Old Chang Kee 老曾记

since 1956

Creating the Connection that Counts

Annual Report 2015

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Our Advocacy

Delivering great food is our advocacy. Satisfying the wide palate of Singapore remains to be our delight; and we just keep getting better at it. Making good at its promise, Old Chang Kee carries on with its tradition of turning simple recipes into high quality dishes at fair prices. This is for the service of many hardworking Singaporeans who deserve all the delectable treats that our kitchen can provide.

Corporate Profile

Old Chang Kee is synonymous with quality food. An accessible go-to snack creator, a trusted store when you need to grab a bite or fill an empty stomach.

We have been present in Singapore for over 59 years now. And we are going to remain as your Old Chang Kee, giving the same good old taste you have loved all these times. We specialise in the manufacture and sale of affordable and delectable food products of consistent quality, under the "Old Chang Kee" brand name. Our signature curry puff is sold at our outlets together with over 30 other food products including fishballs, chicken nuggets and chicken wings. We pride ourselves on always innovating and introducing new products for our customers. Most of our sales are on a takeaway basis and our outlets are located at strategic locations to reach out to a wide range of consumers. The Dip 'n' Go retail outlet offers delicious food on the go, with a variety of dips to go with. The Pie Kia Shop retail outlets offer pies with a variety of fillings like mushroom chicken, roast chicken and sardine, all at a very affordable price. The "Curry Times", "Take 5" and "Mushroom" dine-in retail outlets carry a range of local delights such as laksa, mee siam, nasi lemak and curry chicken. We also provide catering services to the central business district and selected areas in Singapore.

Chairman's Statement and Operations Review

Dear Shareholders,

It is my pleasure to present to you the Annual Report and the Group's results for the financial year ended 31 March 2015.

Revenue

The Group's revenue increased from approximately S$68.9 million for the financial year ended 31 March 2014 ("FY2014") to approximately S$71.6 million for the financial year ended 31 March 2015 ("FY2015"), an increase of approximately S$2.8 million or 4.0%.

Revenue from the retail division increased by approximately S$2.6 million or 3.9%. The increase in revenue was mainly due to incremental revenue from new outlets, offset by absence of revenue from closed outlets and lower revenue from some existing outlets.

Revenue from other services such as delivery and catering services increased by approximately S$126,000 or 11.3%, mainly due to an increase in catering services in FY2015.

As at 31 March 2015, the Group operated a total of 83 outlets in Singapore as compared with 80 outlets in 31 March 2014.

The Group's signature puff products remained the major contributor to its revenue and accounted for approximately 31.8% of the Group's revenue in FY2015, as compared with approximately 31.4% in FY2014.

Cost of sales and gross profit

Cost of sales increased by approximately S$916,000 or 3.5%. The increase was mainly due to the higher revenue generated by the Group.

The Group's gross profit increased by approximately S$1.8 million or 4.3%. The Group's gross profit margin increased slightly from approximately 62.2% in FY2014 to 62.4% in FY2015 due to tighter product cost controls.

Other income

Other income increased by approximately S$371,000 or 32.3%. The increase was mainly due to gain from disposal of motor vehicles and an increase in government grant income to support our expansion initiatives.

Operating Expenses

Selling and distribution expenses

Selling and distribution ("S & D") expenses increased by approximately S$2.5 million or 9.8%. S & D expenses in FY2015 amounted to approximately 38.9% of revenue as compared with approximately 36.8% of revenue in FY2014.

The increase in S & D expenses as a percentage of revenue was largely attributed to higher staff costs including foreign worker levy contributions, and higher outlet rental expenses.

Administrative expenses

Administrative expenses increased by approximately S$125,000 or 1.2%.

The increase in administrative expenses was mainly due to an increase in staff cost, inclusive of executive directors' remuneration, insurance expenses, and donation and sponsorship expenses.

Other expenses

Other expenses increased by approximately S$78,000 or 6.5% mainly due to an increase in depreciation expenses, and fixed assets written off, which was largely because of the closure of retail outlets in FY2015, and foreign exchange losses.

As a result of the above, total operating expenses increased by approximately S$2.7 million or 7.4%. Total operating expenses amounted to approximately 55.2% of revenue in FY2015 and 53.4% in FY2014 respectively.

Depreciation

Depreciation increased by approximately S$322,000 or 9.2% in FY2015 as compared with FY2014. The increase was mainly due to an increase in depreciation of renovation, electrical fittings, furniture and plant and equipment, partially offset by lower depreciation for leasehold improvement expenses.

Finance costs

Finance costs increased by approximately S$50,000 mainly due to interest expenses on loans taken to finance the construction and renovation of factory facilities.

Profit before tax

The Group's profit before tax decreased from approximately S$7.2 million in FY2014 to approximately S$6.7 million in FY2015, a decrease of approximately S$536,000 or 7.4%.

Taxation

The Group's taxation expenses increased by approximately S$197,000 or 16.1%. The increase was mainly due to additional tax provision for the previous years of approximately S$167,000 and higher non-deductible expenses in FY2015 as compared with FY2014.

Balance Sheet

Non-current assets

The Group's non-current assets increased by approximately S$4.8 million or 20.5% mainly due to the following:

(a) purchase of fixed assets mainly for additions of plant and equipment and renovation costs for the Group's new and existing retail outlets, and construction of the Group's new factory; partially offset by

(b) depreciation expenses and fixed assets written off for closed retail outlets for FY2015; and

(c) a decrease in long term deposits largely because of reclassification of lease deposits to short term deposits in accordance with the respective lease tenures, offset by additional lease deposits paid to secure new outlets.

Current assets

The Group's current assets increased by approximately S$691,000 or 3.0% mainly due to the following:

(a) an increase in short-term deposits mainly due to reclassification of lease deposits from long term to short term deposits in accordance with the lease tenures; and

(b) an increase in prepayment mainly due to advance payments to suppliers for renovation works and computer system upgrades, and annual renewal of our factory and outlets' insurance policies.

Current liabilities

The Group's current liabilities decreased by approximately S$231,000 or 2.3% mainly due to the following:

(a) a decrease in trade and other payable, largely because of a decrease in period-end billings by our trade suppliers and contractors; partially offset by

(b) an increase in bank loans of approximately S$476,000 mainly to finance the construction of the Group's new factory.

Non-current liabilities

The Group's non-current liabilities increased by approximately S$4.0 million or 81.8% mainly due to an increase in bank loans of approximately S$3.9 million, which increase was largely for the purposes of financing the construction of the Group's new factory.

Net working capital

As at 31 March 2015, the Group had a positive net working capital of approximately S$13.7 million as compared with approximately S$12.7 million as at 31 March 2014.

Cash flow

For FY2015, the Group generated an operating profit before working capital changes of approximately S$10.9 million. Net cash generated from operating activities, inclusive of working capital changes, amounted to approximately S$7.5 million in FY2015.

In FY2015, net cash used in investing activities amounted to approximately S$8.2 million. This was mainly attributable to renovation costs capitalised and the purchase of plant and equipment for the Group's new factory and retail outlets.

Net cash from financing activities amounted to approximately S$538,000 in FY2015. This was mainly due to the bank loan drawn down for the construction and renovation of the Group's new factory, partially offset by dividends paid in FY2015, and repayments of bank loans and finance lease liabilities including interest paid.

Significant Developments

In FY2014, the Group commenced construction works for our new factory facilities in both Singapore and Iskandar Malaysia. The construction works for 4 Woodlands Terrace and Iskandar Malaysia are seeing good progress, and both construction works are expected to be fully completed in FY2016.

When completed, both factory facilities will feature modern technology and machinery that will further improve our food consistency, labour efficiencies and space productivity. The enlarged food facilities will provide a sound platform to organically grow our business both locally and regionally.

Retirement of Director

Having been an Independent Director of our Company since July 2010, Mr Wong Ming Kwong has decided to retire and will not be seeking re-election at the forthcoming Annual General Meeting with a view to refreshing the Board.

On behalf of the Board of Directors and the management team, I would like to thank Mr Wong Ming Kwong for his astute business acumen and guidance over the years and wish him all the best in his future endeavours.

Dividends

The Directors have proposed an ordinary final dividend of 1.5 Singapore cents per ordinary share for FY2015.

