



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

Company Registration No. 200416190W

**Condensed Interim Financial Statements
For the six months ended 30 September 2021**

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A. Condensed interim consolidated statement of profit or loss and other comprehensive Income

		The Group		
	Note	1st Half Year Ended		
		30-09-2021	30-09-2020	Change
		S\$'000	S\$'000	%
Revenue	4.2	38,522	38,181	0.9
Cost of sales		(13,748)	(12,970)	6.0
Gross profit		24,774	25,211	(1.7)
Other items of income				
Interest income		18	30	(40.0)
Other income		3,935	4,446	(11.5)
Other items of expenses				
Selling and distribution expenses		(17,321)	(14,555)	19.0
Administrative expenses		(6,583)	(7,324)	(10.1)
Finance costs		(318)	(364)	(12.6)
Other expenses		(716)	(509)	40.7
Profit before tax	6	3,789	6,935	(45.4)
Income tax expense	7	(423)	(801)	(47.2)
Profit for the period		3,366	6,134	(45.1)
Other comprehensive income / (loss):				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations		72	(137)	(152.6)
Other comprehensive income (loss) for the period, net of tax		72	(137)	(152.6)
Total comprehensive income for the period, attributable to owners of the Company		3,438	5,997	(42.7)
Earnings per share for the profit for the period attributable to the owners of the Company				
Basic (SGD in cent)	14	2.77	5.05	
Diluted (SGD in cent)	14	2.77	5.05	

B. Condensed interim statement of financial position

		The Group		The Company	
	Note	30-09-2021 S\$'000	31-03-2021 S\$'000	30-09-2021 S\$'000	31-03-2021 S\$'000
Non-Current Assets					
Property, plant and equipment	11	20,086	21,311	-	-
Right-of-use assets		19,639	19,749	-	-
Intangible assets	10	246	155	-	-
Investment in subsidiary companies		-	-	5,640	5,640
Deferred tax assets		10	10	10	10
Long term deposits	5	2,530	2,517	-	-
		<u>42,511</u>	<u>43,742</u>	<u>5,650</u>	<u>5,650</u>
Current Assets					
Inventories		984	1,046	-	-
Trade and other receivables	5	447	1,292	-	6
Deposits	5	1,119	1,063	-	-
Prepayments		1,261	1,041	23	25
Amount due from subsidiary companies	5	-	-	4,818	4,056
Cash and bank balances	5	25,851	25,190	7,731	9,494
Restricted cash	5	2,500	2,500	-	-
		<u>32,162</u>	<u>32,132</u>	<u>12,572</u>	<u>13,581</u>
Current Liabilities					
Trade and other payables	5	7,381	9,361	1,715	3,561
Other liabilities	5	148	147	-	-
Provisions		2,450	2,506	65	50
Bank loans	12	1,296	1,288	-	-
Finance lease liabilities	12	222	200	-	-
Lease liabilities	5	10,244	9,636	-	-
Provision for taxation	7	818	1,498	34	40
		<u>22,559</u>	<u>24,636</u>	<u>1,814</u>	<u>3,651</u>
Net Current Assets		9,603	7,496	10,758	9,930
Non-Current Liabilities					
Bank loans	12	4,735	5,385	-	-
Finance lease liabilities	12	406	309	-	-
Lease liabilities	5	10,225	11,012	-	-
Deferred tax liabilities	7	810	818	-	-
		<u>16,176</u>	<u>17,524</u>	<u>-</u>	<u>-</u>
Net Assets		<u>35,938</u>	<u>33,714</u>	<u>16,408</u>	<u>15,580</u>
Equity attributable to owners of the Company					
Share capital		13,964	13,964	13,964	13,964
Retained earnings		21,887	19,735	2,444	1,616
Other reserves		87	15	-	-
Total Equity		<u>35,938</u>	<u>33,714</u>	<u>16,408</u>	<u>15,580</u>

C. Condensed interim statement of changes in equity

The Group	Equity attributable to owners of the Company			
	Share capital	Retained earnings	Foreign currency translation reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
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
Balance at 01-04-2020	13,964	12,213	217	26,394
Profit for the period	-	6,134	-	6,134
Other comprehensive income				
Exchange differences on translating foreign operations	-	-	(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

