

OLD CHANG KEE LTD.
(Company Registration No.: 200416190W)
(Incorporated in the Republic of Singapore on 16 December 2004)

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of comprehensive income

| | The Group | | | The Group | | |
|-------------------------------------------------------------------|-------------------|-------------------|-----------|-------------------|-------------------|---------|
| | 2H2021 S\$'000 | 2H2020 S\$'000 | +/(-) % | FY2021 S\$'000 | FY2020 S\$'000 | +/(-) % |
| Revenue | 37,138 | 43,424 | (14.5) | 75,319 | 88,040 | (14.4) |
| Cost of sales | (12,918) | (15,698) | (17.7) | (25,888) | (31,998) | (19.1) |
| Gross profit | 24,220 | 27,726 | (12.6) | 49,431 | 56,042 | (11.8) |
| Other items of income | | | | | | |
| Interest income on short term deposits | 15 | 54 | (72.2) | 45 | 106 | (57.5) |
| Other income | 2,880 | 712 | 304.5 | 7,326 | 1,192 | 514.6 |
| Other items of expenses | | | | | | |
| Selling and distribution expenses | (16,020) | (19,616) | (18.3) | (30,575) | (39,048) | (21.7) |
| Administrative expenses | (6,291) | (5,616) | 12.0 | (13,615) | (11,687) | 16.5 |
| Finance costs | (318) | (460) | (30.9) | (682) | (958) | (28.8) |
| Other expenses | (1,444) | (2,990) | (51.7) | (1,953) | (3,771) | (48.2) |
| Profit before tax and share of results of joint venture | 3,042 | (190) | (1,701.1) | 9,977 | 1,876 | 431.8 |
| Share of results of joint venture | - | (17) | (100.0) | - | (160) | NM |
| Profit before tax | 3,042 | (207) | (1,569.6) | 9,977 | 1,716 | 481.4 |
| Income tax expense | (440) | (498) | (11.6) | (1,241) | (867) | 43.1 |
| Profit for the period/year | 2,602 | (705) | (469.1) | 8,736 | 849 | 929.0 |
| Other comprehensive income | | | | | | |
| Exchange differences on translating foreign operations | (65) | 77 | (184.4) | (202) | 122 | (265.6) |
| Other comprehensive income for the period/year, net of tax | (65) | 77 | (184.4) | (202) | 122 | (265.6) |
| Other comprehensive income for the period/year, net of tax | 2,537 | (628) | (504.0) | 8,534 | 971 | 778.9 |

NM: Not meaningful

1(a)(ii) Notes to consolidated statement of comprehensive income

1. Profit before tax is arrived at after charging/(crediting) the following:

| | The Group | | | The Group | | |
|---------------------------------------------------------|-----------|---------|---------|-----------|---------|---------|
| | 2H2021 | 2H2020 | +/(-) | FY2021 | FY2020 | +/(-) |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Amortisation of intangible assets | 8 | 35 | (77.1) | 31 | 70 | (55.7) |
| Depreciation of property, plant and equipment | 2,354 | 2,817 | (16.4) | 4,802 | 5,373 | (10.6) |
| Depreciation of right-of-use assets | 5,311 | 5,236 | 1.4 | 10,717 | 9,852 | 8.8 |
| Impairment loss on | | | | | | |
| property, plant and equipment | 113 | 271 | (58.3) | 113 | 271 | (58.3) |
| right-of-use assets | 499 | 136 | 266.9 | 499 | 136 | 266.9 |
| Interest income from short-term deposits | (15) | (54) | (72.2) | (45) | (106) | (57.5) |
| Property, plant and equipment written off | 1 | 196 | (99.5) | 2 | 196 | (99.0) |
| Gain on disposal of property, plant and equipment | (169) | - | - | (185) | (10) | 1,750.0 |
| Gain on lease modification | (1) | - | - | (17) | - | NM |
| Interest expense from borrowings and finance lease | 55 | 130 | (57.7) | 127 | 282 | (55.0) |
| Interest expense from amortisation of lease liabilities | 263 | 330 | (20.3) | 555 | 676 | (17.9) |
| (Gain)/loss in foreign exchange, net | (17) | 62 | (127.4) | (157) | 172 | (191.3) |
| Loss on disposal of investment in unquoted shares | - | - | - | - | 74 | NM |
| Impairment of loan and receivables | | | | | | |
| -amount due from associated company | 86 | 229 | (62.4) | 86 | 229 | (62.4) |
| -amount due from joint venture | 148 | 1,350 | (89.0) | 148 | 1,350 | (89.0) |
| -trade and other receivables | - | 4 | (100.0) | - | 4 | (100.0) |

