at fair value under level 2. See Note 21 for disclosure of the investment properties that are measured at fair value under level 2.

As at 31 August 2016 and 2017, the Group and Company have only 1 class of measurement hierarchy, which is under level 1, relating to financial assets, available-for-sale and at fair value through profit or loss. The fair value of financial instrument traded in active market (available-for-sale and held for trading equity securities and bonds) is based on quoted market price at the balance sheet date. The quoted market price used for financial asset held by the Company is the closing price.

The carrying amount less impairment provision of current trade receivables and payables are assumed to approximate their fair values. The carrying amount of current borrowings approximates their fair value.

The fair value of non-current borrowings is disclosed in Note 24.

31. Financial risk management

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Notes 12 and 18 to the financial statements, except for the following:

	The Group		The Company	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Loans and receivables	7,545,271	6,529,841	178,933,200	207,441,830
Financial liabilities at amortised cost	52,173,245	62,943,245	28,956,094	55,586,206

32. Related party transactions

No transactions took place between the Group and related parties other than those disclosed elsewhere in the financial statements.

(a) Outstanding balances as at 31 August 2017, arising from sales of goods and services, are unsecured and receivable within 12 months from the balance sheet date and disclosed in Note 13 to the financial statements.

(b) Key management personnel compensation

	The Group	
	2017	**2016**
	$	**$**
Directors' remuneration:		
Salaries, bonus and fees	1,389,472	1,544,581
Employer's contribution to defined contribution plans	29,331	26,861
	1,418,803	1,571,442

33. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the two geographic areas: Singapore and Malaysia. The segment in Malaysia derives revenue from sale of apparel, while the Singapore segment derives revenue from sale of apparel, gold and jewellery, investment dealing and rental of investment properties.

33. Segment information

The segment information provided to the Board of Directors for the reportable segments are as follows:

	Singapore				Malaysia	
2017	**Wearing apparel $**	**Gold and jewellery $**	**Investment dealing $**	**Property rental $**	**Wearing apparel $**	**The Group $**
The Group						
Revenue						
- external parties	2,095,751	15,740,116	3,990,323	7,492,736	5,492,854	34,811,780
Segment results	(1,155,289)	2,023,924	7,889,271	4,090,878	(705,301)	12,143,483
Expenses						
Administrative and other operating expenses						(1,453,114)
Finance expenses						(711,348)
Profit before income tax						9,979,021
Income tax expense						(501,980)
Net profit						9,477,041
Net profit includes:						
Depreciation	21,946	5,894	-	-	292,349	320,189
Segment assets	1,507,011	11,519,468	87,464,660	181,507,830	30,804,350	312,803,319
Segment assets includes:						
Additions to property, plant and equipment	16,031	1,790	-	-	125,078	142,899
Segment liabilities	527,284	2,161,023	35,707,898	12,026,719	74,057	50,496,981

2016	← Singapore Wearing apparel $	Gold and jewellery $	Investment dealing $	Property rental → $	Malaysia Wearing apparel $	The Group $
The Group						
Revenue						
- external parties	2,449,817	15,717,393	4,274,126	8,277,277	8,403,473	39,122,086
Segment results	515,963	2,124,292	2,853,164	5,861,642	(1,275,841)	10,079,220
Expenses						
Administrative and other operating expenses						(1,513,027)
Finance expenses						(978,659)
Profit before income tax						7,587,534
Income tax expense						(615,414)
Net profit						6,972,120
Net profit includes:						
Depreciation	24,834	5,918	-	-	348,516	379,268
Segment assets	1,961,724	11,269,178	88,875,382	184,155,948	33,969,435	320,231,667
Segment assets includes:						
Additions to property, plant and equipment	41,462	15,232	-	-	317,535	374,229
Segment liabilities	611,192	290,050	24,570,725	36,155,146	149,547	61,776,660

Sales between segments are carried out at terms agreed between the segments. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of comprehensive income.

Reconciliation of reportable segments' liabilities to total liabilities

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than director's fees and bonus payable, amount due to director, current income tax liabilities and deferred income tax liabilities.