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 01-04-2021	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
Balance at 01-04-2020	13,964	1,141	15,105
Profit for the period	-	297	297
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	297	297
Balance at 30-09-2020	13,964	1,438	15,402

D. Condensed interim consolidated statement of cash flows

	Note	The Group	
		1st Half Year Ended	
		30-09-2021	30-09-2020
		S\$'000	S\$'000
Cash flows from operating activities			
Profit before tax		3,789	6,935
Adjustments for:			
Allowance for amount due from associated company		51	-
Allowance for amount due from joint venture		26	-
Amortisation of intangible assets	10	19	23
Depreciation of property, plant and equipment	6	2,040	2,448
Depreciation of right-of-use assets	6	5,182	5,406
Gain on disposal of property, plant and equipment	6	(110)	(16)
Gain on disposal of right-of-use assets		(3)	(16)
Property, plant and equipment written off		1	1
Interest expense from borrowings and finance lease	6	55	72
Interest expense from amortisation of lease liabilities	6	263	292
Interest income	6	(18)	(30)
Currency realignment		70	(139)
Operating profit before changes in working capital		11,365	14,976
Decrease in inventories		62	375
Decrease in trade and other receivables		845	1,108
Increase in amount due from associate		(51)	(41)
Increase in amount due from joint venture		(26)	(24)
(Increase)/decrease in deposits		(69)	231
Increase in prepayments		(220)	(542)
(Decrease)/increase in trade and other payables		(1,980)	1,909
Increase/(decrease) in other liabilities		1	(24)
Decrease in provisions		(56)	(34)
Cash flows generated from operations		9,871	17,934
Tax paid		(1,111)	(384)
Net cash flows generated from operating activities		8,760	17,550
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(598)	(221)
Purchase of intangible assets	10	(110)	-
Proceeds from disposal of property, plant and equipment		153	31
Interest received		18	46
Net cash flows used in investing activities		(537)	(144)
Cash flows from financing activities			
Dividends paid		(1,214)	-
Repayment of finance lease liabilities		(139)	(87)
Repayment of lease obligation		(5,249)	(5,301)
Interest portion of lease liabilities paid		(263)	(292)
Interest paid		(55)	(72)
Repayment of bank loans		(642)	(628)
Net cash flows used in financing activities		(7,562)	(6,380)
Net increase in cash and cash equivalents		661	11,026
Cash and cash equivalents at the beginning of the financial period		25,190	11,749
Cash and cash equivalents at the end of the financial period		25,851	22,775

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 Catalist 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 2021 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 2021 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 year ended 31 March 2021.

The accounting policies adopted are consistent with those applied in the previous financial statements for the financial year ended 31 March 2021 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 2021.

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.

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 2021.

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 2021.

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.

4.1 Reporting Segments

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	10,960	(76)	288	45	11,217
Interest income	17	1	-	-	18
Gain on disposal of property, plant and equipment	110	-	-	-	110
Gain on lease modification	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

4.1 Segment and revenue information (cont'd)

The Group 1 April 2020 - 30 September 2020	Singapore S\$'000	Australia S\$'000	Malaysia S\$'000	Eliminations S\$'000	Total S\$'000
Revenue					
Revenue from external customers	37,963	190	28	-	38,181
Inter-segment revenue	80	-	1,052	(1,132)	-
Total segment revenue	38,043	190	1,080	(1,132)	38,181
Results:					
Segment profit	14,774	(1)	368	5	15,146
Interest income	30	-	-	-	30
Depreciation of property, plant and equipment	(2,339)	(10)	(99)	-	(2,448)
Depreciation of right-of-use assets	(5,377)	(29)	-	-	(5,406)
Amortisation	(23)	-	-	-	(23)
Interest expenses					
-Borrowings	(69)	-	(3)	-	(72)
-Leases	(290)	(2)	-	-	(292)
Profit/(loss) before tax	6,706	(42)	266	5	6,935
Taxation					(801)
Profit, net of tax					6,134
Other segment information:					
Segment assets	70,477	197	2,240	(42)	72,872
Segment Liabilities	40,017	110	354	-	40,481
Expenditure for segment non current assets					
- Additions to property, plant and equipment	239	1	-	-	240
- Additions to Right-of-use assets	3,277	-	-	-	3,277
	3,516	1	-	-	3,517