Going Forward

With the labour shortage situation in the Food & Beverage sector set to continue, labour costs are expected to continue in their upward trend. The Group will continue to explore ways to improve the efficiency and profit margins of our various business units, tapping on the strong support of government agencies where possible.

While the Group expects rental and raw materials costs to remain elevated, we will continue to manage these costs through various strategies. These include improving raw materials management, better productivity at our production facilities using state-of-the art machinery, and further enhancements to our popular product range.

Acknowledgement

I would like to express my heartfelt appreciation to our customers for their continued patronage and our shareholders, Directors, bankers, strategic business partners and our staff for their continued support.

HAN KEEN JUAN
EXECUTIVE CHAIRMAN

Our Brands

Each brand name embodies the unique promise, aspiration and personality of the product. In order to differentiate the product from others in today's competitive market, Old Chang Kee has developed memorable and distinctive brand names for all our products.

Affectionately named O' My Darling, our mobile kitchen has graced many high profile events such as the National Day Parade in Singapore.

Featuring some of the best local dishes, Take 5 offers our customers a cozy dine-in experience with delectable local delights.

The Pie Kia Shop offers a range of unusual tastes and product names, serving great bite-sized pies.

Catering

Our catering service allows you to enjoy great tasting food from our Old Chang Kee, Curry Times and Take 5 menu at your casual gathering or corporate events.

Old Chang Kee

Dip'n'Go

Yours sincerely by Old Chang Kee

Dip'n'Go is our revolutionary concept of delicious food on the go and an exciting variety of dips to go with.

Curry Times

Curry Times, our curry themed restaurant, continues to delight our customers with authentic home cooked recipes.

mushroom

CAFE IN THE PARK

Mushroom Cafe is an al fresco concept eatery serving a blend of local delights to cater to both the young and old.

Milestones

1956
Origins of Mr Chang's chicken curry puff.
1986: Our Executive Chairman, Han Keen Juan acquired the curry puff business

2004
Awarded "Singapore Promising Brand Award (SPBA)" by the ASME and Lianhe Zaobao.
Dec 2004: Incorporated "Old Chang Kee Singapore Pte. Ltd."

2005
Awarded "SPBA Heritage Brand Award" and the "SPBA – Distinctive Brand Award" by the ASME and Lianhe Zaobao.
Jan 2005: "Halal" certification by Majlis Ugama Islam Singapura (MUIS)

2007
Awarded "Lifelong Learner Award, Corporate Category" by MediaCorp Radio, Singapore Workforce Development Agency, National Trade and Unions Congress and SPRING Singapore.
May 2007: Obtained Hazard Analysis Critical Control Point (HACCP) certification for the manufacturing of curry puffs and implemented a quality assurance programme

2008
Launched "The Pie Kia Shop"
Listed on the Catalist.
Launched flagship restaurant in Chengdu, PRC

2010
Recognised as an official caterer for the inaugural Singapore 2010 Youth Oympic Games and National Day Parade 2010
Launched "Mushroom", Cafe in the Park

2012
Hailed as one of the Best Fast- Food Chains in the World by Travel+Leisure, a travel magazine based in New York City, published 12 times a year and has 4.8 million readers around the world Indeed, another testament to Singaporeans' value for quality food and a verification of Old Chang Kee's commitment to excellence.
Launched "Curry Times".
Launched flagship outlet in Perth, Australia.

2013
Our first 2-in-1 concept in Alexandra Retail Centre, with Old Chang Kee sharing the premise with Curry Times Tingkat.
Launched our first Dip 'n' Go outlet at Woodlands MRT Station

2015
Launched our first Changi Airport outlet in Terminal 3, a 2-in-1 concept with Old Chang Kee sharing the premise with Curry Times,
Winner of Influential Brands' Top 1 Brand, kiosk category.

Bringing people closer since 1956

We have evolved from a small coffee-shop stall in 1956 to operating more than 80 outlets in Singapore today. Beyond our signature curry puff, we have developed several distinctive sub-brands to expand our portfolio and to continue to offer delicious and high quality products to our multicultural customers, both young and old.

Retail Outlets

2 Mackenzie Road (Rex)
313@Somerset
Alexandra Retail Centre
Aljunied MRT Station
AMK Hub
Bedok Mall
Bedok Point
Bugis Junction
Bukit Merah Central
Bukit Panjang Plaza
Buona Vista MRT station
Caltex Bukit Batok
Caltex Clementi
Caltex Dunearn
Caltex East Coast
Caltex Jurong West
Caltex Lorong Chuan
Caltex Tampines
Causeway Point
Century Square
Changi Airport Terminal 3
Changi City Point
City Square Mall
Clementi Mall
Compass Point
Far East Plaza
Funan Digitalife Mall
Golden Shoe Car Park
Greenwich V
Heartland Mall
Holland Village MRT Station
Hougang Mall
IMM Building
International Plaza
Ion Orchard
Jem
Junction 8 Shopping Centre
Jurong Point Shopping Centre
Kallang MRT Station
Kallang Wave
Kembangan MRT Station
Lot 1 Shoppers' Mall
National University of Singapore
Nex Mall
Ngee Ann Polytechnic
Northpoint Shopping Centre
Novena Square
NTUC Hub @ Benoi
Paragon
Parkway Parade
Paya Lebar Square
Plaza Singapura
Potong Pasir MRT Station
Rivervale Mall
Sentosa Beach Station
Simei MRT Station
Singapore Post Centre
SPC East Coast Service Station
SPC Jalan Buroh Service Station
SPC Punggol Service Station
Sun Plaza
Tampines MRT Station
The Verge
Thomson Plaza
Tiong Bahru Plaza
Toa Payoh Hub
Ubi Avenue 2
United Square
V Hotel @ Lavender
VivoCity
West Mall
White Sands
Yew Tee Point