	2017 $	**2016** $
Segment liabilities for reportable segments	50,496,981	61,776,660
Unallocated:		
Bank overdraft	-	20,863
Director's fees and bonus payable	856,352	855,279
Amount due to director	886,414	428,101
Current income tax liabilities	957,049	704,842
Deferred income tax liabilities	251,612	191,474
	53,448,408	63,977,219

33. Segment information

Geographical information

The Group's four business segments operate in two main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area areprincipally the sale of apparel, gold and jewellery, investment dealing and rental of properties;
- Malaysia – the operations in this area are principally the sale of apparel.

	Revenue	
	2017	**2016**
	$	**$**
Singapore	29,005,668	30,718,613
Malaysia	5,806,112	8,403,473
	34,811,780	39,122,086

	Non-current assets	
	2017	**2016**
	$	**$**
Singapore	224,329,324	236,320,397
Malaysia	22,882,500	25,854,206
	247,211,824	262,174,603

There is no revenue from single external customer that contributed 10% or more of the Group's total revenue.

34. Events occurring after balance sheet date

The investment properties held by First Lady Apparels (Malaysia) Sdn Bhd located at Lot 1.80, 1.81 & 1.82 Ampang Park Shopping Centre, Kuala Lumpur, Malaysia was compulsorily acquired by the Ministry of Natural Resources & Environment under the Land Acquisition Act, 1960. The compensation of RM 6,840,380 was accepted on 19 September 2017.

35. New or revised accounting standards

Below are the new standards and amendments to existing standards that have been published and relevant for the Group's accounting period beginning on or after 1 September 2017 which have not been early adopted:

- FRS 115 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)

This is the converged standard on revenue recognition. It replaces FRS 11 *Construction contracts*, FRS 18 R*evenue*, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognizes revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

35. New or revised accounting standards

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

This amendment is not expected to have any significant impact on the financial statements of the Group.

- FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018)

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income ("OCI") and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investment in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

  While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets, the financial assets of the Group would appear to satisfy the conditions for classification as amortised cost and hence there will be no change to the accounting for these assets.

  Accordingly, the Group does not expect the new guidance to have a significant impact on the classification of its financial assets.

  The other financial assets held by the Group include:

  - equity instruments currently classified as AFS for which fair value through OCI election is available; and
  - equity investments currently measured at fair value through profit or loss which would likely to continue to be measured on the same basis under FRS 109;

  For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss. There will be no impact on the Group's accounting for financial liabilities as the Group does not have any such liabilities.

  There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from contracts with customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment on how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

  The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

- FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)

  FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  The standard will affect primarily the accounting for the Group's operating leases. As at 31 August 2017, the Group has non-cancellable operating lease commitments of $440,679 (Note 30). However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

  Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

IFRS CONVERGENCE IN 2018 – Singapore-incorporated companies listed on the Singapore Exchange ("SGX") will be required to apply a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") for annual periods beginning on or after 1 January 2018. The Group will be adopting the new framework for the first time for financial year ending 31 August 2019, with retrospective application to the comparative financial year ending 31 August 2018 and the opening statement of financial position as at 1 September 2017 (date of transition).

Management expects the potential impact arising from new/amended IFRSs will be consistent with those described above. Management is currently performing a detailed analysis of the transition options and other requirements of IFRS 1.

STATISTICS OF SHAREHOLDINGS

AS AT 17 NOVEMEBR 2017

ISSUED AND FULLY PAID-UP CAPITAL	S$138,226,303.41
NO. OF SHARES ISSUED	754,946,551
CLASS OF SHARES	Ordinary Shares
VOTING RIGHTS	One vote per share
NO. OF TREASURY SHARES	Nil
NO. OF SUBSIDIARY HOLDINGS HELD	Nil

ANALYSIS OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS
AS AT 17 NOVEMBER 2017

SIZE OF SHAREHOLDINGS	NO. OF HOLDERS	% OF HOLDERS	NO. OF SHARES	% OF SHARES
1 - 99	79	2.70	3,017	0.00
100 - 1,000	213	7.27	127,155	0.02
1,001 - 10,000	1,006	34.35	5,532,629	0.73
10,001 - 1,000,000	1,599	54.59	102,799,932	13.62
1,000,001 - and above	32	1.09	646,483,818	85.63
Grand Total	**2,929**	**100.00**	**754,946,551**	**100.00**