4.2 Disaggregation of Revenue

	The Group 1st Half Year Ended	
	30-09-2021	30-09-2020
	S\$'000	S\$'000
Type of goods or services		
Outlet sales	35,075	27,308
Non-outlet sales	3,447	10,873
Total revenue	38,522	38,181
Primary geographical markets		
Singapore	38,246	37,963
Australia	226	190
Malaysia	50	28
Total revenue	38,522	38,181
Timing of transfer of goods		
At a point in time	38,522	38,181

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 2021 and 31 March 2021:

	The Group		The Company	
	30-09-2021	31-03-2021	30-09-2021	31-03-2021
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets at amortised cost				
Trade and other receivables	447	1,292	-	6
Deposits	3,649	3,580	-	-
Amounts due from subsidiaries	-	-	4,818	4,056
Cash and bank balances	25,851	25,190	7,731	9,494
Restricted cash	2,500	2,500	-	-
Less:				
Government grant receivables	(316)	(652)	-	(6)
Total financial assets at amortised cost	32,131	31,910	12,549	13,550
Financial liabilities at amortised cost				
Trade payables	3,514	3,137	-	-
Accruals	3,406	4,561	1,606	3,459
Sundry creditors	136	131	109	93
Government grant	-	1,193	-	9
Contract liabilities	325	339	-	-
Trade and other payables	7,381	9,361	1,715	3,561
Other liabilities	148	147	-	-
Bank loans	6,031	6,673	-	-
Finance lease liabilities	628	509	-	-
Lease liabilities	20,469	20,648	-	-
Less:				
GST payable	(615)	(584)	(109)	(88)
Contract liabilities	(325)	(339)	-	-
Government grants	-	(1,193)	-	(9)
Total financial liabilities at amortised cost	33,717	35,222	1,606	3,464

6. Profit before taxation

6.1 Significant items

	The Group	
	1st Half Year Ended	
	30-09-2021	30-09-2020
	S\$'000	S\$'000
Income		
Interest Income	18	30
Gain on disposal of property, plant and equipment	110	16
Gain on disposal of right-of-use assets	3	16
Government grant		
-Job Support Scheme and other employment grant	2,669	2,639
-Government grant	755	1,465
Expenses		
Interest expense from borrowings and finance lease	55	72
Interest expense from amortisation of lease liabilities	263	292
Depreciation of property, plant and equipment	2,040	2,448
Depreciation of right-of-use assets	5,182	5,406
Impairment for amount due from joint venture	26	-
Impairment for amount due from associates	51	-
Loss/(gain) in foreign exchange, net	37	(140)
Utilities expenses	913	854
Packaging material expenses	652	997

6.2 Related party transactions

During the six months ended 30 September 2021, there were 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 profit or loss are:

	The Group	
	1st Half Year Ended	
	30-09-2021	30-09-2020
	S\$'000	S\$'000
Current income tax expenses	431	1,043
Deferred income tax expense relating to origination and reversal of temporary differences	(8)	(242)
Taxation recognised in the consolidated statement of comprehensive income	423	801

8. Dividends

	The Group	
	1st Half Year Ended	
	30-09-2021	30-09-2020
	S\$'000	S\$'000
Ordinary dividends declared:		
-Interim exempt 2022 dividend of S\$1.0 cent per share	1,214	607
(2021 : Interim exempt 2021 dividends of S\$0.5 cent per share)		
Dividend per share (net of tax)	\$0.010	\$0.005

9. Net Asset Value

	The Group		Company	
	30-09-2021	31-03-2021	30-09-2021	31-03-2021
Net asset value per ordinary share based on total number of issued shares as at the end of the financial period reported on	\$0.30	\$0.28	\$0.14	\$0.13
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 S\$'000	Computer software licences S\$'000	Total S\$'000
At 31 March 2021			
Cost	175	663	838
Accumulated amortisation	(36)	(647)	(683)
Net book value	139	16	155
6 months ended			
1 April 2021			
Opening net book value	139	16	155
Additions	-	110	110
Amortisation	(4)	(15)	(19)
As at 30 September 2021	135	111	246
Ar 30 September 2021			
Cost	175	773	948
Accumulated amortisation	(40)	(662)	(702)
Net book value	135	111	246

11. Property, plant and equipment

During the six months ended 30 September 2021, the Group acquired assets amounting to S\$856,000 (30 September 2020: S\$240,000) and disposed of assets amounting to S\$43,000 (30 September 2020: S\$ 14,000).