mushroom
CAFE IN THE PARK

MacRitchie Reservoir
Sengkang Riverside Park

PIE KIA

Century Square
Choa Chu Kang Xchange

Dip'n'Go
Yours sincerely by
Old Chang Kee

Woodlands MRT Station

Curry Times 咖喱时光

Alexandra Retail Centre
Changi Airport Terminal 3
Kallang Wave

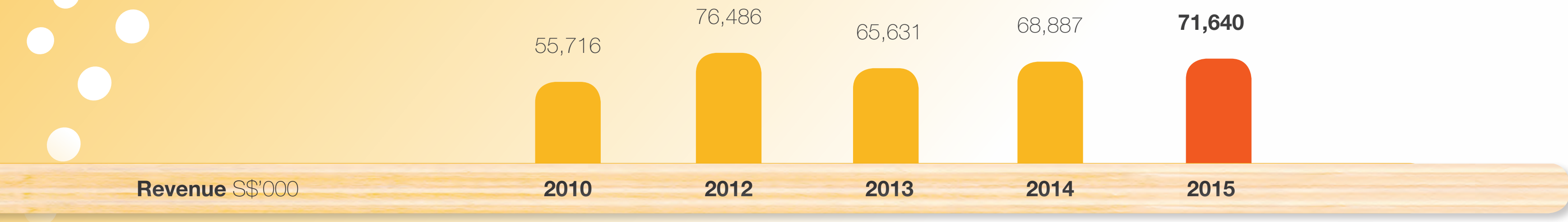
Novena Square
One KM
Westgate

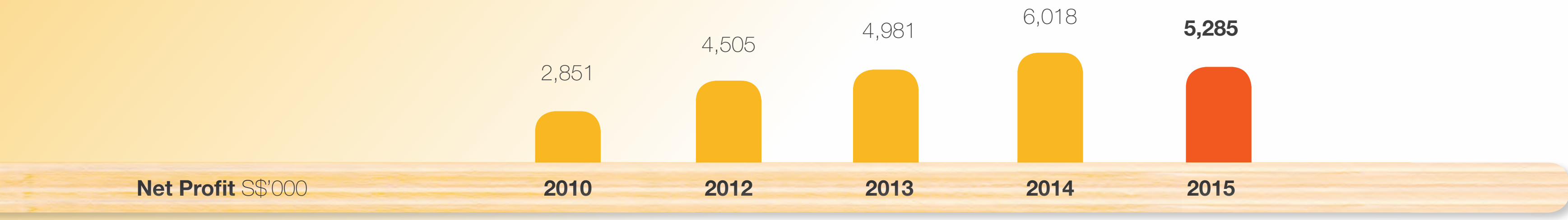
Group Structure

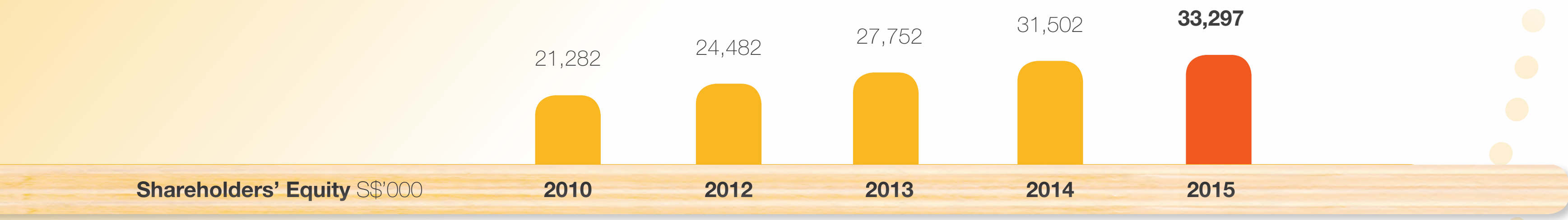
Face to face, heart to heart

At Old Chang Kee, we are all about the human touch. Donning our signature yellow uniform, our friendly and approachable staff is always ready to serve you our hot and tasty treats, delivered with a smile.

Financial Highlights







$'000	2010	2012*	2013	2014	2015
Revenue	55,716	76, 486	65,631	68,887	71,640
Profit before taxation	3,631	5,330	6,063	7,244	6,708
Net profit attributable to shareholders	2,851	4,505	4,981	6,018	5,285
Shareholders' equity	21,282	24,482	27,752	31,502	33,297
Non-current assets	13,706	15,154	20,684	23,604	28,438
Current assets	15,989	19,380	20,021	22,937	23,628
Non-current liabilities	1,480	1,373	4,014	4,841	8,802
Current liabilities	6,933	8,679	8,939	10,198	9,967

Financial Indicators					
Profit before taxation margin	6.5%	7.0%	9.2%	10.5%	9.4%
Net profit margin	5.1%	5.9%	7.6%	8.7%	7.4%
Earnings per share (Singapore cents)	3.05	4.75	4.96	4.97	4.35
Net asset value per share (Singapore cents)	22.67	25.68	22.95	25.95	27.43
Return on equity	13.4%	18.4%	17.9%	19.1%	15.9%
Return on assets	9.6%	13.0%	12.2%	12.9%	10.2%
Current ratio	2.3 : 1	2.2 : 1	2.2 : 1	2.2:1	2.4:1

* The Group had changed its financial year end from 31 December to 31 March. The figures reported for FY2012 comprise 15 months, from 1 January 2011 to 31 March 2012.

Board of Directors

Han Keen Juan

Executive Chairman

Han Keen Juan is our Executive Chairman and the spouse of Mdm Ng Choi Hong, a substantial shareholder of the Company. He is involved in the overall management of the Group and leads the Group in setting the Group's mission and objectives as well as developing the overall business strategies. He has more than 30 years of sales experience and was instrumental in the establishment, development and expansion of our Group's business.

Lim Tao -E William

Chief Executive Officer and Executive Director

William Lim, our Chief Executive Officer ("CEO"), joined the Group in 1995. He is responsible for the development of new products, expansion of our business into overseas markets, and overseeing the business and sales development strategies.

William has more than 20 years of sales experience. He graduated with a Bachelor of Commerce from the Curtin University of Technology in Australia.

Chow Hui Shien

Deputy Chief Executive Officer and Executive Director

Chow Hui Shien, our Deputy CEO, was appointed as our Executive Director on 27 July 2012. She joined the Group in 2004 with more than seven years of experience in general management. She is responsible for overseeing the general management of our Group including production, logistics, marketing and retail operations. She also participates actively in formulating various branding exercises, business development and sourcing for strategic locations at which to set up new retail outlets for our Group.

Prior to joining our Group, Hui Shien assisted in the incorporation of Hainan Treats Pte. Ltd. and was subsequently appointed as its manager. Her duties included overseeing the retail and production operations and the sales and marketing activities of the company. She graduated with a Bachelor of Business from the Monash University, Melbourne.

Ong Chin Lin

Lead Independent Director

Ong Chin Lin, appointed as our Lead Independent Director on 16 November 2007, is currently the independent director of Linair Technologies Ltd and Yi-Lai Berhad. He has more than 30 years of working experience to date and had previously held positions such as group accountant of Prima Flour Ltd, finance and operation director of Malaysia-Beijing Travel Sdn Bhd, leasing manager of Far East Organisation Pte Ltd and financial controller of Nylect Technology Limited.

He graduated with a Bachelor of Commerce (Accountancy) from the then Nanyang University. He is an associated member and a fellow of the Institute of Chartered Accountants in England and Wales. He is also a member of the Malaysia Institute of Accountants.

Wong Ming Kwong

Independent Director

Wong Ming Kwong was appointed as our Independent Director on 22 July 2010. Mr Wong established Key Elements Consulting Group in 1999, providing consultancy services for companies, especially small and medium-sized enterprises in Singapore. He is now the President of Key Elements Consulting Pte Ltd. He is also currently a director of a number of companies including Key Elements Consulting Pte Ltd, A List Capital Pte Ltd, Restyle 360 Pte Ltd, Premium 360 Pte Ltd, Premium Selection Pte Ltd and Tomonari Pte Ltd.

Prior to that, he was the marketing communications manager for the motors group in Inchcape Sendirian Berhad in 1990 and subsequently, the business development manager till 1993. Mr Wong spearheaded business development as a sales and marketing manager in Singapore National Printers Pte Ltd (now known as Toppan Vite Pte. Ltd.) from 1993 to 1995. Following that, he became the marketing director of APV Asia Pte Ltd, part of the Invensys PLC global technology and controls group, before being promoted to the position of managing director (Greater China Division) in 1997, a position he held till 1998.

Mr Wong was an executive director of China Fashion Holdings Limited from December 2009 to May 2011 and a non-executive director of Mary Chia Holding Limited from June 2009 to December 2012. Currently, he is a non-executive director of Goodland Group Limited and an executive director of ITE Electric Co Ltd. All these companies are listed on the SGX Catalist.

Mr Wong holds a Bachelor of Arts (Second Class Upper, Honours) (Chinese Studies) and Bachelor of Arts (Economics and Statistics) from the National University of Singapore. In addition, he holds a Graduate Diploma in Marketing from the Marketing Institute of Singapore.

Audrey Yap Su Ming

Independent Director

Audrey Yap Su Ming, appointed as our Independent Director on 24 July 2014, is the managing partner of intellectual property ("IP") specialist law firm, Yusarn Audrey. Known as one of Singapore's outstanding IP experts, Audrey has an international reputation, and has received numerous awards for her role in shaping IP portfolios of companies and industries, and advising countries on IP policies.

Audrey is the only lawyer in Singapore who has been named one of the World's Leading IP Strategists in a London based survey conducted by IAM magazine from 2009 till 2015, 7 years running.

Audrey was listed as one of Singapore's leading lawyers in the 2008 Who's Who Legal and named by Euromoney as one of the top Women Business lawyers in Singapore.

Audrey is a Member of the Board of Directors, IP Office of Singapore.

Audrey served as regional consultant for the World Intellectual Property Organisation ("WIPO"), a UN specialised agency from 2004-2006 to look at harnessing IP for growth for ASEAN. Audrey was selected by WIPO to serve on a high level expert panel in 2015 on International Technology Transfer in Geneva under the WIPO Development Agenda framework.

She is an Adjunct Fellow with the IP Academy of Singapore and a Notary Public.

In 2012, Audrey served on the IPOS Steering Committee on a National IP Competency Framework as well as on the IP Sub Committee on "Developing a vibrant market place for IP transactions and commercialisation" for the purpose of the IP Hub Master Plan for Singapore, launched in March 2013.