THIRTY LARGEST SHAREHOLDERS
AS AT 17 NOVEMBER 2017

NO.	NAME	NO. OF SHARES	%
1	MOHAMED SALLEH S/O KADIR MOHIDEEN SAIBU MARICAR	443,806,934	58.79
2	DB NOMINEES (S) PTE LTD	56,841,627	7.53
3	OCBC SECURITIES PRIVATE LTD	31,278,764	4.14
4	SOFIA BINTE MOHAMED SALLEH MARICAR	17,540,950	2.32
5	RADIAH BINTE MOHAMED SALLEH MARICAR	11,604,253	1.54
6	DBS NOMINEES PTE LTD	11,318,904	1.50
7	MOHAMED AMAL BIN MOHAMED SALLEH MARICAR	7,045,156	0.93
8	LIEW CHIAP KONG	6,661,832	0.88
9	NADIA D/O MOHAMED SALLEH MARICAR OR SAPIYAH ABU BAKAR	6,346,158	0.84
10	MOHAMED HASAN MARICAN OR SALEHA BINTE ABDUL KADER	6,300,688	0.83
11	DEVNARAYANAN S/O K R PISHARODY @ SHAH ABDULLAH PISHARODY	4,370,816	0.58
12	JOHARABEE BINTE KADIR MAIDEEN SAIBOO MARICAN	4,001,065	0.53
13	RAFFLES NOMINEES (PTE) LTD	3,912,107	0.52
14	TAN WOI @ TAN SIEW HWA	3,364,729	0.45
15	WEE HIAN KOK	3,158,378	0.42
16	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,150,317	0.42
17	KOH CHENG TECK OR PNG PECK ENG	3,130,060	0.41
18	KHONG LAI CHEONG	2,416,011	0.32
19	OCBC NOMINEES SINGAPORE PTE LTD	2,410,318	0.32
20	LEAU CHIAP KIN	1,878,000	0.25
21	LAU CHEE PENG	1,827,854	0.24
22	CITIBANK NOMINEES SINGAPORE PTE LTD	1,711,217	0.23
23	KUANG SHIHAO	1,681,702	0.22
24	MAYBANK KIM ENG SECURITIES PTE LTD	1,573,614	0.21
25	CHENG HOOI TIANG	1,354,570	0.18

26	WONG KAI YEEN	1,354,232	0.18
27	TAN CHUAN SENG	1,238,000	0.16
28	TOH TIONG WAH OR TOH SEOW YEN (ZHUO XIAOYAN)	1,071,900	0.14
29	NG LENG SAN	1,058,700	0.14
30	RAHAMAT BIN MOHD ISMAIL	1,048,425	0.14
	TOTAL :	**644,457,281**	**85.36**

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 21.88% of the issued ordinary shares of the Company is held in the hands of the public as at 17 November 2017 and therefore Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited is complied with.

SUBSTANTIAL SHAREHOLDERS (as recorded in the Register of Substantial Shareholders)

	No. of Shares Held	
Name	**Direct Interest**	**Deemed Interest**
Mohamed Salleh s/o Kadir Mohideen Saibu Maricar	443,806,934	63,187,785

Note:

* The shares are pledged with the bank and are beneficially owned by Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar. Also, some shares are held by his spouse. The details are as below:

	NO. OF SHARES
DB Nominees (S) Pte Ltd	56,841,627
Mdm. Sapiyah Abu Bakar	6,346,158
	63,187,785

STATISTICS OF WARRANTHOLDERS

DISTRIBUTION OF WARRANTHOLDERS BY SIZE OF WARRANTHOLDINGS (W170724)
AS AT 17 NOVEMBER 2017

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDINGS	%	NO. OF WARRANTS	%
1 - 99	159	5.52	6,658	0.00
100 - 1,000	203	7.05	119,038	0.02
1,001 - 10,000	958	33.25	5,094,163	0.68
10,001 - 1,000,000	1,443	50.09	165,959,473	22.19
1,000,001 - and above	118	4.09	576,615,521	77.11
Grand Total	**2,881**	**100.00**	**747,794,853**	**100.00**