12. Borrowings

12.1 Bank Loans

	The Group	
	30-09-2021	31-03-2021
	S\$'000	S\$'000
Secured bank loans		
Amount repayable within one year or on demand	1,296	1,288
Amount repayable after one year	4,735	5,385

12.2 Finance Leases

	The Group	
	30-09-2021	31-03-2021
	S\$'000	S\$'000
Finance leases		
Amount repayable within one year or on demand	222	200
Amount repayable after one year	406	309

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 2021; and
- (ii) corporate guarantees by the Company as at 30 September 2021.

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

13. Share Capital

	The Group and Company			
	30 September 2021		31 March 2021	
	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

The Company did not hold any treasury shares, subsidiary holdings, outstanding options and/or other convertibles as at 30 September 2021 and 30 September 2020.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2021 and 31 March 2021.

14. Earnings per share

Basic earnings per share 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 2021 and 30 September 2020 were the same as there were no potentially dilutive securities in issue as at 30 September 2021 and 30 September 2020.

EPS after deducting any provision for preference dividends :-	The Group First Half Year Ended	
	30-09-2021	30-09-2020
(a) Based on weighted average number of ordinary shares in issue (Singapore cents); and	2.77	5.05
(b) On a fully diluted basis (Singapore cents)	2.77	5.05

Number of shares used in the respective computations of EPS :-	The Group First Half Year Ended	
	30-09-2021	30-09-2020
(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 have led to adjustments to this set of interim financial statements.

Other Information Required by Catalist 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 2021 and the related condensed consolidated profit or loss and other 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.

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.

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.

3 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 2021 to 30 September 2021 ("1H2022"), the Group's revenue increased by approximately S\$341,000 or 0.9% mainly due to higher delivery and retail sales, partially offset by a decrease from catering sales. As at 30 September 2021, the Group operated a total of 89 outlets in Singapore, as compared to 88 outlets as at 30 September 2020.

Revenue from retail outlets increased by approximately S\$7.8 million or 28.4% mainly due to incremental revenue from new outlets and increase in revenue from existing outlets. The comparable period was affected by social distancing measures imposed during the Phase 1 circuit breaker ("CB"), as a result of Coronavirus Disease 2019 ("Covid-19") outbreak. The increase in retail revenue was partially offset by a decrease in revenue from closed outlets.

Revenue from other services, such as delivery and catering services, decreased by approximately S\$7.4 million mainly due to absence of packed meals catering to foreign workers dormitories, partially offset by higher delivery revenue during the current period.

The Group's gross profit margin decreased by 1.7% to 64.3% in 1H2022, mainly due to absence of economies of scale savings from the large-scale catering of packed meals to foreign workers dormitories.

Other income decreased by approximately S\$511,000 due to lower government grants, mainly the absence of foreign worker levy rebate of about S\$420,000 and lower property tax rebates offset by higher Job Support Scheme ("JSS"), rebates, and additional job growth support scheme income for the current period.

The increase in selling and distribution ("S & D") expenses was largely due to higher staff cost, to support the increase in retail revenue from outlets, absence of the waiver of foreign worker levies received in April 2020 and lower rental rebate of about S\$2.0 million received from landlords, partially offset by lower depreciation expenses and packing material expenses during 1H2022.

The decrease in administrative expenses was mainly due to lower legal and professional expenses, lower entertainment and bonus provision arising from the decrease in profit for 1H2022, offset by higher medical, bank charges, property tax, and repair and maintenance expenses.

