



SECOND CHANCE PROPERTIES LTD
(Company Registration No. 198103193M)
(Incorporated in Republic of Singapore)
(the "Company")

MINUTES OF ANNUAL GENERAL MEETING

PLACE	: In Singapore via electronic means
DATE	: Wednesday, 30 December 2020
TIME	: 11:00 a.m.
PRESENT	: As set out in the attendance records maintained by the Company.
IN ATTENDANCE	: As set out in the attendance records maintained by the Company.
CHAIRMAN	: Dr. Ahmad Bin Mohamed Magad

INTRODUCTION

The Chairman welcomed all Shareholders to the annual general meeting of the Company (the "**Meeting**"), and informed the Shareholders that the Meeting was conducted via electronic means, in view of the current COVID-19 measures that have been put in place.

The Chairman proceeded to introduce the members of the Board of Directors to those present at the Meeting via live webcast.

The Chairman also informed Shareholders that all questions submitted by 11:00 a.m. on 27 December 2020 had been answered and published on the SGXNet and Company's website on 29 December 2020. The summary of questions and answers is annexed hereto and marked as Appendix A.

QUORUM

As a quorum was present, the Chairman called the Meeting to order at 11:00 a.m..

NOTICE

All pertinent information relating to the proposed resolutions were set out in the Notice of the Meeting dated 8 December 2020 together with the Annual Report for the financial year ended 31 August 2020 which had been published on the SGXNet and the Company's website on 8 December 2020. In support of environmental sustainability efforts to conserve natural resources, the Company had dispensed with printing hardcopies of the Annual Reports.

With the consent of the Meeting, the notice convening the Meeting was taken as read.

CONDUCT OF POLL

In compliance with Rule 730A(2) of the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders)(Amendment No. 2) Order 2020 and the Guidance on the Conduct of

General Meetings Amid The Evolving COVID-19 Situation issued by the SGX-ST, all resolutions at the Meeting were voted by way of poll and all the resolutions were deemed to have been duly proposed and seconded.

Voting at the Meeting was by proxy only and by appointing the Chairman as proxy to vote on behalf of Shareholders.

All the proxy forms lodged have been checked, counted and verified by the polling agent and scrutineers and found to be in order.

Tricor Barbinder Share Registration Services had been appointed as the polling agent and Entrust Advisory Pte Ltd had been appointed as the scrutineers for the poll voting and had tabulated all submitted votes.

ORDINARY BUSINESSES:

1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 – RESOLUTION 1

The first item on the Agenda was to receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 August 2020, together with the Auditors' Report thereon.

The Chairman informed the Meeting that Resolution 1 on the Agenda was to put the following motion to the vote:

Resolution 1

"RESOLVED that the Directors' Statement and the Audited Financial Statements for the financial year ended 31 August 2020, together with the Auditors' Report thereon, be received and adopted."

The result of the poll was as follows:

Total number of shares represented by votes for and against the ordinary resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
463,266,230	463,257,145	99.998	9,085	0.002

Based on the above result, the Chairman declared Resolution 1 carried.

2. DIRECTORS' FEES – RESOLUTION 2

The Board had recommended the payment of S\$110,856 as Directors' fees for the financial year ended 31 August 2020.

The Chairman informed the Meeting that Resolution 2 on the Agenda was to put the following motion to the vote:

Resolution 2

“**RESOLVED** that the payment of Directors’ fees of S\$110,856 for the financial year ended 31 August 2020, be approved.”

The result of the poll was as follows:

Total number of shares represented by votes for and against the ordinary resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
463,266,230	462,862,145	99.913	404,085	0.087

Based on the above result, the Chairman declared Resolution 2 carried.

3. RE-ELECTION OF DIRECTOR: DR. AHMAD BIN MOHAMED MAGAD – RESOLUTION 3

Dr. Ahmad Bin Mohamed Magad who was due for retiring as a Director of the Company pursuant to Regulation 107 of the Company’s Constitution, had consented to continue in office. The Meeting noted that Dr. Ahmad Magad, upon re-elected as a Director of the Company, remains as Independent Non-Executive Chairman, the Chairman of the Nominating Committee, a member of the Audit Committee and the Remuneration Committee, and would be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

As the resolution involved the Chairman of the Meeting, Mr Mohamed Salleh presided over the resolution and informed the Meeting that Resolution 3 on the Agenda was to put the following motion to the vote:

Resolution 3

“**RESOLVED** that Dr. Ahmad Bin Mohamed Magad, be re-elected as a Director of the Company.”

The result of the poll was as follows:

Total number of shares represented by votes for and against the ordinary resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
462,749,185	462,345,100	99.913	404,085	0.087

Based on the above result, the Chairman declared Resolution 3 carried.

Upon being duly re-elected, Dr. Ahmad Magad resumed the Chair and thanks Mr Mohamed Salleh.

4. RE-ELECTION OF DIRECTOR: MR. TAN LYE HENG PAUL – RESOLUTION 4

Mr. Tan Lye Heng Paul who was due for retiring as a Director of the Company pursuant to Regulation 107 of the Company’s Constitution, had consented to continue in office. The Meeting noted that Mr. Paul Tan, upon re-elected as a Director of the Company, remains as Independent Non-Executive Director, the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nominating Committee, and would be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

The Chairman informed the Meeting that Resolution 4 on the Agenda was to put the following motion to the vote:

Resolution 4

“**RESOLVED** that Mr. Tan Lye Heng Paul, be re-elected as a Director of the Company.”

The result of the poll was as follows:

Total number of shares represented by votes for and against the ordinary resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
463,266,230	462,862,145	99.913	404,085	0.087

Based on the above result, the Chairman declared Resolution 4 carried.

