

# Risk & Reward



**First Lady**



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  
IN FINANCIAL  
INSTRUMENTS**



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# FOUNDER AND CEO STATEMENT



Dear Shareholders,

I am pleased to present our FY 2022 Annual Report for the Financial Year ended 31 August 2022.

## OVERVIEW

Our net profit after tax for the current year increased by 44.6% or \$4.38 million to \$14.20 million as compared to \$9.82 million recorded for FY2021. Additionally, there was a realised profit of \$6.66 million in FY2022 upon cash acquisition and disposal of a various quoted equity instruments held by the Group, classified as financial assets at fair value through other comprehensive income. This gain was taken directly through retained earnings.

Revenue increased by 17.85% or \$6.53 million from \$36.58 million in FY2021 to \$43.11 million in FY2022.

Our gold business has done well and is expected to continue being profitable in FY2023.

Our retail apparel business, however, continues to struggle, and we plan to exit this business in Singapore once our lease at Tanjong Katong Complex is up at the end of June 2023. The apparel business in Malaysia will continue to operate for the time being.

During this financial year, 4 of our retail properties were sold for a total sum of \$14.70 million. The sales will affect the rental income of the Group moving forward.

The Group's dividend income has increased from \$7.24 million in FY2021 to \$13.51 million this financial year as we continue to reallocate the monies from the sale of properties into high-yield dividend companies for the long term.

## LOOKING FORWARD

Our strategy to reduce our debt levels over the last few years by consolidating our businesses and gradually selling off our properties is paying off. We have and will continue to recycle the proceeds from the sale of properties into high dividend yield companies with strong fundamentals.

Our dividend income for this financial year has increased substantially over the last year and is set to increase much further as we build our investment portfolio.

To ensure that the Group can withstand worsening market conditions and even a crash, we continue to maintain a low gearing level by adhering to a total debt-equity ratio of not more than 0.5, as well as maintaining sufficient standby facilities.

Furthermore, we have put in place an Investment Committee, comprising 4 members, and chaired by a Non-Executive Director. Three of the four members have extensive experience in the securities industry.

The Investment Committee meets regularly to review the Group's Investment Portfolio.

## DIVIDENDS

The Board is recommending a dividend of One (1) cent per ordinary share (one-tier exempt) for the financial year ended 31 August 2022 to be approved at the upcoming AGM on 28 December 2022. The amount to be distributed will total \$9.26 million which is 65.21% of our net profit after tax.

## CORPORATE GOVERNANCE

Keeping with our high corporate governance standards, we have an Independent Non-Executive Chairman in place. This separation of the Chairman and CEO roles increases the Board's independence from management, leading to better monitoring and oversight, including enhanced risk controls.

Furthermore, in line with the Code of Corporate Guidance on Board Composition, Non-Executive Directors make up a majority of our Board.

Placing a high value on Corporate Governance, we have put in place the following safeguards since 2010:

- a) Compulsory Casino Self-exclusion of the executive directors and key management personnel
- b) Whistle-blower policy with a monetary reward
- c) Claw-back clause in service contracts of executive directors and key management personnel. Please refer to page 50 of this Annual Report for more details.
- d) Amended our constitution to have female representation at the Board level.

## BOARD DIVERSITY POLICY

We have put in place a Board Diversity Policy to ensure an inclusive and diverse Board composition. This should lead to more effective corporate governance. A diverse Board could potentially improve the profitability of the Group. Please refer to page 35 of this Annual Report for more details.

## CORPORATE SOCIAL RESPONSIBILITY

From this year onwards, The Salleh Marican Foundation Ltd. has agreed to fund the Group's CSR programmes. The Group's Directors and Key Personnel have agreed to give their time to support the activities of the Salleh Marican Foundation Ltd.

More information on The Salleh Marican Foundation Ltd. can be found on their website [www.sallehmarican.foundation](http://www.sallehmarican.foundation)

## 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](mailto:contact@secondchance.com.sg)

## ACKNOWLEDGEMENT

I would like to thank my fellow Board members 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 and business associates for their continued confidence and support.

**MOHAMED SALLEH MARICAN**  
**Founder & CEO**

**29 November 2022**

# BOARD OF DIRECTORS



## **Mohamed Salleh Marican, 73** *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:  
02 June 1986

Date of last re-election as a Director:  
26 December 2019

Length of service as a Director (as at 31 August 2022):  
36 years

Board Committee(s) served on:  
Nominating Committee (Member)  
(Stepped down on 12 November 2015)

Present Directorships (as at 31 August 2022):  
Listed Companies: Nil

Other Principal Directorships:  
17 Wholly Owned Subsidiaries of the Group

Major Appointments (Other than Directorship):  
Salleh Marican Foundation Ltd (President)

Past Directorships held over the preceding 5 years:  
(01 September 2017 to 31 August 2022)  
Temasek Foundation Cares CLG Limited

### 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, 68** *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:  
26 December 2019

Length of service as a Director (as at 31 August 2022):  
35 years 6 months

Board Committee(s) served on: Nil

Present Directorships (as at 31 August 2022):  
Listed Companies: Nil

Other Principal Directorships:  
17 Wholly Owned Subsidiaries of the Group  
Salleh Marican Foundation Ltd

Major Appointments (Other than Directorship): Nil

Past Directorships held over the preceding 5 years  
(from 01 September 2017 to 31 August 2022): Nil

# BOARD OF DIRECTORS



**Dev Pisharody, 65**  
*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 re-election as a Director:  
21 December 2021

Length of service as a Director  
(as at 31 August 2022):  
35 years 6 months

Board Committee(s) served on: Nil

Present Directorships (as at 31 August 2022):  
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 - Chairman  
Sim Lim Management Corporation Strata  
Title No.1440 - Member

Past Directorships held over the preceding 5 years  
(01 September 2017 to 31 August 2022): Nil



**Dr Ahmad Magad JP, 69**  
*Independent Non-Executive Chairman*

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 a Director: 20 December 1996  
Date of last re-election as a Director: 30 December 2020

Length of service as a Director (as at 31 August 2022):  
16 years 11 months 11 days  
(from 20 December 1996 to 30 November 2013)  
6 years 8 months  
(As At 31 August 2022 Reappointed On 30 December 2015)

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

Listed Companies:  
Propnex Limited (Lead Independent Director)

Other Principal Directorships:  
Singapore Environment Council  
Stroke Support Station  
Justice of the Peace  
Salleh Marican Foundation Ltd

Major Appointments (Other than Directorship): Nil

Past Directorships held over the preceding 5 years:  
(01 September 2017 to 31 August 2022)  
Former Group Managing Director of II-VI Singapore Pte Ltd  
II-VI Optics Suzhou Co Ltd and II-VI Vietnam Pte Ltd  
Workforce Development Agency (Board Member)  
National Productivity Council (Council Member)  
Singapore Innovation and Productivity Institute Pte. Ltd.,  
Singapore PMC Certification Pte. Ltd.,  
SME Centre @ SMF Pte. Ltd  
SMF Centre for Corporate Learning Pte. Ltd.,  
SMF Institute of Higher Learning Pte. Ltd.,  
SMF Biz Search Pte. Ltd.  
Manufacturing Sub-Committee of Future Economy Council (Member)  
Former Secretary General, Singapore Manufacturing Federation  
Former Executive Director of Management Development Institute of Singapore

# BOARD OF DIRECTORS



**Geetha Padmanabhan, 49**  
*Independent Non-Executive Director*

Education & Qualifications:  
Fellow member of The Institute of Chartered Accountants of India  
Bachelor of Computer Science from Bangalore University, India

Date of first appointment as a Director:  
01 March 2012  
Date of re-election as a Director:  
21 December 2021  
Date of redesignation as an Independent Non-Executive Director: 30 November 2013

Length of service as a Director (as at 31 August 2022):  
10 years 6 months

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

Present Directorships (as at 31 August 2022):  
Listed Companies: Nil

Other Principal Directorships:  
Phoenix Consultants and Advisors Private Limited  
Salleh Marican Foundation Ltd

Major Appointments (Other than Directorship): Nil

Past Directorships held over the preceding 5 years:  
(01 September 2017 to 31 August 2022)  
Ikigai Enablers Pte Ltd  
(01 April 2020 to 26 September 2021)

Others:  
July 2012 to present: Managing Director and Consultant in Self Owned Firm: Synergies (prior to May 2021, under SVP Consultants & Advisors)  
April 2003 to January 2012: Group Finance Manager at Second Chance Properties Ltd



**Tan Lye Heng Paul, 57**  
*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 A Director:  
29 November 2002  
Date Of Last Re-Election As A Director:  
30 December 2020

Length Of Service As A Director:  
10 Years 19 Days  
(From 29 November 2002 to 17 December 2012)

Reappointed On 30 December 2015  
6 Years 8 Months (As At 31 August 2022)

Board Committee(S) Served On:  
Remuneration Committee (Chairman)  
Audit Committee (Member)  
Nominating Committee (Member)

Present Directorships (As At 31 August 2022):  
Listed Companies:  
Serial System Ltd  
Pollux Properties Ltd

Other Principal Directorships:  
CA Trust PAC  
Kreston ACA PAC  
Salleh Marican Foundation Ltd

Past Directorships Held Over The Preceding 5 Years:  
(01 September 2017 to 31 August 2022)  
Sin Ghee Huat Corporation Ltd  
China Sunsine Chemical Holdings Ltd

Others:  
Accredited Mediator Of The Consumer Association Of Singapore (Case) Mediation Panel



**Deepak Laxhi Ramchandani, 52**  
***Non-Executive Director***

Education & Qualifications:

Master of Business Administration from National University of Singapore

Master of Business Administration from University of California Los Angeles, USA

Bachelor of Business from Nanyang Technological University

Chartered Financial Analyst (CFA) from CFA Institute, USA

Date of first appointment as a Director:

22 December 2021

Length of service as a Director (as at 31 August 2022):

8 months 10 days

(from 22 December 2021 to 31 August 2022)

Board Committee(s) served on:

Investment Committee (Chairman)

Listed Companies:

NIL

Past Directorships held over the preceding 5 years:

NIL



# MANAGEMENT TEAM



**Reema Gupta, 40**  
*Finance Advisor*

Ms Reema Gupta 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. 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, 57**  
*Group Head  
Accounts and Finance*

Mr Raj 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 financial management, accounting functions of the Group. Mr.Raj also supports the Board in their strategic decision making process as well as the Group's Corporate Financial and Risk Management and also responsible to maintain the portfolio of Group's investment in Financial Instruments. In addition, he also assists in the general administration of the Group.

He graduated with a Master Degree of Commerce (Accounting and Finance) and holds Institute of Singapore Chartered Accountants (ISCA) Professional Certificate in Business Accounting for completion of ISCA Professional Business Accountant (PBA) Programme and is also awarded with Certificate of Performance in Financial Management – School of Business and Accountancy.



**Amal Marican, 35**  
*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.

He also assists the CEO with the financial instruments portfolio in Singapore.



**Safie Bin Hussain, 63**  
*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.



**Azlan Bin Mohd Shafie, 46**  
*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**  
**\$ 43,115**

**EBITDA**  
**\$ 17,572**

**NTA**  
**\$ 283,384**

**Profit Before Tax**  
**\$ 14,917**

**Profit After Tax**  
**\$ 14,196**

	2018	2019	2020	2021	2022
Revenue	31,614	30,764	23,953	36,584	43,115
Profit Before Income Tax	8,818	5,456	3,726	10,737	14,917
Net Profit for the Financial Year	7,909	4,745	4,445	9,823	14,196
Dividend (Net)	0.3cps	0.4cps	0.45cps	5.5cps*	1cps
Properties & Fixed Assets	192,219	180,999	176,928	159,150	145,374
Total Assets	305,376	288,276	283,441	401,800	402,591
Net Current Assets/(Liabilities)	14,113	25,190	10,115	(89,537)	(42,514)
Net Tangible Assets	262,260	262,127	248,934	283,216	283,384
Capital Employed	262,260	262,127	248,934	283,216	283,384
Share Capital	138,248	138,248	138,308	137,454	174,366
Current Ratio	1.33	1.99	1.29	0.24	0.64
Debt to Equity Ratio	0.16	0.10	0.14	0.42	0.42
Capital Gearing Ratio	0.11	0.04	0.09	0.41	0.39
Earnings Per Share (cents)	1.05	0.63	0.59	1.30	1.66
Price/Earning ratio	22.86	33.33	30.17	21.54	14.16
NTA Per Share (cents)	34.73	34.72	32.96	37.67	30.59
Interest Coverage Ratio	14.72	8.14	14.56	25.29	17.87

\* Dividend of 5.5 cents includes a one-time special dividend of 5 cents for FY 2021.

# FINANCIALS AT A GLANCE

<b>Profit &amp; Loss account</b>	<b>2022 (S\$'000)</b>	<b>2021 (S\$'000)</b>	<b>Variance (%)</b>
Revenue	43,115	36,584	17.85
Adjusted EBITDA*	17,572	12,509	40.47
Interest	884	442	100.00
Profit before income tax	14,917	10,737	38.93
Net Profit for the Financial Year	14,196	9,823	44.52

## Balance Sheet

Total assets	402,591	401,800	0.20
Investment properties	69,185	130,755	(47.09)
Cash and bank balances	1,145	348	229.02
Short term borrowings	113,032	115,319	(1.98)
Shareholders' funds	283,384	283,216	0.06

## Financial ratios

Return on equity (%)	5.01	3.69	35.77
Current ratio	0.64	0.24	166.67
Gearing ratio	0.39	0.41	(4.88)
Interest coverage (times)	17.87	25.29	(29.33)
Dividend payout ratio	60.24	423.08	(85.76)

## Per Share data

Earnings (cents)	1.66	1.30	27.69
Net asset value (cents)	30.59	37.67	(18.79)
Dividend (cents)**	1.00	5.50	(81.82)
Dividend yield (%)#	4.26	19.64	(78.31)

- Revenue from all business segments except properties business increased
- Increase in operating profits due to increased revenue mainly dividend income
- Increase due to increased rate on interest
- Increase in revenue mainly dividends resulting in overall increase in profits
- Decreased as 4 properties sold during the year and option signed for 7 properties that are transferred to Properties held-for-sale

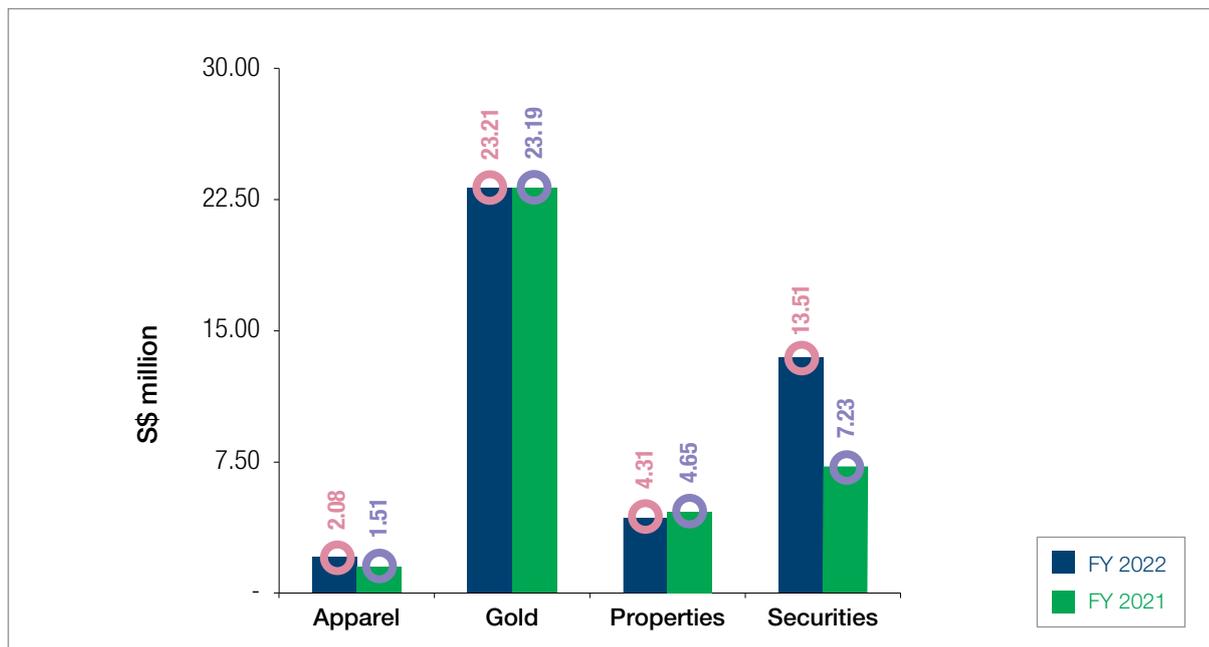
\* Adjusted earnings before Interest, tax, depreciation, exchange gains, revaluation gain/deficit, divestment profit/loss.

\*\* Dividend of 5.5 cents includes a one-time special dividend of 5 cents for FY 2021.

# Based on the last traded price of 23.5 cents and 28 cents as at 31 August 2022 and 31 August 2021 respectively.

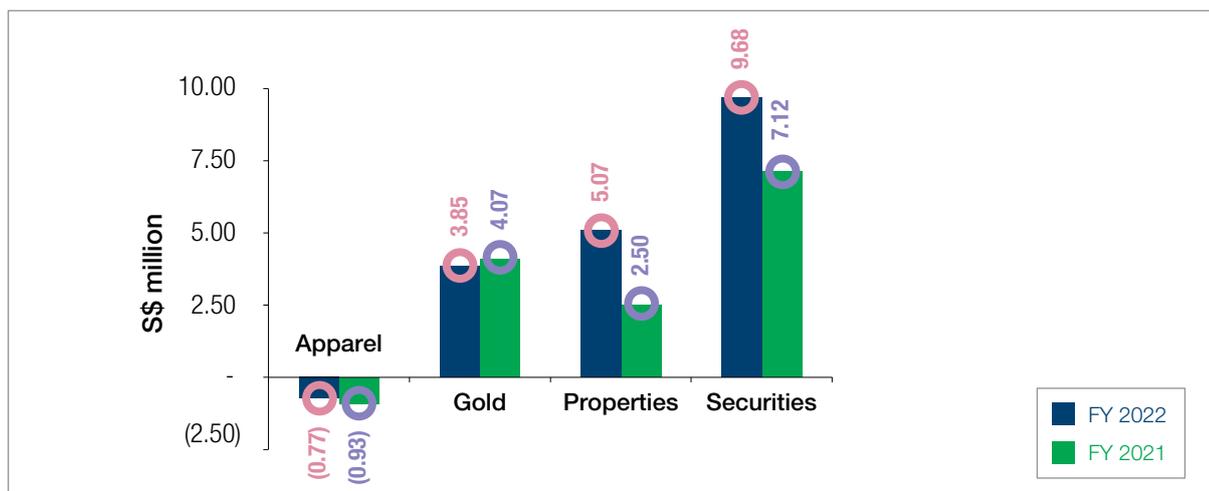
# FINANCIALS AT A GLANCE

## Revenue



Revenue	FY 2022 S\$ million	FY 2021 S\$ million	Variance S\$ million	%
Apparel	2.08	1.51	0.57	37.75
Gold	23.21	23.19	0.02	0.09
Properties	4.31	4.65	(0.34)	(7.31)
Securities	13.51	7.23	6.28	86.86

## Profit before interest, tax and unallocated expenses



	FY 2022 S\$ million	FY 2021 S\$ million	Variance S\$ million	%
Apparel	(0.77)	(0.93)	0.16	17.20
Gold	3.85	4.07	(0.22)	(5.41)
Properties	5.07	2.50	2.57	102.80
Securities	9.68	7.12	2.56	35.96

## OVERVIEW

The Group net profit increased by \$4.38 million from \$9.82 million in FY 2021 to \$14.20 million in FY 2022.

Revenue increased by \$6.53 million or 17.85% from \$36.58 million in FY 2021 to \$43.11 million in FY 2022.

Adjusted EBITDA increased by \$5.06 million from \$12.51 million in FY 2021 to \$17.57 million in FY 2022.

In addition, there was a realised profit of \$6.66 million in FY 2022 upon cash acquisition offers from issuers and disposal of few quoted equity instruments held by the group and classified as financial assets, at fair value through other comprehensive income and this gain was taken directly to equity through retained earnings.

## REVENUE

**Revenue has increased by \$6.53 million or 17.85% from \$36.58 million in FY 2021 to \$43.11 million in FY 2022.**

Different business segments contributed to the increase as illustrated below:

Revenue	FY 2022	FY 2021	Variance	
	S\$ million	S\$ million	S\$ million	%
Apparel	2.08	1.51	0.57	37.75
Gold	23.21	23.19	0.02	0.09
Properties	4.31	4.65	(0.34)	(7.31)
Securities	13.51	7.23	6.28	86.86

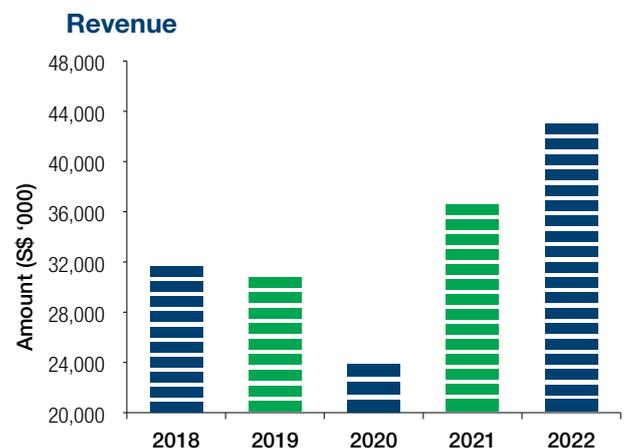
The revenue from apparel business increased by \$0.57 million or 37.75% from \$1.51 million in FY 2021 to \$2.08 million in FY 2022. Of the \$2.08 million in FY 2022, Malaysia apparel business contributed \$1.32 million. This segment witnessed increased sales in Malaysia as FL Mega mall was fully operational during the festive season of Hari Raya after two years of Covid 19 restrictions.

Revenue from gold business increased marginally by \$0.02 million from \$23.19 million in FY 2021 to \$23.21 million in FY 2022 due to general market conditions.

Rental revenue from properties decreased by \$0.34 million to \$4.31 million in FY 2022 from \$4.65 million in FY 2021. In the current FY 2022, the rental dropped due to loss of rental income from sale of 4 investment properties since FY 2021 as well as lower rentals received on some lease renewals.

The securities business witnessed significant increase in revenue of \$6.28 million from \$7.23 million in FY 2021 to \$13.51 million in FY 2022. This was because the Group has started investing substantially in quoted equity securities classified as financial assets, at fair value through other comprehensive income since FY 2021 and has received dividends on the same. The Group invested an amount of \$135.27 million in these quoted securities in FY 2021 and a further \$57.16 million in FY 2022.

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



# FINANCIAL REVIEW 2022

## PROFIT

The Group net profit increased by \$4.38 million from \$9.82 million in FY 2021 to \$14.20 million in FY 2022.

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

Profit	FY 2022	FY 2021	Variance	
	S\$ million	S\$ million	S\$ million	%
Apparel	(0.77)	(0.93)	0.16	17.20
Gold	3.85	4.07	(0.22)	(5.41)
Properties	5.07	2.50	2.57	102.80
Securities	9.68	7.12	2.56	35.96

The loss from apparel business decreased by \$0.16 million from \$0.93 million in FY 2021 to \$0.77 million in FY 2022 mainly because of higher sales volume in current FY 2022.

The gold business contributed \$3.85 million in FY 2022 which was lower by \$0.22 million from the \$4.07 million generated in FY 2021. The marginally lower gross profit margin and slightly higher operating costs in FY 2022 contributed to this decrease.

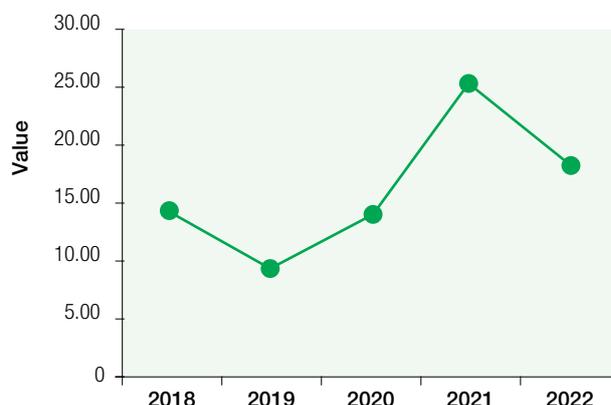
Properties segment contributed \$5.07 million in FY 2022 as compared to \$2.50 million in FY 2021. Though the revenue from this segment decreased in FY 2022, the contribution from this business segment increased significantly mainly due to unrealised gain on revaluation of properties of \$0.19 million in current FY 2022 as compared to unrealised loss of \$1.44 million on revaluation of properties in prior FY 2021. In addition, the gain on disposal of properties was \$0.80 million in FY 2022 as compared to \$0.68 million in FY 2021.

