



**Old Chang Kee Ltd.
and its subsidiaries**

Company Registration No. 200416190W

**Condensed Interim Financial Statements
for the six months ended 30 September 2022**

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A. Condensed interim consolidated statement of comprehensive income for the six-months ended 30 September 2022

	Note	The Group		Increase / (Decrease) %
		1st Half Year Ended		
		30-09-2022	30-09-2021	
		S\$'000	S\$'000	
Revenue	4	43,662	38,522	13.3
Cost of sales		(15,163)	(13,748)	10.3
Gross profit		28,499	24,774	15.0
Other items of income				
Interest income on short term deposits		71	18	294.4
Other income		573	3,935	(85.4)
Other items of expenses				
Selling and distribution expenses		(17,789)	(17,321)	2.7
Administrative expenses		(6,680)	(6,583)	1.5
Finance costs		(304)	(318)	(4.4)
Other expenses		(1,028)	(716)	43.6
Profit before tax	6	3,342	3,789	(11.8)
Income tax expense	7	(718)	(423)	69.7
Profit for the period		2,624	3,366	(22.0)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations		161	72	123.6
Other comprehensive income for the period, net of tax		161	72	123.6
Total comprehensive income for the period, attributable to owners of the Company		2,785	3,438	(19.0)
Earnings per share for profit for the period attributable to the owners of the Company during the period				
Basic (SGD in cent)		2.16	2.77	
Diluted (SGD in cent)		2.16	2.77	

B. Condensed interim statement of financial position

	Note	The Group		The Company	
		30-09-2022 S\$'000	31-03-2022 S\$'000	30-09-2022 S\$'000	31-03-2022 S\$'000
Non-Current Assets					
Property, plant and equipment	11	17,680	18,799	-	-
Right-of-use assets	11	17,240	19,318	-	-
Intangible assets	10	211	229	-	-
Investment in subsidiary companies		-	-	5,640	5,640
Deferred tax assets		11	11	11	11
Long term deposits		2,371	2,472	-	-
		<u>37,513</u>	<u>40,829</u>	<u>5,651</u>	<u>5,651</u>
Current Assets					
Inventories		1,084	1,176	-	-
Trade and other receivables	5	399	259	7	-
Deposits	5	1,355	1,307	-	-
Prepayments		1,244	875	29	25
Amount due from subsidiary companies	5	-	-	3,803	7,108
Cash and bank balances	5	30,083	27,581	9,393	8,206
Restricted cash	5	2,500	2,500	-	-
		<u>36,665</u>	<u>33,698</u>	<u>13,232</u>	<u>15,339</u>
Current Liabilities					
Trade and other payables	5	7,654	7,148	1,608	2,344
Other liabilities	5	135	142	-	-
Provisions		2,319	2,389	61	48
Bank loans	12	1,244	1,287	-	-
Finance lease liabilities	12	228	218	-	-
Lease liabilities	5	9,168	10,130	-	-
Provision for taxation		1,281	797	35	42
		<u>22,029</u>	<u>22,111</u>	<u>1,704</u>	<u>2,434</u>
Net Current Assets		14,636	11,587	11,528	12,905
Non-Current Liabilities					
Bank loans	12	3,503	4,099	-	-
Finance lease liabilities	12	608	417	-	-
Lease liabilities	5	8,960	10,227	-	-
Deferred tax liabilities		529	695	-	-
		<u>13,600</u>	<u>15,438</u>	<u>-</u>	<u>-</u>
Net Assets		38,549	36,978	17,179	18,556
Equity attributable to owners of the Company					
Share capital		13,964	13,964	13,964	13,964
Retained earnings		24,393	22,983	3,215	4,592
Other reserves		192	31	-	-
Total Equity		38,549	36,978	17,179	18,556

C. Condensed interim statement of changes in equity

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 01-04-2022	13,964	22,983	31	36,978
Profit for the period	-	2,624	-	2,624
Other comprehensive income				
Exchange differences on translating foreign operations	-	-	161	161
Total comprehensive income for the period	-	2,624	161	2,785
Dividends on ordinary shares	-	(1,214)	-	(1,214)
Balance at 30-09-2022	13,964	24,393	192	38,549
Balance at 01-04-2021	13,964	19,735	15	33,714
Profit for the period	-	3,366	-	3,366
Other comprehensive income				
Exchange differences on translating foreign operations	-	-	72	72
Total comprehensive income for the period	-	3,366	72	3,438
Dividends on ordinary shares	-	(1,214)	-	(1,214)
Balance at 30-09-2021	13,964	21,887	87	35,938