NM: Not meaningful

2. The major components of taxation comprise:

| | The Group | | | The Group | | |
|---------------------------------------------------------------------------|-----------|---------|---------|-----------|---------|---------|
| | 2H2021 | 2H2020 | +/(-) | FY2021 | FY2020 | +/(-) |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Current income tax | | | | | | |
| -Current income taxation | 474 | 452 | 4.9 | 1,517 | 1,012 | 49.9 |
| -under(over) provision in respect of prior year | 67 | (40) | (267.5) | 67 | (40) | (267.5) |
| Deferred income tax | | | | | | |
| -Movement in temporary differences | (101) | 86 | (217.4) | (343) | (105) | 226.7 |
| Taxation recognised in the consolidated statement of comprehensive income | 440 | 498 | (11.6) | 1,241 | 867 | 43.1 |

NM: Not meaningful

1(b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

| | The Group | | The Company | |
|-----------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31-03-2021 S\$'000 | 31-03-2020 S\$'000 | 31-03-2021 S\$'000 | 31-03-2020 S\$'000 |
| Non-Current Assets | | | | |
| Property, plant and equipment | 21,311 | 25,149 | - | - |
| Right-of-use assets | 19,749 | 19,344 | - | - |
| Intangible assets | 155 | 186 | - | - |
| Investment in subsidiary companies | - | - | 5,640 | 5,640 |
| Investment in associates and joint venture | - | - | - | - |
| Deferred tax assets | 10 | 10 | 10 | 10 |
| Long term deposits | 2,517 | 2,358 | - | - |
| | 43,742 | 47,047 | 5,650 | 5,650 |
| Current Assets | | | | |
| Inventories | 1,046 | 1,285 | - | - |
| Trade and other receivables | 1,292 | 2,738 | 6 | 159 |
| Deposits | 1,063 | 1,355 | - | - |
| Prepayments | 1,041 | 1,085 | 25 | 24 |
| Amount due from subsidiary companies | - | - | 4,056 | 6,385 |
| Cash and bank balances | 25,190 | 11,749 | 9,494 | 3,866 |
| Restricted cash | 2,500 | 2,500 | - | - |
| | 32,132 | 20,712 | 13,581 | 10,434 |
| Current Liabilities | | | | |
| Trade and other payables | 9,361 | 8,297 | 3,561 | 906 |
| Other liabilities | 147 | 182 | - | - |
| Provisions | 2,506 | 2,435 | 50 | 47 |
| Bank loans | 1,288 | 1,222 | - | - |
| Finance lease liabilities | 200 | 170 | - | - |
| Lease liabilities | 9,636 | 9,837 | - | - |
| Provision for taxation | 1,498 | 1,011 | 40 | 26 |
| | 24,636 | 23,154 | 3,651 | 979 |
| Net Current Assets/(Liabilities) | 7,496 | (2,442) | 9,930 | 9,455 |
| Non-Current Liabilities | | | | |
| Bank loans | 5,385 | 6,718 | - | - |
| Finance lease liabilities | 309 | 401 | - | - |
| Lease liabilities | 11,012 | 9,931 | - | - |
| Deferred tax liabilities | 818 | 1,161 | - | - |
| | 17,524 | 18,211 | - | - |
| Net Assets | 33,714 | 26,394 | 15,580 | 15,105 |
| Equity attributable to owners of the Company | | | | |
| Share capital | 13,964 | 13,964 | 13,964 | 13,964 |
| Retained earnings | 19,735 | 12,213 | 1,616 | 1,141 |
| Other reserves | 15 | 217 | - | - |
| Total Equity | 33,714 | 26,394 | 15,580 | 15,105 |

- 1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

| As at 31-03-2021 | | As at 31-03-2020 | |
|--------------------|----------------------|--------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| 1,488 | - | 1,392 | - |

Amount repayable after one year

| As at 31-03-2021 | | As at 31-03-2020 | |
|--------------------|----------------------|--------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| 5,694 | - | 7,119 | - |

Details of any collateral

The Group's borrowings are secured as follows:

1. Bank loans are secured by:

- (i) a first legal mortgage on freehold and leasehold properties owned by the Group's wholly owned subsidiary companies as at 31 March 2021; and
- (ii) corporate guarantees by the Company as at 31 March 2021.