THIRTY LARGEST WARRANTHOLDERS
AS AT 17 NOVEMBER 2017

NO.	NAME OF WARRANTHOLDER	NO. OF WARRANTS	% OF WARRANTS
1	DBS NOMINEES PTE LTD	99,883,927	13.36
2	PEH KWEE CHIM	49,650,000	6.64
3	OCBC SECURITIES PRIVATE LTD	24,510,163	3.28
4	LEONG MUN WEY	21,000,000	2.81
5	PHILLIP SECURITIES PTE LTD	20,571,517	2.75
6	TAN KIM WAH JACOB	18,000,000	2.41
7	UOB KAY HIAN PTE LTD	17,040,780	2.28
8	TAN CHIN WAH	15,000,000	2.01
9	MAYBANK KIM ENG SECURITIES PTE LTD	14,918,563	2.00
10	RAFFLES NOMINEES (PTE) LTD	13,732,607	1.84
11	HE JIANPENG	10,200,000	1.36
12	ANG SOON PENG	8,000,000	1.07
13	SIU WAH NAM ALEXANDER	8,000,000	1.07
14	TENG JEE HUM	7,800,000	1.04
15	HENG KHEE NGEE	7,000,937	0.94
16	CITIBANK NOMINEES SINGAPORE PTE LTD	6,433,217	0.86
17	LONG LIH WEN SERENE	6,072,500	0.81
18	LIEW CHIAP KONG	5,396,832	0.72
19	CHANG YEH HONG	5,000,000	0.67
20	LOH RHU FONG	5,000,000	0.67
21	TAN CHUAN HEONG	5,000,000	0.67
22	LIM SER HENG	4,850,000	0.65
23	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,515,817	0.60
24	TEGUH ANDY	4,504,400	0.60
25	DEVNARAYANAN S/O K R PISHARODY @ SHAH ABDULLAH PISHARODY	4,370,816	0.58
26	KOH GEOK CHOON	4,300,000	0.58
27	PATHFINDER ASSET MANAGEMENT PTE LTD	4,220,000	0.56
28	SUNG YOON CHON	4,191,000	0.56
29	HOON SHIRLEY (PAN SHIRLEY)	4,118,700	0.55
30	WEE HIAN KOK	4,023,378	0.54
	TOTAL:	**407,305,154**	**54.47**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Second Chance Properties Ltd (the "Company") will be held at The Orange Ballroom, 845 Geylang Road #03-16 Tanjong Katong Complex, Singapore 400845 on Wednesday, 27 December 2017 at 11.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 August 2017 together with the Auditors' Report thereon. ***(Resolution 1)***

2. To declare a first and final one-tier tax exempt dividend of 0.3 cent per ordinary share for the financial year ended 31 August 2017. ***(Resolution 2)***

3. To approve the payment of Directors' fees of S$105,554.84 for the financial year ended 31 August 2017. (2016: S$89,429.96) ***(Resolution 3)***

4. To re-elect Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar, who retires by rotation pursuant to Article 107 of the Company's Constitution, as Director of the Company. *[See Explanatory Note 1]* ***(Resolution 4)***

5. To re-elect Mr Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar, who retires by rotation pursuant to Article 107 of the Company's Constitution, as Director of the Company. *[See Explanatory Note 2]* ***(Resolution 5)***

6. To re-elect Dr. Ahmad Bin Mohamed Magad, who retires by rotation pursuant to Article 107 of the Company's Constitution, as Director of the Company. *[See Explanatory Note 3]* ***(Resolution 6)***

7. To re-elect Mr Tan Lye Heng Paul who retires by rotation pursuant to Article 107 of the Company's Constitution, as Director of the Company. *[See Explanatory Note 4]* ***(Resolution 7)***

8. To re-appoint Messrs Nexia TS Public Accounting Corporation, Certified Public Accountants as Auditors of the Company and to authorize the Directors to fix their remuneration. ***(Resolution 8)***

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without any modifications:

9. That, pursuant to Section 161 of the Companies Act, Cap. 50 (the "Companies Act") and the rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

   (A) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (ii) make or grant offers, agreements, or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalization issues,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

   provided that:

   (a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued shares excluding treasury shares (as calculated in accordance with sub-paragraph (b) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a pro rata basis, then the aggregate number of shares to be issued under such circumstances (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued shares excluding treasury shares (as calculated in accordance with sub-paragraph (b) below); and