5. RE-APPOINTMENT OF AUDITORS – RESOLUTION 5

The Meeting was informed that Resolution 5 on the Agenda was to re-appoint the auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration. The retiring auditors, Messrs Nexia TS Public Accounting Corporation, had expressed their willingness to be re-appointed as the Auditors of the Company.

The Chairman informed the Meeting that Resolution 5 on the Agenda was to put the following motion to the vote:

Resolution 5

“**RESOLVED** that Messrs Messrs Nexia TS Public Accounting Corporation be re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting, and that the Directors be authorised to fix their remuneration.”

The result of the poll was as follows:

Total number of shares represented by votes for and against the ordinary resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
463,266,230	462,862,145	99.913	404,085	0.087

Based on the above result, the Chairman declared Resolution 5 carried.

6. ANY OTHER BUSINESS

As no notice of any other ordinary business to be transacted at the Meeting had been received, the Meeting proceeded to deal with the special business on the Agenda.

SPECIAL BUSINESS:

7. GENERAL MANDATE TO DIRECTORS TO ISSUE SHARES – RESOLUTION 6

The Meeting was informed on the purpose and effect of Resolution 6, the full text of the resolution was set out under item 7 in the Notice of the Meeting dated 8 December 2020 on pages 130 to 131, and the explanatory note on page 132 of the Annual Report 2020.

The Chairman informed the Meeting that Resolution 6 on the Agenda was to put the following motion to the vote:

The full text of Resolution 6 under item 7 is reproduced herewith:

Resolution 6

“RESOLVED that pursuant to Section 161 of the Companies Act, Cap. 50 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) options, warrants, debentures or other instruments convertible into shares,

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 Instrument made or granted by the Directors of the Company 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), shall not exceed 50 per cent of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (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) shall not exceed 20 per cent of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below); and
- (b) (subject to such manner of calculation 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 the total issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) 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 provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;
- Adjustments in accordance with sub-paragraph (b)(i) or sub-paragraph (b)(ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.
- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act 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 to be 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.

The result of the poll was as follows:

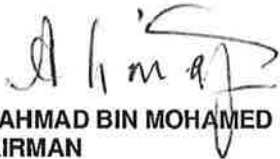
Total number of shares represented by votes for and against the ordinary resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
463,266,230	463,257,145	99.998	9,085	0.002

Based on the above result, the Chairman declared Resolution 6 carried.

CONCLUSION

As all the matters tabled for the Meeting had been duly completed and there was no other business to transact, the Chairman declared the Meeting closed at 11.12 a.m. and thanked everyone for their attendance at the Meeting.

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DR. AHMAD BIN MOHAMED MAGAD
CHAIRMAN

APPENDIX A

Question 1

The performance of the company's listed investment portfolio is below par. Can the management explain the rationale behind all these investments instead of paying cash back to shareholders?

Company's Response to Question 1

The Company's rationale behind its investments in securities is as below:

1. Management has been preparing for a major downturn or crisis for several years due to our collective view that the general property market and retail sector are likely to have little upside potential. This has been mentioned and clarified a few times in past AGMs. We have been progressively reducing our loans and liabilities without making any major acquisitions of assets or investments. As a result, our financial / cash position has been greatly strengthened due to this dogged direction.

We believe the opportunity to invest in a downturn has arrived, although unexpectedly, it came in the form of Covid-19 pandemic. However, unlike past downturns, property prices have not significantly dipped as anticipated, whereas equities related and unrelated to properties have fallen significantly. Hence, the rationale in our recent investment in securities.

2. We are investing in securities for the long term and in relatively conservative portfolios with fair to good expectations of recurring dividend, which is more important than one-off gains. Although our investments may appear below par currently, we are confident that when markets move up to pre-Covid levels or even sooner, our investments may possibly be well above par. Furthermore, we are investing for the long term and therefore, the recurring dividend is more meaningful at this juncture.
3. We acknowledge the low liquidity of our shares and we are seeking approval for a share buy-back scheme at the upcoming EGM (to be held immediately after the AGM) which, when approved and implemented, could be viewed as 'returning cash' to shareholders who wish to sell their shares.

Question 2

The company choose to issue sizable warrants periodically. Yet, the management have rarely converted these warrants to shares. Can the independent directors explain why the company is issuing these warrants if there is no intention by the main shareholders/CEO to exercise them?

Company's Response to Question 2

1. Unlike some companies, we issue our warrants free of cost. There is a value to these warrants and they can be sold in the open market. Therefore, it represents a benefit for our existing shareholders. (although we acknowledge that for shareholders with small number of shares, the transaction costs of selling might exceed the gross proceeds of the sale of "free" warrants).
2. In 2017, when the share price rose above the warrant conversion price, **6.02 million warrants** and again between 2018 and 2020, **309,000 warrants** were actually converted to new shares.

3. When the share price does not rise above warrant conversion price it does not make commercial sense for any (major or minor) shareholders to exercise the warrant.

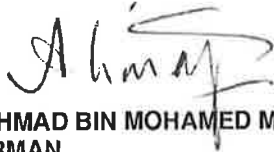
Question 3

Does Second Chance has any plans to grow big by embarking on going online to sell their products to the world? Or just want status quo?

Company's Response to Question 3

1. To become big in the online business, one has to build up substantial market share by selling at very low margins, which may lead to losses due to the need to spend heavily on online advertising and marketing. Our assessment is that, this strategy is likely to lead to heavy losses in the early years with no guarantee that one will be profitable in the long run or be able to exit via sale to another player.
2. Perhaps the majority of the public is only aware of the few on-line companies that have grown large and have become commercially successful and viable, while countless others have gone belly up in their journey, unnoticed and unreported.
3. We view the online business model as risky and have no immediate intention to compete in this already crowded space.

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**DR. AHMAD BIN MOHAMED MAGAD
CHAIRMAN**