2. Finance lease obligations are secured by the lessors' title to the respective leased assets.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | The Group | | The Group | |
|-----------------------------------------------------------|---------------|----------------|---------------|----------------|
| | 2H2021 | 2H2020 | FY2021 | FY2020 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from operating activities | | | | |
| Profit/(loss) before tax | 3,042 | (207) | 9,977 | 1,716 |
| Adjustments for: | | | | |
| Impairment loss on trade receivables | - | 4 | - | 4 |
| Impairment loss on amount due from associate | 86 | 229 | 86 | 229 |
| Impairment loss on amount due from joint venture | 148 | 1,350 | 148 | 1,350 |
| Impairment loss for investment in unquoted shares | - | 74 | - | 74 |
| Amortisation of intangible assets | 8 | 35 | 31 | 70 |
| Depreciation of property, plant and equipment | 2,354 | 2,817 | 4,802 | 5,373 |
| Depreciation of right-of-use assets | 5,311 | 5,236 | 10,717 | 9,852 |
| Gain on disposal of property, plant and equipment | (169) | - | (185) | (10) |
| Gain on lease modification | (1) | - | (17) | - |
| Impairment loss on property, plant and equipment | 113 | 271 | 113 | 271 |
| Impairment loss on right-of-use assets | 499 | 136 | 499 | 136 |
| Property, plant and equipment written off | 1 | 196 | 2 | 196 |
| Share of results of joint venture | - | 17 | - | 160 |
| Interest expense from borrowings and finance lease | 55 | 130 | 127 | 282 |
| Interest expense from amortisation of lease liabilities | 263 | 330 | 555 | 676 |
| Interest income | (15) | (54) | (45) | (106) |
| Currency realignment | (30) | 71 | (169) | 136 |
| Operating profit before changes in working capital | 11,665 | 10,635 | 26,641 | 20,409 |
| (Increase)/decrease in inventories | (136) | 55 | 239 | (188) |
| Decrease/(increase) in trade and other receivables | 322 | (2,398) | 1,430 | (2,390) |
| Increase in amount due from associates | (45) | (45) | (86) | (98) |
| Increase in amount due from joint venture | (14) | (28) | (38) | (39) |
| (Increase)/decrease in deposits | (98) | (170) | 133 | (389) |
| Decrease/(increase) in prepayments | 586 | 152 | 44 | (72) |
| (Decrease)/increase in trade and other payables | (845) | 667 | 1,064 | 806 |
| (Decrease)/increase in other liabilities | (11) | 4 | (35) | 6 |
| Increase/(decrease) in provisions | 24 | (131) | (10) | (109) |
| Cash flows from operations | 11,448 | 8,741 | 29,382 | 17,936 |
| Tax paid | (713) | (619) | (1,097) | (1,282) |
| Net cash flows from operating activities | 10,735 | 8,122 | 28,285 | 16,654 |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | (1,055) | (1,115) | (1,276) | (2,314) |
| Purchase of intangible asset | - | - | - | (28) |
| Proceeds from disposal of property, plant and equipment | 540 | 2 | 571 | 12 |
| Proceeds from disposal of unquoted shares | - | 160 | - | 160 |
| Loan to joint venture | (110) | (560) | (110) | (817) |
| Interest received | 15 | 38 | 61 | 90 |
| Net cash flows used in investing activities | (610) | (1,475) | (754) | (2,897) |

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | The Group | | The Group | |
|---------------------------------------------------------------------|----------------|----------------|-----------------|-----------------|
| | 2H2021 | 2H2020 | FY2021 | FY2020 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from financing activities | | | | |
| Dividends paid | (1,214) | (1,213) | (1,214) | (3,034) |
| Proceeds from bank loan | - | - | - | 8,482 |
| Repayment of finance lease liabilities | (117) | (45) | (204) | (161) |
| Repayment of lease obligation | (5,422) | (5,143) | (10,723) | (9,564) |
| Interest portion of lease liabilities paid | (263) | (330) | (555) | (676) |
| Interest paid | (55) | (130) | (127) | (282) |
| Repayment of bank loans | (639) | (601) | (1,267) | (9,720) |
| Bank deposit pledged | - | - | - | (2,500) |
| Net cash flows used in financing activities | (7,710) | (7,462) | (14,090) | (17,455) |
| Net increase/(decrease) in cash and cash equivalents | 2,415 | (815) | 13,441 | (3,698) |
| Cash and cash equivalents at the beginning of the financial period | 22,775 | 12,564 | 11,749 | 15,447 |
| Cash and cash equivalents at the end of the financial period | 25,190 | 11,749 | 25,190 | 11,749 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Equity attributable to owners of the Company | | | |
|--------------------------------------------------|----------------------------------------------|-------------------|--------------------------------------|---------------|
| | Share capital | Retained earnings | Foreign currency translation reserve | Total equity |
| The Group | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 01-04-2020 | 13,964 | 12,213 | 217 | 26,394 |
| Profit for the period | - | 6,134 | - | 6,134 |
| <u>Other comprehensive income</u> | | | | |
| Foreign currency translation | - | - | (137) | (137) |
| Total comprehensive income for the period | - | 6,134 | (137) | 5,997 |
| Balance at 30-09-2020 | 13,964 | 18,347 | 80 | 32,391 |
| Profit for the period | - | 2,602 | - | 2,602 |
| <u>Other comprehensive income</u> | | | | |
| Foreign currency translation | - | - | (65) | (65) |
| Total comprehensive income for the period | - | 2,602 | (65) | 2,537 |
| Dividends on ordinary shares | - | (1,214) | - | (1,214) |
| Balance at 31-03-2021 | 13,964 | 19,735 | 15 | 33,714 |