(b) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of convertible securities;

(ii) (where applicable) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(d) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note 5] ***(Resolution 9)***

10. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Sin Chee Mei

Company Secretary

Singapore, 11 December 2017

EXPLANATORY NOTES:

1. Detailed information on Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar can be found in the Company's Annual Report 2017. Mr Mohamed Salleh, if re-elected as a Director, will remain as Executive Chairman and CEO of the Company. Mr Mohamed Salleh is the brother of Mr Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar. Save as disclosed in the Company's Annual Report 2017, there are no relationships including immediate family relationships between Mr Mohamed Salleh and the other Directors, the Company or its 10% Shareholders.

2. Detailed information on Mr Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar can be found in the Company's Annual Report 2017. Mr Mohamed Hasan, if re-elected as a Director, will remain as Deputy CEO of the Company. Mr Mohamed Hasan is the brother of Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar. Save as disclosed in the Company's Annual Report 2017, there are no relationships including immediate family relationships between Mr Mohamed Hasan and the other Directors, the Company or its 10% Shareholders.

3. Dr. Ahmad Bin Mohamed Magad will, upon re-election as a Director, continue to serve as the Lead Independent Director, the Chairman of the Nominating Committee and a member of Audit and Remuneration Committees of the Company. Dr Ahmad will be considered independent for the purpose of Rule 704(8) of the Listing Manual in accordance with Guideline 2.3 of the Code of Corporate Governance 2012. Detailed information of Dr Ahmad can be found in the Annual Report 2017. There are no material relationships (including family relationships) between Dr Ahmad and the other Directors, the Company or its 10% Shareholders.

4. Mr Tan Lye Heng Paul will, upon re-election as a Director, continue to serve as the Chairman of the Remuneration and a member of Audit and Nominating Committees of the Company. Mr Tan will be considered independent for the purpose of Rule 704(8) of the Listing Manual in accordance with Guideline 2.3 of the Code of Corporate Governance 2012. Detailed information of Mr Tan can be found in the Annual Report 2017. There are no material relationships (including family relationships) between Mr Tan and the other Directors, the Company or its 10% Shareholders.

5. The ordinary Resolution 9 proposed in item 9, if passed, will authorise and empower the Directors of the Company from the date of the Annual General Meeting until the date of the next Annual General Meeting, to issue further shares and to make or grant convertible securities (such as warrants) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in aggregate 50 per cent of the total number of issued shares (excluding treasury shares and subsidiary holdings) of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 per cent of the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

NOTES:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant Intermediary" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Companies Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

2. A proxy need not be a member of a company.

3. If the appointor is a corporation, the instrument appointing proxy or proxies must be executed either under its common seal or signed under the hand of its attorney duly authorized on behalf of the corporation.

4. In the case of members of the Company whose shares are entered against their names in the Depository Reigster, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

5. The instrument appointing a proxy or proxies, duly executed, must be deposited at the Registered Office of the Company at 845 Geylang Road, #04-22 Tanjong Katong Complex, Singapore 400845 not less than 72 hours before the time appointed for the holding of the Annual General Meeting of the Company.

PERSONAL DATA PRIVACY

"Personal data" in this notice of Annual General Meeting has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes your name and your proxy's and/or representative's name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Your personal data and your proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

SECOND CHANCE PROPERTIES LTD
(Co. Reg. No. 198103193M)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

1. Relevant Intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS Investors who have used their CPF/SRS monies to buy shares in Second Chance Properties Ltd, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS Investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the Member accepts and agrees to the personal data privacy terms set out in the accompanying Notice of Annual General Meeting dated 11 December 2017.

I/We, ______________________________ NRIC/Passport No. ______________________________

of ____ (Address) being

a *member/members of **Second Chance Properties Ltd** (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)

*and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)

or failing *him/her/them, the Chairman of the Meeting, as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at The Orange Ballroom, 845 Geylang Road #03-16 Tanjong Katong Complex, Singapore 400845 on Wednesday, 27 December 2017 at 11.00 a.m. and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarised below, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

Note: Voting will be conducted by Poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" in the spaces provided below. Alternatively, if you wish to vote some of your shares "For" and some of your share "Against" the relevant resolution, please insert the relevant number of shares in the relevant boxes provided below. In the absence of specific directions or in the event of any item arising not summarised below, the *proxy/proxies may vote or abstain as *he/they may think fit.