Securities segment recorded a gain of \$9.68 million in FY 2022 as compared to \$7.12 million in FY 2021. Though the revenue from this business segment increased by \$6.28 million, the profit increased by only \$2.56 million. This was mainly because of unrealised foreign exchange loss of \$3.15 million on borrowings for the purchase of quoted securities in FY 2022 as compared to unrealised foreign exchange gain of \$0.21 million in FY 2021.

## FINANCE COSTS

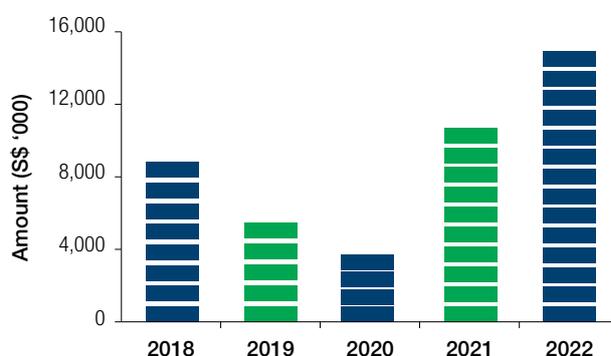
Interest expenses increased from \$0.44 million in FY 2021 to \$0.88 million in FY 2022 due to increased rates of borrowing in the current year.

### Interest Coverage Ratio



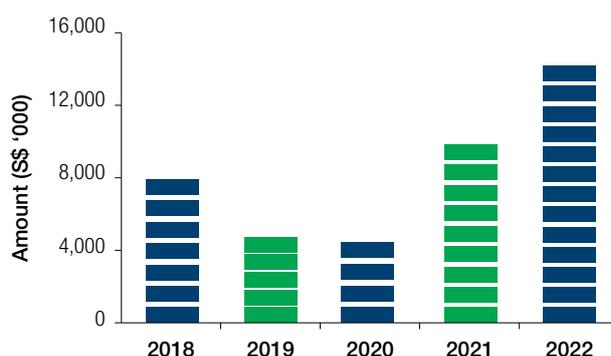
Below is a graphical representation of the profit before tax for the past five years:

### Profit Before Tax



The income tax expense decreased by \$0.19 million from \$0.91 million in FY 2021 to \$0.72 million in FY 2022 mainly because of group relief claimed.

### Profit After Tax



The earnings per share for FY 2022 was 1.66 cents as compared to 1.30 cents in FY 2021. Below is a comparison of the earnings per share for the past five years:



## ADJUSTED EBITDA

Adjusted EBITDA increased by \$5.06 million from \$12.51 million in FY 2021 to \$17.57 million in FY 2022.

The details of Adjusted EBITDA calculation are as below:

Adjusted EBITDA*	FY 2022 \$ '000	FY 2021 \$ '000
Net Profit	14,196	9,823
<i>Add/(Less):</i>		
Interest expenses	884	442
Tax expense	721	914
Depreciation	125	134
Fair value (gains)/losses on properties	(766)	2,027
Gain on divestment of investment property	(800)	(675)
Exchange differences	3,213	(156)
	<b>17,573</b>	<b>12,509</b>

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

## DIVIDENDS

For FY 2022, the Directors have declared a tax-exempt (one-tier) dividend of 1 cent per ordinary share.

The dividend yield for FY 2022 amounts to 4.26% based on the market price of 23.5 cents per share as at 31 August 2022 and the dividend payout ratio is 60.24% considering the earnings per share of 1.66 cents.

## CASH FLOW

The net cash flow from operating activities was \$18.97 million in FY 2022.

Proceeds from redemption and disposal of financial assets, at fair value through other comprehensive income including capital distribution generated \$36.77 million. In addition, proceeds from disposal of financial assets, at fair value through profit or loss generated \$0.98 million. An amount of \$14.70 million was generated on disposal of investment properties. Further, the Group had drawn down an amount of \$139.33 million from banks during the year.

Of the above, an amount of \$60.76 million was used for investing in quoted and unquoted securities classified as financial assets, at fair value through other comprehensive income. Cash dividend paid to equity holders of the Company amounted to \$4.44 million and an amount of \$144.76 million was utilised to repay bank borrowings.

Cash and cash equivalents at the end of the period i.e. 31 August 2022 was \$1.14 million while it was \$0.35 million at the beginning of the period i.e. 31 August 2021. Thus, there was an increase of \$0.79 million through the year.

# FINANCIAL REVIEW 2022

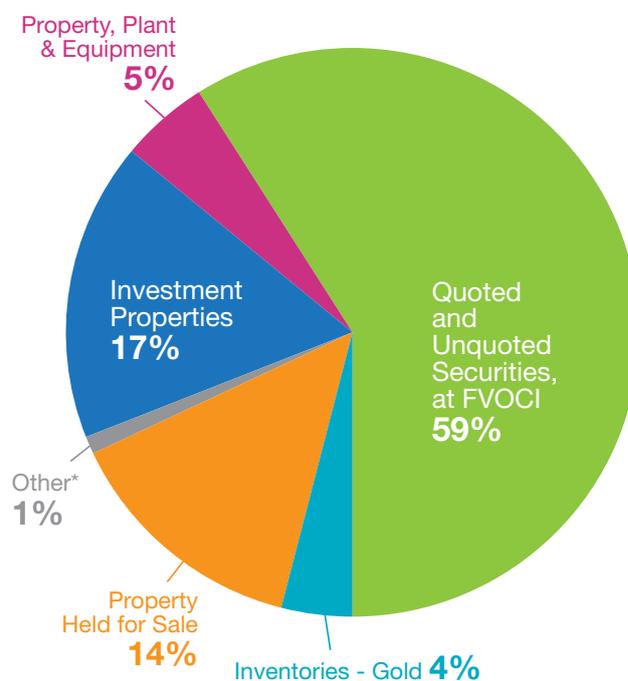
## FINANCIAL POSITION AS AT 31 AUGUST 2022

Investment properties of the group in Singapore totalled \$69.19 million. In addition, \$18.70 million worth of property owned by the group in Malaysia was classified as Property, plant and equipment because it was self-occupied. Further, investment property carrying value of \$57.46 million were classified as Properties held-for-sale. Thus the total value of the properties was \$145.35 million.

As at 31 August 2022, financial assets, at fair value through other comprehensive income comprised of shares valued at \$238.01 million of which \$3.46 million was unquoted instruments. The financial assets, at fair value through profit or loss comprised of equities valued at \$0.1 million. There was a decrease of \$9.11 million in the market value of financial assets, at fair value through other comprehensive income as at 31 August 2022 and this unrealised gain was taken directly to fair value securities reserve under equity.

Inventories at financial year ended 31 August 2022 totalled \$16.37 million of which \$15.63 million was gold stock.

The asset allocation of the group as at 31 August 2022 is shown in the below chart:



\*Others includes Quoted Securities, at FVTPL, Inventories - Apparel, Other Current Assets and Cash & Cash Equivalent

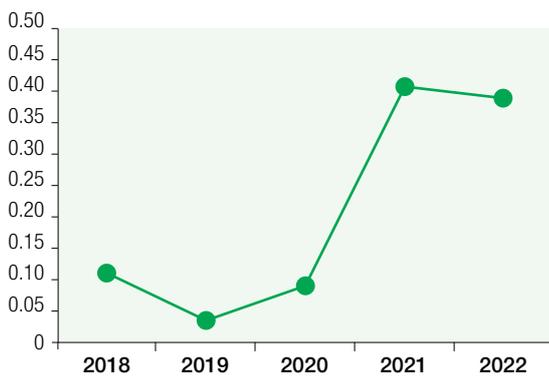
## WORKING CAPITAL

The Group had a negative working capital of \$42.51 million as at 31 August 2022 as compared to \$89.54 million as at 31 August 2021. This was because the group utilised short-term borrowing facilities in order to benefit from lower interest rates.

## BANK BORROWINGS

As at 31 August 2022, the Group has short-term borrowings of \$113.03 million as compared to \$115.32 million as at prior year ended 31 August 2021. The gearing ratio of the Group improved marginally to 0.39 as at 31 August 2022 from 0.41 as at 31 August 2021.

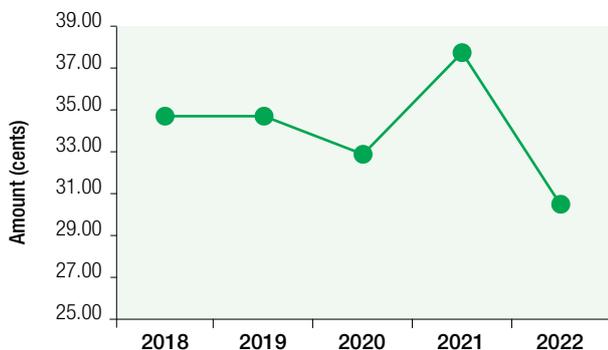
### Gearing



## SHARE CAPITAL

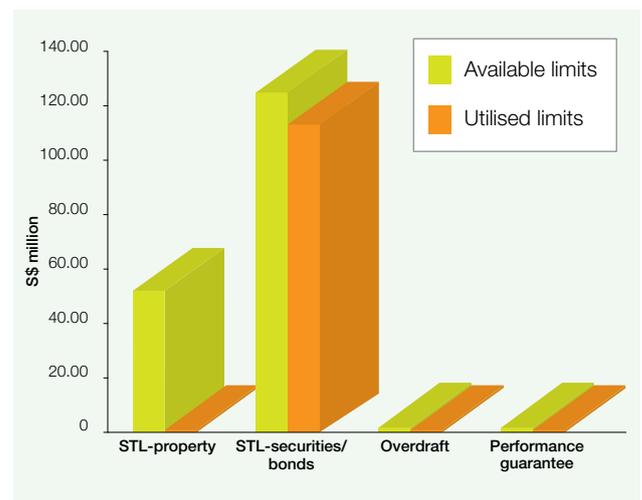
Share capital stood at \$174.37 million as at 31 August 2022 as compared to \$137.45 million as at 31 August 2021. This increase was due to shares issued pursuant to scrip dividend scheme. There were 926.43 million shares in float as at 31 August 2022 as compared to 751.91 million as at 31 August 2021. Total shareholders' equity stood at \$283.38 million and NTA per share was 30.59 cents as at 31 August 2022.

### 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-property	51.80	-	0.00%
STL-securities/ bonds	124.50	113.03	90.79%
Overdraft	0.95	-	0.00%
Performance guarantee	0.05	-	0.00%
	<b>177.30</b>	<b>113.03</b>	<b>63.75%</b>

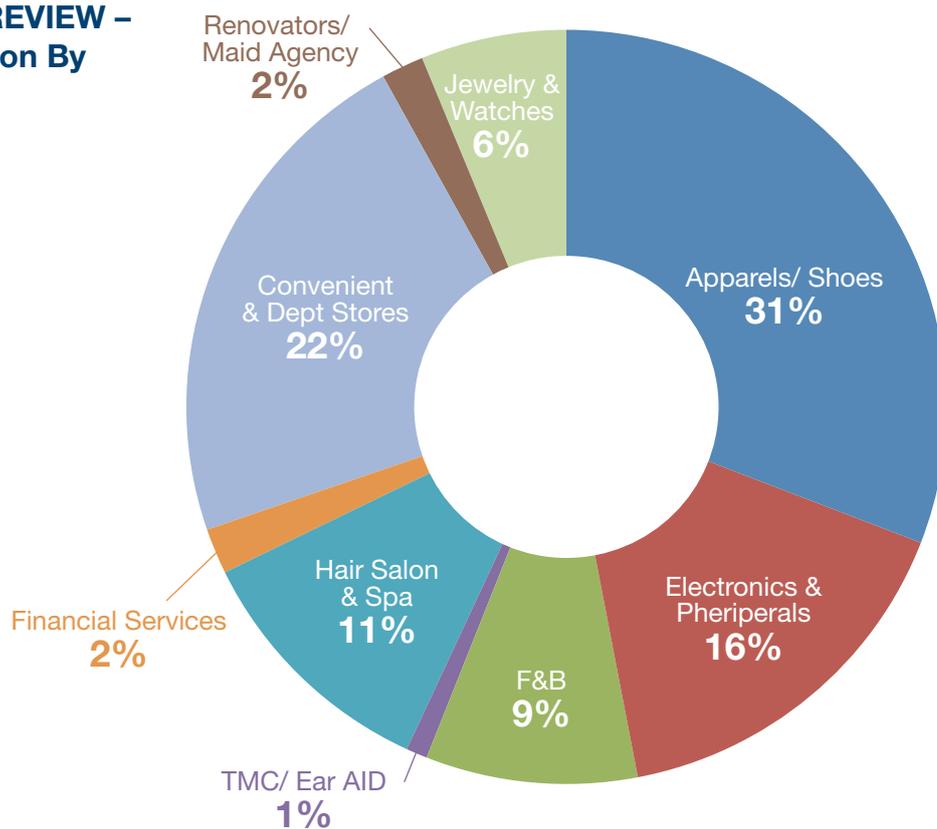


# PROPERTY PORTFOLIO & TENANTS' OPERATIONS REVIEW

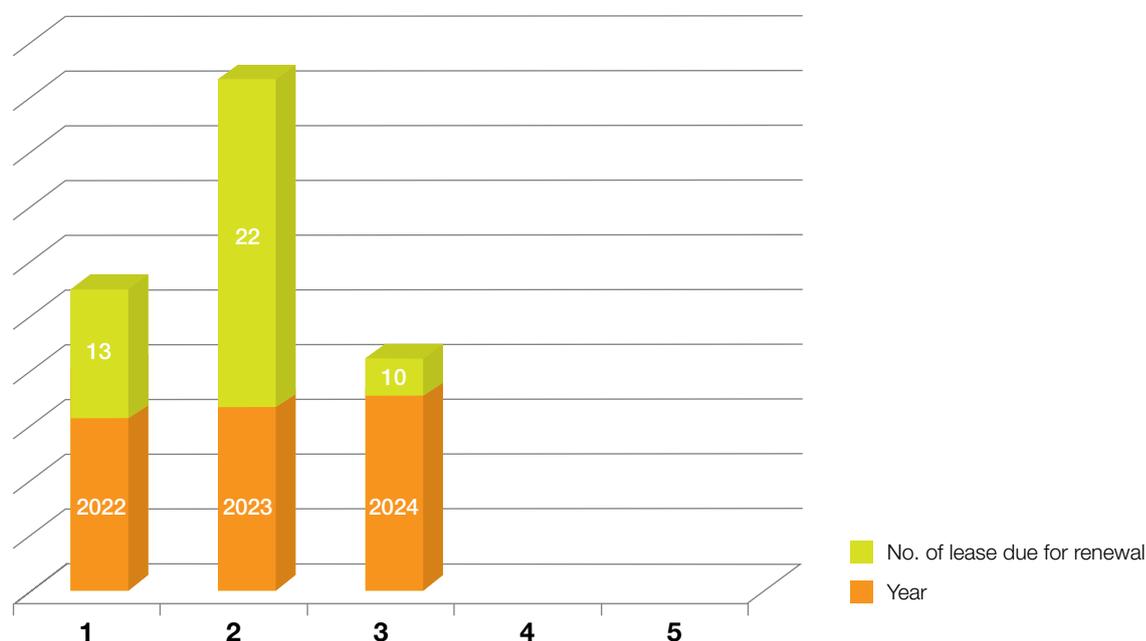
## PROPERTY PORTFOLIO REVIEW – Commercial

FY 2022 Appraised Value	<b>S\$126.645 Million</b>
Net Lettable Area- (Singapore)	<b>23,272 Sq ft</b>
Current Utilisation	<b>Rented Out</b>
Occupancy Rate	<b>100.00%</b>

## TENANTS' OPERATION REVIEW – Rental Income Contribution By Tenant Trade Sector

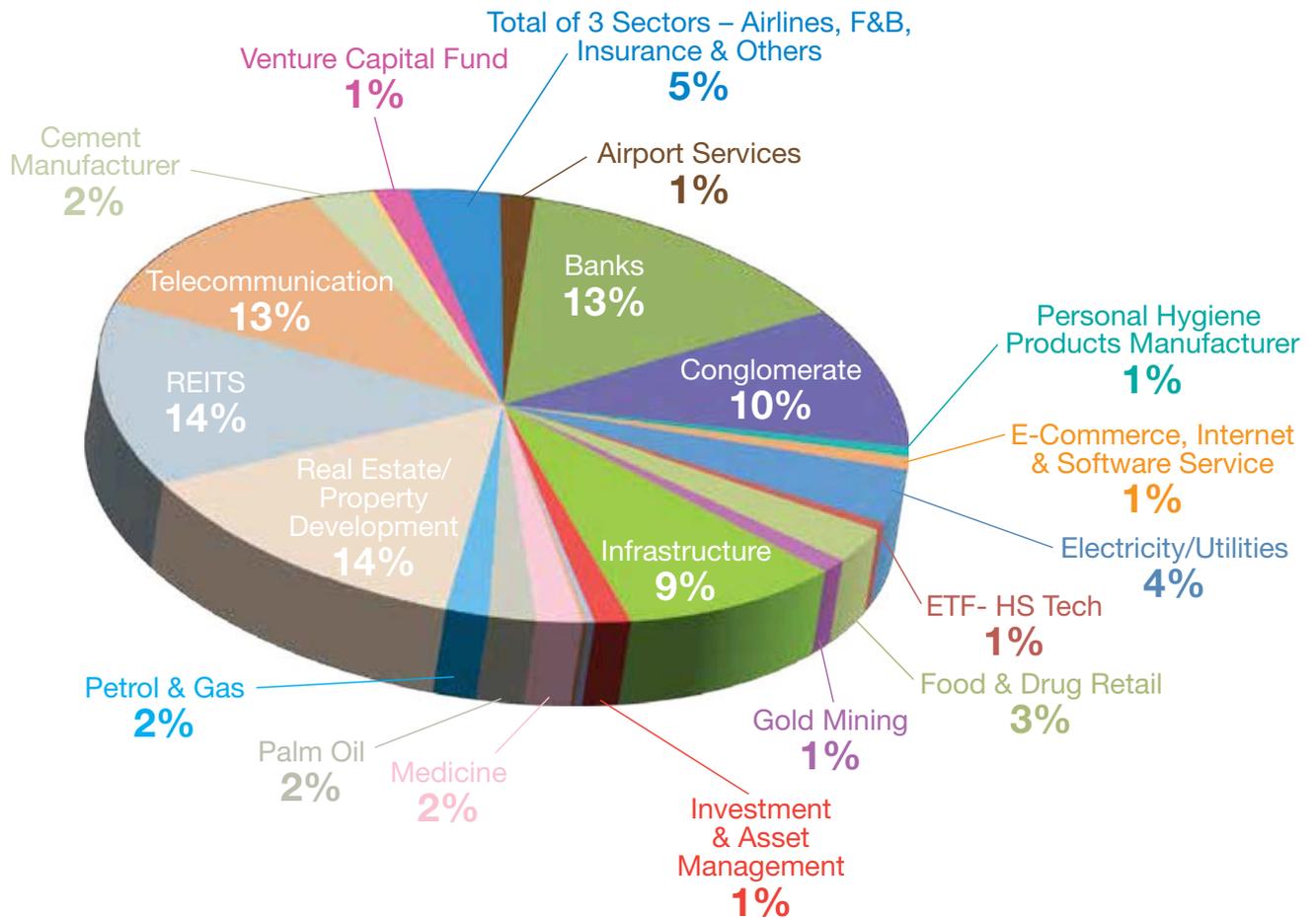


## Lease Expiry Profile



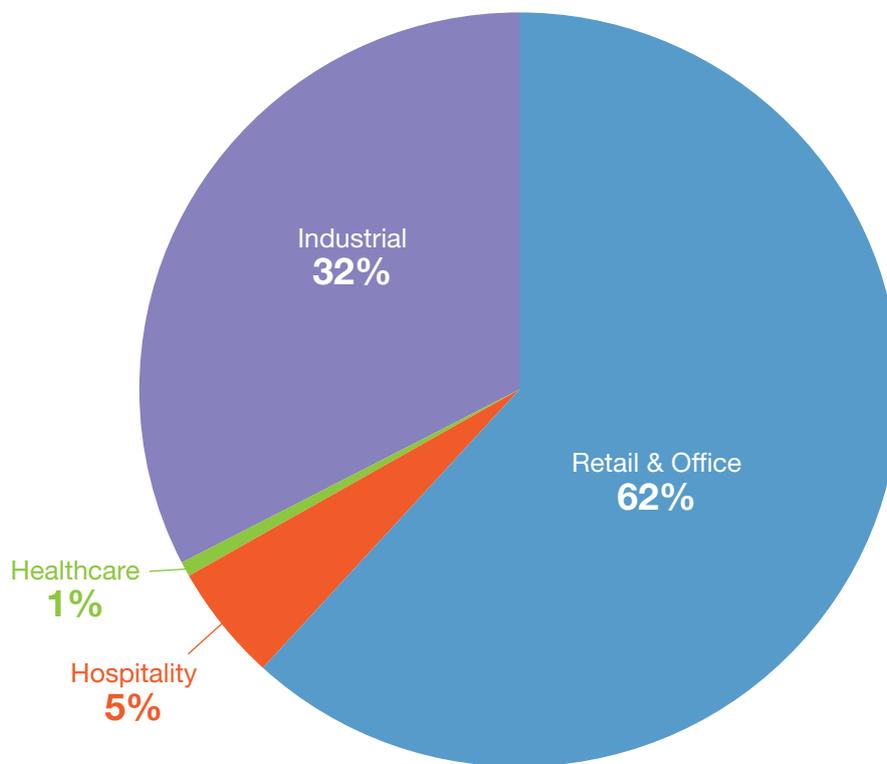
# SECURITIES INVESTMENT OVERVIEW

## OVERVIEW OF INVESTMENT IN FINANCIAL ASSETS @ FVOCI BY SECTOR AS AT 31 AUGUST 2022

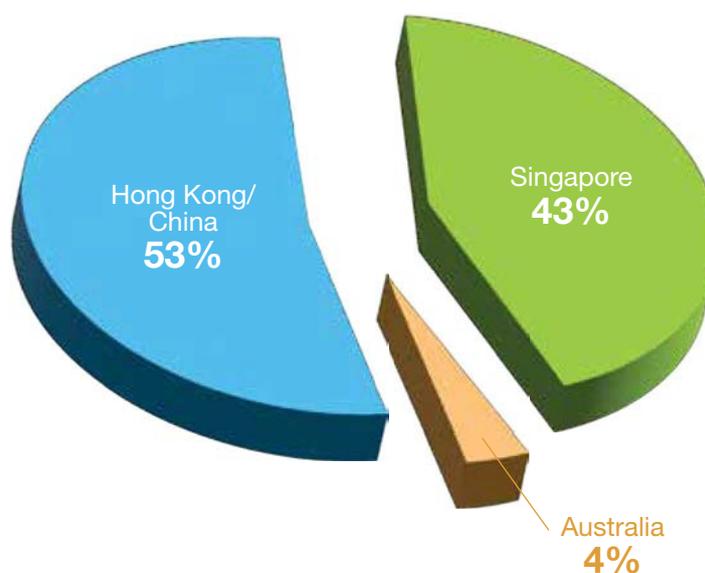


# SECURITIES INVESTMENT OVERVIEW

## OVERVIEW OF REITS INVESTMENT BY SECTORS



## OVERVIEW OF SECURITIES INVESTMENT BY GEOGRAPHY





## 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 formalised 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 minimise 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 Internal Auditor - RSM Risk Advisory - the Group opened their doors for the Auditor which resulted in frameworks and manuals crafted for our adoption on managing risks and fraud, improving our retail POS System, GST implementation and internal controls on our business processes.

In addition, senior management and executives are periodically tasked to conduct internal audits on various operations of the Group such as Annual Stock-Taking, 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 formalised whistle blower policy where anyone is able to send feedback to our Independent Non-Executive Chairman 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.



## AMP - 2ND CHANCE STEM STUDY AWARD 2022



**Ahmad Hamdan Bin  
Mohamad Saleh**

NUS Bachelor of Engineering  
(Chemical Engineering)



**Ashraf Salim @Hariharan  
s/o Muralidharan**

NTU Bachelor of Engineering  
(Chemical and Biomolecular  
Engineering)



**Muhammad Ashraf Ali  
Bin Muhammad Salihin**

SIT Bachelor of Engineering  
(Aerospace Engineering)



**Noratika Binte Nazri**

NUS Bachelor of Science  
(Pharmaceutical Science)



**Muhammad Ferozdeen  
s/o Mohamed Shariff**

NTU Bachelor of Engineering  
(Mechanical Engineering)

## Bursary Fund

We have continued again this year on granting Bursary Funds to assist and support deserving students pursuing their undergraduate studies in the field of Science, Technology, Engineering and Mathematics (STEM).

The fund was set up in collaboration with the Association of Muslim Professionals (AMP) for students who have excelled in their academic and extra-curricular activities and whose Family Per Capita Income was below \$2,000.00 per month.