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| Equity attributable to owners of the Company | | | | |
|--------------------------------------------------|---------------|-------------------|--------------------------------------|---------------|
| The Group | Share capital | Retained earnings | Foreign currency translation reserve | Total equity |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 01-04-2019 | 13,964 | 14,398 | 95 | 28,457 |
| Profit for the period | - | 1,554 | - | 1,554 |
| <u>Other comprehensive income</u> | | | | |
| Foreign currency translation | - | - | 45 | 45 |
| Total comprehensive income for the period | - | 1,554 | 45 | 1,599 |
| Dividends on ordinary shares | - | (1,821) | - | (1,821) |
| Balance at 30-09-2019 | 13,964 | 14,131 | 140 | 28,235 |
| Profit for the period | - | (705) | - | (705) |
| <u>Other comprehensive income</u> | | | | |
| Foreign currency translation | - | - | 77 | 77 |
| Total comprehensive income for the period | - | (705) | 77 | (628) |
| Dividends on ordinary shares | - | (1,213) | - | (1,213) |
| Balance at 31-03-2020 | 13,964 | 12,213 | 217 | 26,394 |

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Share capital | Retained earnings | Total equity |
|--------------------------------------------------|---------------|-------------------|---------------|
| The Company | S\$'000 | S\$'000 | S\$'000 |
| Balance at 01-04-2020 | 13,964 | 1,141 | 15,105 |
| Profit for the period | - | 297 | 297 |
| Total comprehensive income for the period | - | 297 | 297 |
| Balance at 30-09-2020 | 13,964 | 1,438 | 15,402 |
| Profit for the period | - | 1,392 | 1,392 |
| Total comprehensive income for the period | - | 1,392 | 1,392 |
| Dividends on ordinary shares | - | (1,214) | (1,214) |
| Balance at 31-03-2021 | 13,964 | 1,616 | 15,580 |

| | Share capital | Retained earnings | Total equity |
|--------------------------------------------------|---------------|-------------------|---------------|
| The Company | S\$'000 | S\$'000 | S\$'000 |
| Balance at 01-04-2019 | 13,964 | 3,045 | 17,009 |
| Profit for the period | - | 32 | 32 |
| Total comprehensive income for the period | - | 32 | 32 |
| Dividends on ordinary shares | - | (1,821) | (1,821) |
| Balance at 30-09-2019 | 13,964 | 1,256 | 15,220 |
| Profit for the period | - | 1,098 | 1,098 |
| Total comprehensive income for the period | - | 1,098 | 1,098 |
| Dividends on ordinary shares | - | (1,213) | (1,213) |
| Balance at 31-03-2020 | 13,964 | 1,141 | 15,105 |

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, , if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Ordinary shares

| | Number of shares | S\$'000 |
|---------------------------------------------------------------------------------|------------------|---------|
| Issued and fully paid ordinary shares as at 31 March 2021 and 30 September 2020 | 121,374,700 | 13,964 |

There were no treasury shares, outstanding options, other convertibles and/or subsidiary holdings as at 31 March 2021 and 31 March 2020.

- 1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

| | As at 31-03-2021 | As at 31-03-2020 |
|---------------------------------------------------------|---------------------|---------------------|
| Total number of issued shares excluding treasury shares | 121,374,700 | 121,374,700 |

- 1(d)(iv) **A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. There were no treasury shares during and as at the end of the current financial year reported on.

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

Not applicable. There were no subsidiary holdings during and as at the end of the current financial year reported on.

- 2 **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures in this announcement have not been audited or reviewed by the Group's auditor.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

- 3A **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable, as the Group's latest audited financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 March 2020.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are effective for annual periods beginning on or after 1 April 2020 and are relevant to its operations.