She is a member of the SMEC Innovation Committee, Singapore Business Federation.

Audrey is a qualified lawyer in Singapore and Malaysia, a solicitor of England and Wales, and is a registered patent agent in Singapore.

Zainudin Bin Nordin

Proposed Independent Director

Zainudin Bin Nordin, our proposed Independent Director, is currently a Member of Parliament representing the Bishan-Toa Payoh Group Representation Constituency (GRC). Zainudin has represented Bishan-Toa Payoh GRC since 2001. He is the President of the Football Association of Singapore, President of the French Alumni of Singapore and a member of the National Youth Achievement Award Advisory Board.

Zainudin also holds directorships in a number of companies including Mendaki Social Enterprise Network Singapore Pte Ltd, Celestine Management Pte Ltd and AFF Pte Ltd. He holds a Diplôme d'ingénieur en électronique et électrotechnique (which is equivalent to a Master of Science in Electrical and Electronics Engineering) from ESIEE Paris, France.

Key Management

Song Yeow Chung
Group Financial Controller

Song Yeow Chung, who joined the Group in January 2010, is responsible for the Group's full spectrum of financial and taxation functions, including financial accounting, management accounting, budgeting and forecasting, statutory reporting to relevant authorities in all jurisdictions that the Group operates in, as well as internal controls and compliance with corporate, legal, tax, and accounting requirements. He has more than 13 years of experience in financial auditing and accounting.

Prior to joining the Group, he held the position of finance manager with a company which was previously listed on the SGX-ST Mainboard. He is a member of the Institute of Singapore Chartered Accountants and graduated with a Bachelor of Accountancy (Honours) from Nanyang Technological University.

Ng Lee Huang
Purchasing Manager

Ng Lee Huang joined the Group in 1987 and is responsible for overseeing the purchasing processes and ensuring that the purchases of materials, supplies and services comply with the exacting standards and procedures established by the Group. Prior to assuming her current position as Purchasing Manager in January 2010, she was the Group's Production Manager, where she was responsible for the production processes of the Group.

Ngoh Kin Wee
Project Management Manager

Ngoh Kin Wee joined the Group in 1987 and is responsible for overseeing the project management of the Group's business units, and ensuring that projects comply with the operational standards established by the Group. Prior to assuming his current position as Project Management Manager in January 2015, he was the Group's Overseas Business Support Manager, where he was responsible for overseeing the operational requirements of the Group's overseas business units.

Philip Chow Phee Liat
Overseas Business Development Manager

Philip Chow Phee Liat joined the Group in 2005 and is responsible for overseeing the overseas business operations of the Group since December 2013. He was also appointed as an Executive Director of Old Chang Kee Manufacturing Sdn Bhd, the Group's wholly owned subsidiary in November 2014. As Overseas Business Development Manager, he is responsible for franchise development in overseas markets as well as overall management of the Group's manufacturing facility in Iskandar Malaysia.

Corporate Information

BOARD OF DIRECTORS

Han Keen Juan	Executive Chairman
Lim Tao-E William	Executive Director and Chief Executive Officer
Chow Hui Shien	Executive Director and Deputy Chief Executive Officer
Ong Chin Lin	Lead Independent Director
Audrey Yap Su Ming	Independent Director
Wong Ming Kwong	Independent Director

NOMINATING COMMITTEE
Audrey Yap Su Ming - Chairman
Ong Chin Lin
Wong Ming Kwong

REMUNERATION COMMITTEE
Wong Ming Kwong - Chairman
Ong Chin Lin
Audrey Yap Su Ming

AUDIT COMMITTEE
Ong Chin Lin - Chairman
Audrey Yap Su Ming
Wong Ming Kwong

COMPANY SECRETARIES
Adrian Chan Pengee
Lun Chee Leong
Song Yeow Chung

REGISTERED OFFICE
2 Woodlands Terrace
Singapore 738427
Tel: (65) 6303 2400
Fax: (65) 6303 2415
Email: contact@oldchangkee.com

SHARE REGISTRAR
Boardroom Corporate &
Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Towers
Singapore 048623

BANKERS
Oversea-Chinese Banking Corporation Ltd
United Overseas Bank Limited
DBS Bank Ltd.

AUDITORS
Ernst & Young LLP
Public Accountants and
Certified Public Accountants
One Raffles Quay
North Tower Level 18
Singapore 048583

AUDIT PARTNER-IN-CHARGE
Teo Li Ling
(Appointed since financial year
ended 31 December 2010)

SPONSOR
PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income At Raffles
Singapore 049318

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Corporate Governance

The Board of Directors (the "Board") and Management of Old Chang Kee Ltd. (the "Company" and together with its subsidiaries, the "Group") are committed to maintaining a high standard of corporate governance in accordance with the principles and guidelines set out in the Code of Corporate Governance 2012 (the "Code") to enhance long-term shareholders' value through enhancing corporate performance and accountability.

This report describes the Company's corporate governance processes and procedures that were in place throughout the financial year ended 31 March 2015, with specific reference made to the principles and guidelines of the Code, except where otherwise stated.

Board Matters

Principle 1 – Board's Conduct of Affairs

The principal functions of the Board are to:

(a) provide entrepreneurial leadership, set out overall long term strategic plans and objectives for the Group and ensure that the necessary financial and human resources are in place to meet its objectives;

(b) establish a framework of prudent and effective controls which enables risk to be assessed and managed; including safeguarding of shareholders' interests and the Company's assets, to review, assess and manage internal controls and risk management;

(c) review Management's performance;

(d) identify key stakeholder groups and ensure good corporate governance practices to protect the interests of shareholders and recognise that their perceptions affect the Company's reputation; and

(e) appoint or nominate persons to be appointed as Directors (on the advice of the Nominating Committee) and to appoint key executives.

The Board continues to approve matters within its statutory responsibilities. Specifically, the Board has direct responsibility for decision making in the following:

(a) corporate strategies;

(b) major investment and divestment proposals;

(c) material acquisitions and disposals of assets;

(d) material interested person transactions;

(e) major financing, corporate financial restructuring plans and changes in the capital of the Company;

(f) approval of financial results announcements, annual reports and audited financial statements; and

(g) the proposal of dividends and other returns to shareholders.

To facilitate effective execution of its functions, the Board has delegated certain functions to three specialised committees, namely the Nominating Committee ("NC"), Remuneration Committee ("RC") and Audit Committee ("AC") (collectively, the "Board Committees"). These Board Committees operate under clearly defined terms setting out their respective roles and report to the Board on the outcome and recommendations as discussed during their respective committee meetings. The terms and the effectiveness of each Board Committee are also reviewed by the Board on a regular basis.

The Board meets regularly at least half-yearly and additional meetings for particular matters will be convened as and when they are deemed necessary. The Articles of Association of the Company ("Articles") provide for Directors to convene meetings other than physical meetings, by teleconferencing or videoconferencing.

The number of meetings held by the Board and Board Committees and attendance of each member of the Board during the financial year ended 31 March 2015 are as follows:

Name of Director	Board	Nominating Committee	Remuneration Committee	Audit Committee
Number of meetings held	4	2	2	4
Number of meetings attended:				
Han Keen Juan	4	–	–	–
Lim Tao-E William	4	–	–	–
Chow Hui Shien	4	–	–	–
Ong Chin Lin	4	2	2	4
Audrey Yap Su Ming#	3	–	1	3
Wong Ming Kwong	3	2	2	3
Wong Chak Weng*	1	1	1	1

* *Retired at the annual general meeting of the Company ("AGM") held on 24 July 2014.*
\# *Appointed as a Director of the Company at the AGM held on 24 July 2014.*

During the financial year reported on, all Directors had received updates on regulatory changes to the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Directors had also received appropriate trainings to develop individual skills and to receive updates on changes in the relevant laws and regulations and changing commercial risks.

The Company also encourages the Directors to attend training courses organised by the Singapore Institute of Directors or other training institutions in connection with their duties as Directors. During FY2015, the Directors attended various courses and seminars on corporate governance, intellectual property law, the upcoming amendments to the Companies Act (Cap. 50), and risk management.