# 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 #01-56/57 City Plaza
- 06 810 Geylang Road #01-60 City Plaza
- 07 810 Geylang Road #01-61 City Plaza
- 08 810 Geylang Road #02-49 City Plaza
- 09 810 Geylang Road #02-50 City Plaza
- 10 810 Geylang Road #02-51 City Plaza
- 11 810 Geylang Road #02-86 City Plaza
- 12 810 Geylang Road #02-88 City Plaza
- 13 810 Geylang Road #02-105 to 108 City Plaza
- 14 Blk 710A Ang Mo Kio Ave 8 #01-2625
- 15 14 Scotts Road #02-40 Far East Plaza
- 16 14 Scotts Road #02-42 Far East Plaza
- 17 304 Orchard Road #01-56/57/58/59 Lucky Plaza
- 18 1 Park Road #01-32 People's Park Complex
- 19 1 Park Road #01-33 People's Park Complex
- 20 111 North Bridge Road #01-28/28A Peninsula Plaza

# PROPERTY LOCATIONS IN SINGAPORE



- 21 111 North Bridge Road #01-29 Peninsula Plaza
- 22 111 North Bridge Road #01-38 Peninsula Plaza
- 23 1 Rochor Canal Road #05-36 Sim Lim Square
- 24 1 Rochor Canal Road #05-53 Sim Lim Square
- 25 1 Rochor Canal Road #05-54 Sim Lim Square
- 26 1 Rochor Canal Road #05-61 Sim Lim Square
- 27 1 Rochor Canal Road #05-62 Sim Lim Square
- 28 1 Rochor Canal Road #05-63 Sim Lim Square
- 29 1 Rochor Canal Road #05-64 Sim Lim Square
- 30 1 Rochor Canal Road #05-65 Sim Lim Square
- 31 1 Rochor Canal Road #05-72 Sim Lim Square
- 32 1 Rochor Canal Road #05-73 Sim Lim Square
- 33 1 Rochor Canal Road #05-74 Sim Lim Square

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## **GOLDEN CHANCE GOLDSMITH PTE LTD**

845 Geylang Road #02-42 Tanjong Katong Complex Singapore 400845

Tel: 67453577 Fax: 67456955

Email: [contact@secondchance.com.sg](mailto:contact@secondchance.com.sg)  [@goldenchance](#)



A vertical decorative strip on the left side of the page features a blurred background of financial data. It includes a line graph with two overlapping lines in shades of pink and white, a bar chart with several white bars of varying heights, and some numerical values in red and white, such as '5,194' and '35.66'.

# FINANCIAL CONTENTS

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	Corporate Information

# CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. 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 Rules. Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target. The Board aims to lead by example and learn from experience. 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 Singapore Code of Corporate Governance 2018 (the “**2018 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.

## BOARD MATTERS

### THE BOARD’S CONDUCT OF AFFAIRS

***Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.***

#### Provision 1.1 - Principal duties of the Board

Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company and hold Management accountable for performance. 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 principal functions and duties of the Board include:

- Formulating the Group’s strategic objectives, reviewing the strategic plans and performance objectives and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives.
- Planning annual budget.
- Setting direction and goals for the executive management along with key operational initiatives and supervising executive management.
- Reviewing and monitoring the Company’s risk management, financial performance and reporting, investment proposals, corporate governances, compliance and internal control system and carrying out periodic reviews of their effectiveness.
- Appointing the Group Chief Executive Officer (“**CEO**”) and approving the remuneration policies and guidelines for the Board and senior management.
- Reviewing the performance of 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.

#### ***Conflicts of interest***

Internal guidelines require every director disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company as soon as is practicable after the relevant facts have come to his/her knowledge, and recuse himself/herself when the conflict-related matter is discussed unless the Board is of the opinion that his/ her presence and participation is necessary to enhance the efficacy of such discussion, and abstain from voting in relation to conflict-related matters. This policy applies to all the Board committees.

# CORPORATE GOVERNANCE

## Provision 1.2 - 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. During the financial year 2022 ("**FY 2022**"), Mr Deepak Lakhi Ramchandani was appointed as a Non-Executive Director (NED) on 22 December 2021. Before his appointment, he has attended training on the roles and responsibilities of a director at Singapore Institute of Directors ("**SID**").

On a half-yearly 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 development of the Group.

For FY 2022, the Board was briefed on the strategic and business development of the Group by the CEO, release issued by the SGX-ST, Accounting and Corporate Regulatory Authority ("**ACRA**"), which are relevant to the Board and financial reporting updates by the external auditors and company secretary.

Directors are also 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 organisation to keep in pace with new laws, regulations, changing commercial risks and financial reporting standards. Since the date of the last Annual Report, Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar, Ms Geetha Padmanabhan, Mr Tan Lye Heng Paul, Dr Ahmad Bin Mohamed Magad and Mr Deepak Lakhi Ramchandani have attended the Sustainability E-Training for Directors organised by The Institute of Singapore Chartered Accountants ("**ISCA**"). The attendance of Directors at such courses is sponsored by the Company.

## Provision 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 half yearly and full year result announcements;
- Approval of the Annual Reports and accounts;
- Approval of Internal Audit Report;
- Convening of shareholders' meetings;
- Approval of corporate strategies and objectives of the Group;
- 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;
- Annual budgets and business plan;

# CORPORATE GOVERNANCE

- Issuance of shares;
- Declaration of interim dividends;
- Recommendation of final dividends and other returns to shareholders; 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. Management has been given clear directions on matters that require Board's approval, and these are communicated to Management. It is believed that all the Directors objectively discharge their duties and responsibilities as fiduciaries in the best interests of the Company.

## **Provision 1.4 - Delegation by the Board**

The Board objectively makes decisions in the interests of the Group. To further facilitate effective management, the Board has delegated specific responsibilities with distinct guidelines to three committees namely Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”). 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. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group.

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.

During FY 2022, an Investment Committee (“**IC**”) was formed with clearly defined Terms of Reference to guide and advise the Management Executives in their decision making with respect to the Group's investments on a quarterly basis or as and when required.

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.

## **Provision 1.5 - Board and Board Committees Meetings and Attendance**

The Board meets at least once in six months to review the half yearly and full year 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 (“**AGM**”) and any Extraordinary General Meetings (“**EGM**”) 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. All meetings are conducted in Singapore and attendance by the Directors has been regular.

# CORPORATE GOVERNANCE

A record of Board and Board Committee meetings held during the year under review from the date of the last report i.e. 26 November 2021 till the date of this report and the attendance of each Director where relevant is as follows:

	<b><u>Board</u></b>	<b><u>NC</u></b>	<b><u>RC</u></b>	<b><u>AC</u></b>	<b><u>AGM</u></b>
<b>No. of meetings</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>
<u>No. of meetings attended by respective Directors:</u>					
Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar	2	2 <sup>#</sup>	2 <sup>#</sup>	2 <sup>#</sup>	1
Mr Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar	2	2 <sup>#</sup>	2 <sup>#</sup>	2 <sup>#</sup>	1
Mr Devnarayanan s/o K.R. Pisharody	2	NA	NA	2 <sup>#</sup>	1
Dr Ahmad Bin Mohamed Magad, JP	2	2	2	2	1
Ms Geetha Padmanabhan	2	2	2	2	1
Mr Tan Lye Heng Paul	2	2	2	2	1
Mr Deepak Lakhi Ramchandani*	2	NA	NA	2 <sup>#</sup>	NA

\* Appointed on 22 December 2021

# By Invitation

All Directors are required to declare their board representations. Where a Director has multiple board representations, and in considering the nomination of Directors for appointment, the NC will evaluate whether or not the Director is able to and has been adequately carrying out his or her duties as a Director, as well as sufficient time and attention are given to the affairs of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

## **Provision 1.6 - Access to Information**

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.

# CORPORATE GOVERNANCE

## **Provision 1.7 - Access to Management and Company Secretary**

The Board has discrete and independent access to the senior management, external auditors and the Company Secretary at all times. The half yearly 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.

## **Role of the Company Secretary**

The Company Secretary reviews meeting agendas, attends (or her representatives attend) and prepares minutes of Board meetings and is responsible for ensuring that Board procedures are followed and that the Company's Constitution and relevant rules and regulations are complied with. The Company Secretary also assists on matters in respect of compliance with the Companies Act 1967 and the Listing Rules of SGX-ST and is also responsible for advising the Board on the matters relating to Corporate Governance. Directors have separate and independent access to the Company Secretary.

The appointment and removal of the Company Secretary is subject to the approval of the Board.

## **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.

## **BOARD COMPOSITION AND GUIDANCE**

***Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***

The Board is composed of eminent persons with considerable professional experience in diverse fields and comprises seven 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 s/o Kadir Mohideen Saibu Maricar  
*Deputy CEO*

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

Dr Ahmad Bin Mohamed Magad, JP  
*Independent Non-Executive Chairman*

Mr Tan Lye Heng Paul  
*Independent Non-Executive Director*

Ms Geetha Padmanabhan  
*Independent Non-Executive Director*

Mr Deepak Lakhi Ramchandani (Appointed on 22 December 2021)  
*Non-Executive Director*

The profile of each Director is given on pages 4 – 7 of this Annual Report.

# CORPORATE GOVERNANCE

## Provision 2.1 - Director's Independence

The Board has four Non-Executive Directors, three of whom are independent members. The criteria for independence are determined based on the definition as provided in the 2018 Code.

The Independent Directors, Dr Ahmad Bin Mohamed Magad, Mr Tan Lye Heng Paul and Ms Geetha Padmanabhan have confirmed that they have no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment of the Group's affairs with a view to the best interests of the Company.

The independence of each Independent Non-Executive Director is reviewed annually by the NC.

Each Independent Non-Executive Director is required to disclose any relationships or appointments which would impair their independence. Each Independent Non-Executive 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 Non-Executive Director of his/her independence, the Board considers each of the Independent Non-Executive Director to be independent and able to exercise independent judgement in the best interest of the company in discharging their fiduciary duties. As with all directors, they are to act in the best interests of the company as a whole and not of any particular group of shareholders or stakeholders.

The NC has adopted practices which will include a retirement schedule and a rigorous review of the reappointment and independence of Independent Non-Executive Directors who have served on the Board for more than nine years from the date of their first appointment. All the three Independent Non-Executive Directors namely, Mr Tan Lye Heng Paul, Dr Ahmad Bin Mohamed Magad and Ms Geetha Padmanabhan have served as Independent Non-Executive Directors of the Company for an aggregate term of more than nine (9) years since 29 November 2002, 20 December 1996 and 1 March 2012 respectively. 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, Dr Ahmad Bin Mohamed Magad and Ms Geetha Padmanabhan 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. All of them have demonstrated strong independent character and judgement over the years in discharging their duties and responsibilities as Independent Non-Executive 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 Non-Executive Directors of the Company and their ability to discharge their duties as Independent Non-Executive 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 Dr Ahmad Bin Mohamed Magad, Mr Tan Lye Heng Paul and Ms Geetha Padmanabhan 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.

Additionally, in line with the 2018 Code and the Rule 210(5)(d)(iii) of the Listing Manual of SGX-ST, the Company had implemented the mandatory two-tier voting system in its 2021 AGM for Dr Ahmad Bin Mohamed Magad, Mr Tan Lye Heng Paul and Ms Geetha Padmanabhan who have served the Board for more than nine years. All three of them had obtained shareholders' approval via two-tier voting for their continued appointment as Independent Non-Executive Director at 2021 AGM until the earlier of: (a) his/her retirement or resignation; or (b) the conclusion of the third AGM from 2021 AGM held on 21 December 2021 (i.e. the AGM to be held in year 2024).

# CORPORATE GOVERNANCE

## **Provision 2.2 - Proportion of Independent Non-Executive Directors**

The Company endeavours to maintain a strong independent element on the Board with the Independent Non-Executive Directors making up at least one-third of the Board. In view of this, the current number of Independent Non-Executive Directors complies with Rule 210(5)(c) of the Listing Manual of SGX-ST, which requires the Board to have at least one-third of the Directors who are independent and free of any material business or financial connection with the Company.

In addition, the Independent Non-Executive Directors do not need to make up a majority of the Board, as the Chairman is an Independent Non-Executive Director.

## **Provision 2.3 - Proportion of Non-Executive Directors**

With the appointment of Mr Deepak Lakhi Ramchandani as a Non-Executive Director on 22 December 2021, the Non-Executive Directors now make up a majority of the Board as proposed in Provision 2.3 of the 2018 Code.

## **Provision 2.4 - Board Composition, Size and Diversity**

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 Company has a written policy on Board Diversity.

### **Board Diversity Policy**

The Company's Board Diversity Policy (the "**Policy**") for the Board has been formulated to assure that the Board is fully diversified and comprises of an ideal combination of Executive and Non-Executive Directors, including Independent Non-Executive Directors, with diverse backgrounds, which is important for effective corporate governance as well as success of the business and the Company as a whole.

A diverse Board will include and make good use of the differences in the skills, knowledge, industry experience, background, age, race, gender and other qualities of the individual members as a whole. It will have a range of views, insights, perspectives, and opinions to improve its decision-making and benefit the company's stakeholders. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Board is of the view that gender is an important aspect of diversity and this has also been included as one of the provisions of the new Constitution adopted by the Company in 2016 which states that at least one of the Directors of the Company must be female. At present, the Board has one female Independent Non-Executive Director, namely Ms Geetha Padmanabhan. Ms Geetha Padmanabhan has been a member of the Board since 2013.

In reviewing Board composition and succession planning, the NC will consider the benefits of all aspects of diversity and is responsible for ensuring that the Board has the right balance of skills, experience and knowledge and to identify suitable candidates for appointment on merit keeping in mind the benefits of diversity in promoting the success of the Company for the benefit of its shareholders.

On annual basis, the NC will monitor the implementation of the Policy and report on the Board composition in the Corporate Governance report.

# CORPORATE GOVERNANCE

The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process. The NC is also of the view that the Board has a good balance of Directors who have extensive business, financial, accounting and management experience. 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.

## **Provision 2.5 - Meeting of Non-Executive Director and Independent Non-Executive Directors without Management**

The Non-Executive Director and Independent Non-Executive Directors adopt an oversight role to ensure that corporate assets are exclusively utilized for the benefit of the Company and 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. During FY 2022, the Non-Executive Director and Independent Non-Executive Directors have met informally at least once without the presence of Management or the Executive Directors to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development, the remuneration of the Directors and key management personnel ("**KMP**") as well as to review any matters that must be raised privately.

### ***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.

The Non-Executive Directors led by the Independent Non-Executive Chairman are encouraged to meet, without the presence of the Management, so as to facilitate a more effective check on the Management. They will meet on a need-basis without the presence of the Management to discuss on arising issues.

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 Non-Executive 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.

To ensure that Non-Executive Directors 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 Non-Executive 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 Non-Executive 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 Non-Executive Directors at any time for them to meet regularly without the presence of the management.

# CORPORATE GOVERNANCE

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER (“CEO”)**

***Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

### **Provisions 3.1 and 3.2 - Roles of the Chairman and CEO**

The roles of the Chairman and CEO are kept separate to ensure that there is an appropriate balance of power and authority, and that accountability and independent decision making are not compromised.

Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar is the CEO of the Group while Dr Ahmad Bin Mohamed Magad had been appointed as the Independent Non-Executive Chairman on 31 August 2020. The Board unanimously elected Dr Ahmad Bin Mohamed Magad, as its Chairman with effect from 31 August 2020. This decision was taken in line with corporate governance best practices to further enhance the independence of the Board. The Chairman and the CEO are not related.

The Chairman is responsible for the effective functioning of the Board and exercises control over the quality, quantity and timeliness of information flow between the Board and Management and effective communication with Shareholders. In addition, the Chairman encourages constructive relations among the Directors and the Board's interaction with Management, as well as facilitates effective contribution of Non-Executive Directors. The Chairman's responsibilities in respect of the Board proceedings include:-

- a. in consultation with the CEO, setting the agenda (with the assistance of the Company Secretary and her representatives) and ensuring that adequate time is available for discussion of all agenda items, in particular, strategic issues;
- b. ensuring that all agenda items are adequately and openly debated at the Board meetings;
- c. ensuring that all Directors receive complete, adequate and timely information; and
- d. assisting in ensuring that the Group complies with the 2018 Code and maintains high standards of corporate governance.

The Chairman, Dr Ahmad Bin Mohamed Magad as Independent Non-Executive Director exercises objective judgment on corporate matters impartially. The Chairman is available to shareholders where they have concerns and for which contact through the normal channels of the CEO or the Financial Advisor has failed to resolve or is inappropriate.

As the CEO, Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar 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. With assistance by the various functional directors and senior management, the CEO manages and is responsible for the Group's day-to-day operations and business. He also engages in constructive communication with shareholders at the General Meetings.

All the Board Committees are chaired by Independent Non-Executive Directors and at least half of Board consists of Non-Executive Directors. The Chairman also facilitates the effective contribution of Non-Executive Directors and promotes high standards of corporate governance. The scope and extent of the Chairman's and the Board's responsibilities and obligations have been expanding due to the increased focus on corporate governance, risk management, regulation and compliance.

### **Provision 3.3 - Lead Independent Director**

The Company did not appoint a lead independent director, as the Chairman, Dr Ahmad Bin Mohamed Magad is an Independent Director and the Chairman and the CEO are not immediate family members.

# CORPORATE GOVERNANCE

## BOARD MEMBERSHIP

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

### Provisions 4.1 and 4.2

#### *Nominating Committee (“NC”) Composition*

The NC, regulated by a set of written terms of reference, comprises of three members, all of whom are Independent Non-Executive Directors. The quorum for the NC meeting is two.

The members of the NC are:

- Dr Ahmad Bin Mohamed Magad, JP  
*Chairman, Independent Non-Executive Chairman*
- Mr Tan Lye Heng Paul  
*Member, Independent Non-Executive Director*
- Ms Geetha Padmanabhan  
*Member, Independent Non-Executive Director*

The NC was established for the purpose of ensuring that there is a formal and transparent process for all board appointments.

#### *Roles and Duties of NC*

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. 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. 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.

# CORPORATE GOVERNANCE

## Provision 4.3 - Nomination and Selection of Directors

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.

The Group also releases announcements on the appointment or cessation of Directors via SGXNET.

## **B. Review and recommend to the Board on re-elections and 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. Regulation 107 of the Company's Constitution requires one-third of the Directors, or the number nearest to but not less than one-third, to retire by rotation at every AGM and a newly appointed Director must submit himself for re-election under Regulation 111 of the Company's Constitution at the AGM immediately following his appointment.

The NC has recommended to the Board that Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar, Mr Hasan Marican s/o Kadir Mohideen Saibu Maricar and Mr Deepak Lakhi Ramchandani (collectively, the "**Retiring Directors**") be nominated for re-election at the upcoming AGM. In making the recommendation, the NC had considered each of the Retiring Directors' contribution and performance to the Board and the Group. The Retiring Directors, have each abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their own performance or re-election as a Director.

# CORPORATE GOVERNANCE

The Company has received consent from retiring directors that they wish to seek re-election as a Director of the Company at the forthcoming AGM. Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar will, upon re-election as a Director, remain as Executive Director and CEO of the Company. Mr Hasan Marican s/o Kadir Mohideen Saibu Maricar will, upon re-election as a Director, remain as Executive Director and Deputy CEO and Mr Deepak Lakhi Ramchandani will, upon re-election as a Director, remain as Non- Executive Director.

Details of the Retiring Directors seeking for re-election at the upcoming AGM are set out on pages 60 to 65 of the Annual Report in compliance with the Rule 720(6) of the Listing Manual of SGX-ST.

Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of SGX-ST, a director will not be independent if he/she has served for an aggregate of more than nine (9) years unless his/her continued appointment as an independent director has been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders, excluding the directors and chief executive officer of the issuer, and associates of such directors and chief executive officer (the “**Two-Tier Voting**”). For the purpose of the resolution referred to in (b), the directors and chief executive officer of the issuer, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given. Such resolutions approved by a Two-Tier Voting may remain in force for three (3) years from the conclusion of the AGM following the passing of the resolutions or the retirement or resignation of the director, whichever the earlier.

In accordance with the above provision, the approval of Shareholders was sought through a Two-Tier Voting process at 2021 AGM held on 21 December 2021 for the continuation of office of Mr Tan Lye Heng Paul, Dr Ahmad Bin Mohamed Magad and Ms Geetha Padmanabhan as Independent Non-Executive Directors of the Company and the same was approved by the shareholders.

The Board (with the concurrence of the NC) has determined that Mr Tan Lye Heng Paul, Dr Ahmad Bin Mohamed Magad and Ms Geetha Padmanabhan continue to remain objective and independent-minded in Board deliberations. Their vast experience enables them to provide the Board and the various Board Committees, with pertinent experience and competence to facilitate sound decision-making and that their length of service does not in any way interfere with their exercise of independent judgment nor hinder their ability to act in the best interest of the Company.

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.

## *Alternate Director*

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.

# CORPORATE GOVERNANCE

## Provision 4.4 - Continuous Review of Directors' Independence

### **C. Determine the independent status of the Independent Non-Executive Directors annually**

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 Director's 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 2018 Code, the NC has reviewed the status of the Independent Non-Executive Directors and is of the view that they are in compliance with the 2018 Code's definition of independence.

## Provision 4.5 - Directors' Commitments

### **D. 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**

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, Ms Geetha Padmanabhan 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.

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.

### **E. Review and make recommendations to the Board on relevant matters relating to the succession plans of the Board**

Succession planning is an important aspect of the governance process. 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.

# CORPORATE GOVERNANCE

Key information regarding the Directors, including their appointment dates, date of last re-appointment as a Director, relationships between the Directors (if any), current and past 3 years' directorships or chairmanships held in public companies the securities of which are listed on any securities market in Singapore and other principal commitments, if any, are set out in the section entitled "Board of Directors" on pages 4 to 7 in this Annual Report. In addition, information on shareholdings (if any) held by each Director in the Company can be found on page 67 of this Annual Report.

## **BOARD PERFORMANCE**

***Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

### **Provisions 5.1 and 5.2 - Performance Criteria**

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 principal 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.

The NC has noted that its members have contributed significantly in terms of time, effort and commitments during FY2022.

Taking into account the results of the assessment of the effectiveness of the Board and of the individual Directors and the respective Directors' conduct on the Board, the NC is satisfied that all the Directors have adequately carried out their duties as Directors. Nonetheless, replacement of a director, when it happens, does not necessarily reflect the director's performance or contributions to the Board, but may be driven by the need to align the Board with the medium or long term needs of the Group.

For FY2022, no external facilitator has been engaged to perform the Board assessment process. Where relevant and when the need arises, the NC will consider such an engagement.

# CORPORATE GOVERNANCE

## REMUNERATION MATTERS

### PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

***Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

#### Provisions 6.1, 6.2 and 6.3

##### *Remuneration Committee (“RC”) Composition*

The 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, JP  
*Member, Independent Non-Executive Chairman*
- Ms Geetha Padmanabhan  
*Member, Independent Non-Executive Director*

##### *Roles and Duties of RC and Remuneration Framework*

The RC is responsible for ensuring a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual Directors, KMP and any employee who is related to a Director or substantial shareholder of the Group. 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 KMP 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 KMP.
3. Review and recommend salary adjustments and bonuses of the CEO and KMP at each year end.
4. 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.
5. Review the Group’s obligations arising in the event of termination of the Executive Directors’ and KMP’s contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. For FY2022, there were no terminations, retirement or post-employment benefits granted to Directors and key management personnel other than the standard contractual notice period termination payment in lieu of service.
6. 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.

# CORPORATE GOVERNANCE

The RC will ensure that the remuneration package of employees who are immediate family members of a director are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

Whilst the RC reviews the fees payable to Non-Executive Directors to be recommended for shareholders' approval at the AGM, no member of the RC may by himself or herself decide on his or her own remuneration.

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.

## **Provision 6.4 - Engagement of Remuneration Consultants**

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. No external consultant was hired during FY 2022.

## **LEVEL AND MIX OF REMUNERATION**

***Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.***

## **Provisions 7.1 and 7.3 - Remuneration of Executive Directors and KMPs**

The Board is of the view that the current remuneration structure for the Executive Directors, CEO and KMP are appropriate to attract, retain and motivate Directors to provide good stewardship of the Company and KMP (including CEO) to successfully manage the Company for the long term. This is designed to align remuneration with the interests of shareholders and other stakeholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group. The RC believes that fair performance-related pay should motivate good performance and that rewards should be closely linked to and commensurate with it.

In case of Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar (CEO) and Mr Mohamed Hasan 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 and long term securities. For the financial year ended 31 August 2022 the variable remuneration ceilings for Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar and Mr Mohamed Hasan s/o Kadir Mohideen Saibu Maricar 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 also for the KMP 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.

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.

The remuneration packages for employees who are related to any Director, CEO or substantial shareholder of the Company and the responsibilities and performance of each such related employee are also reviewed. The RC reviews and recommends the remuneration packages of such related employees for the Board's approval.