Save as for disclosed below, the adoption of these new/revised SFRS(I) and INT SFRS(I) does not result in any material changes to the Group's accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recently audited financial statements as at 31 March 2020 except as described below:-

Amendment to SFRS(I) 16: Covid-19 Related Rent Concessions

The Group has elected to early adopt the Amendment to SFRS(I) 16: Covid-19 Related Rent Concessions ("**Amendment**") which is effective from 1 June 2020. Under the Amendment, as a practical expedient, the Group may elect to account for any change in lease payments resulting from rent concession as if the change was not a lease modification. As a result of this election, the Group has recognised rent concessions of approximately S\$3.4 million to offset against outlet rental expenses under selling and distribution expenses in respect of the full year ended 31 March 2021.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Basic earnings/loss per ordinary share ("**EPS**" or "**LPS**") is computed by dividing the earnings/loss attributable to owners of the Company in each financial period/year by the weighted average number of ordinary shares in issue during the respective financial year.

| EPS after deducting any provision for preference dividends :- | The Group | | The Group | |
|-----------------------------------------------------------------------------------------|-----------|--------|-----------|--------|
| | 2H2021 | 2H2020 | FY2021 | FY2020 |
| (a) Based on weighted average number of ordinary shares in issue (Singapore cents); and | 2.14 | -0.58 | 7.20 | 0.70 |
| (b) On a fully diluted basis (Singapore cents) | 2.14 | -0.58 | 7.20 | 0.70 |

| Number of shares used in the respective computations of EPS :- | The Group | | The Group | |
|------------------------------------------------------------------------|-------------|-------------|-------------|-------------|
| | 2H2021 | 2H2020 | FY2021 | FY2020 |
| (a) Based on weighted average number of ordinary shares in issue ; and | 121,374,700 | 121,374,700 | 121,374,700 | 121,374,700 |
| (b) On a fully diluted basis | 121,374,700 | 121,374,700 | 121,374,700 | 121,374,700 |

The basic and diluted EPS for the financial year ended 31 March 2021 and 31 March 2020 were the same as there were no potentially dilutive securities in issue as at 31 March 2021 and 31 March 2020.

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

| | The Group | | The Company | |
|-----------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|
| | 31-03-2021 | 31-03-2020 | 31-03-2021 | 31-03-2020 |
| Net asset value per ordinary share based on total number of issued shares as at the end of the financial period reported on | \$0.28 | \$0.22 | \$0.13 | \$0.12 |
| Total number of issued shares as at the end of the financial period reported on | 121,374,700 | 121,374,700 | 121,374,700 | 121,374,700 |

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(A) Statement of Comprehensive Income

2HFY2021 vs 2HFY2020

For the period from 1 October 2020 to 31 March 2021 ("2H2021"), the Group's revenue decreased by approximately S\$6.3 million or 14.5% mainly due to a decrease in revenue from retail outlets, offset by higher revenue from delivery and catering sales. As at 31 March 2021, the Group was operating a total of 92 outlets in Singapore, as compared to 89 outlets as at 31 March 2020.

Revenue from retail outlets decreased by approximately S\$6.6 million or 16.1% mainly due to lower revenue from outlets popular with tourists and temporary closure of some outlets due to the Coronavirus Disease 2019 ("Covid-19") pandemic.

Revenue from other services, such as delivery and catering services, increased by approximately S\$348,000 mainly due to higher delivery revenue.

The Group's gross margin improved by 1.4% to 65.2% in 2H2021, mainly due to improved food cost controls and higher production staff efficiency during the period.

Other income increased by approximately S\$2.2 million due to government grants such as Job Support Scheme ("JSS"), Wage Credit Scheme and Special Employment Scheme and property tax rebates.

The decrease in selling and distribution ("S & D") expenses was largely due to rental rebates received from landlords and improved staff and other operating efficiencies.

The increase in administrative expenses was mainly due to higher staff incentive provision arising from the increase in net profit for 2H2021, offset by lower entertainment and travelling expenses, upkeep of motor vehicle and repair and maintenance expenses.

Finance costs decreased mainly due to lower loan interest rates and lease liabilities during the period.

Other expenses decreased by S\$1.5 million, mainly due to

- (i) lower impairment of amount due from (a) our joint venture in United Kingdom ("UK") of approximately \$1.2 million and (b) the Company's Malaysian associate of approximately S\$143,000;
- (ii) lower exchange loss of approximately S\$79,000 mainly due to exchange rate gains on foreign currency denominated payables to related companies within the Group; and
- (iii) lower fixed assets written off of approximately S\$195,000 due to fewer outlet closures, offset by higher impairment of right-of-use assets and property, plant and equipment of approximately S\$205,000 for retail outlets affected by the pandemic.

The decrease in depreciation expenses was mainly due to an increase in fully depreciated assets in 2H2021.

The Group's taxation expenses decreased by S\$126,000 mainly due to non-taxable JSS grant income for the current period.

FY2021 vs FY2020

The Group's revenue decreased by approximately S\$12.7 million or 14.4% for the year ended 31 March 2021 ("FY2021"), mainly due to a decrease in revenue from retail outlets, offset by higher revenue from delivery, catering and events.

Revenue from retail outlets decreased by approximately S\$22.2 million or 26.4% mainly affected by Covid-19 safe management measures.