C. Condensed interim statement of changes in equity (cont'd)

The Company	Share capital	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000
Balance at 01-04-2022	13,964	4,592	18,556
Loss for the period	-	(163)	(163)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(163)	(163)
Dividends on ordinary shares	-	(1,214)	(1,214)
Balance at 30-09-2022	13,964	3,215	17,179
Balance at 01-04-2021	13,964	1,616	15,580
Profit for the period	-	2,042	2,042
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	2,042	2,042
Dividends on ordinary shares	-	(1,214)	(1,214)
Balance at 30-09-2021	13,964	2,444	16,408

D. Condensed interim consolidated statement of cash flows

	Note	The Group	
		1st Half Year Ended 30-09-2022 S\$'000	30-09-2021 S\$'000
Cash flows from operating activities			
Profit before tax		3,342	3,789
Adjustments for:			
Allowance for amount due from associated company		53	51
Allowance for amount due from joint venture		109	26
Amortisation of intangible assets	10	18	19
Depreciation of property, plant and equipment	6	1,837	2,040
Depreciation of right-of-use assets	6	5,047	5,182
Gain on disposal of property, plant and equipment	6	-	(110)
Gain on disposal of right-of-use assets		(19)	(3)
Property, plant and equipment written off		1	1
Interest expense from borrowings and finance lease	6	79	55
Interest expense from amortisation of lease liabilities	6	225	263
Interest income	6	(71)	(18)
Currency realignment		222	70
Operating profit before changes in working capital		10,843	11,365
Decrease in inventories		92	62
(Increase)/decrease in trade and other receivables		(140)	845
Increase in amount due from associate		(53)	(51)
Increase in amount due from joint venture		(49)	(26)
Decrease/(increase) in deposits		53	(69)
Increase in prepayments		(369)	(220)
Increase/(decrease) in trade and other payables		506	(1,980)
(Decrease)/increase in other liabilities		(7)	1
Decrease in provisions		(70)	(56)
Cash flows generated from operations		10,806	9,871
Tax paid		(398)	(1,111)
Net cash flows generated from operating activities		10,408	8,760
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(443)	(598)
Purchase of intangible assets	10	-	(110)
Proceeds from disposal of property, plant and equipment		-	153
Loan to joint venture		(60)	-
Interest received		71	18
Net cash flows used in investing activities		(432)	(537)
Cash flows from financing activities			
Dividends paid		(1,214)	(1,214)
Repayment of finance lease liabilities		(139)	(139)
Repayment of lease obligation		(5,178)	(5,249)
Interest portion of lease liabilities paid		(225)	(263)
Interest paid		(79)	(55)
Repayment of bank loans		(639)	(642)
Net cash flows used in financing activities		(7,474)	(7,562)
Net increase in cash and cash equivalents		2,502	661
Cash and cash equivalents at the beginning of the financial period		27,581	11,749
Cash and cash equivalents at the end of the financial period		30,083	12,410

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Old Chang Kee Ltd. (the "Company") is a limited liability company incorporated in Singapore and was admitted to the official list of Catalyst under the Singapore Exchange Securities Trading Limited Dealing and Automated Quotation ("SGX-SESDAQ") rules.

These condensed interim consolidated financial statements as at and for the six months ended 30 September 2022 comprise the Company and its subsidiaries (collectively, the "Group"). The principal activity of the Company is investment holding.

The principal activities of the Group are:

- (a) manufacture and distribution of food products; and
- (b) operation of retail food outlets, and general trading.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included below.

E. Notes to the condensed interim consolidated financial statements (cont'd)

2.3 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the shorter of the remaining lease term of the outlet or the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit ("CGU") being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2022.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is principally engaged in the manufacture and distribution of food products. As such, the Group has not presented a breakdown of segment information by operating segments. The following table presents revenue and results information regarding the Group's business segments for the six months ended 30 September 2022.

These geographical business segments are reported in a manner consistent with internal reporting provided to the chief executive officer who is responsible for allocating resources and assessing performance of these segments.