The Board ensures that all newly appointed Directors will receive comprehensive and tailored briefings about the Group's history and its governance and business practices, and will receive a formal appointment letter setting out their duties and obligations. The Company will also provide training for first-time directors in areas such as accounting, legal and industry-specific knowledge as appropriate.

Principle 2 – Board Composition and Guidance

The Board comprises six members of whom three are Independent Directors and three are Executive Directors as follows:

Han Keen Juan	(Executive Chairman)
Lim Tao-E William	(Chief Executive Officer and Executive Director)
Chow Hui Shien	(Deputy Chief Executive Officer and Executive Director)
Ong Chin Lin	(Lead Independent Director)
Audrey Yap Su Ming	(Independent Director)
Wong Ming Kwong	(Independent Director)

As there are three Independent Directors on the Board, the Company meets the current requirement of the Code that at least half of the Board consists of independent directors where the Chairman is part of the Management team or is not an independent director.

Ong Chin Lin, Audrey Yap Su Ming and Wong Ming Kwong have confirmed that they do not have any relationship with the Company or its related companies or its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company.

The independence of each Director is reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an independent director in its review. The NC has reviewed and determined that the said Directors are independent.

The Board considers its current board size appropriate to effectively facilitate the operations of the Group and is of the view that the current board composition offers a good balance and diversity of skills, experience, gender, knowledge of the Company and core competencies in various areas such as accounting and finance, business and management, corporate governance and law.

Members of the Board are constantly in touch with the Management to provide advice and guidance on strategic issues and on matters for which their expertise will be constructive to the Group. The NC is of the view that the current Board comprises persons who as a group provide capabilities required for the Board to be effective.

The Independent Directors are non-executive Directors of the Company. They constructively challenge and assist in the development of proposals on strategy, and assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance.

Principle 3 – Chairman and Chief Executive Officer

The Company believes in a clear division of responsibilities between the Executive Chairman and the Chief Executive Officer ("CEO") to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

The Executive Chairman and CEO of the Company are Han Keen Juan and Lim Tao-E William respectively. The Executive Chairman is responsible for the overall management of the Group and leads the Group in setting the Group's mission and objectives as well as developing the overall business strategies. The Executive Chairman also ensures that Board meetings are held when necessary, sets the Board agenda and ensures that all Board members are provided with complete, adequate and timely information. The CEO bears the overall operational responsibility for the Group's business, including the development of new products, expansion of the Group's business into overseas markets, and overseeing the business and sales development strategies.

Lim Tao-E William is the nephew of Han Keen Juan. To promote good corporate governance in view of the relationship between the Company's Executive Chairman, Han Keen Juan and the Company's CEO, Lim Tao-E William, and taking into consideration the fact that they are both part of the Executive Management Team, the Company has appointed Ong Chin Lin as the Company's Lead Independent Director, pursuant to the recommendations of the Code. Shareholders will be able to consult the Lead Independent Director to address their concerns for which contact through the normal channels of the Executive Chairman, CEO or Group Financial Controller has failed to resolve or for which such contact is inappropriate.

The role of the Lead Independent Director also includes meeting with the other Independent Directors without the presence of the Executive Directors, and the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence.

Principle 4 – Board Membership

The NC comprises Audrey Yap Su Ming, as Chairman, with Ong Chin Lin and Wong Ming Kwong as members. All members of the NC are Non-Executive Independent Directors and are not directly associated with any substantial shareholder of the Company.

The NC is governed by written terms of reference under which it is responsible for, amongst others:-

(a) determining annually, and as and when circumstances require, whether a Director is independent, and providing its views to the Board in relation thereto for the Board's consideration;

(b) reviewing the independence of any director who has served on the Board for more than nine (9) years from the date of his first appointment and the reasons for considering him as independent;

(c) where a Director or proposed Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments[1];

(d) making recommendations to the Board on relevant matters relating to:

  (i) the development of a process for evaluation of the performance of the Board, its board committees and directors; and

  (ii) the appointment and re-appointment of directors (including alternate directors, if applicable);

(f) proposing objective performance criteria for evaluation of the Board's performance as a whole which allows for comparison with industry peers and address how the Board has enhanced long-term shareholder value;

(g) carrying out, at least annually, a formal assessment of the performance and effectiveness of the Board as a whole and its board committees and the contributions of individual Directors to the effectiveness of the Board, based on the process implemented by the Board; and

(h) based on the results of the performance evaluation, providing its views and recommendations to the Board, including any appointment of new members.

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[1] The term "***principal commitments***" shall include all commitments which involve significant time commitment such as full time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments are not normally considered principal commitments.

The NC is also required to determine whether Directors who hold multiple board representations are able to and have been devoting sufficient time to discharge their responsibilities adequately. While the Code requires listed companies to fix the maximum number of listed company board representations that their directors may hold and to disclose this in their annual report, the Board is of the view that the assessment of whether each Director is able to devote sufficient time to discharge his or her duties should not be dependent on or restricted to such Director's number of board representations. Hence, the NC has taken a holistic approach in making this assessment by taking into consideration, *inter alia*, the contributions by the Directors during meetings and their attendance at such meetings.

For FY2015, the Board is satisfied that the Directors have given sufficient time and attention to the affairs of the Group to discharge their duties as Directors. Of the 6 Directors of the Company, only 2 Independent Directors hold directorships in other listed companies where each of them do not hold more than 2 such directorships. The 3 Executive Directors do not hold any directorships in other listed companies.

As such, the Board does not propose to set the maximum number of listed company board representations which directors may hold until such need arises. The Board will continue to review from time to time the number of listed company representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

In the event the Board decides to appoint a new Director, the process for the selection and appointment of new Directors is as follows:

(a) the NC evaluates the balance of skills, knowledge and experience of the Board and, in light of such evaluation and in consultation with the Board, prepares a description of the role and the essential and desirable competencies for a particular appointment;

(b) where necessary, external help may be sought to source for potential candidates. The Board and the Management may also make suggestions;

(c) the NC meets with short-listed candidates to assess their suitability and to ensure that the candidates are aware of the expectations and the level of commitment required of them; and

(d) the NC makes recommendations to the Board for approval.

The Articles also require not less than one-third of the Board to retire from office by rotation at each annual general meeting ("AGM"). Accordingly, the Directors will submit themselves for re-election at regular intervals of at least once every three (3) years. A retiring Director is eligible for re-election by the shareholders at the AGM.

The NC has recommended to the Board that Ong Chin Lin and Wong Ming Kwong, who are due to retire by rotation, be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC has considered the Director's overall contributions and performance. However, Wong Ming Kwong, an Independent Director, the Chairman of the RC and a member of the AC and NC, will not be seeking re-election at the forthcoming AGM as, with a view to refreshing the Board, he has decided to retire having been on the Board since 22 July 2010.

Corporate Governance

In view of Wong Ming Kwong's impending retirement as an Independent Director of the Company, the NC has recommended to the Board the appointment of Zainudin Bin Nordin as an Independent Director of the Company (the "Appointment"). Having reviewed the qualifications and experience of Zainudin Bin Nordin, the Board has recommended that the Appointment be tabled as ordinary resolution 4 at the forthcoming AGM for shareholders' approval. If appointed at the forthcoming AGM, Zainudin Bin Nordin will also be appointed as Chairman of the RC and a member of the AC and NC. The Board considers Zainudin Bin Nordin to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Ong Chin Lin and Zainudin Bin Nordin do not have any immediate family relationships between themselves and the Directors, the Company or its substantial shareholders.

The shareholdings held by the Directors in the Company and its subsidiary companies are set out on page 41 of this Annual Report.

The Board membership, date of first appointment and date of last re-election as Director, present and past directorships over the last preceding three (3) years in other listed companies are set out below:

Name of Director	**Board Membership**	**Date of first appointment**	**Date of last re-election**	**Directorships in other listed companies**
Han Keen Juan	Executive / Non-independent	16 December 2004	30 June 2007	None
Lim Tao-E William	Executive / Non-independent	16 December 2004	26 June 2006	None
Chow Hui Shien	Executive / Non-independent	27 July 2012	24 July 2014	None
Ong Chin Lin	Non-Executive / Independent	16 November 2007	25 July 2013	Linair Technologies Limited Yi-Lai Berhad
Audrey Yap Su Ming	Non-Executive / Independent	24 July 2014	24 July 2014	None
Wong Ming Kwong	Non-Executive / Independent	22 July 2010	25 July 2013	Goodland Group Limited ITE Electric Co Ltd Mary Chia Holdings Limited *(Resigned on 10 December 2012)* China Fashion Holdings Limited *(Resigned on 5 May 2011)*

Further details of the Directors and the proposed Independent Director, Zainudin Bin Nordin, including their profile and principal commitments, are set out on pages 16 to 18 of this Annual Report.