Revenue from other services, such as delivery and catering services, increased by approximately S\$9.5 million mainly due to catering of packed meals to foreign workers dormitories, and higher delivery revenue.

The Group's gross margin improved by 1.9% to 65.6% in FY2021, mainly due to economies of scale from the large-scale catering of packed meals to foreign workers dormitories; and improved food cost controls and higher production staff efficiency.

Other income increased by approximately S\$6.1 million due to government grants such as JSS, Wage Credit Scheme, Special Employment Grant Scheme and property tax rebates.

The decrease in S & D expenses was largely due to lower overtime and part-timer costs, as some outlets were closed during the Phase 1 circuit breaker ("CB") period and temporary closure of some outlets due to lower traffic; lower outlet operating expenses, waiver of foreign worker levies in April 2020 and rental rebates received from landlords during FY2021.

The increase in administrative expenses was mainly due to higher staff incentive provision arising from the increase in net profit for FY2021; offset by lower travelling, upkeep of motor vehicle, repair and maintenance expenses due to the temporary closure of some outlets and travel restrictions imposed by the government during the CB.

Finance costs decreased mainly due to lower loan interest rates and lower lease liabilities during the year.

Other expenses decreased by S\$1.8 million mainly due to lower impairment loss for our UK Joint venture and our Malaysian associate, exchange rate gains on foreign currency denominated payables to related companies within the Group, and lower fixed assets written off due to fewer outlet closures, offset by higher impairment of right-of-use assets and property, plant and equipment for retail outlets affected by the pandemic.

The increase in depreciation expenses was mainly due to recognition of lease-related depreciation attributed to the right-of-use assets, as a result of outlet lease renewals that resulted in the increase in right-of-use-assets.

The Group's taxation expenses increased by S\$374,000 mainly due to higher profit for FY2021. The effective tax rate for the current period increased to 12.4% mainly due to an increase in profit offset by higher non-taxable JSS grant income for the current financial year.

(B) Statement of Financial Position

Non-current assets

The Group's non-current assets decreased by approximately S\$3.3 million, mainly due to

- (i) a decrease in property, plant and equipment resulted from the disposal of the Group's factory facility in Woodlands Loop and motor vehicles, depreciation expenses, impairment and assets written off for selected outlets, offset by additions in FY2021; offset by
- (ii) an increase in right-of-use assets of approximately S\$405,000 mainly due to lease renewal and new lease committed, offset by impairment of right-of-use assets for retail outlets affected by the pandemic; and
- (iii) an increase in long term deposits mainly due to top-up of lease deposit for lease renewal and reclassification of lease deposits in accordance with the respective lease tenures.

Current assets

The Group's current assets increased by approximately S\$11.4 million mainly due to:

- (a) an increase in cash and bank balances of approximately S\$13.4 million as explained under the statement of cash flow in paragraph (c) below; offset by
- (a) a decrease in inventories mainly due to enhanced inventory control of finished goods purchased;
- (b) a decrease in short term deposits, mainly due to reclassification of lease deposits in accordance with the respective lease tenures; and
- (c) a decrease in trade and other receivables of approximately S\$1.4 million mainly due to grant receipts from government agencies of approximately S\$1.6 million, offset by receivables arising from the disposal of Group's factory facility on 31 March 2021.

Current and non-current liabilities

The increase in the Group's current and non-current liabilities was mainly due to

- (i) an increase in accruals due to higher staff incentive provision arising from the increase in profit for FY2021;
- (ii) an increase in tax provision during the year; and
- (iii) new lease liabilities of S\$11.6 million for new outlets and lease renewals.

The increase in current and non-current liabilities was partially offset by a decrease in lease liabilities mainly due to repayment during the financial year of approximately S\$10.7 million, a decrease in JSS deferred income of approximately S\$1.1 million due to subsequent recognition as JSS income, bank loan repayments made during the year and a decrease in deferred tax provision.

Net working capital

As at 31 March 2021, the Group had a positive net working capital of approximately S\$7.5 million compared to negative net working capital of approximately S\$2.4 million as at 31 March 2020.

(C) Statement of Cash Flows

2H2021 vs 2H2020

For 2H2021, the Group generated an operating profit before working capital changes of approximately S\$11.7 million. Net cash generated from operating activities, inclusive of working capital changes and tax paid, amounted to approximately S\$10.7 million in 2H2021.

In 2H2021, net cash used in investing activities amounted to approximately S\$610,000. This was mainly due to additions of plant and equipment, renovation costs for the Group's new retail outlets and working capital loans to the UK joint venture; offset by proceeds from disposal of the Group's assets.

Net cash used in financing activities amounted to approximately S\$7.7 million in 2H2021. This was mainly due to dividends of approximately S\$1.2 million paid during 2H2021, repayment of lease obligations inclusive of lease interest, of approximately S\$5.7 million and repayments of bank loans and finance lease during the period.