No.	Resolutions	For	Against
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 August 2017 together with the Auditors' Report thereon		
2.	To declare first and final one-tier tax exempt dividend		
3.	To approve the payment of Directors' fees		
4.	To re-elect Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar as Director		
5.	To re-elect Mr Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar as Director		
6.	To re-elect Dr Ahmad Bin Mohamed Magad as Director		
7.	To re-elect Mr Tan Lye Heng Paul as Director		
8.	Re-appointment of Messrs Nexia TS Public Accounting Corporation as Auditors		
9.	Authority to allot and issue shares		

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Annual General Meeting for the full purpose and intent of the Resolutions to be passed.

Dated this ______ day of ____________________ 2017

Total Number of Shares Held	No. of Shares
(a) Depository Register	
(b) Register of Members	

____

Signature(s) of Member(s)/
and, Common Seal of Corporate Shareholder
* *Delete as appropriate*

IMPORTANT: PLEASE READ NOTES OVERLEAF

IMPORTANT NOTES TO PROXY FORM:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that the aggregate number of Shares. If no number is inserted, the instrument appointing a proxy or proxies will be deemed to relate to all the Shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant Intermediary" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore (the "Act"), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 845 Geylang Road, #04-22 Tanjong Katong Complex, Singapore 400845 not less than 72 hours before the time appointed for the Meeting.

5. Where a Member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

6. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointer, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 December 2017.

AFFIX
STAMP

The Company Secretary
SECOND CHANCE PROPERTIES LTD
845 GEYLANG ROAD
#04-22 TANJONG KATONG COMPLEX
SINGAPORE 400845

CORPORATE INFORMATION

BOARD OF DIRECTORS

Founder & CEO
Mohamed Salleh s/o Kadir Mohideen Saibu Maricar

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

Executive Director
Devnarayanan s/o K.R. Pisharody

Lead Independent Non-Executive Director
Dr Ahmad Magad

Independent Non-Executive Director
Geetha Padmanabhan

Independent Non-Executive Director
Tan Lye Heng Paul

AUDIT COMMITTEE

Geetha Padmanabhan - Chairman
Dr Ahmad Magad
Tan Lye Heng Paul

REMUNERATION COMMITTEE

Tan Lye Heng Paul - Chairman
Dr Ahmad Magad
Geetha Padmanabhan

NOMINATING COMMITTEE

Dr Ahmad Magad - Chairman
Geetha Padmanabhan
Tan Lye Heng Paul

MANAGEMENT

Finance Advisor
Reema Agrawal

Accounts Manager
Jainulabedeen Raj Mohamed

Executive Director of First Lady Apparels (Malaysia) Sdn Bhd
Amal Marican

Field Manager
Safie Bin Haji Hussain

Management Executive
Azlan Bin Mohd Shafie

COMPANY SECRETARY

Sin Chee Mei

SHARE REGISTRAR AND WARRANT AGENT

Tricor Barbinder Share Registration Services
80 Robinson Road #11-02
Singapore 068898
Tel: 62363333

AUDITORS

Nexia TS Public Accounting Corporation
Director-in-charge
Ross Yu Limjoco
(appointed since the financial year ended 31 August 2016)

PRINCIPAL BANKERS

DBS Bank Limited
Oversea-Chinese Banking Corporation Ltd
United Overseas Bank Limited
Bank of Singapore
Credit Suisse AG Singapore

REGISTERED OFFICE

845 Geylang Road #04-22
Tanjong Katong Complex
Singapore 400845
Telephone: 67456911
Facsimile: 67456955
Email: contact@secondchance.com.sg

2nd CHANCE PROPERTIES

SECOND CHANCE PROPERTIES LTD

Company Registration No.: 198103193M
Incorporated in the Republic of Singapore

Tel: 6745 6911 | Fax: 6745 6955
Email: contact@secondchance.com.sg

845 Geylang Road #04-22
Tanjong Katong Complex, Singapore 400845