Interest expenses decreased by approximately S\$46,000, mainly due to lower loan interest rates and lease interest.

Other expenses increased by S\$207,000 mainly due to

- (i) impairment of amount due from (a) our joint venture in United Kingdom ("UK") of approximately S\$26,000 and (b) the Company's Malaysian associate of approximately S\$51,000; and
- (ii) higher exchange loss of approximately S\$178,000 mainly due to exchange rate loss on foreign currency denominated payables to related companies within the Group.

As a result of the above, the proportion of total operating expenses compared to revenue increased from 58.6% in 1H2021 to 63.9% in 1H2022.

The decrease in depreciation expenses was mainly due to an increase in fully depreciated assets attributed to the right-of-use assets and property, plant and equipment, partially due to recognition of impairment for loss making outlets in the prior year.

The Group's taxation expenses decreased by S\$378,000 mainly due to the drop in profit before tax for the current period.

(B) Statement of Financial Position

Non-current assets

The Group's non-current assets decreased by approximately S\$1.2 million, mainly due to

- (i) a decrease in property, plant and equipment due to depreciation expenses and disposal of motor vehicles during 1H2022; and
- (ii) a decrease in right-of-use assets of approximately S\$110,000 mainly due to right-of-use depreciation expenses offset by lease renewal and new lease committed, offset by
- (iii) additions to property, plant and equipment mainly renovation for new and existing outlets during the period.

Current assets

The Group's current assets increased by approximately S\$30,000 mainly due to:

- a) an increase in cash and bank balances of approximately S\$661,000 as explained under the statement of cash flow in paragraph (c) below; and
- b) an increase in prepayments, mainly due to an increase in annual insurance premium during 1H2022; offset by
- c) a decrease in trade and other receivables of approximately S\$845,000 mainly due to cash receipts from the disposal of the Group's factory facility at Woodlands Loop and government support measures.

Current and non-current liabilities

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

- (i) a decrease in accruals due to lower annual staff incentive provision and receipt of JSS deferred income of approximately S\$1.2 million during the current period;
- (ii) a decrease in tax provision and deferred tax liabilities due to tax paid, offset by tax provision during the period.
- (iii) a decrease in bank loan and finance lease mainly due to repayment during the period; and
- (iv) a decrease in lease liabilities mainly due to lease repayment of approximately S\$5.2 million offset by new lease commitment of approximately S\$5.1 million.

Net working capital

As at 30 September 2021, the Group had a positive net working capital of approximately S\$9.6 million compared to net working capital of approximately S\$7.5 million as at 31 March 2021.

(C) Statement of Cash Flows

In 1H2022, the Group generated an operating profit before working capital changes of approximately S\$11.4 million. Net cash generated from operating activities, inclusive of working capital changes and tax paid, amounted to approximately S\$8.8 million in 1H2022.

In 1H2022, net cash used in investing activities amounted to approximately S\$537,000. This was mainly due to additions of plant and equipment, and renovation costs for the Group's new retail outlets, offset by proceeds from disposal of the Group's motor vehicles.

Net cash used in financing activities amounted to approximately S\$7.6 million in 1H2022. This was mainly due to dividends of approximately S\$1.2 million paid during 1H2022, repayment of lease obligations inclusive of lease interest, of approximately S\$5.5 million and repayments of bank loans and finance lease during the period.

4. 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.

5. 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 and remains fairly resilient for the 6 months ended 30 September 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 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 continues to receive corporate catering orders for bento meals. With the stabilizing 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 and labour costs, while rental costs remain elevated. 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 and working with major e-commerce players during this challenging period.

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.

6. 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:	0.5 Singapore cent per ordinary share
Tax Rate:	Tax exempt (one-tier)

(c) Date payable

On or around 17 December 2021.

(d) Record date

3 December 2021

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

Not applicable.

8. 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.

9. Additional Information Required Pursuant to Rule 706A

During 1H2022, 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.

10. Negative confirmation by the Board pursuant to Rule 705(5) of the 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 2021 to be false or misleading in any material aspects.

11. 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
Director

Lim Tao-E William
Director

BY ORDER OF THE BOARD

Adrian Chan Pengee
Company Secretary

11 November 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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