FY2021 vs FY2020

For FY2021, the Group generated an operating profit before working capital changes of approximately S\$26.6 million. Net cash generated from operating activities, inclusive of working capital changes and tax paid, amounted to approximately S\$28.3 million in FY2021.

In FY2021, net cash used in investing activities amounted to approximately S\$754,000. This was mainly due to additions of plant and equipment, renovation costs for the Group's new retail outlets and working capital loans to the UK joint venture; offset by proceeds from disposal of the Group's assets.

Net cash used in financing activities amounted to approximately S\$14.1 million in FY2021. This was mainly due to dividends of approximately S\$1.2 million paid during FY2021, repayment of lease obligations inclusive of lease interest, of approximately S\$11.3 million and repayments of bank loans and finance lease during the period.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The impact of Covid-19 on businesses in general has been unprecedented. While our retail revenue continues to show improvements since the end of Phase 1 CB and remains fairly resilient for the month of May 2021 thus far, significant uncertainty still hangs over the entire retail sector both in Singapore and overseas.

Our retail revenues remain below pre Covid-19 levels as at to date, due to various social distancing measures put in place, resulting in operational losses for some of our retail outlets. The Group will continue to review if there is a need to provide for further impairment to our assets, depending on how Covid-19 pans out in the months ahead. While our overseas operations in Iskandar Malaysia, London and Perth have been similarly affected by Covid-19, the Group has sought new revenue streams including frozen meal kit home deliveries and increased the range of snack deliveries and bento meals for our stay-at-home customers.

Since the onset of the pandemic, the Group had received corporate catering orders (including dormitory orders) for bento meals. The Group will continue with our efforts to reduce operating costs, improve operational efficiencies and seek more non-retail revenue streams, including beefing up our e-commerce presence during this difficult period. In the meantime, the Group will continue to closely monitor if retail sales will improve to pre Covid-19 levels in the coming weeks and months.

The Group has been prudent with its spending over the past years. Provided that the health crisis does not deteriorate materially resulting in the complete closure of all our retail outlets for an extended period, the Board believes that the Group's cash balance is sufficient to buffer against the impact of Covid-19 for at least the next 12 months.

11 Dividend.

(a) Whether an interim (final) ordinary dividend has been declared (recommended).

Current financial period reported on

| | |
|---------------------|---------------------------------------|
| Name of Dividend: | Ordinary (final) |
| Dividend Type: | Cash |
| Dividend per share: | 1.0 Singapore cent per ordinary share |
| Tax Rate: | Tax exempt (one-tier) |

Due to significant uncertainty on the duration and intensity of the Covid-19 pandemic, the Board has continued to take a prudent approach in recommending a 1.0 cent ordinary (final) dividend for the current financial year to conserve the Group's cash flows.

(b) Corresponding period of the immediately preceding financial year.

| | |
|---------------------|---------------------------------------|
| Name of Dividend: | Ordinary (final) |
| Dividend Type: | Cash |
| Dividend per share: | 0.5 Singapore cent per ordinary share |
| Tax Rate: | Tax exempt (one-tier) |

(c) The date the dividend is payable.

To be announced at a later date.

(d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

To be announced at a later date.

12 **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable.

13 **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from its shareholders for recurrent interested person transactions ("IPTs"). There were no IPTs exceeding S\$100,000 entered into for the financial year under review.

14 **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

15 **Additional information required pursuant to Rule 706A**

During FY2021, the Company did not acquire or dispose of any shares which would result in any company becoming or ceasing to be a subsidiary or associated company of the Company, or increase or reduce the Company's shareholding percentage in any subsidiary or associated company.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16 **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

| Year ended 31 March 2021 | Singapore S\$'000 | Australia S\$'000 | Malaysia S\$'000 | Eliminations S\$'000 | Total S\$'000 |
|-----------------------------------------------------------------------|----------------------|----------------------|---------------------|-------------------------|------------------|
| Revenue | | | | | |
| Sales | 75,007 | 378 | 2,064 | (2,130) | 75,319 |
| Results: | | | | | |
| Segment results | 26,083 | (34) | 605 | (18) | 26,636 |
| Gain on disposal of property, plant and equipment | 185 | - | - | - | 185 |
| Depreciation of property, plant and equipment | (4,628) | (20) | (154) | - | (4,802) |
| Depreciation of right-of-use assets | (10,657) | (60) | - | - | (10,717) |
| Impairment loss on property, plant and equipment | (113) | - | - | - | (113) |
| Impairment loss on right-of-use-assets | (499) | - | - | - | (499) |
| Amortisation | (30) | - | (1) | - | (31) |
| Interest expenses | | | | | |
| -Borrowings | (121) | - | (6) | - | (127) |
| -Leases | (551) | (4) | - | - | (555) |
| Profit/(loss) before tax and share of results of joint venture | 9,669 | (118) | 444 | (18) | 9,977 |
| Share of results of joint venture | | | | | - |
| Taxation | | | | | (1,241) |
| Profit, net of tax | | | | | 8,736 |
| Other segment information: | | | | | |
| Segment assets | 72,764 | 154 | 2,984 | (28) | 75,874 |
| Capital expenditure: | | | | | |
| - Tangible assets | 39,258 | 66 | 1,736 | - | 41,060 |
| - Intangible assets | 154 | - | 1 | - | 155 |