Principle 5 – Board Performance

The NC will decide how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of the Board, to evaluate how the Board has enhanced long-term shareholders' value. As the Company does not have any major direct public-listed competitors, the Board's performance evaluation has not included a benchmark index of its industry peers and its share price performance over a 5-year period. However, the Board has implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution of the Chairman and each individual Director to the effective functioning of the Board, based on a set of criteria. In assessing the performance and effectiveness of the Board and its Board Committees, the NC looks at, amongst others, the efficacy of the board structure, and the risk management and internal controls that have been put in place. The NC and the Board will review such criteria from time to time, where appropriate.

The NC conducts a formal review of the Board performance annually, by way of a board performance evaluation form which is circulated to the Board members for completion, to evaluate and assess the effectiveness of the Board and its Board Committees. The NC also conducts a formal review of the performance of each individual Director through peer evaluation by way of a directors' assessment checklist circulated to all Directors for completion. The results of the board performance and individual Director's performance are then collated and submitted to the NC for its review. For FY2015, the NC confirmed that the Board as a whole and its Board Committees were effective and that each individual Director contributed to the Board.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year reported on, is of the view that the performance of the Board as a whole has been satisfactory. The NC in assessing the contribution of an individual Director, has considered each Director's level of participation and attendance at Board and Board Committee Meetings, his/her qualification, experience and expertise and the time and effort dedicated to the Group's business and affairs. The NC is satisfied that sufficient time and attention has been given to the Group by individual Directors.

Principle 6 – Access to Information

The Directors are provided by the Management with the relevant board papers and information (such as related materials, background or explanatory information relating to matters to be brought before the Board) in a timely manner prior to each Board meeting. The Board is provided with the contact details of key executives and the Company Secretary, and will have separate and independent access to such persons. The Company Secretary will attend all Board meetings and ensures that all Board procedures are followed and ensures good information flows within the Board and its committees and between key executives and Non-Executive Directors. The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Directors are entitled individually or as a group, to seek independent professional advice at the expense of the Company, in furtherance of their duties.

Remuneration Matters

Principle 7 – Procedures for Developing Remuneration Policies

The RC comprises Wong Ming Kwong as Chairman, and Ong Chin Lin and Audrey Yap Su Ming as members. All members of the RC are Non-Executive Independent Directors.

The RC is governed by written terms of reference under which it is responsible for, amongst others:-

(a) reviewing and recommending to the Board, a general framework of remuneration for the Directors and key executives, which will be submitted for endorsement by the entire Board;

(b) reviewing and recommending annually to the Board, the specific remuneration packages for each Director as well as for the key executives;

(c) reviewing all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind;

(d) reviewing whether executive Directors, non-executive Directors and key executives should be eligible for options, share incentives, awards and other benefits under long term incentive schemes; and

(e) generally, perform such other functions and duties as may be required by the relevant laws or provisions of the Catalist Rules and the Code (as may be amended from time to time).

Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his remuneration package.

Principle 8 – Level and Mix of Remuneration

The RC will review at least annually all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses and benefits-in-kind to ensure that the remuneration packages are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company, key executives to successfully manage the Company and employees capable of meeting the Company's objectives and that the remuneration commensurate to such person's duties and responsibilities.

The Non-Executive Independent Directors do not have any service contracts and are paid a basic fee and additional fees for serving as Chairman on each of the Board Committees. The RC recommends the payment of such fees in accordance with the contributions of the Independent Directors, taking into account factors such as effort and time spent and the responsibilities of the Independent Directors, which will then be endorsed by the Board and subjected to the approval of shareholders at the AGM.

The Company has entered into service agreements with three Executive Directors, namely Han Keen Juan, Lim Tao-E William and Chow Hui Shien. The service agreements with the Executive Directors are for a period of three years. The Executive Directors will not be receiving any Directors' fees from the Company or its subsidiary companies and their remuneration comprises a basic salary, a fixed bonus and a variable performance bonus which is based on the performance of our Group.

Principle 9 – Disclosure on Remuneration

Directors' Remuneration

The breakdown of the level and mix of remuneration of the Directors for the financial year ended 31 March 2015 is set out below:

	Salary & CPF	Fixed Bonus	Performance Bonus	Other Benefits	Directors' Fee	Total
Band VII: Between $1,500,001 to $1,750,000						
Han Keen Juan	46%	11%	42%	1%	–	100%
Band V: Between $1,000,001 to $1,250,000						
Lim Tao-E William	44%	12%	43%	1%	–	100%
Band I: Below $250,000						
Chow Hui Shien	83%	13%	–	4%	–	100%
Ong Chin Lin	–	–	–	–	100%	100%
Audrey Yap Su Ming	–	–	–	–	100%	100%
Wong Ming Kwong	–	–	–	–	100%	100%

The Directors' remuneration for the financial year ended 31 March 2015 has been disclosed in bands of $250,000. The remuneration of each individual Director to the nearest thousand is not disclosed due to competitive pressures in the industry and talent market.

Key Executives' Remuneration

For competitive reasons and to maintain confidentiality of staff remuneration in the interest of the Company, the names and remuneration details of the top five key executives, including the aggregate remuneration paid to the top five key executives, are not disclosed.

The remuneration for each of the top five key executives (who are not Directors) for the financial year ended 31 March 2015 falls within the band of $250,000 and below.

Immediate Family Members of Director or the CEO

Save as disclosed below, no other employee whose remuneration exceeded S$50,000 during the financial year under review is an immediate family member of any Director or the CEO.

	Salary & CPF	Fixed Bonus	Performance Bonus	Other Benefits	Directors' Fee	Total
Band I: Below $250,000						
Philip Chow Phee Liat *	88%	–	12%	–	–	100%

* Philip Chow Phee Liat is the brother of Executive Director and Deputy Chief Executive Officer, Chow Hui Shien.

Employee Share Schemes

The Company has in place the Old Chang Kee Performance Share Scheme. More information is set out on page 42 of this Annual Report. No shares have been granted pursuant to the Old Chang Kee Performance Share Scheme to date.

Performance Conditions

Besides a basic salary and a fixed bonus, the Executive Directors and key executives are paid variable performance bonuses, which are dependent on the annual profit of our Group. This remuneration system is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

There are no termination, retirement or any post-employment benefits that may be granted to Directors and key executives.

Accountability and Audit

Principle 10 – Accountability

The Board is accountable to the shareholders while the Management is accountable to the Board. Therefore, the Board takes adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules.

The Management provides all members of the Board with management accounts which present a balanced and understandable assessment of the Company's performance, financial position and prospects on a quarterly basis. Commencing from the financial year ending 31 March 2016 ("FY2016"), the Company will announce its financial results on a quarterly basis and disclose other relevant material information on the Company via SGXNET to the shareholders.

Principle 11 – Risk Management and Internal Controls

The Board is responsible for the governance of risk and sets the direction for the Group in the way risks are managed in the Group's businesses, and oversees the Management in the design, implementation and monitoring of the risk management and internal control system.

The Company has a Risk Management Committee which reviews and improves the Company's business at the operational level by taking into account risk management perspectives. The Company seeks to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks, where applicable. The Risk Management Committee reviews all significant control policies and procedures and highlights any significant matters to the AC.

The Board reviews the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls, at least annually.

For the financial year under review, the CEO and the Group Financial Controller have provided assurance to the Board that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and that an effective risk management and internal controls system has been put in place (the "Assurance").

Based on the internal controls established and maintained by the Group, work performed by the external auditors, reviews performed by the Management, various Board Committees and the Board and the Assurance received, the Board, with the concurrence of the AC, is of the opinion that the Group's system of internal controls, which addresses the financial, operational, compliance and information technology risks and risk management systems, were adequate and effective during FY2015.