# CORPORATE GOVERNANCE

## Provision 7.2 - Remuneration of Independent Non-Executive Directors

In case of Independent Non-Executive 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 Non-Executive 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 forthcoming AGM of the Company.

### *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, interest 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.

## DISCLOSURE ON REMUNERATION

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

## Provisions 8.1 and 8.2 - Remuneration Policy and Criteria

The Company requires disclosure of the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (i) each individual director and the CEO; and (ii) at least the top five KMP (who are not directors or the CEO) in bands no wider than \$250,000 and in aggregate the total remuneration paid to these KMP. The policy and criteria used in setting the level of remuneration is based on various factors including performance of the Group, industry practices and the individual's performance and time commitment, contributions towards achievement of corporate objectives and targets, integrity and accountability.

### *Remuneration of Directors and CEO*

A breakdown showing the level and mix of each individual Director's remuneration payable for FY 2022 is as follows:

Remuneration Bands	Number of Directors		
	2020	2021	2022
\$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	-	-
Less than \$250,000	4	4	5
	6	6	7

# CORPORATE GOVERNANCE

A summary remuneration table for the Directors for FY 2022:

Name	Remuneration Band	Salary*	Bonus	Fees	Total
	S\$	%	%	%	%
Mr Mohamed Salleh	\$750,000 to \$1,000,000	19.28	80.72	-	100
Mr Mohamed Hasan #	\$500,000 to \$750,000	24.12	75.88	-	100
Mr Dev Pisharody	Less than \$250,000	59.09	40.91	-	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
Mr Deepak Ramchandani	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	930,650
Mr Mohamed Hasan	670,021
Mr Dev Pisharody	233,966
Dr Ahmad Bin Mohamed Magad	47,296
Mr Tan Lye Heng Paul	34,696
Ms Geetha Padmanabhan	36,696
Mr Deepak Lakhi Ramchandani	23,495
	<b>1,967,820</b>

## Remuneration of Key Management Personnel

A summary remuneration table of 4 executives for FY 2022:

Name	Remuneration Band	Salary*	Bonus	Total
	S\$	%	%	%
Mr Jainulabedeem Raj Mohamed	Below \$250,000	70.95	29.05	100
Mr Azlan Bin Mohd Shafie	Below \$250,000	71.75	28.25	100
Mr Amal Marican	Below \$250,000	75.34	24.66	100
Mr Safie Hussain	Below \$250,000	69.63	30.37	100

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

The annual aggregate remuneration paid to the top four (4) key executives (who are not Directors or the CEO) for FY 2022 is. S\$323,083/-.

# CORPORATE GOVERNANCE

The Board is of the view that given the sensitive and confidential nature of employees' remuneration and to maintain good morale and a strong team spirit within the Group, detailed disclosure on the remuneration paid to the top key management personnel is not in the best interests of the Company and the Group. Such disclosure would disadvantage the Group in relation to its competitors and may affect adversely the cohesion and spirit of team work prevailing among the employees of the Group.

## **Provision 8.2 - Remuneration of Substantial Shareholder or Immediate Family Members of Director and CEO**

No employee of the Group is a substantial shareholder of the Group or is an immediate family member of a Director, the CEO or a substantial shareholder of the Group and whose remuneration exceeded S\$100,000 during FY2022.

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**

### **RISK MANAGEMENT AND INTERNAL CONTROLS**

*Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

### **Provisions 9.1 and 9.2**

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 six months 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 provides the Board with detailed management accounts, operation review, related explanation and any other information on half-yearly basis as per the requirement of Board thus keeping the AC informed of recent changes or development in operations and financials. The AC 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 financial results announcements every 6 months, 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. The Company has procured undertakings from all Directors and Executive Officers in compliance with Rule 720(1) of the Listing Rules of SGX-ST.

# CORPORATE GOVERNANCE

## ***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. In making decisions regarding investment in financial instruments, the executive directors have a written policy whereby before making any investment decision, they inform the Independent Directors on the details of investment to be made. Thereafter, the concerns of the ID's if any, related to that particular investment is addressed and on receiving an approval from the ID's, the Executive Directors take the next step. This assists in risk management and ensures proper internal controls are in place.

## ***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 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.

The Board has received assurance from the CEO and the Finance Advisor that:

- The Group's risk management and internal controls system in place is adequate and effective in addressing the material risk in the Group in its current business environment including material financial, operational, compliance and information technology risks; and
- The financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

Based on the audit reports and management controls in place, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 August 2022 in its current business environment.

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 to the AC every six months.

# CORPORATE GOVERNANCE

## ***“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 AC’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 twice in a year 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 Independent Non-Executive Chairman directly through email at [a.magad@outlook.com](mailto:a.magad@outlook.com).

## ***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.

# CORPORATE GOVERNANCE

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.

## ***Risk Management (Listing Rule 1207(4)(b)(iv))***

The Board is currently assisted by the AC and management in carrying out its responsibility of overseeing the Group's risk management framework and policies.

In addition, the Board has established an IC in FY 2022 which functions within clearly defined in the terms of reference. The IC comprises of 4 members, two of whom are also the Board Members. Mr Deepak Laxhi Ramchadani (Non-Executive Director) is the Chairman of IC and Mr Mohamed Salleh (Founder & CEO) is a member of the IC. The other two members are individuals with extensive experience in the Securities Investment field.

The main responsibility of the members of the IC (excluding the CEO), is to guide and advise the Management Executives in their decision making with respect to the Group's investments on a quarterly basis or as so required.

# CORPORATE GOVERNANCE

## AUDIT COMMITTEE

**Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

### Provisions 10.1, 10.2 and 10.3

#### *AC Composition*

The 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, JP  
*Member, Independent Non-Executive Chairman*
- Mr Tan Lye Heng Paul  
*Member, Independent Non-Executive Director*

None of the AC members were previous partners or directors of the Company's existing auditing firm, CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation and none of the AC members hold any financial interest in the auditing firm or auditing corporation.

#### *Roles and Duties of AC*

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 duties and responsibilities of the AC include those described in the Companies Act 1967 and the 2018 Code. The main responsibilities include:

- (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 consolidated financial statements of the Group, 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 ("**IP**T");
- (e) review the functioning of whistle blower mechanism;

# CORPORATE GOVERNANCE

- (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 and internal 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) reviews the assurance from the CEO and CFO on the financial records and financial statements;
- (j) review the adequacy of the Group's internal controls, including financial, operational, compliance and information technology controls at least annually;
- (k) analyze the scope, approach and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditor;
- (l) 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; and
- (m) generally undertake such other functions and duties which may be required by statute or the rules of the Listing Manual of the SGX-ST, and by such amendments made thereto from time to time.

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.

## ***External Audit***

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 AC has reviewed the work performed by the external auditors, CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), after taking into consideration the relevant guidelines issued to the AC by the SGX-ST and/or the ACRA.

After taking into consideration the adequacy of the resources and experience of CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) (including the audit partner in charge of auditing the Company), the number and experience of supervisory and professional staff assigned to review the Group as well as the Group's size and structure, the AC and the Board are of the view that CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) has been able to assist the Company in meeting its audit obligations and the Company is in compliance with Rule 712 of the Listing Manual of SGX-ST.

Also, the Board and the AC have reviewed and are satisfied that the appointment of different auditors for its 100% owned 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.

# CORPORATE GOVERNANCE

The AC reviews the non-audit services provided by the external auditors. For the financial year under review, CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) has provided audit services only. The auditor of the Malaysian subsidiary, Soong and Associates Chartered Accountant, 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.

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

The total audit fees for the Group for FY 2022 is S\$87,895 and there is no non-audit fee incurred.

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.

<b>Significant Matters</b>	<b>How the AC reviewed these matters</b>
Valuation of Investment Properties	<p>Due to the material financial impact and subjectivity of valuation of Investment Properties, the AC reviewed the following:</p> <ul style="list-style-type: none"> <li>(i) Proper classification of the assets under this head as per the prescribed accounting standards.</li> <li>(ii) Valuations of the investment properties done by independent external professional valuer (Colliers International Consultancy &amp; Valuation (Singapore) Pte Ltd).</li> <li>(iii) The competence, independence and relevant experience of the external professional valuer.</li> <li>(iv) Key assumptions and methodologies applied in arriving at the valuations and the consistency thereof.</li> <li>(v) The approach of the statutory external auditor in addressing the judgemental risks in this area of audit especially their direct communications and discussions with the professional valuer.</li> </ul>
Financial assets, fair valued through Other Comprehensive Income (FVOCI)	<p>Due to different accounting treatments, the AC discussed with management and emphasised the importance of clear identification and non-mixing of financial assets classified under either FVPL or FVOCI.</p> <p>The AC has reviewed the following:</p> <ul style="list-style-type: none"> <li>(i) the proper classification, consistency and valuation of assets under both these asset classes.</li> <li>(ii) that gains / losses upon fair valuation as well as upon disposal of these financial assets including any foreign exchange gains/ losses are accounted for in accordance with the prescribed accounting treatments for the respective asset classes.</li> </ul>

# CORPORATE GOVERNANCE

<p>Financial assets, fair valued through Other Comprehensive Income (FVOCI) (continued)</p>	<p>(iii) the auditor’s procedures for evaluating each of the asset classifications, accounting treatments as well as the valuation.</p> <p>(iv) the unquoted securities classified under FVOCI, management’s valuation thereof, the methodology used by the statutory external auditor for assessing the valuation of the said securities especially their direct communication and discussions with the valuer.</p>
<p>Valuation of property, plant and equipment</p>	<p>Due to the material financial impact and subjectivity of valuation of freehold land and buildings included under property, plant and equipment, the AC reviewed the following:</p> <p>(i) the basis and period of classification of properties classified under this head.</p> <p>(ii) valuations of the self-occupied properties done by independent external professional valuer, Stockers Roberts &amp; Gupta Sdn. Bhd.</p> <p>(iii) The competence, independence and relevant experience of the external valuer.</p> <p>(iv) Key assumptions and methodologies applied in arriving at the valuation and the consistency thereof.</p> <p>(v) The accounting treatment of the management regarding revaluation adjustment.</p> <p>(vi) The approach of the statutory external auditor in addressing the judgemental risks in this area of audit especially their direct communications and discussions with the valuer.</p>

Based on AC assessment, we find the work done by the Management, Independent external professional Valuer and statutory external auditor sufficient and reasonable.

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 statutory external auditors.

The external auditor has included the above as items under Key Audit Matters in its audit report for the financial year ended 31 August 2022. Refer to pages 70 to 73 of this Annual Report for the auditor’s comments.

## Provision 10.4 - 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, for FY 2022 RSM Risk Advisory Pte Ltd which meets the Institute of Internal Auditors (“**IIA**”) standards was appointed as the internal auditor to carry out an internal audit review for the following business processes of the following activities of the Group:

- Retailing of Apparel;
- Retailing of Gold Jewellery;

# CORPORATE GOVERNANCE

- Enterprise Risk Management; and
- Follow up of Prior Year IA Issues.

There was no significant risk or material weakness in internal controls reported by the internal auditor to the AC for the financial year.

The AC approves 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. Hence, the Board and the AC are of the view that internal audit function is independent, effective and adequately resourced.

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 internal auditors have full access to all the Company's documents, records, properties and personnel including access to the AC. The AC is satisfied that internal auditors are adequately (given, inter alia, its adherence to Standards for the Professional Practice of Internal Auditing set by the IIA) resourced, and have the appropriate standing in the Company to discharge their duties effectively.

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.

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 to the AC every six months.

## **Provision 10.5 - Meeting Auditors without the Management**

In line with the recommendations of the 2018 Code, the AC had met with the external and internal auditors once, without the presence of the Company's management during the financial year under review.

# CORPORATE GOVERNANCE

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

*Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

#### Provisions 11.1, 11.2, 11.3 and 11.4 - Shareholders' Participation and Conduct of General Meetings

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.

Whilst there is no limit imposed on the number of proxy votes for relevant intermediaries, the Constitution of the Company allow each shareholder to appoint up to two proxies to attend AGMs. Relevant intermediary includes corporations holding licences in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

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.

The notice of the AGM is dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 or 21 days, as the case may be, 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.

There is no provision in the Company's Constitution to allow for other absentia voting methods such as by mail, email and fax until security, integrity, legitimacy and other related issues are satisfactorily resolved.

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. All Directors attended the AGM and EGM of the Company held during FY 2021. The external auditors are also present to assist the Directors on any queries on the financial statements.

Due to the COVID-19 situation, the Company's last AGM held on 30 December 2021 ("**2021 AGM**") was held by way of electronic means, through "live webcast" and "audio-only means", pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**COVID-19 Order**"). The notice of AGM was not published in the newspaper, but was instead disseminated to Shareholders through publication on SGXNet and the Company's corporate website, in accordance with the alternative arrangements for holding of the AGM pursuant to the COVID-19 Order. The Company had also published a notice to Shareholders, together with the notice of AGM, detailing the alternative arrangements for the 2021 AGM.

# CORPORATE GOVERNANCE

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. Each item of special business included in the notice of the general meetings will be accompanied by full explanation of the effects of a proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings.

Detailed voting results of each of the resolutions tabled are announced on the same day after the meetings. The total numbers of votes cast for or against the resolutions are also announced after the meetings via SGXNet.

## **Provision 11.5 - Minutes of General Meetings**

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. Beginning from 2019 AGM, the minutes of AGM, which include a summary of substantial and relevant comments or queries from shareholders and responses from the Board and Management, will be available on SGXNet and the Company's corporate website.

## **Provision 11.6 - Dividend Policy**

The Group has a dividend policy of distributing at least 25% of its profits as dividend. Further, the company does intend to pay out dividends every year for as long as the Company remains profitable and the cash flow permits.

The Company had declared and paid out first and final dividend of 0.50 Singapore cents per ordinary share, and special dividend of 5.00 Singapore cent per ordinary share for the financial year ended 31 August 2021. For FY 2022, the Board had proposed first and final dividend of 1.00 Singapore cent per ordinary share, subject to the approval from the Shareholders at the forthcoming AGM.

## **ENGAGEMENT WITH SHAREHOLDERS**

***Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

## **Provisions 12.1, 12.2 and 12.3 - Investor Relations Practices and Disclosures of Information**

The Group is committed to maintaining high standards of corporate disclosure and transparency. The Group values dialogue sessions with its 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](mailto: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. Price and/or trade sensitive information is first publicly released before the Company meets with any group of investors or analysts.

# CORPORATE GOVERNANCE

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the directors or the Management questions regarding the Company and its operations.

The Company website is kept updated and it has a dedicated investor relations (“**IR**”) section for shareholders’ convenience. Announcements disclosed through SGXNet are also posted on the Company’s corporate website.

The Company conducts its investor relations on the following principles:-

- Information deemed to be price-sensitive is disseminated without delay via announcement on SGXNet; and
- Aims to provide comprehensive information in financial results announcements to help shareholders and potential investors make informed decision.

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

- SGXNET announcements and news release;
- Annual Report and/or circulars prepared and issued to all shareholders; and
- Company’s website at [www.secondchance.com.sg](http://www.secondchance.com.sg) where shareholders can access information on the Group.

As announced by the Company on 27 February 2020, pursuant to Rule 705(2) of the Listing Manual of SGX-ST, the Board has decided not to continue with the quarterly reporting and instead the Company will announce the financial results on a half-yearly basis. Notwithstanding the foregoing, the Company will comply with its continuing disclosure obligations to keep Shareholders updated as and when appropriate, should there be any material developments (financial or otherwise) relating to the Company or the Group. Announcement of financial results is made within forty five days after the end of each half financial year and within sixty days after the end of the financial year.

Presently, the Company does not have an investor relations policy or protocol in place nor a dedicated investor relations team. The Company will assess the need to establish an investor policy or protocol or investor relations team as and when it deems necessary. Notwithstanding so, taking into account the communication and dialogue with Shareholders taken by the Company as set out above, the Board is of the view that the Company complies with Principle 12 of the 2018 Code.

## MANAGING STAKEHOLDERS RELATIONSHIPS

### ENGAGEMENT WITH STAKEHOLDERS

***Principal 13 : The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

#### Provisions 13.1 and 13.2 - Stakeholders’ Engagement

The Board recognises the interests of the Company’s internal and external stakeholders are essential as part of value creation for the Group. The Company and the Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products’ standards, as well as to sustain business operations for long-term growth.

The stakeholders have been identified as those who are impacted by the Group’s business and operations and those who are similarly able to impact the Group’s business and operations. Four stakeholders’ groups have been identified through an assessment of their significance to the business operations. They are namely, shareholders, employees, customers and suppliers.

The Company has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders.

# CORPORATE GOVERNANCE

Detailed approach to the stakeholder engagement and materiality assessment will be disclosed in the Group's sustainability report for FY2022, which will be published by the Company on SGXNet by 31 January 2023, to keep stakeholders informed on the Group's business and operations.

The Company has a robust Whistle-blowing policy in place to protect interests of its important stakeholders. The details of the same are mentioned on page 49.

## **Provision 13.3 - Corporate Website**

The Company maintains a corporate website at [www.secondchance.com.sg](http://www.secondchance.com.sg) to communicate and engage with its stakeholders. The website provides annual reports, financial information, stock information, profiles of the Group, and contact details of the investor relations of the Group.

## **ADDITIONAL INFORMATION**

### **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, in compliance with Rule 1207(19) of the Listing Manual of SGX-ST.

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 one month before the announcement of the half yearly results and 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 (Listing Rule 1207(8))**

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 (Listing Rule 907)**

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 2022.

On a half yearly basis, management reports to the AC on the IPTs.

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

### **Sustainability Report (Listing Rule 711A and Rule 711B)**

The Company will release its FY2022 Sustainability Report via SGXNet by 31 January 2023. A copy will also be made available on the SGXNet and the Company's corporate website at [www.secondchance.com.sg](http://www.secondchance.com.sg).

### **Statement of Compliance**

The Board confirms that for the financial year ended 31 August 2022, the Company has generally adhered to the principles and guidelines as set out in the 2018 Code.

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar, Mr Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar and Mr Deepak Lakhi Ramchandani are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 December 2022 (“**AGM**”) (collectively, the “**Retiring Directors**” and each a “**Retiring Director**”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	<b>MR MOHAMED SALLEH s/o KADIR MOHIDEEN SAIBU MARICAR</b>	<b>MR MOHAMED HASAN MARICAN s/o KADIR MOHIDEEN SAIBU MARICAR</b>	<b>MR DEEPAK LAKHI RAMCHNADANI</b>
Date of Appointment	2 June 1986	2 March 1987	22 December 2021
Date of last re-appointment	26 December 2019	26 December 2019	22 December 2021
Age	73	68	52
Country of principal residence	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“ <b>NC</b> ”) and has reviewed and considered the past contribution and suitability of Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar for reappointment as Executive Director and Chief Executive Officer of the Company. The Board have reviewed and concluded that Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar possess the experience, expertise, knowledge and skills to continue contributing towards the existing businesses and the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution, performance and suitability of Mr Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar for re-appointment as Executive Director and Deputy Chief Executive Officer of the Company. The Board have reviewed and concluded that Mr Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar possess the experience, expertise, knowledge and skills to continue contributing towards the existing businesses and the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the past contribution and suitability of Mr Deepak Lakhi Ramchandani for reappointment as Non-Executive Director of the Company. The Board have reviewed and concluded that Mr Deepak Lakhi Ramchandani possess the experience, expertise, knowledge and skills to continue contributing towards the existing businesses and the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar is responsible for driving the Group’s strategic direction and growth, as well as providing mentorship and guidance to the Management.	Executive. Mr Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar is fully in charge of the Gold Business, assisting Chief Executive Officer on Apparel orders and on Property related business.	Non-Executive.
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer	Executive Director and Deputy Chief Executive Officer	Non-Executive Director

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>MR MOHAMED SALLEH s/o KADIR MOHIDEEN SAIBU MARICAR</b>	<b>MR MOHAMED HASAN MARICAN s/o KADIR MOHIDEEN SAIBU MARICAR</b>	<b>MR DEEPAK LAKHI RAMCHNADANI</b>
Professional qualifications	Attended Victoria School Singapore	Attended Victoria School Singapore, attained GCE 'O' Level	Master of Business Administration from National University of Singapore  Master of Business Administration from University of California Los Angeles, USA  Bachelor of Business (Major in Financial Analysis) from Nanyang Technological University  Chartered Financial Analyst, Association for Investment Management and Research
Working experience and occupation(s) during the past 10 years	Executive Director and Chief Executive Officer of Second Chance Properties Ltd and its subsidiaries	Executive Director and Deputy Chief Executive Officer of Second Chance Properties Ltd and its subsidiaries.	December 2001 - Present, Senior Vice President (Equity Sales) at Maybank Securities Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	649,313,151 shares (direct interest) 9,634,936 (deemed interest)	6,300,688 (direct interest)	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	Yes  Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar is the brother of Mr Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar, the Executive Director and Deputy Chief Executive Officer of the Company	Yes  Mr Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar is the brother of Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar who is the Executive Director and Chief Executive Officer of the Company	No
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships			

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>MR MOHAMED SALLEH s/o KADIR MOHIDEEN SAIBU MARICAR</b>	<b>MR MOHAMED HASAN MARICAN s/o KADIR MOHIDEEN SAIBU MARICAR</b>	<b>MR DEEPAK LAKHI RAMCHNADANI</b>
Past (for the last 5 years)	Director of Temasek Foundation Cares CLG Limited (September 2014 – August 2019)	Nil	Nil
Present	<p>Directorship in 17 wholly owned subsidiaries which includes the following:</p> <p>(1) Another Chance Properties Pte Ltd</p> <p>(2) Best Chance Properties Pte Ltd</p> <p>(3) Double Chance Properties Pte Ltd</p> <p>(4) Equal Chance Properties Pte Ltd</p> <p>(5) Fair Chance Properties Pte Ltd</p> <p>(6) First Lady Apparels (Malaysia) Sdn Bhd</p> <p>(7) Golden Chance Goldsmith Pte Ltd</p> <p>(8) Good Chance Properties Pte Ltd</p> <p>(9) New Chance Properties Pte Ltd</p> <p>(10) Top Chance Properties Pte Ltd</p> <p>(11) Second Chance Investments Pte Ltd</p> <p>(12) Super Chance Properties Pte Ltd</p> <p>(13) Classic Chance Properties Pte Ltd</p> <p>(14) Great Chance Properties Pte Ltd</p> <p>(15) Prime Chance Properties Pte Ltd</p> <p>(16) Better Chance Properties Pte Ltd</p> <p>(17) Winning Chance Investments Pte Ltd</p>	<p>Directorship in 17 wholly owned subsidiaries which includes the following:</p> <p>(1) Another Chance Properties Pte Ltd</p> <p>(2) Best Chance Properties Pte Ltd</p> <p>(3) Double Chance Properties Pte Ltd</p> <p>(4) Equal Chance Properties Pte Ltd</p> <p>(5) Fair Chance Properties Pte Ltd</p> <p>(6) First Lady Apparels (Malaysia) Sdn Bhd</p> <p>(7) Golden Chance Goldsmith Pte Ltd</p> <p>(8) Good Chance Properties Pte Ltd</p> <p>(9) New Chance Properties Pte Ltd</p> <p>(10) Top Chance Properties Pte Ltd</p> <p>(11) Second Chance Investments Pte Ltd</p> <p>(12) Super Chance Properties Pte Ltd</p> <p>(13) Classic Chance Properties Pte Ltd</p> <p>(14) Great Chance Properties Pte Ltd</p> <p>(15) Prime Chance Properties Pte Ltd</p> <p>(16) Better Chance Properties Pte Ltd</p> <p>(17) Winning Chance Investments Pte Ltd</p>	Nil

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.