E. Notes to the condensed interim consolidated financial statements (cont'd)**4.1 Segments and revenue information**

The Group 1 April 2022 - 30 September 2022	Singapore S\$'000	Australia S\$'000	Malaysia S\$'000	Eliminations S\$'000	Total S\$'000
Revenue					
Revenue from external customers	43,463	175	24	-	43,662
Inter-segment revenue	85	-	983	(1,068)	-
Total segment revenue	43,548	175	1,007	(1,068)	43,662
Results:					
Segment profit	10,360	(176)	236	38	10,458
Interest income	66	-	5	-	71
Gain on disposal of right-of-use assets	19	-	-	-	19
Depreciation of property, plant and equipment	(1,796)	-	(41)	-	(1,837)
Depreciation of right-of-use assets	(5,042)	(5)	-	-	(5,047)
Amortisation	(18)	-	-	-	(18)
Interest expenses					
- Borrowings	(78)	-	(1)	-	(79)
- Leases	(224)	(1)	-	-	(225)
Profit/(loss) before tax	3,287	(182)	199	38	3,342
Taxation					(718)
Profit, net of tax					2,624
Other segment information:					
Segment Assets	70,978	232	2,994	(26)	74,178
Segment Liabilities	35,220	159	250	-	35,629
Expenditure for segment non current assets					
- Additions to property, plant and equipment	780	2	1	-	783
- Additions to Right-of-use assets	3,398	128	-	-	3,526
	4,178	130	1	-	4,309

E. Notes to the condensed interim consolidated financial statements (cont'd)**4.1 Segment and revenue information (cont'd)**

The Group 1 April 2021 - 30 September 2021	Singapore S\$'000	Australia S\$'000	Malaysia S\$'000	Eliminations S\$'000	Total S\$'000
Revenue					
Revenue from external customers	38,246	226	50	-	38,522
Inter-segment revenue	101	-	1,033	(1,134)	-
Total segment revenue	38,347	226	1,083	(1,134)	38,522
Results:					
Segment profit	10,959	(75)	288	45	11,217
Interest income	17	1	-	-	18
Gain on disposal of property, plant and equipment	110	-	-	-	110
Gain on disposal of right-of-use assets	3	-	-	-	3
Depreciation of property, plant and equipment	(1,988)	(9)	(43)	-	(2,040)
Depreciation of right-of-use assets	(5,151)	(31)	-	-	(5,182)
Amortisation	(18)	-	(1)	-	(19)
Interest expenses					
- Borrowings	(53)	-	(2)	-	(55)
- Leases	(262)	(1)	-	-	(263)
Profit/(loss) before tax	3,618	(116)	242	45	3,789
Taxation					(423)
Profit, net of tax					3,366
Other segment information:					
Segment Assets	71,654	142	2,923	(46)	74,673
Segment Liabilities	38,403	51	281	-	38,735
Expenditure for segment non current assets					
- Additions to property, plant and equipment	855	1	-	-	856
- Additions to Right-of-use assets	5,073	-	-	-	5,073
- Additions to intangible assets	110	-	-	-	110
	6,038	1	-	-	6,039

E. Notes to the condensed interim consolidated financial statements (cont'd)

4.2 Disaggregation of Revenue

	The Group	
	1st Half Year Ended	
	30-09-2022	30-09-2021
Type of goods or services		
Outlet sales	39,438	35,075
Non-outlet sales	4,224	3,447
Total revenue	<u>43,662</u>	<u>38,522</u>
Primary geographical markets		
Singapore	43,463	38,246
Australia	175	226
Malaysia	24	50
Total revenue	<u>43,662</u>	<u>38,522</u>
Timing of transfer of goods		
At a point in time	43,662	38,522

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2022 and 31 March 2022:

	The Group		The Company	
	30-09-2022	31-03-2022	30-09-2022	31-03-2022
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets at amortised cost				
Trade and other receivables	399	259	7	-
Deposits	3,726	3,779	-	-
Amounts due from subsidiaries	-	-	3,803	7,108
Cash and bank balances	30,083	27,581	9,393	8,206
Restricted cash	2,500	2,500	-	-
Less:				
Government grant receivables	-	(42)	-	-
Total financial assets at amortised cost	<u>36,708</u>	<u>34,077</u>	<u>13,203</u>	<u>15,314</u>
Financial liabilities at amortised cost				
Trade and other payables	7,654	7,148	1,608	2,344
Other liabilities	135	142	-	-
Bank loans	4,747	5,386	-	-
Finance lease liabilities	836	635	-	-
Lease liabilities	18,128	20,357	-	-
Less:				
GST payable	(728)	(514)	(111)	(67)
Contract liabilities	(199)	(242)	-	-
Total financial liabilities at amortised cost	<u>30,573</u>	<u>32,912</u>	<u>1,497</u>	<u>2,277</u>