The system of internal controls and risk management policies established by the Company is designed to manage, rather than eliminate, the risk of failure in achieving the Company's strategic objectives. The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Principle 12 – Audit Committee

The AC comprises Ong Chin Lin, the Lead Independent Director as Chairman, with Audrey Yap Su Ming and Wong Ming Kwong as members. All members of the AC are Non-Executive Independent Directors and have accounting or related financial management expertise and experience.

The AC is governed by written terms of reference under which it is responsible for, amongst others:-

(a) reviewing the audit plan of the external auditors, including the nature and scope of the audit, before the audit commences;

(b) reviewing the results of external audit, in particular:

  (i) their audit report; and

  (ii) their management letter and Management's response thereto;

(c) reviewing the co-operation given by the Company's officers to the external auditors;

(d) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and the Group and any formal announcements relating to the Company's financial performance.

(e) reviewing the independence of the external auditors annually and where the external auditors also provide a substantial volume of non-audit services to the Company, keep the nature and extent of such service under review, seeking to maintain objectivity;

(f) making recommendations to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of the engagement of the external auditors;

(g) reviewing the policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters (whistle-blowing policy);

(h) reviewing and reporting to the Board at least annually, on the adequacy and effectiveness of the Company's internal controls. Review of the Company's internal controls may be carried out with the assistance of externally appointed professionals;

(i) approval of the hiring, removal, evaluation and compensation of the head of the internal audit function or the accounting/ auditing firm or corporation to which the internal audit function is outsourced;

(j) reviewing whether the internal audit function is adequately resourced, is independent of the activities it audits, and has appropriate standing within the Company. The internal audit function can either be in-house, outsourced to a reputable accounting/auditing firm, or performed by a major shareholder, holding company, parent company or controlling enterprise with an internal audit staff;

(k) reviewing, at least annually, the adequacy and effectiveness of the Company's internal audit function;

(l) meeting with the external auditors, and the internal auditors, in each case without the presence of Management, at least annually;

(m) commissioning and reviewing the findings of internal investigations into matters where there is suspicion of fraud or irregularity or failure of internal controls or infringement of any Singapore law, rule or regulation, which has or is likely to have a material impact on the Company and the Group's operating results and/or financial position; and

(n) generally, performing such other functions and duties as may be required by the relevant laws or provisions of the Catalist Rules and the Code (as may be amended from time to time).

The AC will meet with the external and internal auditors without the presence of the Company's Management at least annually to review the Management's level of cooperation and other matters that warrants the AC's attention. The AC has met with the external auditors without the presence of the Management during the financial year under review. The AC has reasonable resources to enable it to discharge its functions properly.

The AC will review the independence of the external auditors annually. The AC has reviewed the non-audit services in relation to tax compliance services provided by the external auditors, Ernst & Young LLP to the Group, and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. Details of the aggregate amount of audit and non-audit fees paid to the external auditors during the financial year ended 31 March 2015 are set out in page 77 of the Annual Report. The AC has recommended that Ernst & Young LLP be nominated for re-appointment as the Company's auditors at the forthcoming AGM.

Ernst & Young LLP is the auditor of the Company and its Singapore incorporated subsidiary. The overseas subsidiary and associated companies are not considered significant as defined under Rule 718 of the Catalist Rules. Therefore, the Company is in compliance with Rules 712 and 715 of the Catalist Rules in relation to its external auditors.

The external auditors also provide regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and their corresponding impact on the financial statements, if any.

The Company also has in place a whistle-blowing arrangement which has been communicated to all employees where employees may, in confidence, raise any concerns or other matters to the Management and/or the AC and where applicable, independent investigations may be carried out. The Company will extend the whistle-blowing arrangement to include external parties such as the Company's business associates in FY2016, and will disclose the procedures for raising concerns under the whistle blowing arrangement via the Company's website.

Principle 13 – Internal Audit

The Company has outsourced the internal audit function to a qualified public accounting firm, WLA Regnum Advisory Services (the "IA"). The IA was appointed pursuant to the approval of the AC, which also approves the removal, evaluation and compensation of the IA. The IA is expected to meet or exceed the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The IA has unrestricted direct access to all the Company's documents, records, properties and personnel and the AC, to which the IA reports directly. The IA plans its scope of internal audit work in consultation with the AC, and submits its annual internal audit plan to the AC for approval.

The IA has adopted a risk-based auditing approach that focuses on material internal controls, including financial, operational and compliance controls and overall risk management of the Group. The AC has reviewed the effectiveness of the IA and is satisfied that the IA is adequately resourced and has the appropriate standing within the Group to fulfil its mandate.

Principle 14 – Shareholder Rights

The Group's corporate governance practices promote the fair and equitable treatment of all shareholders and facilitates the exercise of ownership rights by all shareholders. All shareholders are entitled to attend general meetings and are provided the opportunity to participate effectively and vote at all general meetings. If a shareholder is unable to attend a general meeting, such shareholder is entitled to appoint two proxies to attend the meeting in his place.

Principle 15 – Communication with Shareholders

The Company does not practice selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Catalist Rules and the shareholders and members of the public will be informed promptly of all major developments of the Group. Information is communicated to the shareholders on a timely basis via annual reports, notices of general meetings and extraordinary general meetings where applicable, half-year and full-year announcements of financial results and other announcements or press releases through SGXNET. As and when necessary, the Company also conducts analysts' briefings and investor roadshows to maintain regular dialogue with shareholders as well as to solicit and understand the views of shareholders.

The Company does not have a fixed dividend policy. Details of dividends declared to shareholders in respect of FY2015 are set out in page 120 of this Annual Report.

Principle 16 – Encourage Greater Shareholder Participation

The Board believes in encouraging shareholder participation at general meetings. Annual general meetings of the Company are a forum and platform for dialogue and interaction with all shareholders. The Board welcomes shareholders' feedback and questions regarding the Group at the annual general meetings. The members of the Board, Chairman of the various Board Committees and external auditors will be present at the annual general meetings to answer questions from the shareholders.

The Company practices having separate resolutions at general meetings on each distinct issue and will make available minutes of general meetings to shareholders upon their requests.

From 1 August 2015 onwards, the Company will put all resolutions to vote by poll in compliance with the Catalist Rules, and to make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

Material Contracts
(Rule 1204(8) of the Catalist Rules)

Other than those disclosed in the Report of the Directors and the Financial Statements, the Company and its subsidiary companies did not enter into any material contracts (including loans) involving the interests of the Executive Chairman, CEO, Directors or controlling shareholders which are either still subsisting as at the end of the financial year ended 31 March 2015 or if not then subsisting, entered into since the end of the previous financial year.

Dealing in Securities
(Rule 1204(19) of the Catalist Rules)

In line with Rule 1204(19) of the Catalist Rules and the Group's internal compliance code, the Company issues memoranda to its Directors, officers, employees and associates of the Group to provide guidance with regards to dealings in securities of the Company by them, highlighting that Directors, officers, employees and associates are prohibited from dealing in the Company's securities, commencing one month before the release of the half-year and full-year results by the Company and ending on the date of the announcement of the results or when in possession of price-sensitive information which is not available to the public.

Pursuant to Rule 705(2)(c) of the Catalist Rules, the Company will be required to announce its unaudited financial results on a quarterly basis starting from the quarter ending 30 June 2015. As such, commencing from FY2016, Directors, officers, employees and associates are prohibited from dealing in the Company's securities, commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year and one month before the release of the Company's full year results. The Company will also send a memorandum prior to the commencement of each window period as a reminder to the Directors, officers, relevant employees and associates to ensure that they comply with the Code. They are also discouraged from dealing in the Company's securities on short-term considerations.

Non-Sponsor Fees Paid to the Sponsor
(Rule 1204(21) of the Catalist Rules)

Pursuant to Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for the financial year ended 31 March 2015.

Corporate Governance

Interested Persons Transactions (Rule 907 of the Catalist Rules)

The Group has established procedures to ensure that all transactions entered into with interested persons are properly documented and reported on a timely manner to the AC at least on a quarterly basis and that the transactions are conducted on an arm's length basis and are not prejudicial to the interest of the Company and its minority shareholders, in accordance with the internal controls set up by the Company on dealing with interested person transactions. In the event that a member of the AC is involved in any interested person transaction, he will abstain from reviewing that particular transaction.