	<b>MR MOHAMED SALLEH s/o KADIR MOHIDEEN SAIBU MARICAR</b>	<b>MR MOHAMED HASAN MARICAN s/o KADIR MOHIDEEN SAIBU MARICAR</b>	<b>MR DEEPAK LAKHI RAMCHNADANI</b>
a) Whether at any time during the last 10 years, an application or petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or any time within 2 years from the date he ceased to be a partner?	No	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or whether that entity is the trustee of a business trust, that business trust, on the group of insolvency?	No	No	No
c) Whether there is any unsatisfied judgement against him?	No	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud of dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>MR MOHAMED SALLEH s/o KADIR MOHIDEEN SAIBU MARICAR</b>	<b>MR MOHAMED HASAN MARICAN s/o KADIR MOHIDEEN SAIBU MARICAR</b>	<b>MR DEEPAK LAKHI RAMCHNADANI</b>
f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law of regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– <ul style="list-style-type: none"> <li>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</li> <li>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</li> <li>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</li> <li>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere</li> </ul> in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>MR MOHAMED SALLEH s/o KADIR MOHIDEEN SAIBU MARICAR</b>	<b>MR MOHAMED HASAN MARICAN s/o KADIR MOHIDEEN SAIBU MARICAR</b>	<b>MR DEEPAK LAKHI RAMCHNADANI</b>
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

# DIRECTORS' STATEMENT

*FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022*

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 2022 and the balance sheet of the Company as at 31 August 2022.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group 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 2022 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  
Deepak Lakhi Ramchandani (appointed on 22 December 2021)

## **Arrangements to enable directors to acquire shares and 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' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## Directors' interests in shares or debentures

According to the register of directors' shareholdings, the directors holding office at the end of the financial year who has interest in the shares or debentures of the Company or its related corporations, are as follows:

	Holdings registered in the name of director		Holdings in which a director is deemed to have an interest	
	At 31.8.2022	At 1.9.2021	At 31.8.2022	At 1.9.2021
<b>The Company</b> (Ordinary shares)				
Mohamed Salleh s/o Kadir Mohideen Saibu Maricar	649,313,151	514,476,961	9,634,936	6,346,158
Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar	6,300,688	6,300,688	-	-
Devnarayanan s/o Kallankarai Ram Pisharody	4,407,435	4,370,816	-	-
Geetha Padmanabhan	-	-	1,040,052	1,040,052
Ahmad Bin Mohamed Magad	517,045	517,045	-	-
Tan Lye Heng Paul	29,049	23,054	-	-

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 2022 were the same as those as at 31 August 2022.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 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 options 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 Companies Act 1967 of Singapore. In performing those functions, the Audit Committee reviewed:

- (a) the scope and the results of internal audit procedures with the internal auditor;
- (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 2022 and the consolidated financial statements of the Group for the financial year ended 31 August 2022 before their submission to the Board of Directors;
- (e) non-audit services performed, if any, by the Independent Auditor to ensure that the nature and extent of such services will not prejudice the independence and objectivity of the Independent Auditor before recommending to the Board;
- (f) transactions falling within the scope of Chapter 9 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual;
- (g) the semi-annually and annual announcement as well as the related press releases on the financial performance and financial position of the Company and the Group; and
- (h) the appointment of the independent auditor of the Group.

The Audit Committee has recommended to the Board that the independent auditor, CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), be nominated for reappointment at the forthcoming Annual General Meeting of the Company.

# DIRECTORS' STATEMENT

*FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022*

## **Independent auditor**

The independent auditor, CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), has expressed its willingness to accept reappointment.

On behalf of the directors

Mohamed Salleh s/o  
Kadir Mohideen Saibu Maricar  
Director

Mohamed Hasan Marican s/o  
Kadir Mohideen Saibu Maricar  
Director

**29 November 2022**

# INDEPENDENT AUDITOR'S REPORT

*TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD*

## **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 2022, 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 Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 2022 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 for the current financial year. 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.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD

## Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p><b>Valuation of investment properties</b> Refer to Note 2.7 and Note 20 to the financial statements</p> <p>We focused on this area given the significance of its balance as at 31 August 2022 and the involvement of significant judgements on the determination of fair value of investment properties and application of valuation methodology.</p> <p>Investment properties represent 17.18% of the Group's total assets. Management engaged an independent valuer, Colliers International Consultancy &amp; Valuation (Singapore) Pte Ltd, to perform desktop valuation and determine the indicative values of all the investment properties held as at financial 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 2022 which amounted to \$69.19 million. Fair value gain of \$0.19 million was recognised in the Group's consolidated statement of comprehensive income as a result of this valuation exercise.</p>	<p>Our procedures included the following:</p> <p>We reviewed the valuation of the investment properties to ensure they are carried at appropriate amounts and to determine if management's assessment on impairment is reasonable.</p> <p>We assessed the competency and capabilities of the independent professional valuer and noted that Colliers International Consultancy &amp; Valuation (Singapore) Pte Ltd has good standing in the industry and has relevant expertise and experience in property valuation in Singapore.</p> <p>We reviewed and discussed with the valuer on the reasonableness of their assumptions used in the computation of fair value.</p> <p>We assessed that the criteria for properties transferred to properties held-for-sale are in accordance with SFRS(I) 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>.</p> <p>We assessed if the investment properties have been properly accounted for in accordance with SFRS(I) 40 <i>Investment Property</i>.</p> <p>We assessed the adequacy of the disclosures on the valuation in the Group's financial statements.</p>

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD

## Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p><b>Valuation of financial assets at fair value through other comprehensive income ("FVOCI")</b></p> <p>Refer to Note 2.10 and Note 17 to the financial statements</p> <p>We focused on this area given the significance of its balance as at 31 August 2022 and the involvement of management's judgements for the classification of the financial assets at FVOCI.</p> <p>As at 31 August 2022, financial assets, at FVOCI for quoted equity securities and unquoted equity investments were valued at \$234.55 million and \$3.46 million respectively, collectively representing 59.12% of the total assets.</p>	<p>Our procedures included the following:</p> <p>We reviewed the basis of management's assessment on measurement of these financial assets for accounting in accordance with SFRS(I) 9 <i>Financial Instruments</i>.</p> <p>We reviewed management's assessment for the classification of the financial assets and the proper accounting treatment on the financial assets.</p> <p>We assessed if the gain/(loss) for the disposal of the quoted equity securities is accounted properly in accordance with SFRS(I) 9 <i>Financial Instruments</i>.</p> <p>We assessed that foreign exchange gain/(loss) are accounted for appropriately in accordance with SFRS(I) 21 <i>Effects of Changes in Foreign Exchange Rates</i>.</p> <p>We have obtained bank confirmations to verify the existence and accuracy of the quoted equity securities.</p> <p>We, together with our internal valuation specialist, assessed the appropriateness of valuation methodologies and reasonableness of assumptions of the unquoted equity investment fund to ensure they are carried at appropriate amounts.</p> <p>We reviewed the accuracy of the information extract by management for the purpose of the fair value of the unquoted equity securities.</p> <p>We assessed the adequacy of the disclosures on the valuation in the Group's financial statements.</p>

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD

## Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the Key Audit Matters
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### **Valuation of property, plant and equipment**

Refer to Note 2.5 and Note 19 to the financial statements

Included in the Group's property, plant and equipment are freehold land and building with carrying value of \$18.70 million which represent 4.65% of the Group's total assets as at 31 August 2022. Revaluation gain of \$0.17 million was recognised in the consolidated statement of comprehensive income as a result of this valuation exercise.

Freehold land and building 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 given the significance of its balance as at 31 August 2022 and the involvement of significant judgement on the determination of revaluation of property, plant and equipment and application of valuation methodology.

The valuation of the Group's freehold land and building was derived from the indicative values determined from the desktop valuation performed by an independent external valuer engaged by the management.

### **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.

# INDEPENDENT AUDITOR'S REPORT

*TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD*

## **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 SFRS(I)s, 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.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD

## **Auditor's Responsibilities for the Audit of the Financial Statements** (continued)

- 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 Lee Tze Shiong.

**CLA Global TS Accounting Corporation**  
**(formerly Nexia TS Public Accounting Corporation)**  
**Public Accountants and Chartered Accountants**

**Singapore**  
**29 November 2022**

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

	Note	2022 \$	2021 \$
Revenue	4	43,114,955	36,583,614
Cost of sales	7	<u>(19,400,144)</u>	<u>(19,049,343)</u>
Gross profit		23,714,811	17,534,271
Other losses – net	5	(1,524,962)	(916,364)
Expenses			
- Administrative		(3,697,492)	(3,241,791)
- Distribution		(752,244)	(686,778)
- Finance	6	(884,105)	(442,064)
- Apparel operating		(248,969)	(197,801)
- Property operating		(862,212)	(860,585)
- Gold and jewellery operating		(158,600)	(156,958)
- Others		(669,576)	(293,954)
		<u>(7,273,198)</u>	<u>(5,879,931)</u>
Profit before income tax		14,916,651	10,737,976
Income tax expense	9	<u>(721,146)</u>	<u>(914,466)</u>
<b>Net profit for the financial year</b>		<u>14,195,505</u>	<u>9,823,510</u>
<b>Other comprehensive (loss)/income:</b>			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	28	<u>(654,244)</u>	<u>583,830</u>
Items that will not be reclassified subsequently to profit or loss:			
- Revaluation gain/(loss) on property, plant and equipment	28	178,373	(1,298,897)
- Fair value (loss)/gain on financial assets, at FVOCI	17	<u>(9,110,318)</u>	<u>26,028,640</u>
<b>Other comprehensive (loss)/income, net of tax</b>		<u>(9,586,189)</u>	<u>25,313,573</u>
<b>Total comprehensive income attributable to equity holders</b>		<u>4,609,316</u>	<u>35,137,083</u>
<b>Earnings per share attributable to equity holders (cents per share)</b>			
Basic earnings per share	10	1.66	1.30
Diluted earnings per share	10	<u>1.66</u>	<u>1.30</u>

*The accompanying notes form an integral part of these financial statements.*

# BALANCE SHEETS

AS AT 31 AUGUST 2022

	Note	The Group		The Company	
		2022 \$	2021 \$	2022 \$	2021 \$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		1,144,709	347,792	359,531	96,517
Financial assets, at FVPL	11	108,816	1,105,045	-	-
Trade and other receivables	12	145,884	379,485	8,139	603,162
Inventories	13	16,371,394	17,384,263	295,929	493,083
Other current assets	14	1,325,648	163,852	739,792	56,696
Income tax receivables		78,645	63,748	-	-
		19,175,096	19,444,185	1,403,391	1,249,458
Properties held-for-sale	15	57,460,000	9,600,000	13,750,000	-
		76,635,096	29,044,185	15,153,391	1,249,458
<b>Non-current assets</b>					
Amount due from subsidiary corporations	16	-	-	169,789,841	190,231,985
Financial assets, at FVOCI	17	238,010,302	223,138,947	31,043,777	40,885,889
Investments in subsidiary corporations	18	-	-	17,230,914	17,230,914
Property, plant and equipment	19	18,729,498	18,795,286	12,320	17,079
Investment properties	20	69,185,000	130,755,000	-	13,750,000
Deferred income tax assets	24	30,626	68,238	-	-
		325,955,426	372,757,471	218,076,852	262,115,867
<b>Total assets</b>		402,590,522	401,801,656	233,230,243	263,365,325
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables	21	1,373,018	1,540,610	227,417	159,827
Other payables	22	4,081,022	915,354	2,306,185	682,951
Borrowings	23	113,032,174	115,319,471	9,581,390	39,714,262
Current income tax liabilities		663,275	804,769	-	-
		119,149,489	118,580,204	12,114,992	40,557,040
<b>Non-current liability</b>					
Deferred income tax liabilities	24	57,484	4,409	2,094	2,903
		57,484	4,409	2,094	2,903
<b>Total liabilities</b>		119,206,973	118,584,613	12,117,086	40,559,943
<b>Net assets</b>		283,383,549	283,217,043	221,113,157	222,805,382
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	26	174,365,924	137,453,869	174,365,924	137,453,869
Retained profits	27	111,705,815	132,206,407	48,374,719	82,256,409
Other reserves	28	(2,688,190)	13,556,767	(1,627,486)	3,095,104
<b>Total equity</b>		283,383,549	283,217,043	221,113,157	222,805,382

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

Note	Share capital	Retained profits	← Other reserves* →			Total other reserves	Total equity
			Fair value reserve	Asset revaluation reserve	Currency translation reserve		
	\$	\$	\$	\$	\$	\$	\$
<b>2022</b>							
<b>Beginning of financial year</b>							
	137,453,869	132,206,407	13,241,317	5,921,511	(5,606,061)	13,556,767	283,217,043
Total comprehensive income/ (loss) for the financial year	-	14,195,505	(9,110,318)	178,373	(654,244)	(9,586,189)	4,609,316
Cash dividends paid	29	(4,442,810)	-	-	-	-	(4,442,810)
Scrip dividend	26, 29	(36,912,055)	-	-	-	-	-
Total transactions with owners, recognised directly in equity	36,912,055	(41,354,865)	-	-	-	-	(4,442,810)
Transfer upon disposal of investments in financial assets, at FVOCI	28(b(i))	6,658,768	(6,658,768)	-	-	(6,658,768)	-
<b>End of financial year</b>	174,365,924	111,705,815	(2,527,769)	6,099,884	(6,260,305)	(2,688,190)	283,383,549
<b>2021</b>							
<b>Beginning of financial year</b>							
	138,307,500	118,380,706	(8,785,132)	7,220,408	(6,189,891)	(7,754,615)	248,933,591
Total comprehensive income/ (loss) for the financial year	-	9,823,510	26,028,640	(1,298,897)	583,830	25,313,573	35,137,083
Share buyback	26	(853,631)	-	-	-	-	(853,631)
Total transactions with owners, recognised directly in equity	(853,631)	-	-	-	-	-	(853,631)
Transfer upon disposal of investments in financial assets, at FVOCI	28(b(i))	4,002,191	(4,002,191)	-	-	(4,002,191)	-
<b>End of financial year</b>	137,453,869	132,206,407	13,241,317	5,921,511	(5,606,061)	13,556,767	283,217,043

\* Other reserves are non-distributable.

*The accompanying notes form an integral part of these financial statements.*

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Net profit		14,195,505	9,823,510
Adjustments for:			
- Income tax expense	9	721,146	914,466
- Depreciation of property, plant and equipment	7	125,381	133,688
- Gain on disposal of investment properties	5	(800,000)	(675,000)
- Fair value loss on financial assets, at FVPL	5	5,217	20,816
- Fair value (gain)/loss on investment properties	5	(190,000)	1,440,000
- Fair value (gain)/loss on property, plant and equipment	5	(576,355)	586,988
- Interest income from bank deposits	5	(21)	(98,718)
- Loss/(gain) on disposal of financial assets, at FVPL	5	5,742	(153,240)
- Loss on redemption of financial assets, at FVPL	5	-	140,034
- Interest expense	6	884,105	442,064
- Unrealised currency translation differences		3,126,746	(156,880)
		<u>17,497,466</u>	<u>12,417,728</u>
Changes in working capital:			
- Trade and other receivables		231,819	371,483
- Inventories		993,848	(455,557)
- Other current assets		(1,163,974)	13,114
- Trade and other payables		3,083,402	(725,689)
Net cash generated from operations		<u>20,642,561</u>	<u>11,621,079</u>
Interest received		21	325,438
Interest paid		(884,105)	(438,395)
Income tax paid		(788,014)	(354,190)
<b>Net cash provided by operating activities</b>		<u>18,970,463</u>	<u>11,153,932</u>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of financial assets, at FVOCI	17	20,676,493	144,748
Redemption of financial assets, at FVOCI by issuers	17	16,100,645	13,886,009
Proceeds from disposal of financial assets, at FVPL		985,270	14,001,486
Redemption of financial assets, at FVPL by issuers		-	2,460,523
Proceeds from disposal of investment properties		14,700,000	15,545,000
Purchases of financial assets, at FVOCI	17	(60,758,811)	(149,270,478)
Additions to property, plant and equipment	19	-	(4,012)
<b>Net cash used in investing activities</b>		<u>(8,296,403)</u>	<u>(103,236,724)</u>
<b>Cash flows from financing activities</b>			
Share buyback	26	-	(853,631)
Proceeds from bank borrowings		139,329,587	264,109,997
Repayment of bank borrowings		(144,763,920)	(179,716,824)
Cash dividends paid to equity holders of the Company	29	(4,442,810)	-
<b>Net cash (used in)/provided by financing activities</b>		<u>(9,877,143)</u>	<u>83,539,542</u>

*The accompanying notes form an integral part of these financial statements.*

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

	Note	2022 \$	2021 \$
<b>Net increase/(decrease) in cash and bank balances</b>		796,917	(8,543,250)
<b>Cash and bank balances</b>			
Beginning of financial year		347,792	8,891,042
<b>End of financial year</b>		<u>1,144,709</u>	<u>347,792</u>

## Reconciliation of liability arising from financing activities

	1 September 2021	Proceeds	Principal and interest payments	Non-cash changes		31 August 2022
				Interest expense	Foreign exchange movement	
	\$	\$	\$	\$	\$	\$
Bank borrowings	115,319,471	139,329,587	(145,648,025)	884,105	3,147,036	113,032,174

	1 September 2020	Proceeds	Principal and interest payments	Non-cash changes		31 August 2021
				Interest expense	Foreign exchange movement	
	\$	\$	\$	\$	\$	\$
Bank borrowings	31,100,166	264,109,997	(180,155,219)	442,064	(177,537)	115,319,471

*The accompanying notes form an integral part of these financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

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

## 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 18 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 (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s 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 2022***

On 1 September 2021, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) 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 SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

### ***Impact of COVID-19***

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments since 2020. The Group’s significant operations are in Singapore of which the COVID-19 pandemic has been largely under control with the increasing vaccination, the production and human normal livelihood has recovered rapidly.

Set out below is the impact of COVID-19 on the Group’s financial performance reflected in this set of financial statements for the financial year ended 31 August 2022:

- The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 2. Significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 August 2022. The significant estimates and judgement applied on impairment of assets are disclosed in Note 3 to the financial statements.

### 2.2 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer.

Revenue is recognised when the Group satisfies a performance obligation ("PO") by transferring the promised goods or services to the customer, which is when the customer obtains control of the goods or services. A performance obligation is satisfied at a point in time or over time.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

#### (a) *Sale of goods*

The Company recognises revenue from sale of goods at a point in time when the Group satisfies the performance obligation by transferring control of promised goods to the customer. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### (b) *Rental income*

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

#### (c) *Dividend/Coupon income*

Dividend/Coupon income from investments in equity shares and bonds is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 2. Significant accounting policies (continued)

### 2.2 Revenue recognition (continued)

#### (d) Interest income

Interest income, including income arising from leases and other financial instruments, 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 grants relating to assets are 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 unless the transaction provides evidence of 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 2. Significant accounting policies (continued)

### 2.4 Group accounting (continued)

*Subsidiary corporations (continued)*

#### (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 the paragraph "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 building

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

Land and building are revalued by independent professional valuers on an annual basis. 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.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase is recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 2. Significant accounting policies (continued)

### 2.5 Property, plant and equipment (continued)

#### (a) Measurement (continued)

##### (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.

#### (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:

	<u>Depreciation rate</u>
	%
Building	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 within "Other losses - net". Any amount in revaluation reserve relating to that asset is transferred to retained profits directly.

### 2.6 Borrowing costs

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 2. Significant accounting policies (continued)

### 2.7 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 annually by independent professional valuers annually based on the highest and best use basis. 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.

### 2.8 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.

### 2.9 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.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. 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 amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 2. Significant accounting policies (continued)

### 2.9 Impairment of non-financial assets (continued)

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 and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (“FVOCI”); and
- Fair value through profit or loss (“FVPL”).

The classification depends on the Group’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

#### At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### At subsequent measurement

##### (i) Debt instruments

Debt instruments mainly comprise cash and bank balances and trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group’s business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 2. Significant accounting policies (continued)

### 2.10 Financial assets (continued)

#### (a) Classification and measurement (continued)

##### At subsequent measurement (continued)

##### (i) Debt instruments (continued)

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "Other losses - net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "Other losses - net".

##### (ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other losses - net", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

#### (b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### (c) 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 2. Significant accounting policies (continued)

### 2.10 Financial assets (continued)

#### (c) Recognition and derecognition (continued)

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 debt instrument, 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 reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profit along with the amount previously recognised in other comprehensive income relating to that asset.

### 2.11 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.

### 2.12 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.

### 2.13 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 2. Significant accounting policies (continued)

### 2.14 Leases

#### (a) When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

#### *Short term and low value leases*

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

#### (b) When the Group is the lessor

The Group leases investment properties under operating leases to non-related parties.

#### *Lessor - Operating leases*

Leases 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 lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

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

### 2.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using weighted average and first-in, first-out method. 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 2. Significant accounting policies (continued)

### 2.16 Income taxes (continued)

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

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

### 2.18 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 2. Significant accounting policies (continued)

### 2.18 Employee compensation (continued)

#### (b) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises an accrual when contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

### 2.19 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 Dollars, 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. Monetary items include primarily financial assets (other than equity investments) and financial liabilities. 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 gains and losses that relate to borrowings are presented in the statement of comprehensive income within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other 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 results 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 balance sheet 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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 2. Significant accounting policies (continued)

### 2.19 Currency translation (continued)

#### (c) Translation of Group entities' financial statements (continued)

- (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 with loss of control of the foreign operation.

### 2.20 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.

### 2.21 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 Properties held-for-sale

Properties which were previously classified as investment properties are classified as properties held-for-sale if their carrying amount is recovered principally through a sale transaction rather than held for long-term rental yields and/or for capital appreciation and are carried at fair value. Any gain or loss on disposal on properties held-for-sale is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 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 Note 19 and 20 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 19);
- (ii) the assessment of adequacy of provisions for current and deferred income taxes (Notes 9 and 24 respectively);
- (iii) the determination of net realisable value of inventories (Note 13);
- (iv) the valuation of the investment properties (Note 20); and
- (v) the valuation of the financial assets, at FVOCI (Note 17).

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 4. Revenue

*Disaggregation of revenue from contracts with customers*

The Group derives revenue from the transfer of goods and services at a point in time or over time in the following nature of revenue and geographical regions. Revenue is attributed to countries by location of customers.

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b><u>At a point of time</u></b>		
Sale of goods		
- Singapore	23,979,439	23,963,382
- Malaysia	1,315,207	737,900
	<u>25,294,646</u>	<u>24,701,282</u>
Dividend/coupon income		
- Singapore	13,505,981	7,235,045
	<u>13,505,981</u>	<u>7,235,045</u>
<b><u>Over time</u></b>		
Rental income		
- Singapore (Note 20)	4,131,698	4,546,676
- Malaysia	182,630	100,611
	<u>4,314,328</u>	<u>4,647,287</u>
Total	<u>43,114,955</u>	<u>36,583,614</u>

## 5. Other losses – net

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Fair value gain/(loss) on investment properties (Note 20)	190,000	(1,440,000)
Fair value gain/(loss) on property, plant and equipment	576,355	(586,988)
Fair value loss on financial assets, at FVPL (Note 11)	(5,217)	(20,816)
(Loss)/gain on disposal of financial assets, at FVPL	(5,742)	153,240
Loss on redemption of financial assets, at FVPL	-	(140,034)
Gain on disposal of investment properties	800,000	675,000
Interest income from bank deposits	21	98,718
Government grant income:		
- Rental relief framework	-	20,961
- Jobs support scheme	-	40,725
Currency exchange (loss)/gain – net	(3,212,876)	156,635
Others	132,497	126,195
	<u>(1,524,962)</u>	<u>(916,364)</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 5. Other losses – net (continued)

Grant income of Nil (2021: \$20,961) and Nil (2021: \$40,725) were recognised during the financial year under the rental relief framework and Jobs Support Scheme (the “JSS”) respectively. Rental reliefs framework pertains to cash grants given to qualifying property owners of Small and Medium Enterprises (SMEs) and specified Non-Profit Organisations (NPOs) tenant-occupiers of prescribed properties to support rental relief due to the impact of the COVID-19 pandemic. The JSS is a temporary scheme introduced in the Singapore Budget 2021 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

## 6. Finance expense

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Interest expense on bank borrowings	884,105	442,064

## 7. Expenses by nature

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Purchases of inventories	18,406,298	19,504,900
Employee compensation (Note 8)	2,983,145	2,514,533
Rental expense (Note 25(a))	270,716	226,859
Property tax	410,951	341,726
Changes in inventories	993,846	(455,557)
Advertising	563,932	514,182
Donation	67,000	177,694
Depreciation of property, plant and equipment (Note 19)	125,381	133,688
Commission	228,300	300,995
Fees on audit services paid/payable to:		
- Auditor of the Company	79,900	62,900
- Other auditor	7,995	6,840
Maintenance and services	193,292	198,671
Professional charges	166,624	151,492
Public utilities board expenses	96,254	82,217
Withholding tax expense	669,569	293,658
Other expenses	526,034	432,412
	<u>25,789,237</u>	<u>24,487,210</u>

## 8. Employee compensation

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Salaries and wages	2,815,580	2,345,548
Employer's contribution to defined contribution plans	131,489	126,435
Other benefits	36,076	42,550
	<u>2,983,145</u>	<u>2,514,533</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 9. Income taxes

### Income tax expenses

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
Current income tax		
- Singapore	753,373	856,626
- Malaysia	-	23,923
	<u>753,373</u>	<u>880,549</u>
Deferred income tax (Note 24)	93,437	29,131
	<u>846,810</u>	<u>909,680</u>
(Over)/under provision in prior financial years:		
Current income tax		
- Singapore	(123,907)	5,513
- Malaysia	-	231
	<u>(123,907)</u>	<u>5,744</u>
Deferred income tax (Note 24)	(1,757)	(958)
	<u>(125,664)</u>	<u>4,786</u>
Total tax expense	<u>721,146</u>	<u>914,466</u>

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:

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Profit before income tax	<u>14,916,651</u>	<u>10,737,976</u>
Tax calculated at tax rate of 17% (2021: 17%)	2,535,831	1,825,456
Effects of:		
- expenses not deductible for tax purposes	943,612	601,747
- income not subject to tax	(2,493,486)	(1,198,206)
- effect of different tax rate for a subsidiary corporation in another jurisdiction	59,071	(34,308)
- tax incentives	(198,246)	(284,249)
- (over)/under provision of tax in prior years	(125,664)	4,786
- others	28	(760)
	<u>721,146</u>	<u>914,466</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 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's outstanding warrants are non-dilutive.