E. Notes to the condensed interim consolidated financial statements (cont'd)**6. Profit before taxation****6.1 Significant items**

	The Group	
	1st Half Year Ended	
	30-09-2022	30-09-2021
	S\$'000	S\$'000
Income		
Interest Income	71	18
Gain on disposal of property, plant and equipment	-	110
Gain on disposal of right-of-use assets	19	3
Government grant		
- Jobs Support Scheme and other employment grant	110	2,669
- Government grant rental rebate	49	755
Expenses		
Interest expense from borrowings and finance lease	79	55
Interest expense from amortisation of lease liabilities	225	263
Depreciation of property, plant and equipment	1,837	2,040
Depreciation of right-of-use assets	5,047	5,182
Allowance for amount due from joint venture	109	26
Allowance for amount due from associated company	53	51
Loss in foreign exchange, net	256	37
Utilities expenses	1,492	913
Packaging material expenses	738	652

6.2 Related party transactions

There are no material related party transactions exceeding S\$100,000 apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	The Group	
	1st Half Year Ended	
	30-09-2022	30-09-2021
	S\$'000	S\$'000
Current income tax expenses	883	431
Deferred income tax expense relating to origination and reversal of temporary differences	(165)	(8)
Taxation recognised in the consolidated statement of comprehensive income	718	423

E. Notes to the condensed interim consolidated financial statements (cont'd)

8. Dividends

	The Group	
	1st Half Year Ended	
	30-09-2022	30-09-2021
Declared and paid during the financial period		
Dividends on ordinary shares:		
- Final exempt 2022 dividends of S\$1.0 cent per share (Half year ended 30 September 2021: Final exempt 2021 dividends of S\$1.0 cent per share)	1,214	1,214
Dividend per share (net of tax)	\$0.010	\$0.010

9. Net Asset Value

Net Asset Value	The Group		The Company	
	30-09-2022	31-03-2022	30-09-2022	31-03-2022
Net asset value per ordinary share based on total number of issued shares as at the end of the financial period reported on	\$0.32	\$0.30	\$0.14	\$0.15
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

10. Intangible assets

Group	Club membership	Computer software licences	Total
	S\$'000	S\$'000	S\$'000
At 31 March 2022			
Cost	175	773	948
Accumulated amortisation	44	675	719
Net book value	<u>131</u>	<u>98</u>	<u>229</u>
Cost			
As at 1 April 2022	175	773	948
Additions	-	-	-
As at 30 September 2022	<u>175</u>	<u>773</u>	<u>948</u>
Accumulated amortisation			
As at 1 April 2022	44	675	719
Amortisation during the period	4	14	18
As at 30 September 2022	<u>48</u>	<u>689</u>	<u>737</u>
Carrying amounts at 30 September 2022	127	84	211

11. Property, plant and equipment

During the six months ended 30 September 2022, the Group acquired assets amounting to S\$783,000 (six months ended 30 September 2021: S\$856,000) and disposed of assets amounting to Nil (six months ended 30 September 2021: S\$43,000).

E. Notes to the condensed interim consolidated financial statements (cont'd)

12. Borrowings

12.1 Bank Loans

	The Group and Company	
	30-09-2022	31-03-2022
	S\$'000	S\$'000
Secured bank loans		
Amount repayable within one year or on demand	1,244	1,287
Amount repayable after one year	3,503	4,099

12.2 Finance Leases

	The Group and Company	
	30-09-2022	31-03-2022
	S\$'000	S\$'000
Finance leases		
Amount repayable within one year or on demand	228	218
Amount repayable after one year	608	417

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 30 September 2022; and
- (ii) corporate guarantees by the Company as at 30 September 2022.

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

13. Share Capital

	The Group and Company			
	30 September 2022		31 March 2022	
	Number of shares	Amount S\$'000	Number of shares	Amount S\$'000
Ordinary shares issued and fully paid				
At the beginning and end of the financial period	121,374,700	13,964	121,374,700	13,964

There was no change in the Company's share capital since the end of the previous period reported on being 31 March 2022. The Company did not hold any treasury shares, subsidiary holdings, outstanding options and/or other convertibles as at 30 September 2022 and 31 March 2022.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2022 and 31 March 2022.

E. Notes to the condensed interim consolidated financial statements (cont'd)

14. Earnings per share

Basic earnings per share ("EPS") are calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The basic and diluted EPS for the six months ended 30 September 2022 and 30 September 2021 were the same as there were no potentially dilutive securities in issue as at 30 September 2022 and 30 September 2021.

