

## **OLD CHANG KEE LTD.**

(Incorporated in the Republic of Singapore)  
(Company Registration Number 200416190W)

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### **UPDATE ON THE IMPACT OF CORONAVIRUS DISEASE 2019**

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The Board of Directors (the “**Board**”) of Old Chang Kee Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to update shareholders on the impact of Coronavirus Disease 2019 (“**Covid-19**”) on its current state of affairs and outlook.

In Singapore, to date, the Group has streamlined our operating stores since the start of the “circuit breaker” period in early April 2020. Out of a total of 89 operating stores in Singapore, the Group has temporarily closed 22 stores, which are mainly located in the central or tourist belts, or in the parks.

Our remaining 67 stores, including sub-brands such as Curry Times, are still in operation for takeaway and delivery. The Group has also adjusted the operating hours for outlets that remain open, after reviewing the traffic flow. To protect our vulnerable senior workers and to minimise the risk of exposure to Covid-19 for both our staff and customers, the Group has also reduced our operating frontline staff strength by approximately 20%. Vulnerable senior frontline workers are either encouraged to clear their annual leave or are redeployed to non-customer facing roles. These measures are expected to result in a decline in the sales and operating profits of the Group’s retail outlets in the near term.

As Old Chang Kee is a Halal and Hazard Analysis and Critical Control Point certified caterer, the Group has been receiving corporate catering orders (including dormitory orders) for bento meals. The meal orders for dormitories will fluctuate, depending on the Covid-19 situation and the movements of the quarantined workers residing in dormitories, but these non-retail revenue should help to partially offset the drop in retail sales. Many kind-hearted individuals and businesses have also asked us to customise food orders to send to hospitals and charities. To reduce our customers’ needs for frequent grocery trips, the Group is also exploring with e-commerce partners on methods to expand the commercial sale of our food items. To date, the Group’s supply chain, including its network of key suppliers, remains resilient.

For overseas markets, the Group’s central kitchen in Iskandar Malaysia and our Perth outlet remain open, while we have temporarily closed 4 outlets in Kuala Lumpur and London. Our master franchisee in Indonesia have also temporarily closed all their outlets in Jakarta. The situation in the overseas markets remain grave, especially in London. The Group is currently in the early stages of assessing the impact of potential impairment to our assets in the overseas markets. At this stage, the Group is still in the process of determining the extent of the financial impact of the Covid-19 on the earnings per share and net asset value per share of the Group for the financial year ended 31 March 2020. The Board will continue to monitor the evolving situation and will make the appropriate announcement(s) as and when there are material developments on this matter.

At this critical juncture, the Board is grateful to the Singapore Government for the unprecedented support measures such as the Jobs Support Scheme and the property tax rebates, which will help to cushion the impact of the slowdown in our revenue and operational profits for the next 6 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 is of the opinion that the Group’s cash balance is sufficient to buffer against the impact of Covid-19 in the next reporting period and for the next 12 months.

The Board will continue to keep shareholders updated on the impact of Covid-19 on the Group’s prospects, and will provide updates through further announcements if there are any subsequent material developments.

By Order of the Board

Name: Lim Tao-E William  
Designation: Chief Executive Officer  
27 April 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**"), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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