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Net profit attributable to equity holders of the Company (\$)	14,195,505	9,823,510
Weighted average number of ordinary shares outstanding for basic earnings per share	853,712,937	753,217,046
Weighted average number of ordinary shares outstanding for diluted earnings per share	853,712,937	753,217,046
Basic earnings per share (cents per share)	1.66	1.30
Diluted earnings per share (cents per share)	1.66	1.30

## 11. Financial assets, at FVPL

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Beginning of financial year	1,105,045	17,574,664
Fair value loss recognised in profit or loss (Note 5)	(5,217)	(20,816)
Redeemed by issuers	-	(2,447,316)
Disposals	(991,012)	(14,001,487)
End of financial year	108,816	1,105,045
Listed securities:		
Equity securities – Singapore	108,816	114,115
Bonds – Singapore	-	990,930
	108,816	1,105,045

The Group has no bonds as at 31 August 2022. As at 31 August 2021, the bonds bear interest rates ranging from 5.25% to 5.35% per annum and have 20 years to perpetuity from the balance sheet date.

The financial assets, at FVPL are pledged as security for bank borrowings (Note 23).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 12. Trade and other receivables

	<u>The Group</u>		<u>The Company</u>	
	2022	2021	2022	2021
	\$	\$	\$	\$
Trade receivables:				
- subsidiary corporations	-	-	-	557,948
- non-related parties	53,631	306,873	-	28,591
	<u>53,631</u>	<u>306,873</u>	<u>-</u>	<u>586,539</u>
Advances to suppliers	22,730	20,337	-	-
Other receivables - non-related parties	69,523	52,275	8,139	16,623
	<u>145,884</u>	<u>379,485</u>	<u>8,139</u>	<u>603,162</u>

## 13. Inventories

	<u>The Group</u>		<u>The Company</u>	
	2022	2021	2022	2021
	\$	\$	\$	\$
Finished goods	<u>16,371,394</u>	<u>17,384,263</u>	<u>295,929</u>	<u>493,083</u>

The cost of inventories recognised as an expense and included in “cost of sales” amounted to \$19,400,144 (2021: \$19,049,343).

## 14. Other current assets

	<u>The Group</u>		<u>The Company</u>	
	2022	2021	2022	2021
	\$	\$	\$	\$
Rental & utilities deposits	126,482	125,739	58,241	56,561
Prepayments	42,089	19,399	21,090	-
Other receivables – non-related parties	1,135,826	-	654,326	-
Other deposits	21,251	18,714	6,135	135
	<u>1,325,648</u>	<u>163,852</u>	<u>739,792</u>	<u>56,696</u>

Other receivables are option deposits held-in-trust by a third party for option agreements entered into with prospective buyers for the sale of the properties held-for-sale.

## 15. Properties held-for-sale

During the current financial year, the Group’s subsidiary corporations and Company with its prospective buyers entered into options to purchase the subsidiary corporations’ and Company’s investment properties with option price totalling \$61,986,000 and \$15,288,000 respectively (2021: \$10,200,000, \$Nil). As at 31 August 2022, the sale of the properties has not been completed and the subsidiary corporations and Company have not recognised the sale and corresponding gain or loss, if any. The investment properties (Note 20) of the Group and Company with fair value of \$57,460,000 and \$13,750,000 respectively (2021: \$9,600,000 and \$Nil) were transferred to and presented as properties held-for-sale.

Three of the sale of properties were subsequently completed on 1 September, 9 and 22 November 2022.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 16. 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 rates of 0.75% (2021: 0.60%) 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.

## 17. Financial assets, at FVOCI

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Beginning of financial year	223,138,947	61,870,586	40,885,889	34,869,870
Additions	60,758,811	149,270,478	51,940	213,306
Fair value (loss)/gain recognised in other comprehensive (loss)/income (Note 28(b)(i))	(9,110,318)	26,028,640	(5,051,068)	6,136,573
Redeemed by issuers	(16,100,645)	(13,886,009)	(172,755)	(189,112)
Disposal	(20,676,493)	(144,748)	(4,670,229)	(144,748)
End of financial year	<u>238,010,302</u>	<u>223,138,947</u>	<u>31,043,777</u>	<u>40,885,889</u>

Financial assets, at FVOCI are analysed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Quoted equity securities: (Level 1)				
- Singapore	98,061,870	123,770,351	31,043,777	40,885,889
- Hong Kong	130,377,049	85,241,922	-	-
- Australia	6,115,602	14,126,674	-	-
	<u>234,554,521</u>	<u>223,138,947</u>	<u>31,043,777</u>	<u>40,885,889</u>
- Unquoted equity investments (Level 2)	3,455,781	-	-	-
	<u>238,010,302</u>	<u>223,138,947</u>	<u>31,043,777</u>	<u>40,885,889</u>

- The financial assets, at FVOCI assets are pledged as security for bank borrowings (Note 23).
- During the financial year, there were cash acquisition offers from issuers of various securities at fair value of \$13,328,824 (2021: \$13,613,675). The cumulative gain on disposal of \$7,003,424 (2021: \$4,079,395) was reclassified from fair value reserve to retained profits.
- During the financial year, the Group has disposed quoted equity securities as the underlying investment was no longer aligned with the Group's long-term investment strategy. These investments had a fair value of \$21,023,680 (2021: \$144,748) at the date of disposal, and the loss on disposal amounted to \$344,656 (2021: \$77,204), net of tax. The cumulative loss on disposal was reclassified from fair value reserve to retained profits.
- The fair value of the unquoted equity investment is based on the latest available valuation determined by the administrator of the funds.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 18. Investments in subsidiary corporations

	<b>The Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Equity investments at cost</i>		
Beginning and end of financial year	17,230,914	17,230,914

The Group has the following subsidiary corporations as at 31 August 2022 and 2021:

<b><u>Name of companies</u></b>	<b><u>Principal activities</u></b>	<b><u>Country of business/ incorporation</u></b>	<b><u>Proportion of ordinary shares held</u></b>	
			<b>2022</b>	<b>2021</b>
			%	%
<b><u>Held directly by the Company</u></b>				
Winning Chance Investments Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income	Singapore	100	100
Another Chance Properties Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income	Singapore	100	100
Best Chance Properties Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income	Singapore	100	100
Better Chance Properties Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income	Singapore	100	100
Double Chance Properties Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income	Singapore	100	100
Equal Chance Properties Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income	Singapore	100	100
Fair Chance Properties Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income	Singapore	100	100
First Lady Apparels (Malaysia) Sdn Bhd <sup>(2), (3)</sup>	Retail of ready-made garments	Malaysia	100	100
Golden Chance Goldsmith Pte Ltd <sup>(1)</sup>	Retail of gold and jewellery, holding of properties as investments for rental income and holding of bonds and equity securities	Singapore	100	100

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 18. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 August 2022 and 2021:

<u>Name of companies</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Proportion of ordinary shares held</u>	
			<u>2022</u>	<u>2021</u>
			%	%
<b><u>Held directly by the Company</u></b> (continued)				
Good Chance Properties Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income	Singapore	100	100
New Chance Properties Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income	Singapore	100	100
Top Chance Properties Pte Ltd <sup>(1)</sup>	Other investment holdings and holding of properties as investments for rental income	Singapore	100	100
Second Chance Investments Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income	Singapore	100	100
Super Chance Properties Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income and trading of bonds and equity securities	Singapore	100	100
Classic Chance Properties Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income	Singapore	100	100
Great Chance Properties Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income	Singapore	100	100
Prime Chance Properties Pte Ltd <sup>(1)</sup>	Holding of properties as investments for rental income	Singapore	100	100

<sup>(1)</sup> Audited by CLA Global TS Public Accounting Corporation, (formerly Nexia TS Public Accounting Corporation), Singapore.

<sup>(2)</sup> Audited by Soong and Associates, Malaysia for local statutory purposes.

<sup>(3)</sup> Audited by CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), Singapore for consolidation purposes.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 19. Property, plant and equipment

	Freehold land	Building	Renovation, furniture and fittings	Shop and office equipment	Computers and peripherals	Motor vehicles	Total
<b>The Group</b>	\$	\$	\$	\$	\$	\$	\$
<b>2022</b>							
<i>Cost or valuation</i>							
Beginning of financial year							
Cost	-	-	1,810,240	186,551	966,086	89,216	3,052,093
Valuation	13,018,827	5,738,000	-	-	-	-	18,756,827
	13,018,827	5,738,000	1,810,240	186,551	966,086	89,216	21,808,920
Currency translation differences	(479,700)	(211,608)	(22,878)	-	(14,600)	-	(728,786)
Revaluation adjustment	311,700	311,700	-	-	-	-	623,400
End of financial year	12,850,827	5,838,092	1,787,362	186,551	951,486	89,216	21,703,534
Representing:							
Cost	-	-	1,787,362	186,551	951,486	89,216	3,014,615
Valuation	12,850,827	5,838,092	-	-	-	-	18,688,919
	12,850,827	5,838,092	1,787,362	186,551	951,486	89,216	21,703,534
<i>Accumulated depreciation</i>							
Beginning of financial year	-	-	1,782,147	180,767	961,504	89,216	3,013,634
Currency translation differences	-	(15,624)	(22,549)	-	(14,594)	-	(52,767)
Depreciation charge (Note 7)	-	115,128	6,385	2,290	1,578	-	125,381
Revaluation adjustment	-	(112,212)	-	-	-	-	(112,212)
End of financial year	-	(12,708)	1,765,983	183,057	948,488	89,216	2,974,036
<b>Net book value</b>							
<b>Beginning of financial year</b>	13,018,827	5,738,000	28,093	5,784	4,582	-	18,795,286
<b>End of financial year</b>	12,850,827	5,850,800	21,379	3,494	2,998	-	18,729,498

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 19. Property, plant and equipment (continued)

	Freehold land	Building	Renovation, furniture and fittings	Shop and office equipment	Computers and peripherals	Motor vehicles	Total
<b>The Group</b>	\$	\$	\$	\$	\$	\$	\$
<b>2021</b>							
<i>Cost or valuation</i>							
Beginning of financial year							
Cost	-	-	1,815,324	186,551	965,318	89,216	3,056,409
Valuation	14,103,427	6,111,024	-	-	-	-	20,214,451
	14,103,427	6,111,024	1,815,324	186,551	965,318	89,216	23,270,860
Additions	-	-	-	-	4,012	-	4,012
Currency translation differences	(114,400)	(49,624)	(5,084)	-	(3,244)	-	(172,352)
Revaluation adjustment	(970,200)	(323,400)	-	-	-	-	(1,293,600)
End of financial year	13,018,827	5,738,000	1,810,240	186,551	966,086	89,216	21,808,920
Representing:							
Cost	-	-	1,810,240	186,551	966,086	89,216	3,052,093
Valuation	13,018,827	5,738,000	-	-	-	-	18,756,827
	13,018,827	5,738,000	1,810,240	186,551	966,086	89,216	21,808,920
<i>Accumulated depreciation</i>							
Beginning of financial year	-	2,450	1,780,890	177,793	957,903	89,216	3,008,252
Currency translation differences	-	(3,278)	(5,369)	-	(3,235)	-	(11,882)
Depreciation charge (Note 7)	-	117,252	6,626	2,974	6,836	-	133,688
Revaluation adjustment	-	(116,424)	-	-	-	-	(116,424)
End of financial year	-	-	1,782,147	180,767	961,504	89,216	3,013,634
<b>Net book value</b>							
<b>Beginning of financial year</b>	14,103,427	6,108,574	34,434	8,758	7,415	-	20,262,608
<b>End of financial year</b>	13,018,827	5,738,000	28,093	5,784	4,582	-	18,795,286

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 19. Property, plant and equipment (continued)

	Renovation, furniture and fittings	Shop and office equipment	Computers and peripherals	Motor vehicles	Total
	\$	\$	\$	\$	\$
<b>The Company</b>					
<b>2022</b>					
<i>Cost</i>					
Beginning and end of financial year	822,296	87,574	380,761	89,216	1,379,847
<i>Accumulated depreciation</i>					
Beginning of financial year	809,297	85,991	378,264	89,216	1,362,768
Depreciation charge	2,550	1,583	626	-	4,759
End of financial year	811,847	87,574	378,890	89,216	1,367,527
<b>Net book value</b>					
<b>Beginning of financial year</b>	12,999	1,583	2,497	-	17,079
<b>End of financial year</b>	10,449	-	1,871	-	12,320
<b>2021</b>					
<i>Cost</i>					
Beginning and end of financial year	822,296	87,574	378,256	89,216	1,377,342
Additions	-	-	2,505	-	2,505
End of financial year	822,296	87,574	380,761	89,216	1,379,847
<i>Accumulated depreciation</i>					
Beginning of financial year	806,751	83,959	376,878	89,216	1,356,804
Depreciation charge	2,546	2,032	1,386	-	5,964
End of financial year	809,297	85,991	378,264	89,216	1,362,768
<b>Net book value</b>					
<b>Beginning of financial year</b>	15,545	3,615	1,378	-	20,538
<b>End of financial year</b>	12,999	1,583	2,497	-	17,079

(a) Fair value of freehold land and building

### Fair value hierarchy

As at 31 August 2022 and 31 August 2021, freehold land and building 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 building 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 19. Property, plant and equipment (continued)

- (a) Fair value of freehold land and building (continued)

### 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 2022 and 31 August 2021, the fair values of the properties have been determined by Stockers Roberts & Gupta Sdn Bhd.

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 building stated at valuation were included in the financial statements at cost less accumulated depreciation, their net book values would be:

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Freehold land	11,887,320	12,333,523
Building	6,318,670	6,672,272

## 20. Investment properties

	<b>Freehold properties</b>	<b>Leasehold properties</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>The Group</b>			
<b>2022</b>			
Beginning of financial year	45,740,000	85,015,000	130,755,000
Disposal	-	(4,300,000)	(4,300,000)
Transfer to properties held-for-sale (Note 15)	(11,600,000)	(45,860,000)	(57,460,000)
Fair value gain (Note 5)	90,000	100,000	190,000
End of financial year	34,230,000	34,955,000	69,185,000
<b>2021</b>			
Beginning of financial year	54,760,000	101,905,000	156,665,000
Disposal	(9,020,000)	(5,850,000)	(14,870,000)
Transfer to properties held-for-sale (Note 15)	-	(9,600,000)	(9,600,000)
Fair value loss (Note 5)	-	(1,440,000)	(1,440,000)
End of financial year	45,740,000	85,015,000	130,755,000

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 20. Investment properties (continued)

	<b>Leasehold property \$</b>
<b><u>The Company</u></b>	
<b>2022</b>	
Beginning and end of financial year	13,750,000
Transfer to properties held-for-sale (Note 15)	(13,750,000)
End of financial year	-
<b>2021</b>	
<b>Beginning and end of financial year</b>	<b>13,750,000</b>

The property rental income earned by the Group and the Company from its investment properties, all of which are leased out to non-related parties under operating leases, amounted to \$4,131,698 (2021: \$4,546,676) and \$646,800 (2021: \$596,348) respectively. Direct operating expenses of the Group and the Company arising on the investment properties during the year amounted to \$862,212 (2021: \$860,585) and \$82,054 (2021: \$60,914).

The Group and the Company have mortgaged investment properties to secure bank overdraft and short-term bank loan facilities (Note 23).

### Fair value hierarchy – Recurring fair value measurements

	<b><u>Fair value measurement using</u></b>		
	<b>Quoted price in active markets for identical asset (Level 1) \$</b>	<b>Significant other observable inputs (Level 2) \$</b>	<b>Significant unobservable inputs (Level 3) \$</b>
<b><u>The Group</u></b>			
<b>2022</b>			
Investment properties:			
- Retail spaces – Singapore	-	69,185,000	-
<b>2021</b>			
Investment properties:			
- Retail spaces – Singapore	-	130,755,000	-
<b><u>The Company</u></b>			
<b>2021</b>			
Investment properties:			
- Retail spaces – Singapore	-	13,750,000	-

As at 31 August 2022 and 31 August 2021, the investment properties of the Group and of the Company were valued by an independent professional valuer based on the properties' highest-and-best-use using sales comparison approach. These are regarded as Level 2 fair values.

There were no changes in valuation techniques during the year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 20. Investment properties (continued)

The Group's investment properties consist of the following:

Location of properties	Description	Tenure of land	2022 (\$)	2021 (\$)
<b><u>The Group and Company</u></b>				
Blk 190 Toa Payoh, Lorong 6 #01-560 Singapore 310190 <sup>(1)</sup>	A leasehold unit of approximately 137 square metres	79-year lease from July 1992	-	13,750,000
<b><u>The Group</u></b>				
Blk 710A Ang Mo Kio Avenue 8 #01-2625 Singapore 561710	A leasehold unit of approximately 137 square metres	86-year lease from July 1993	10,500,000	10,000,000
No. 810 Geylang Road City Plaza #01-43/44/45/46/56/ 57/60/61 #02-49/50/51/86/ 88/105/106/107/108 Singapore 409286	17 freehold units of approximately 837 square metres	Freehold	29,130,000	28,840,000
111 North Bridge Road Peninsula Plaza #01-28/28A/29/38/44/ 45A/45B Singapore 179098 <sup>(1)</sup>	5 leasehold units of approximately 253 square metres	999-year lease from October 1992	-	21,110,000
No. 304 Orchard Road Lucky Plaza #01-56/57/58/59 Singapore 238863 <sup>(1)</sup>	4 leasehold units of approximately 76 square metres	Freehold	-	11,600,000
1 Park Road #01-32/33 People's Park Complex Singapore 059108	2 leasehold units of approximately 70 square metres	99-year lease from March 1968	3,650,000	4,050,000
No. 14 Scotts Road Far East Plaza #02-40/42 Singapore 228213	2 freehold units of approximately 70 square metres	Freehold	5,100,000	5,300,000
Blk 190 Toa Payoh Lorong 6 #01-562 Singapore 310190 <sup>(1)</sup>	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 <sup>(2)</sup>	A leasehold unit of approximately 184 square metres	92-year lease from October 1992	-	4,300,000

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 20. Investment properties (continued)

The Group's investment properties consist of the following:

Location of properties	Description	Tenure of land	2022 (\$)	2021 (\$)
<b>The Group</b>				
1 Rochor Canal Road #05-53/54 Sim Lim Square Singapore 188504	2 leasehold units of approximately 92 square metres	99-year lease from April 1993	3,780,000	3,780,000
1 Rochor Canal Road #05-36/62/63 Sim Lim Square Singapore 188504	3 leasehold units of approximately 117 square metres	99-year lease from April 1993	5,150,000	5,150,000
1 Rochor Canal Road #05-64/65 Sim Lim Square Singapore 188504	2 leasehold units of approximately 89 square metres	103-year lease from December 1982	4,040,000	4,040,000
1 Rochor Canal Road #05-61 Sim Lim Square Singapore 188504	2 leasehold units of approximately 69 square metres	99-year lease from April 1993	1,670,000	1,670,000
1 Rochor Canal Road #05-73/74 Sim Lim Square Singapore 188504	2 leasehold units of approximately 69 square metres	103-year lease from December 1982	4,125,000	4,125,000
1 Rochor Canal Road #05-72 Sim Lim Square Singapore 188504	A leasehold unit of approximately 46 square metres	99-year lease from April 1993	2,040,000	2,040,000

(1) These investment properties have been transferred to properties held-for-sale as at 31 August 2022.

(2) These investment properties have been disposed during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 21. Trade payables

	<u>The Group</u>		<u>The Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Trade payables				
- subsidiary corporations	-	-	20,386	-
- non-related parties	349,883	291,481	56,990	12,072
Rental deposits	966,127	1,147,753	149,039	147,755
Rental received in advance	49,271	91,641	-	-
Customers' deposits	6,735	9,735	-	-
Others	1,002	-	1,002	-
	<u>1,373,018</u>	<u>1,540,610</u>	<u>227,417</u>	<u>159,827</u>

## 22. Other payables

	<u>The Group</u>		<u>The Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Accruals for operating expenses	302,215	255,905	160,079	146,509
Directors' bonus and fees payable	1,237,961	498,781	1,236,464	495,676
Amount due to a director	124,299	17,123	124,299	17,123
Security deposits	23,511	23,211	9,511	12,211
Other payables				
- non-related parties	462,936	120,334	11,432	11,432
- option deposit	1,930,100	-	764,400	-
	<u>4,081,022</u>	<u>915,354</u>	<u>2,306,185</u>	<u>682,951</u>

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

## 23. Borrowings

	<u>The Group</u>		<u>The Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Bank borrowings	<u>113,032,174</u>	<u>115,319,471</u>	<u>9,581,390</u>	<u>39,714,262</u>

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:

	<u>The Group</u>		<u>The Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Less than 12 months	<u>113,032,174</u>	<u>115,319,471</u>	<u>9,581,390</u>	<u>39,714,262</u>

- (i) The current bank borrowings bear interest rates ranging from 0.41% to 2.40% (2021: 0.45% to 1.08%) per annum, which represent a fixed margin above the Singapore Interbank Offer Rate.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 23. Borrowings (continued)

- (ii) The bank borrowings of the Group and the Company are secured over investment properties, (Note 20), financial assets, at FVPL (Note 11) and financial assets, at FVOCI (Note 17).

## 24. 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 shown on the balance sheet as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Deferred income tax assets	30,626	68,238	-	-
Deferred income tax liabilities	(57,484)	(4,409)	(2,094)	(2,903)
Net deferred income tax (liabilities)/assets	<u>(26,858)</u>	<u>63,829</u>	<u>(2,094)</u>	<u>(2,903)</u>

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

	<b>Accelerated tax depreciation</b>	<b>Asset revaluation reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>The Group</b>			
At 1 September 2020	173,967	(194,380)	(20,413)
(Credited)/charged to profit or loss (Note 9)	(919)	30,050	29,131
Over provision in prior financial years (Note 9)	-	(958)	(958)
Currency translation differences	-	(71,589)	(71,589)
At 31 August 2021/1 September 2021	173,048	(236,877)	(63,829)
(Credited)/charged to profit or loss (Note 9)	(1,209)	94,646	93,437
Over provision in prior financial years (Note 9)	-	(1,757)	(1,757)
Currency translation differences	-	(993)	(993)
At 31 August 2022	<u>171,839</u>	<u>(144,981)</u>	<u>26,858</u>

	<b>Accelerated tax depreciation</b>
	<b>\$</b>
<b>The Company</b>	
At 1 September 2020	3,491
Charged to profit or loss	(588)
At 31 August 2021/1 September 2021	2,903
Charged to profit or loss	(809)
At 31 August 2022	<u>2,094</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 25. Leases

- (a) The Group as a lessee

### Nature of the Group's leasing activities

#### Properties

The Group leases office, retail store and warehouse for the purpose of back office operations, sales of goods to retail customers and goods storage.

- (i) *Lease expense not capitalised in lease liabilities*

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Lease expense – short-term leases (Note 7)	<u>270,716</u>	<u>226,859</u>

- (ii) *Total cash outflow for all the leases was \$270,716 (2021: \$226,859).*

- (b) The Group as a lessor

### Nature of the Group's leasing activities

The Group has leased out its owned investment properties to a third party for monthly lease payments. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties are disclosed in Note 20.

The table below discloses the undiscounted lease payments to be received by the Group for its leases after the reporting date are as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Less than one year	2,368,875	3,271,884
One to two years	1,190,534	682,521
Two to three years	76,081	22,820
Total	<u>3,635,490</u>	<u>3,977,225</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 26. Share capital

	<u>No. of ordinary shares</u>		<u>Amount</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
			\$	\$
<b><u>The Group and Company</u></b>				
At beginning of financial year	751,906,638	755,271,338	137,453,869	138,307,500
Share buyback	-	(3,364,700)	-	(853,631)
Issue of scrip dividend	174,525,084	-	36,912,055	-
At end of financial year	<u>926,431,722</u>	<u>751,906,638</u>	<u>174,365,924</u>	<u>137,453,869</u>

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 2022 and 31 August 2021, there are outstanding warrants of 2,265,814,014, with each warrant carrying the right to subscribe for one new share at an exercise price of \$0.25. The warrants were issued on 6 February 2020 and can be exercised with effect from 6 February 2023 and will expire on 7 March 2023.

The Company acquired Nil (2021: 3,364,700) shares in the Company in the open market during the financial year. The total amount paid to acquire the shares was \$Nil (2021: \$853,631) and this was presented as a component within shareholder's equity.