EPS after deducting any provision for preference dividends :-	The Group	
	30-09-2022	30-09-2021
(a) Based on weighted average number of ordinary shares in issue (Singapore cents); and	2.16	2.77
(b) On a fully diluted basis (Singapore cents)	2.16	2.77

Number of shares used in the respective computations of EPS :-	The Group	
	30-09-2022	30-09-2021
(a) Based on weighted average number of ordinary shares in issue ; and	121,374,700	121,374,700
(b) On a fully diluted basis	121,374,700	121,374,700

15. Subsequent events

There are no known subsequent events which may lead to adjustments to this set of interim financial statements.

F. Other Information Required by Catalyst Rule Appendix 7C

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

The condensed consolidated statement of financial position of Old Chang Kee Ltd. and its subsidiaries as at 30 September 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the auditors.

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

Not applicable.

2A 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.

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

- 3 (i) 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.**

Please refer to note 13 of the notes to financial statements.

- (ii) 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.**

Please refer to note 13 of the notes to financial statements.

- (iii) 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, as the Company does not have any treasury shares.

- (iv) 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, as the Company does not have any subsidiary holdings.

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

Please refer to note 2 of the notes to financial statements.

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

Please refer to note 2.1 of the notes to financial statements.

- 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:**

- (a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).**

Please refer to note 14 of the notes to financial statements.

- 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.**

Please refer to note 9 of the notes to financial statements.

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, asset or liabilities of the group during the current financial period reported on.**

(A) Statement of Comprehensive Income

For the period from 1 April 2022 to 30 September 2022 ("1H2023"), the Group's revenue increased by approximately S\$5.1 million or 13.3% mainly due to higher retail, delivery and catering sales from the continued reopening of Singapore's economy. As at 30 September 2022, the Group operated a total of 80 outlets in Singapore, as compared to 89 outlets as at 30 September 2021.

Revenue from retail outlets increased by approximately S\$4.4 million or 12.4% mainly due to incremental revenue from temporarily closed outlets in the prior period as a result of Coronavirus Diseases 2019 ("Covid-19") and increase in revenue from existing outlets, partially offset by a decrease in revenue from closed outlets.

Revenue from other services, such as delivery and catering services, increased by approximately S\$777,000 mainly due to higher delivery sales and catering revenue during the current period, arising from the increase in catering orders for corporate sales and community events.

The Group's gross profit margin increased by 1.0% to 65.3% in 1H2023, mainly due to lower production staff salaries as a percentage of revenue due to improved cost management, and improved food cost margin as a result of retail price adjustment, offset by higher utility expenses during the period.

Other income decreased by approximately S\$3.4 million due to absence of Job Support Scheme ("JSS") grants, and lower gain from disposal of assets, lower government grants mainly due to the absence of property tax rebate and rental rebate for the current period.

The increase in selling and distribution ("S & D") expenses was largely due to higher outlets' utility expenses, subcontract fees, rental expenses, and lower rental rebates of about S\$308,000 received from landlords, partially offset by lower staff costs, cleaning, advertising and outlets depreciation expenses, during 1H2023. As a percentage of revenue, total S&D expenses decreased from 45.0% to 40.7%, mainly due to the above increase in retail sales during the period.

The increase in administrative expenses was mainly due to higher legal and professional fees expenses, utilities, motor vehicles and maintenance expenses, partially offset by lower staff cost, including lower bonus provision arising from the decrease in profit for 1H2023, upkeep of computer and medical expenses for the current period.

Finance costs decreased slightly by approximately S\$14,000, mainly due to lower lease liability interest, offset by increase in loan interest expenses.

Other expenses increased by S\$312,000 mainly due to recognition of impairment for amount due from our joint venture in United Kingdom ("UK") of approximately S\$109,000 and the Company's Malaysian associate of approximately S\$52,000, and higher foreign exchange loss of S\$218,000 pursuant to foreign exchange revaluation of inter-company loans to Australia and Malaysia for the current period.

The decrease in depreciation expenses was mainly due to an increase in assets attributed to the right-of-use assets and property, plant and equipment that had been fully depreciated during the reporting period.

The Group's taxation expenses increased by S\$295,000 mainly due to lower non-tax deductible items and tax rebate for the period.