| Year ended 31 March 2020 | Singapore S\$'000 | Australia S\$'000 | Malaysia S\$'000 | Eliminations S\$'000 | Total S\$'000 |
|-----------------------------------------------------------------------|----------------------|----------------------|---------------------|-------------------------|------------------|
| Revenue | | | | | |
| Sales | 87,970 | 354 | 2,496 | (2,780) | 88,040 |
| Results: | | | | | |
| Segment results | 18,169 | (177) | 551 | (17) | 18,526 |
| Gain on disposal of property, plant and equipment | 10 | - | - | - | 10 |
| Depreciation of property, plant and equipment | (5,108) | (18) | (247) | - | (5,373) |
| Depreciation of right-of-use assets | (9,795) | (57) | - | - | (9,852) |
| Impairment loss on property, plant and equipment | (271) | - | - | - | (271) |
| Impairment loss on right-of-use-assets | (136) | - | - | - | (136) |
| Amortisation | (69) | - | (1) | - | (70) |
| Interest expenses | | | | | |
| -Borrowings | (270) | - | (12) | - | (282) |
| -Leases | (669) | (7) | - | - | (676) |
| Profit/(loss) before tax and share of results of joint venture | 1,861 | (259) | 291 | (17) | 1,876 |
| Share of results of joint venture | | | | | (160) |
| Taxation | | | | | (867) |
| Profit, net of tax | | | | | 849 |
| Other segment information: | | | | | |
| Segment assets | 65,281 | 204 | 2,320 | (46) | 67,759 |
| Capital expenditure: | | | | | |
| - Tangible assets | 42,437 | 127 | 1,929 | - | 44,493 |
| - Intangible assets | 184 | - | 2 | - | 186 |

17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

The Group operates predominantly in Singapore and material changes in contributions to turnover and earnings have been explained in Paragraph 8 above.

The Group's overseas operations accounted for less than 5% of the Group's revenue for the financial year ended 31 March 2021 and as such, these operations do not contribute significantly to the Group's turnover and earnings.

18 A breakdown of sales.

| | The Group | | |
|--------------------------------------------------------------------------------------------------------------|------------|------------|---------------------|
| | 31-03-2021 | 31-03-2020 | Increase (Decrease) |
| | S\$'000 | S\$'000 | % |
| Sales reported for the first half year | 38,181 | 44,616 | (14.4) |
| Operational profit after tax before deducting non-controlling interests reported for first half year | 6,134 | 1,554 | 294.7 |
| Sales reported for the second half year | 37,138 | 43,424 | (14.5) |
| Operational profit/(loss) after tax before deducting non-controlling interests reported for second half year | 2,602 | (705) | (469.1) |

19 **A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.**

| | The Group | |
|--------------------|----------------|----------------|
| | 31-03-2021 | 31-03-2020 |
| | S\$'000 | S\$'000 |
| Ordinary - Interim | 607 | 1,214 |
| - Final | *1,214 | 607 |
| Total | 1,821 | 1,821 |

*The proposed final dividend for the current financial year ended 31 March 2021 is recommended by the Board of Directors and is subject to the approval of the Company’s shareholders at the upcoming Annual General Meeting of the Company.

20 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

| Name | Age | Family relationship with any director or chief executive officer or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|----------------|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Chow Phee Liat | 53 | <ol style="list-style-type: none"> 1. Nephew of Executive Chairman, Han Keen Juan. 2. Nephew of substantial shareholder, Mdm Ng Choi Hong. Mdm Ng is the spouse of Executive Chairman, Han Keen Juan. 3. Cousin of Chief Executive Officer, Lim Tao-E William. 4. Brother of Executive Director and Deputy Chief Executive Officer, Chow Hui Shien. | Overseas Business Development Manager, overseeing the overseas business operations of the Group since December 2013; and Executive Director of Old Chang Kee Manufacturing Sdn Bhd, the Group’s wholly owned subsidiary, since November 2014. | No changes. |

BY ORDER OF THE BOARD

Adrian Chan Pengee
Company Secretary

27 May 2021

This announcement has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “Exchange”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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