## 27. Retained profits

- (a) Retained profits of the Group and of the Company are distributable.
- (b) Movements in retained profits for the Group and the Company are as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
At beginning of financial year	132,206,407	118,380,706	82,256,409	78,256,156
Net profit	14,195,505	9,823,510	7,801,654	4,077,457
Transfer to retained profits upon disposal of equity investment in financial assets, at FVOCI	6,658,768	4,002,191	(328,479)	(77,204)
Dividends paid	(41,354,865)	-	(41,354,865)	-
At end of financial year	<u>111,705,815</u>	<u>132,206,407</u>	<u>48,374,719</u>	<u>82,256,409</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 29. Dividends

The directors declared one tier tax-exempt dividend as follows:

	<b>The Group and Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
One-tier tax-exempt cash of 5.5 cents per share in respect of financial year ended 31 August 2021	4,442,810	-
One-tier tax-exempt scrip dividend of 5.5 cents per share in respect of financial year ended 31 August 2021	36,912,055	-
	<u>41,354,865</u>	<u>-</u>

At the Annual General Meeting on 28 December 2022, a final dividend of 1 cent per ordinary share amounting to a total of \$9,264,317 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 August 2023.

## 30. Commitments

*Lease commitments – where the Group is a lessee*

The Group and the Company leases office, retail store and warehouse from non-related parties under non-cancellable lease agreements. The leases have varying terms, escalation clauses and renewal rights.

As at 31 August 2022 and 31 August 2021, the portfolio of committed short-term leases remains similar to the short-term lease expenses not capitalised in lease liabilities (Note 25(a)) for the both financial years.

## 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 Group uses financial instruments such as foreign currency borrowings to hedge financial risk exposures.

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"), Hong Kong Dollar ("HKD") and Australian Dollar ("AUD"). Currency exposure to the transactions of the Group that are denominated in USD, HKD and AUD are managed primarily through borrowings denominated in their respective currencies.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 31. Financial risk management (continued)

### Financial risk factors (continued)

#### (a) Market risk (continued)

##### (i) Currency risk (continued)

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:

	<u>SGD</u>	<u>USD</u>	<u>MYR</u>	<u>HKD</u>	<u>AUD</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<b>At 31 August 2022</b>						
<b>Financial assets</b>						
Cash and bank balances	1,076,294	-	68,415	-	-	1,144,709
Financial assets, at FVPL	108,816	-	-	-	-	108,816
Financial assets, at FVOCI	89,534,117	11,983,534	-	130,377,049	6,115,602	238,010,302
Trade and other receivables	97,976	-	25,178	-	-	123,154
Intra group receivables	168,288,405	-	1,521,822	-	-	169,810,227
Other current assets	1,239,643	-	43,916	-	-	1,283,559
	<u>260,345,251</u>	<u>11,983,534</u>	<u>1,659,331</u>	<u>130,377,049</u>	<u>6,115,602</u>	<u>410,480,767</u>
<b>Financial liabilities</b>						
Borrowings	-	-	-	(113,032,174)	-	(113,032,174)
Trade and other payables	(5,273,342)	-	(131,427)	-	-	(5,404,769)
Intra group payables	(168,288,405)	-	(1,521,822)	-	-	(169,810,227)
	<u>(173,561,747)</u>	<u>-</u>	<u>(1,653,249)</u>	<u>(113,032,174)</u>	<u>-</u>	<u>(288,247,170)</u>
<b>Net financial assets</b>	<b>86,783,504</b>	<b>11,983,534</b>	<b>6,082</b>	<b>17,344,875</b>	<b>6,115,602</b>	<b>122,233,597</b>
Add: Net non-financial assets	141,935,948	-	19,214,004	-	-	161,149,952
<b>Currency profile including non-financial assets and liabilities</b>	<b>228,719,452</b>	<b>11,983,534</b>	<b>19,220,086</b>	<b>17,344,875</b>	<b>6,115,602</b>	<b>283,383,549</b>
<b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies</b>	<b>-</b>	<b>11,983,534</b>	<b>6,082</b>	<b>17,344,875</b>	<b>6,115,602</b>	<b>35,450,093</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 31. Financial risk management (continued)

### Financial risk factors (continued)

#### (a) Market risk (continued)

##### (i) Currency risk (continued)

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

	<b>SGD</b>	<b>USD</b>	<b>MYR</b>	<b>HKD</b>	<b>AUD</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
<b>At 31 August 2021</b>						
<b>Financial assets</b>						
Cash and bank balances	333,894	-	13,898	-	-	347,792
Financial assets, at FVPL	114,115	990,930	-	-	-	1,105,045
Financial assets, at FVOCI	113,800,097	9,970,254	-	85,241,922	14,126,674	223,138,947
Trade and other receivables	130,901	12,752	27,869	187,626	-	359,148
Receivables from subsidiary corporations	188,674,190	-	2,115,743	-	-	190,789,933
Other current assets	98,889	-	45,564	-	-	144,453
	<u>303,152,086</u>	<u>10,973,936</u>	<u>2,203,074</u>	<u>85,429,548</u>	<u>14,126,674</u>	<u>415,885,318</u>
<b>Financial liabilities</b>						
Borrowings	(20,589,535)	(6,728,566)	-	(72,475,940)	(15,525,430)	(115,319,471)
Trade and other payables	(2,275,661)	-	(88,662)	-	-	(2,364,323)
Payables to subsidiary corporations	(188,674,190)	-	(2,115,743)	-	-	(190,789,933)
	<u>(211,539,386)</u>	<u>(6,728,566)</u>	<u>(2,204,405)</u>	<u>(72,475,940)</u>	<u>(15,525,430)</u>	<u>(308,473,727)</u>
<b>Net financial assets/ (liabilities)</b>	<b>91,612,700</b>	<b>4,245,370</b>	<b>(1,331)</b>	<b>12,953,608</b>	<b>(1,398,756)</b>	<b>107,411,591</b>
Add: Net non-financial assets	156,224,455	-	19,580,997	-	-	175,805,452
<b>Currency profile including non-financial assets and liabilities</b>	<b>247,837,155</b>	<b>4,245,370</b>	<b>19,579,666</b>	<b>12,953,608</b>	<b>(1,398,756)</b>	<b>283,217,043</b>
<b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies</b>	<b>-</b>	<b>4,245,370</b>	<b>2,115,743</b>	<b>12,953,608</b>	<b>(1,398,756)</b>	<b>17,915,965</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 31. Financial risk management (continued)

### Financial risk factors (continued)

#### (a) Market risk (continued)

##### (i) Currency risk (continued)

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

	<u>SGD</u>	<u>MYR</u>	<u>HKD</u>	<u>Total</u>
	\$	\$	\$	\$
<b>At 31 August 2022</b>				
<b>Financial assets</b>				
Cash and bank balances	359,531	-	-	359,531
Financial assets, at FVOCI	31,043,777	-	-	31,043,777
Trade and other receivables	8,139	-	-	8,139
Amount due from subsidiary corporations	168,288,405	1,501,436	-	169,789,841
Other current assets	718,702	-	-	718,702
	<u>200,418,554</u>	<u>1,501,436</u>	<u>-</u>	<u>201,919,990</u>
<b>Financial liabilities</b>				
Borrowings	-	-	(9,581,390)	(9,581,390)
Trade and other payables	(2,513,216)	(20,386)	-	(2,533,602)
	<u>(2,513,216)</u>	<u>(20,386)</u>	<u>(9,581,390)</u>	<u>(12,114,992)</u>
<b>Net financial assets/(liabilities)</b>	<b>197,905,338</b>	<b>1,481,050</b>	<b>(9,581,390)</b>	<b>189,804,998</b>
Add: Net non-financial assets	31,308,159	-	-	31,308,159
<b>Currency profile including non-financial assets and liabilities</b>	<b>229,213,497</b>	<b>1,481,050</b>	<b>(9,581,390)</b>	<b>221,113,157</b>
<b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies</b>	<b>-</b>	<b>1,481,050</b>	<b>(9,581,390)</b>	<b>(8,100,340)</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 31. Financial risk management (continued)

### Financial risk factors (continued)

#### (a) Market risk (continued)

##### (i) Currency risk (continued)

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

	<u>SGD</u>	<u>MYR</u>	<u>HKD</u>	<u>Total</u>
	\$	\$	\$	\$
<b>At 31 August 2021</b>				
<b>Financial assets</b>				
Cash and bank balances	96,517	-	-	96,517
Financial assets, at FVOCI	40,885,889	-	-	40,885,889
Trade and other receivables	45,214	557,948	-	603,162
Amount due from subsidiary corporations	188,674,190	1,557,795	-	190,231,985
Other current assets	56,696	-	-	56,696
	<u>229,758,506</u>	<u>2,115,743</u>	<u>-</u>	<u>231,874,249</u>
<b>Financial liabilities</b>				
Borrowings	(5,110,036)	-	(34,604,226)	(39,714,262)
Trade and other payables	(842,778)	-	-	(842,778)
	<u>(5,952,814)</u>	<u>-</u>	<u>(34,604,226)</u>	<u>(40,557,040)</u>
<b>Net financial assets/(liabilities)</b>	<b>223,805,692</b>	<b>2,115,743</b>	<b>(34,604,226)</b>	<b>191,317,209</b>
Add: Net non-financial assets	31,488,173	-	-	31,488,173
<b>Currency profile including non-financial assets and liabilities</b>	<b>255,293,865</b>	<b>2,115,743</b>	<b>(34,604,226)</b>	<b>222,805,382</b>
<b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies</b>	<b>-</b>	<b>2,115,743</b>	<b>(34,604,226)</b>	<b>(32,488,483)</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 31. Financial risk management (continued)

### Financial risk factors (continued)

#### (a) Market risk (continued)

##### (i) Currency risk (continued)

If the USD, MYR, HKD and AUD change against SGD by 4%, 5%, 3% and 6% (2021: 4%, 3%, 4% and 8%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset position will be as follows:

	← Increase/(decrease) →			
	2022		2021	
	<u>Profit</u> <u>after tax</u> \$	<u>Other</u> <u>comprehensive</u> <u>income</u> \$	<u>Profit</u> <u>after tax</u> \$	<u>Other</u> <u>comprehensive</u> <u>income</u> \$
<b>The Group</b>				
USD against SGD				
- Strengthened	397,853	-	140,946	-
- Weakened	(397,853)	-	(140,946)	-
MYR against SGD				
- Strengthened	252	-	52,682	-
- Weakened	(252)	-	(52,682)	-
HKD against SGD				
- Strengthened	2,814,501	431,887	2,399,972	2,830,032
- Weakened	(2,814,501)	(431,887)	(2,399,972)	(2,830,032)
AUD against SGD				
- Strengthened	-	304,577	938,011	1,030,899
- Weakened	-	(304,577)	(938,011)	(1,030,899)
<b>The Company</b>				
MYR against SGD				
- Strengthened	61,464	-	52,682	-
- Weakened	(61,464)	-	(52,682)	-
HKD against SGD				
- Strengthened	238,577	-	1,148,860	-
- Weakened	(238,577)	-	(1,148,860)	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 31. Financial risk management (continued)

### Financial risk factors (continued)

#### (a) Market risk (continued)

##### (ii) Price risk

The Group is exposed to quoted equity securities and bonds price risk arising from the investments held by the Group which are classified in the balance sheets as financial assets, at FVPL and financial assets, at FVOCI. These securities are listed in Singapore, Hong Kong and Australia. To manage its price risk arising from investments in quoted equity securities and bonds, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

If prices for equity securities and bonds listed in Singapore, Hong Kong and Australia had changed by 12%, 28% and 15% (2021: 31%, 23% and 30%) with all other variables including tax rate being held constant, the effects on profit after tax and other comprehensive income would have been:

	← Increase/(decrease) →			
	2022		2021	
	<u>Profit after tax</u>	<u>Other comprehensive income</u>	<u>Profit after tax</u>	<u>Other comprehensive income</u>
	\$	\$	\$	\$
<b><u>The Group</u></b>				
Quoted equity securities in Singapore				
- increased by	10,838	11,767,424	284,328	38,368,809
- decreased by	(10,838)	(11,767,424)	(284,328)	(38,368,809)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Quoted equity securities in Hong Kong				
- increased by	-	36,329,741	-	19,213,605
- decreased by	-	(36,329,741)	-	(19,213,605)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Quoted equity securities in Australia				
- increased by	-	945,555	-	4,264,355
- decreased by	-	(945,555)	-	(4,264,355)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b><u>The Company</u></b>				
Quoted equity securities in Singapore				
- increased by	-	3,725,253	-	12,674,626
- decreased by	-	(3,725,253)	-	(12,674,626)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 31. Financial risk management (continued)

### Financial risk factors (continued)

#### (a) Market risk (continued)

##### (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, USD, HKD and AUD. 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, USD, HKD and AUD interest rates had all increased/decreased by 0.5% (2021: 0.5%) with all other variables including tax rate being held constant, the profit after tax) as a result of higher/lower interest expense on these borrowings will be as follows:

	← Increase/(decrease) →	
	<b>2022</b>	<b>2021</b>
	<b>Profit</b>	<b>Profit</b>
	<b>after tax</b>	<b>after tax</b>
	<b>\$</b>	<b>\$</b>
<b><u>The Group</u></b>		
SGD		
- increased by	-	85,447
- decreased by	-	(85,447)
	<hr/>	<hr/>
USD		
- increased by	-	27,924
- decreased by	-	(27,924)
	<hr/>	<hr/>
HKD		
- increased by	469,084	300,775
- decreased by	(469,084)	(300,775)
	<hr/>	<hr/>
AUD		
- increased by	-	64,431
- decreased by	-	(64,431)
	<hr/>	<hr/>
<b><u>The Company</u></b>		
SGD		
- increased by	-	21,207
- decreased by	-	(21,207)
	<hr/>	<hr/>
AUD		
- increased by	39,763	143,608
- decreased by	(39,763)	(143,608)
	<hr/>	<hr/>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 31. Financial risk management (continued)

### **Financial risk factors** (continued)

#### (b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with:

- Customers from wearing apparels, gold and jewellery transacts mainly in cash, debit and credit cards;
- Customers from rental of investment properties are required to provide a refundable deposit to mitigate credit risk; and
- High credit quality counterparties, where available.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Management at operating entity level based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at operating entity level by the respective Management and at the Group level by the Corporate Finance department.

The Group's investments in equity instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

As the Group and the Company do 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.

#### (i) Trade receivables

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The expected loss allowance recognised during the financial year is not material.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group and Company. The Management categorises receivables for write off when a debtor fails to make contractual payment greater than 90 days past due based on historical collection trend during the financial year. Where receivables have been written off, the Group and Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

As at 31 August 2022 and 31 August 2021, the trade receivables are not subject to any material credit loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 31. Financial risk management (continued)

### **Financial risk factors** (continued)

#### (b) *Credit risk* (continued)

##### (ii) *Other receivables*

The Group and the Company use the general approach for assessment of ECL for these financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, the loss allowance is measured at an amount equal to 12-month ECL.

As at 31 August 2022 and 31 August 2021, the Group and the Company performed an assessment of qualitative and quantitative factors which are indicative of the risk of default (including but not limited to press information and applying experienced credit judgement) and an assessment of impairment using the 12-month ECL basis on these financial assets and subject to immaterial credit loss.

##### (iii) *Trade and other receivable due from subsidiary corporations*

Trade and other receivables due from subsidiary corporations are provided mainly for long term funding requirements. The Company uses a similar approach as described in Note 31(b)(ii) for assessment of ECL for these receivables. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The Company concluded that the need to provide the loss allowance for trade and other receivables due from subsidiary corporations is insignificant.

##### (iv) *Cash and bank balances*

Cash and bank balances are placed only with reputable licensed financial institutions with high credit-ratings. The cash and bank balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 31. Financial risk management (continued)

### **Financial risk factors** (continued)

#### (c) *Liquidity risk*

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term bank deposits.

Management monitors rolling forecasts of the Group's and Company's liquidity reserve and cash and cash equivalents on the basis of expected cash flow. This is generally carried out at local level in the operating entities of the Group in accordance with the practice and limits set by the Group. These limits vary by operating entity to take into account the working capital requirement of each entity. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

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.

	<b><u>The Group</u></b> <b>Less than 1 year</b> \$	<b><u>The Company</u></b> <b>Less than 1 year</b> \$
<b>At 31 August 2022</b>		
Trade and other payables	5,404,769	2,533,602
Borrowings	115,123,269	9,624,506
	<hr/>	<hr/>
<b>At 31 August 2021</b>		
Trade and other payables	2,364,323	842,778
Borrowings	117,102,618	39,896,553
	<hr/>	<hr/>

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 31. Financial risk management (continued)

### Financial risk factors (continued)

#### (d) Capital risk (continued)

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.

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net debt	117,341,505	117,427,643	11,755,461	40,460,523
Total equity	283,383,549	283,217,043	221,113,157	222,805,382
Total capital	<u>400,725,056</u>	<u>400,644,686</u>	<u>232,868,618</u>	<u>263,265,905</u>
<b>Gearing ratio</b>	<u>29%</u>	<u>29%</u>	<u>5%</u>	<u>15%</u>

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 August 2022 and 2021.

#### (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:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

See Notes 11 and 17 for disclosure of financial assets, at FVPL and financial assets at FVOCI that are measured at fair value under level 1. See Note 17, 19 and 20 for disclosure of the financial assets at FVOCI, property, plant and equipment and investment properties that are measured at fair value under level 2.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 31. Financial risk management (continued)

### Financial risk factors (continued)

#### (e) Fair value measurement (continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	\$	\$	\$
<u>The Group</u>			
<b>At 31 August 2022</b>			
Assets			
Financial assets, at FVPL	108,816	-	108,816
Financial assets, at FVOCI	234,554,521	3,455,781	238,010,302
<hr/>			
<b>At 31 August 2021</b>			
Assets			
Financial assets, at FVPL	1,105,045	-	1,105,045
Financial assets, at FVOCI	223,138,947	-	223,138,947
<hr/>			
<u>The Company</u>			
<b>At 31 August 2022</b>			
Assets			
Financial assets, at FVOCI	31,043,777	-	31,043,777
<hr/>			
<b>At 31 August 2021</b>			
Assets			
Financial assets, at FVOCI	40,885,889	-	40,885,889
<hr/>			

There were no transfers between Levels 1 and 2 during the year.

As at 31 August 2022 and 31 August 2021, the Group and the Company have financial assets, at FVOCI and financial assets, at FVPL, which are measured at fair value under level 1 and 2. The fair value of financial instrument traded in active market (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 Group and the Company is the closing price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These investments are classified as Level 2.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 31. Financial risk management (continued)

### Financial risk factors (continued)

#### (f) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Financial assets at amortised cost	2,551,422	851,393	170,876,213	190,988,360
Financial assets, at FVOCI	238,010,302	223,138,947	31,043,777	40,885,889
Financial assets, at FVPL	108,816	1,105,045	-	-
Financial liabilities at amortised cost	118,436,943	117,683,794	12,114,992	40,557,040

## 32. Related party transactions

No transactions took place between the Group and related parties other than those disclosed elsewhere in the financial statements. Related parties comprise mainly the directors of the Group and of the Company.

- (a) Outstanding balances as at 31 August 2022 and 31 August 2021, arising from sales of goods and services, are unsecured and receivable within 12 months from the balance sheet date and disclosed in Note 12 to the financial statements.
- (b) Key management personnel compensation

	<u>The Group</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Directors' remuneration:</u>		
Salaries, bonus and fees	1,955,334	1,542,117
Employer's contribution to defined contribution plans	24,556	24,482
	<u>1,979,890</u>	<u>1,566,599</u>

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 33. Segment information (continued)

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

	← Singapore →				Malaysia	
	<u>Wearing apparel</u>	<u>Gold and jewellery</u>	<u>Investment dealing</u>	<u>Property rental</u>	<u>Wearing apparel</u>	<u>The Group</u>
	\$	\$	\$	\$	\$	\$
<b>2022</b>						
<b><u>The Group</u></b>						
<b>Revenue</b>						
- external parties	772,819	23,206,620	13,505,981	4,314,328	1,315,207	43,114,955
Segment results	(857,665)	3,854,405	9,683,126	5,069,186	84,885	17,833,937
<b>Expenses</b>						
Administrative and other operating expenses						(2,033,181)
Finance expenses						(884,105)
Profit before income tax						14,916,651
Income tax expense						(721,146)
<b>Net profit</b>						<u>14,195,505</u>
Net profit includes:						
Depreciation	4,968	2,351	-	-	118,062	125,381
<b>Segment assets</b>	<u>393,727</u>	<u>15,782,400</u>	<u>239,075,789</u>	<u>127,889,482</u>	<u>19,339,853</u>	<u>402,481,251</u>
Segment assets includes:						
Purchases of financial assets, at FVOCI	-	-	60,758,811	-	-	60,758,811
<b>Segment liabilities</b>	<u>239,015</u>	<u>320,771</u>	<u>113,032,174</u>	<u>3,402,066</u>	<u>129,929</u>	<u>117,123,955</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 33. Segment information (continued)

	← Singapore →				Malaysia	The Group
	Wearing apparel	Gold and jewellery	Investment dealing	Property rental	Wearing apparel	
	\$	\$	\$	\$	\$	\$
<b>2021</b>						
<b><u>The Group</u></b>						
<b>Revenue</b>						
- external parties	775,748	23,187,634	7,235,045	4,647,287	737,900	36,583,614
Segment results	(926,073)	4,067,759	7,118,106	2,499,985	(3,742)	12,756,035
<b>Expenses</b>						
Administrative and other operating expenses						(1,575,995)
Finance expenses						(442,064)
Profit before income tax						10,737,976
Income tax expense						(914,466)
<b>Net profit</b>						<u>9,823,510</u>
Net profit includes:						
Depreciation	5,966	2,620	-	-	125,102	133,688
<b>Segment assets</b>	<u>672,532</u>	<u>16,500,548</u>	<u>224,455,672</u>	<u>140,504,574</u>	<u>19,536,344</u>	<u>401,669,670</u>
Segment assets includes:						
Additions to property, plant and equipment	3,340	672	-	-	-	4,012
Purchases of financial assets, at FVOCI	-	-	149,270,478	-	-	- 149,270,478
<b>Segment liabilities</b>	<u>106,577</u>	<u>336,160</u>	<u>115,392,013</u>	<u>1,336,120</u>	<u>88,661</u>	<u>117,259,531</u>

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 33. Segment information (continued)

### (a) Reconciliations

#### (i) Segment assets

The amounts reported to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than income tax receivables and deferred income tax assets.

Reconciliation of reportable segments' assets to total assets:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Segment assets for reportable segments	402,481,251	401,669,670
Unallocated:		
Income tax receivables	78,645	63,748
Deferred income tax assets	30,626	68,238
	<u>402,590,522</u>	<u>401,801,656</u>

#### (ii) Segment 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.

Reconciliation of reportable segments' liabilities to total liabilities

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Segment liabilities for reportable segments	117,123,955	117,259,531
Unallocated:		
Director's fees and bonus payable	1,237,960	498,781
Amount due to director	124,299	17,123
Current income tax liabilities	663,275	804,769
Deferred income tax liabilities	57,484	4,409
	<u>119,206,973</u>	<u>118,584,613</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

## 33. Segment information (continued)

### (b) 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 are principally 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 and rental of properties.

	<b>Revenue</b>		<b>Non-current assets</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Singapore	41,617,118	35,745,103	307,245,375	353,951,339
Malaysia	1,497,837	838,511	18,670,425	18,737,894
	<u>43,114,955</u>	<u>36,583,614</u>	<u>325,924,800</u>	<u>372,689,233</u>

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

## 34. Events occurring after the balance sheet

Subsequent to the financial year ended 31 August 2022, the Group is in the process of disposing 7 units of investment properties. The details of the investment properties are as follows:

<b>Investment properties</b>	<b>Disposal price (\$)</b>	<b>Carrying amount (\$)</b>	<b>Gain on disposal of the investment properties (\$)</b>
Blk 190 Toa Payoh, Lorong 6 #01-560, Singapore 310190 <sup>(1)</sup>	15,288,000	13,750,000	1,538,000
Blk 190 Toa Payoh Lorong 6 #01-562, Singapore 310190 <sup>(3)</sup>	11,250,000	11,000,000	250,000
No. 304 Orchard Road Lucky Plaza #01-56/57/58/59, Singapore 238863	13,388,000	11,600,000	1,788,000
111 North Bridge Road Peninsula Plaza #01-38, Singapore 179098	5,400,000	5,220,000	180,000
111 North Bridge Road Peninsula Plaza #01-28, Singapore 179098	8,200,000	8,000,000	200,000
111 North Bridge Road Peninsula Plaza #01-29, Singapore 179098	4,080,000	3,750,000	330,000
111 North Bridge Road Peninsula Plaza #01-44/45, Singapore 179098 <sup>(2)</sup>	4,380,000	4,140,000	240,000

The disposal of the investment properties will result in net gain of \$4,526,000.

<sup>(1)</sup> Sale of disposal of investment property was completed on 1 September 2022.

<sup>(2)</sup> Sale of disposal of investment property was completed on 9 November 2022.

<sup>(3)</sup> Sale of disposal of investment property was completed on 22 November 2022.

# NOTES TO THE FINANCIAL STATEMENTS

*FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022*

## **35. New or revised accounting standards**

The Group has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Group's accounting periods beginning on or after 1 September 2022. However, management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Group in the period of their initial adoption.