(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, mainly due to depreciation expenses during 1H2023;
- (ii) a decrease in right-of-use assets mainly due to right-of-use depreciation expenses and early termination of leases, offset by lease renewal committed during 1H2023; and

- (iii) a decrease in long term deposits mainly due to reclassification of lease deposits in accordance with the respective lease tenures during 1H2023; offset by deposits paid for new outlets and lease renewal.

Current assets

The Group's current assets increased by approximately S\$3.0 million mainly due to:

- (i) an increase in cash and bank balances of approximately S\$2.5 million as explained under the statement of cash flow in paragraph (C) below;
- (ii) an increase in prepayments, mainly due to deposit paid for purchase of assets, an increase in annual insurance premium and software maintenance contract paid during 1H2023;
- (iii) an increase in short term deposits mainly due to deposits for new upcoming outlets and reclassification of lease deposits in accordance with the respective lease tenures; offset by refund of deposits from closed outlets; and
- (iv) an increase in trade and other receivables mainly due to increase in credit sales to corporate customers, partially offset by
- (v) a decrease in inventories of approximately S\$92,000 mainly due lower bulk purchase of finished goods.

Current and non-current liabilities

The net decrease in the Group's current and non-current liabilities of S\$1.9 million was mainly due to

- (i) a decrease in lease liabilities mainly due to lease repayment, offset by new lease commitments entered into during the period; and
- (ii) a decrease in bank loan and finance lease mainly due to repayment during the period; partially offset by
- (iii) an increase in trade and other payables of approximately S\$0.5 million mainly due to increase in trade creditors arising from the higher sales during the period; and
- (iv) an increase in tax provision due to lower tax-deductible items during the period; partially offset by tax paid.

Net working capital

As at 30 September 2022, the Group had a positive net working capital of approximately S\$14.6 million, compared to approximately S\$11.6 million as at 31 March 2022.

(C) Statement of Cash Flows

In 1H2023, the Group generated an operating profit before working capital changes of approximately S\$10.8 million. Net cash generated from operating activities, inclusive of working capital changes and tax paid, amounted to approximately S\$10.4 million in 1H2023.

In 1H2023, net cash used in investing activities amounted to approximately S\$432,000. This was mainly due to additions of motor vehicles, plant and equipment and loan to joint venture for the current period.

Net cash used in financing activities amounted to approximately S\$7.5 million in 1H2023. This was mainly due to dividends of approximately S\$1.2 million paid during 1H2023, repayment of lease obligations inclusive of lease interest of approximately S\$5.4 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.

With the stabilising Covid-19 situation in general, consumer traffic and sentiment has improved. The Group will closely monitor if retail sales will continue to improve to pre Covid-19 levels in the coming weeks and months. However, with the re-opening of the economies, the Group noted that inflationary pressures have increased, in particular, raw material, utility and labour costs, while rental costs remain elevated. Singapore's ongoing curbs on foreign manpower have also exacerbated the current manpower shortage in the retail sector.

The Group's number of outlets has reduced partly due to infrastructural developments at various locations, necessitating the closure of these outlets. Nevertheless, the Group has and will continue with our efforts to reduce operating costs, improve gross margins and rationalise our operations to overcome manpower shortages, and seek more non-retail revenue streams, including further enhancing our e-commerce presence and business-to-business sales during this challenging period. The Group continues to look for opportunities to increase the number of outlets at key transport nodes.

The Group has been prudent with its spending over the past years. Provided that the Covid-19 health situation does not deteriorate materially, 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 information

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

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

(b) Previous corresponding period (cents)

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

(c) Date payable

On or around 19 December 2022.

(d) Record date

2 December 2022

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 period under review.

14. Additional Information Required Pursuant to Rule 706A

During 1H2023, the Company did not undertake any acquisition or sale of shares which resulted in a company becoming or ceasing to be a subsidiary or associated company of the Company, or resulted in the Company increasing or reducing its shareholding percentage in a subsidiary or associated company.

15. Negative confirmation by the Board pursuant to Rule 705(5) of the Catalist Listing Manual

We, Han Keen Juan and Lim Tao-E William, being two of the Directors of Old Chang Kee Ltd., do hereby confirm on behalf of the Board of Directors of the Company (the “Board”) that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the six months ended 30 September 2022 to be false or misleading in any material aspects.

16. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Listing Manual Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited (“Catalist Rules”).

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

On behalf of the Board

Han Keen Juan
Executive Chairman

Lim Tao-E William
Executive Director and Chief Executive Officer

BY ORDER OF THE BOARD

Adrian Chan Pengee
Company Secretary

14 November 2022

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.

The contact person for the Sponsor is Ms Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.