## **36. Authorisation of 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 29 November 2022.

# STATISTICS OF SHAREHOLDING

AS AT 17 NOVEMBER 2022

Issued and Fully Paid-Up Capital	:	S\$174,365,924.36
No. of Shares Issued	:	926,431,722
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share
No. of Treasury Shares and Subsidiary Holdings	:	Nil

## ANALYSIS OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 17 NOVEMBER 2022

Size of Shareholdings	No. of Holders	% of Holders	No. of Shares	% of Shares
1 - 99	123	5.09	5,172	0.00
100 - 1,000	227	9.38	122,678	0.01
1,001 - 10,000	829	34.27	4,484,632	0.49
10,001 - 1,000,000	1,212	50.10	76,366,992	8.24
1,000,001 and above	28	1.16	845,452,248	91.26
<b>Grand Total</b>	<b>2,419</b>	<b>100.00</b>	<b>926,431,722</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS

(AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 17 NOVEMBER 2022)

Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Mohamed Salleh s/o Kadir Mohideen Saibu Maricar <sup>1</sup>	649,313,151	70.09	9,634,936	1.04
Radiah Binte Mohamed Salleh Maricar	47,311,680	5.11	-	-

Notes:

<sup>1</sup> The shares are pledged with the banks 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
OCBC Securities Private Limited	1,638,477
Mdm Sapiyah Abu Bakar	7,996,459
	<hr/>
	9,634,936

# STATISTICS OF SHAREHOLDING

AS AT 17 NOVEMBER 2022

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 13.93% of the issued ordinary shares in the capital of the Company are held in the hands of the public as at 17 November 2022. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has therefore been complied with.

## THIRTY LARGEST SHAREHOLDERS AS AT 17 NOVEMBER 2022

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	MOHAMED SALLEH S/O KADIR MOHIDEEN SAIBU MARICAR	649,313,151	70.09
2	RADIAH BINTE MOHAMED SALLEH MARICAR	47,311,680	5.11
3	OCBC SECURITIES PRIVATE LTD	40,173,588	4.34
4	SOFIA BINTE MOHAMED SALLEH MARICAR	27,782,924	3.00
5	DBS NOMINEES PTE LTD	12,706,157	1.37
6	MOHAMED AMAL BIN MOHAMED SALLEH MARICAR	8,877,230	0.96
7	NADIA D/O MOHAMED SALLEH MARICAR OR SAPIYAH ABU BAKAR	7,996,459	0.86
8	MOHAMED HASAN MARICAN S/O K M S M OR SALEHA BINTE A K	6,300,688	0.68
9	KOH CHENG TECK OR PNG PECK ENG	5,375,360	0.58
10	DEVNARAYANAN S/O K R PISHARODY @ SHAH ABDULLAH PISHARODY	4,407,435	0.48
11	JOHARABEE BINTE KADIR M S M OR KADIR MAIDEEN BIN MOHAMED	4,001,065	0.43
12	TAN WOI @TAN SIEW HWA	3,735,699	0.40
13	KHONG LAI CHEONG	3,044,288	0.33
14	WEE HIAN KOK	2,978,544	0.32
15	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,444,163	0.26
16	LIEW CHIAP KONG	2,394,223	0.26
17	KUANG SHIHAO	2,119,024	0.23
18	WONG KAI YEEN	1,769,399	0.19
19	CITIBANK NOMINEES SINGAPORE PTE LTD	1,717,223	0.19
20	RAFFLES NOMINEES (PTE) LIMITED	1,517,584	0.16
21	OCBC NOMINEES SINGAPORE PTE LTD	1,438,548	0.16
22	RAHAMAT BIN MOHD ISMAIL	1,384,067	0.15
23	TAN CHUAN SENG	1,295,135	0.14
24	TAN KIAN HWEE	1,157,000	0.12
25	YIT TENG YUET	1,091,377	0.12
26	NG LENG SAN	1,058,700	0.11
27	TAN BOON SON @TAN TECK LONG	1,036,591	0.11
28	HARRY HALIM @ LIM ENG LIAN	1,024,946	0.11
29	IFAST FINANCIAL PTE LTD	983,490	0.11
30	LIM LIANG THIAM	900,646	0.10
	<b>TOTAL:</b>	<b>847,336,384</b>	<b>91.47</b>

# STATISTICS OF WARRANTHOLDERS

AS AT 17 NOVEMBER 2022

## DISTRIBUTION OF WARRANTHOLDERS BY SIZE OF WARRANTHOLDINGS (W230307) AS AT 17 NOVEMBER 2022

Size Of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 - 99	94	3.66	4,083	0.00
100 - 1,000	113	4.41	43,082	0.00
1,001 - 10,000	454	17.69	2,235,747	0.10
10,001 - 1,000,000	1,722	67.11	214,244,542	9.46
1,000,001 and above	183	7.13	2,049,286,560	90.44
<b>Grand Total</b>	<b>2,566</b>	<b>100.00</b>	<b>2,265,814,014</b>	<b>100.00</b>

## THIRTY LARGEST WARRANTHOLDERS (W230307) AS AT 17 NOVEMBER 2022

NO.	NAME OF WARRANTHOLDER	NO. OF WARRANTS	% OF WARRANTS
1	RADIAH BINTE MOHAMED SALLEH MARICAR	326,756,142	14.42
2	TEO TAT BENG	245,900,000	10.85
3	PHILLIP SECURITIES PTE LTD	146,676,289	6.47
4	DBS NOMINEES PTE LTD	123,779,159	5.46
5	LIM CHEE SAN	50,000,000	2.21
6	LIM KOK YONG	42,150,000	1.86
7	SOFIA BINTE MOHAMED SALLEH MARICAR	40,659,950	1.79
8	SIM CHONG YANG	40,000,000	1.77
9	MAYBANK SECURITIES PTE. LTD.	33,028,534	1.46
10	TEOH HAI THOW	30,000,000	1.32
11	OCBC NOMINEES SINGAPORE PTE LTD	29,045,005	1.28
12	MORPH INVESTMENTS LTD	28,500,000	1.26
13	LEE PENG SHARMAYNE MRS.SHARMAYNE SHUM	27,000,000	1.19
14	TENG JEE CHENG	26,000,000	1.15
15	ONG YEW GUAN	22,000,000	0.97
16	RAFFLES NOMINEES (PTE) LIMITED	20,960,810	0.93
17	YEO CHIEN PENG (YANG JIANPING)	20,665,700	0.91
18	CHEW BEE SEE	20,000,000	0.88
19	SEOW MING LIANG	20,000,000	0.88
20	MOHAMED HASAN MARICAN S/O K M S M OR SALEHA BINTE A K	18,902,064	0.83
21	IFAST FINANCIAL PTE LTD	17,634,534	0.78
22	OCBC SECURITIES PRIVATE LTD	16,358,642	0.72
23	KOH CHENG TECK OR PNG PECK ENG	16,126,080	0.71
24	NADIA D/O MOHAMED SALLEH MARICAR OR SAPIYAH ABU BAKAR	15,836,674	0.70
25	MOHAMED AMAL BIN MOHAMED SALLEH MARICAR	15,199,568	0.67
26	LIM AND TAN SECURITIES PTE LTD	15,034,128	0.66
27	NG NGEE HUNG	15,000,100	0.66
28	LOW CHEN PENG	14,862,200	0.66
29	LEW WING KIT	14,370,100	0.63
30	WONG TENG KEONG	14,000,000	0.62
	<b>TOTAL:</b>	<b>1,466,445,679</b>	<b>64.70</b>

# NOTICE OF ANNUAL GENERAL MEETING

## SECOND CHANCE PROPERTIES LTD

(Co. Reg. No. 198103193M)  
(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“**AGM**”) of Second Chance Properties Ltd (the “**Company**”) will be held on Wednesday, 28 December 2022 at 11:00 a.m. via electronic means, to transact the following business:

### AS ORDINARY BUSINESSES

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 August 2022 together with the Auditors’ Report thereon. *(Resolution 1)*
2. To declare a first and final dividend of 1.0 Singapore cent per ordinary share tax-exempt (one-tier) for the financial year ended 31 August 2022. *(Resolution 2)*
3. To approve the payment of Directors’ fees of S\$142,183 for the financial year ended 31 August 2022. *(Resolution 3)*  
(2021: S\$118,835)
4. To re-elect Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar, who retires by rotation pursuant to Regulation 107 of the Company’s Constitution, as Director of the Company. *(Resolution 4)*  
*[See Explanatory Note (i)]*
5. To re-elect Mr Mohamed Hasan s/o Kadir Mohideen Saibu Maricar, who retires by rotation pursuant to Regulation 107 of the Company’s Constitution, as Director of the Company. *(Resolution 5)*  
*[See Explanatory Note (ii)]*
6. To re-elect Mr Deepak Lakhi Ramchandani, who retires by rotation pursuant to Regulation 111 of the Company’s Constitution, as Director of the Company. *(Resolution 6)*  
*[See Explanatory Note (iii)]*
7. To re-appoint Messrs CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) Certified Public Accountants as Auditors of the Company and to authorize the Directors to fix their remuneration. *(Resolution 7)*
8. To transact any other ordinary business which may properly be transacted at the AGM.

### AS SPECIAL BUSINESS

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

9. **General Mandate to Directors to Issue Shares** *(Resolution 8)*

“That, pursuant to Section 161 of the Companies Act 1967 (the “**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) 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

# NOTICE OF ANNUAL GENERAL MEETING

- (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), 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 AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.”

[See Explanatory Note (iv)]

# NOTICE OF ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD

**Shirley Tan Sey Liy**  
Company Secretary

Singapore, 9 December 2022

## EXPLANATORY NOTES:

- i. Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar, will, upon re-election as a Director, remain as Executive Director and Chief Executive Officer of the Company. Detailed information on Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar can be found under the "Board of Directors" and "Disclosure of information on Directors seeking re-election" sections in the Company's Annual Report.
- ii. Mr Mohamed Hasan s/o Kadir Mohideen Saibu Maricar will, upon re-election as a Director, remain as Executive Director and Deputy Chief Executive Officer of the Company. Detailed information on Mr Mohamed Hasan s/o Kadir Mohideen Saibu Maricar can be found under the "Board of Directors" and "Disclosure of information on Directors seeking re-election" sections in the Company's Annual Report.
- iii. Mr Deepak Lakhi Ramchandani will, upon re-election as a Director, remain as Non- Executive Director of the Company. Detailed information on Mr Deepak Lakhi Ramchandani can found under the "Board of Directors" and "Disclosure of information on Directors seeking re-election" sections in the Company's Annual Report.
- iv. Ordinary Resolution 8 above, if passed, will authorise and empower the Directors of the Company from the date of this resolution is passed until the date of the next AGM, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares, and to issue shares in pursuance of such Instruments, up to a number not exceeding in aggregate 50 per cent of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20 per cent may be issued other than on a *pro rata* basis to existing shareholders of the Company.

## Notes:

### General

1. Pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the AGM will be held by way of electronic means and the members will NOT be allowed to attend the AGM in person. However, an alternative arrangement has been provided to allow the members to participate and vote in the AGM via electronic means.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance, or "live" at the AGM and/or voting at the AGM (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as a proxy to vote on the member's behalf at the AGM are set out in this Notice of AGM. The Notice of AGM is also made available on SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: [www.secondchance.com.sg](http://www.secondchance.com.sg)

### Participation in AGM proceedings via "Live Webcast/Live Audio Feed"

3. A member will be able to participate at the AGM by watching the AGM proceedings via a "live" audio video webcast via mobile phones, tablets or computers or by listening to the proceedings through a "live" audio-only feed via telephone ("**Live Webcast/Live Audio Feed**"). In order to do so, a member must pre-register **by 11:00 a.m. on 25 December 2022** ("**Pre-registration Deadline**"), at the following URL: <https://conveneagm.sg/secondchance2022> ("**Pre-registration Website**") for the Company to authenticate his/her/its status as members.
4. To pre-register the Live Webcast/Live Audio Feed, kindly access the Pre-registration Website, using either the latest versions of Chrome, Safari, Edge or Firefox.
5. Following the authentication of his/her/its status as a member, such member will receive an email with instructions on how to access the Live Webcast/Live Audio Feed of the proceedings of the AGM **by 11:00 a.m. on 27 December 2022**.

# NOTICE OF ANNUAL GENERAL MEETING

6. Members who do not receive an email by 11:00 a.m. on 27 December 2022, but have registered by the Pre-registration Deadline, may contact the Company at the email address: [contact@secondchance.com.sg](mailto:contact@secondchance.com.sg) with the following details included: (1) the full name of the member, and (2) his/her/its identification/registration number.
7. Investors who hold Shares through depository agents (as defined in Section 81SF of the Securities and Futures Act 2001) and wish to watch the Live Webcast or listen to the Live Audio Feed of the AGM must approach their respective depository agents to pre-register **by 5:00 p.m. on 15 December 2022** in order to allow sufficient time for their respective depository agents to in turn register their interest with the Company.

## Submission of Questions in advance of or “live” at the AGM

8. Members may submit substantial and relevant textual questions related to the resolutions to be tabled for approval for the AGM in advance of, or “live” at, the AGM.

## How to submit questions in advance of AGM

9. If a member wishes to submit questions related to the resolutions tabled for approval at the AGM, all questions must be submitted **no later than 16 December 2022** through any of the following means:
  - (a) Via the pre-registration website at the URL: <https://conveneagm.sg/secondchance2022>;
  - (b) In hard copy by sending personally or by post and lodging the same at the registered office of the Company at 845 Geylang Road, #04-22 Tanjong Katong Complex, Singapore 400845; or
  - (c) By email to the Company at [contact@secondchance.com.sg](mailto:contact@secondchance.com.sg).

and provide particulars as follows:

- the Shareholder’s full name as it appears on his/her/its CDP/CPF/SRS share records;
- the Shareholder’s NRIC/Passport/UEN number;
- the Shareholder’s contact number and email address; and
- the manner in which the Shareholder holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

10. The Company will endeavour to address all substantial and relevant questions received from Members **by 23 December 2022, 11:00 a.m.** via SGXNet and on our corporate website. The Company will also address any subsequent clarifications sought or follow-up questions at the AGM in respect of substantial and relevant matters. The responses from the Board and the Management of the Company shall thereafter be published on SGXNet, together with the minutes of the AGM, within one (1) month after the conclusion of the AGM.

## How to submit questions “live” at the AGM

11. Members may submit textual questions “live” at the AGM in the following manner:
  - (a) Members or where applicable, their appointed proxy(ies) and Investors who have pre-registered and are verified to attend the AGM can ask questions relating to the ordinary resolutions tabled for approval at the AGM “live” at the AGM, by typing in and submitting their questions through the “live” ask-a-question function via the audio-visual webcast platform during the AGM within a certain prescribed time limit.
  - (b) Members who wish to appoint a proxy(ies) (other than the Chairman of the AGM) to ask questions “live” at the AGM on their behalf must, in addition to completing and submitting an instrument appointing a proxy(ies), ensure that their proxy(ies) pre-register separately via the registration link before the Pre-registration Deadline, upon verification of the Proxy Form(s).
  - (c) Members (including CPF and SRS Investors) or, where applicable, their appointed proxy(ies) must access the AGM proceedings via the Live Webcast in order to ask questions “live” at the AGM, and will not be able to do so via the Live Audio Feed of the AGM proceedings.
  - (d) The Company will, during the AGM itself, address as many substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) which have not already been addressed prior to the AGM, as well as those received “live” at the AGM itself, as reasonably practicable. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

# NOTICE OF ANNUAL GENERAL MEETING

## Submission of instrument appointing a proxy(ies) to vote, or vote "live", at the AGM

12. Members who wish to exercise their voting rights at the AGM may:
- (a) (where such members are individuals) vote "live" via electronic means at the AGM or (where such shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the AGM)<sup>#</sup> to vote "live" via electronic means at the AGM on their behalf, or
- <sup>#</sup> For the avoidance of doubt, CPF and SRS investors will not be able to appoint third-party proxy(ies) (i.e. persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.
- (b) (where such shareholders are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM.
- Members (including CPF and SRS Investors) and, where applicable, appointed proxy(ies), who wish to vote "live", at the AGM must first pre-register at the Pre-registration Website via the URL: <https://conveneagm.sg/secondchance2022>.
  - Members (whether individual or corporate and including a Relevant Intermediary\*) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment for that resolution will be treated as invalid.
13. A member who is not a Relevant Intermediary\*, entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead at the AGM of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company.
14. The Proxy Form for the AGM can be assessed at the Company's website at the following URL: [www.secondchance.com.sg](http://www.secondchance.com.sg), and is made available with this Notice of AGM on SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> on the same day.
15. The Proxy Form, together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:
- (a) If sent personally or by post, be lodged at the registered office of the Company at 845 Geylang Road, #04-22 Tanjong Katong Complex, Singapore 400845; or
- (b) If by email, be received by the Company at [contact@secondchance.com.sg](mailto:contact@secondchance.com.sg)
- In either case, **by 25 December 2022, 11:00 a.m.** (being 72 hours before the time fixed for the AGM) ("**Proxy Deadline**"), and in default the instrument of proxy shall not be treated as valid.
16. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.
17. Members are strongly encouraged to submit the completed proxy form electronically via email.
18. The instrument appointing the proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
19. The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents) (such as in the case where the appointor submits more than one instrument appointing the proxy or proxies).
20. Investors who hold shares through Relevant Intermediary\*, including under the Central Provident Fund Investment Scheme ("**CPF Investor**") or the Supplementary Retirement Scheme ("**SRS Investor**"), and holders under depository agents and who wish to exercise their votes should approach their respective Relevant Intermediary\*, including CPF Agent Bank, SRS Operators or depository agent to submit their votes at least seven (7) working days before the AGM (i.e. **by 5:00 p.m. on 15 December 2022**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.

# NOTICE OF ANNUAL GENERAL MEETING

21. In the case of a member whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing the proxy or proxies lodged if such member, being appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

## Documents for the AGM

22. The following documents are made available to members on 9 December 2022 together with this Notice of AGM via SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: [www.secondchance.com.sg](http://www.secondchance.com.sg):
- (a) Annual Report for the financial year ended 31 August 2022 ("**Annual Report**"); and
  - (b) Proxy Form in relation to the AGM.
23. There will be no despatch of printed copies of the Annual Report, Notice of AGM, Proxy Form and request form. Members are advised to check SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL: [www.secondchance.com.sg](http://www.secondchance.com.sg) for the aforesaid documents. However, if you wish to receive a printed copy of the Annual Report, please print out, complete and return the request form to the Company's Share Registrar office **by no later than 19 December 2022**.

\*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 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; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, 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 Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

## **PERSONAL DATA PRIVACY**

By (a) submitting an instrument appointing the Chairman of the AGM as proxy to vote at the AGM of the Company and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM of the Company via live audio-visual webcast or audio-only stream, or (c) submitting any question prior to the AGM of the Company, in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration and analysis by the Company (or its agents or service providers) of the instruments appointing the Chairman of the AGM as proxy for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the live audio-visual webcast or audio-only stream to observe the proceedings of the AGM of the Company and providing them with any technical assistance where necessary;
- (iii) addressing substantial and relevant questions from members received before the AGM of the Company and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

The member'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 abovementioned 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)

**IMPORTANT**

- Pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Annual General Meeting of the Company will be held by way of electronic means.
- A member will not be able to attend the AGM in person. Alternative arrangements relating to the attendance of the AGM through electronic means, as well as conduct of the AGM and relevant guidance with full details are set out in the Notice of AGM dated 9 December 2022, which can be accessed via the SGX website at: <https://www.sgx.com/securities/company-announcements>.
- An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investor**”) (as may be applicable) may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy at least seven (7) working days before the Meeting, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
- This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

ANNUAL GENERAL MEETING  
**PROXY FORM**

\*I/We, \_\_\_\_\_ (Name), \_\_\_\_\_ (NRIC/Passport/Co Reg No.)

of \_\_\_\_\_ (Address) being a \*member/members of  
**Second Chance Properties Ltd** (the “**Company**”), hereby appoint the

Name	NRIC/Passport No.	Email Address*	Proportion of Shareholdings	
			No. of Shares	%
Address				

and/or (delete as appropriate)

Name	NRIC/Passport No.	Email Address*	Proportion of Shareholdings	
			No. of Shares	%
Address				

^ Appointed proxy(ies) will have to pre-register at the Pre-registration Website which is accessible from the URL: <https://conveneagm.sg/secondchance2022> in order to access the Live Webcast or Live Audio Feed of the Annual General Meeting proceedings.

or if no proxy is named, the Chairman of the Meeting, as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf at the Annual General Meeting of the Company to be held by way of electronic means on Wednesday, 28 December 2022 at 11:00 a.m. (the “**AGM**”), and at any adjournment thereof.

If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of Chairman of the Meeting as proxy for that Resolution will be treated as invalid.

No.	Ordinary Resolutions	No. of votes For**	No. of votes Against**	No. of votes Abstain**
<b>Ordinary Businesses</b>				
1.	Adoption of the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 August 2022, together with the Auditor’s Report thereon			
2.	Payment of proposed first and final dividend of 1.0 Singapore cent per ordinary share tax-exempt (one-tier) for the financial year ended 31 August 2022			
3.	To approve the payment of Directors’ fees			
4.	Re-election of Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar as a Director of the Company			
5.	Re-election of Mr Mohamed Hasan s/o Kadir Mohideen Saibu Maricar as a Director of the Company			
6.	Re-election of Mr Deepak Lakhi Ramchandani as a Director of the Company			
7.	Re-appointment of Messrs CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) as Auditors of the Company and authority to Directors of the Company to fix their remuneration			
<b>Special Business</b>				
8.	Authority to issue shares in the capital of the Company			

\*Delete where inapplicable.

\*\*If you wish to exercise all your votes ‘For’ or ‘Against’, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

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 resolution to be passed.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
Signature of Member(s)/  
and, Common Seal of Corporate Shareholder

Total number of shares held	
(a) Depository Register	
(b) Register of Members	

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



## IMPORTANT NOTES TO PROXY FORM:

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
2. Members will not be able to attend the Meeting in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it may:
  - (a) (where the member is an individual) vote "live" via electronic means at the AGM or (where the member is an individual or corporate) appoint a proxy(ies) (other than the Chairman of the AGM)# to vote "live" via electronic means at the AGM on his/her/its behalf; or
  - \*For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e. persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.
  - (b) (where a member is an individual or corporate) appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.

In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment for that resolution will be treated as invalid.
3. A member of the Company who is not a Relevant Intermediary entitled to attend and vote at AGM of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
4. Where a member who is not a Relevant Intermediary appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. A member who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
6. Subject to paragraph (7) below, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Live Webcast of the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.
7. An investor who holds Shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and wishes to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. **by 5:00 p.m. on 15 December 2022**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.
8. The Proxy Form, together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:
  - (a) If sent personally or by post, be lodged at the registered office of the Company at 845 Geylang Road, #04-22 Tanjong Katong Complex, Singapore 400845; or
  - (b) If by email, be received by the Company at [contact@secondchance.com.sg](mailto:contact@secondchance.com.sg)In either case, **by 25 December 2022, 11:00 a.m.** (being 72 hours before the time fixed for the AGM) ("**Proxy Deadline**"), and in default the instrument of proxy shall not be treated as valid.
9. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by depositing to the address provided above, or scanning and sending it by email to the email address provided above.
10. Members are strongly encouraged to submit completed proxy form electronically via email.
11. The instrument appointing the proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
12. The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents). In addition, in the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the proxy or proxies lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

## PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as a proxy, the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of AGM dated 9 December 2022.

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

### Independent Non-Executive Chairman

Dr Ahmad Magad

### Deputy CEO

Mohamed Hasan Marican s/o Kadir Mohideen  
Saibu Maricar

### Executive Director

Devnarayanan s/o K.R. Pisharody

### Independent Non-Executive Director

Geetha Padmanabhan

### Independent Non-Executive Director

Tan Lye Heng Paul

### Non-Executive Director

Deepak Lakhi Ramchandani

## 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 Gupta

### Group Head - Accounts and Finance

J 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

Shirley Tan

## SHARE REGISTRAR AND WARRANT AGENT

Tricor Barbinder Share Registration Services  
80 Robinson Road #11-02  
Singapore 068898  
Tel: 62363333

## AUDITORS

CLA Global TS Public Accounting Corporation  
(formerly Nexia TS Public Accounting Corporation)  
Director-in-charge  
Lee Tze Shiong  
(appointed since the financial year ended  
31 August 2021)

## PRINCIPAL BANKERS

DBS Bank Limited  
United Overseas Bank Limited  
Bank of Singapore

## REGISTERED OFFICE

845 Geylang Road #04-22  
Tanjong Katong Complex  
Singapore 400845  
Telephone: 67456911  
Facsimile: 67456955  
Email: [contact@secondchance.com.sg](mailto:contact@secondchance.com.sg)



**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](mailto:contact@secondchance.com.sg)

845 Geylang Road #04-22

Tanjong Katong Complex, Singapore 400845