Interested person transactions carried out during the financial year ended 31 March 2015 by the Group were as follows:-

Name of Interested Person	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920	Aggregate value of all Interested Person Transactions during the financial year under review pursuant to Rule 920 (excluding transactions less than S$100,000)
Transactions for the purchase of goods and services	**$'000**	**$'000**
Yusarn Audrey[1]	119[2]	–

Notes:

[1] Ms Yap Su Ming Audrey, an Independent Director of the Company, is the Managing Partner of Yusarn Audrey with a controlling interest.

[2] Relates to professional fees paid in relation to trademarks and franchising.

Save as disclosed above, there were no other interested person transactions of S$100,000 or more for FY2015.

Use of Exercise Proceeds from Warrants Issue (Rule 1204(5)(f) and 1204(22) of the Catalist Rules)

As of 22 June 2015, the Exercise Proceeds amounting to S$2,749,770, which had been set aside for repayment of the Group's borrowings, investment purposes including but not limited to new business opportunities, funding of working capital requirements such as inventories and trade receivables and/or such other purposes as the Directors may deem fit, have not been utilised. The Company will continue to make periodic announcements on the use of the Exercise Proceeds as and when such proceeds are materially disbursed.

Use of Initial Public Offering ("IPO") Proceeds (Rule 1204(5)(f) and 1204(22) of the Catalist Rules)

As of 28 May 2015, the balance proceeds from the initial public offering ("IPO") amounting to S$227,000, which had been set aside for expansion through strategic alliances, acquisitions, joint ventures and franchises, have been fully utilised. Arising therefrom, the entire IPO proceeds have been fully utilised in accordance with their stated uses.

Directors' Report

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of Old Chang Kee Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2015.

1. Directors

The Directors of the Company in office at the date of this report are:

Han Keen Juan
Lim Tao-E William
Ong Chin Lin
Wong Ming Kwong
Chow Hui Shien
Audrey Yap Su Ming (Appointed on 24 July 2014)

2. Arrangements to enable Directors to acquire shares and debentures

Except as described in paragraph five below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. Directors' interests in shares and debentures

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of Director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company ('000)				
Han Keen Juan	71,136	71,136	8,892	8,892
Lim Tao-E William	8,892	8,892	–	–
Chow Hui Shien	81	81	–	–
Ong Chin Lin	65	65	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2015.

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

4. Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

5. Performance Shares

The Company has an employee share scheme known as the Old Chang Kee Performance Share Scheme (the "Scheme"). The Scheme is designed to grant awards ("Awards") to eligible Group employees and Non-Executive Directors respectively ("Participants"). Details of the Scheme were set out in the Company's Circular to shareholders dated 14 April 2009. Awards represent the right of a Participant to receive fully paid ordinary shares of the Company ("Shares") free of charge, upon the Participant achieving prescribed performance targets. Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Committee's (as defined below) satisfaction that the prescribed performance targets have been achieved.

Awards may be granted at any time in the course of a financial year, provided that in the event that an announcement on any matter of any exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second market day from the date on which the aforesaid announcement is made.

The committee administrating the Scheme ("Committee") comprises all members of the board of Directors. Since the commencement of the Scheme till the end of the financial year, no share options have been granted.

6. Audit committee

The audit committee (the "AC") carried out its functions in accordance with section 201B(5) of the Singapore Companies Act, Chapter 50.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the financial year with full attendance from all members, except for one where a member was absent. The AC has also met with internal or external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

7. Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of Directors:

Han Keen Juan
Director

Lim Tao-E William
Director

26 June 2015

Statement By Directors

We, Han Keen Juan and Lim Tao-E William, being two of the Directors of Old Chang Kee Ltd., do hereby state that, in the opinion of the Directors,

(a) the accompanying balance sheets, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of Directors:

Han Keen Juan
Director

Lim Tao-E William
Director

26 June 2015

Report on the Financial Statements

We have audited the accompanying financial statements of Old Chang Kee Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), set out on pages 47 to 120 which comprise the balance sheets of the Group and the Company as at 31 March 2015, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

to the members of Old Chang Kee Ltd.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Public Accountants and
Chartered Accountants

Singapore
26 June 2015

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2015

	Note	2015 $'000	2014 $'000
Revenue	4	71,640	68,887
Cost of sales		(26,961)	(26,045)
Gross profit		44,679	42,842
Other items of income			
Interest income on short term deposits		32	38
Other income	5	1,518	1,147
Other items of expense			
Selling and distribution expenses		(27,854)	(25,369)
Administrative expenses		(10,274)	(10,149)
Finance costs	6	(116)	(66)
Other expenses	7	(1,277)	(1,199)
Profit before tax for the year	8	6,708	7,244
Income tax expense	9	(1,423)	(1,226)
Profit for the year		5,285	6,018
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Deferred tax on revaluation of freehold land and buildings		102	(504)
Exchange differences on translating foreign operations		49	6
Other comprehensive income for the year, net of tax		151	(498)
Total comprehensive income for the year, attributable to owners of the Company		5,436	5,520
Earnings per share attributable to owners of the Company (cents per share)			
Basic	10	4.35	4.97
Diluted	10	4.35	4.96

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

As at 31 March 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current assets					
Property, plant and equipment	11	26,381	21,522	–	–
Intangible assets	12	12	26	–	–
Investment in subsidiaries	13	–	–	5,640	5,640
Investment in unquoted shares	14	273	273	273	273
Investment in associates	15	–	–	–	–
Long term deposits	17	1,772	1,783	–	–
		28,438	23,604	5,913	5,913
Current assets					
Inventories	18	522	610	–	–
Trade and other receivables	19	143	130	–	–
Deposits	17	1,446	1,279	–	–
Prepayments		1,370	539	27	26
Amount due from associates	16	–	–	–	–
Amount due from subsidiaries	20	–	–	3,570	3,024
Cash and bank balances	21	20,147	20,379	10,508	9,664
		23,628	22,937	14,105	12,714

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

As at 31 March 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Current liabilities					
Trade and other payables	22	5,405	6,150	1,329	1,686
Other liabilities	23	152	141	–	–
Provisions	24	2,046	1,942	24	–
Bank loans	25	897	421	–	–
Finance lease liabilities	26&30(c)	110	120	–	–
Provision for taxation		1,357	1,424	37	13
		9,967	10,198	1,390	1,699
Net current assets		13,661	12,739	12,715	11,015
Non-current liabilities					
Bank loans	25	7,331	3,386	–	–
Finance lease liabilities	26&30(c)	389	162	–	–
Deferred tax liabilities	27	1,082	1,293	–	–
		8,802	4,841	–	–
Net assets		33,297	31,502	18,628	16,928
Equity attributable to owners of the Company					
Share capital	28	13,964	13,964	13,964	13,964
Retained earnings		16,345	14,701	4,664	2,964
Other reserves	29	2,988	2,837	–	–
Total equity		33,297	31,502	18,628	16,928

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity

For the financial year ended 31 March 2015

Group	Share capital $'000 (Note 28)	Retained earnings $'000	Other reserves $'000 (Note 29)	Foreign currency translation reserve $'000	Warrant reserve $'000	Asset revaluation reserve $'000	Total equity $'000
	Attributable to owners of the Company						
At 1 April 2014	13,964	14,701	2,837	(12)	–	2,849	31,502
Profit for the year	–	5,285	–	–	–	–	5,285
Other comprehensive income							
Deferred tax on revaluation of freehold land and buildings	–	–	102	–	–	102	102
Exchange differences on translating foreign operations	–	–	49	49	–	–	49
Total comprehensive income for the year	–	5,285	151	49	–	102	5,436
Contributions by and distributions to owners							
Dividends on ordinary shares (Note 36)	–	(3,641)	–	–	–	–	(3,641)
At 31 March 2015	13,964	16,345	2,988	37	–	2,951	33,297
At 1 April 2013	13,897	10,498	3,357	(18)	22	3,353	27,752
Profit for the year	–	6,018	–	–	–	–	6,018
Other comprehensive income							
Deferred tax on revaluation of freehold land and buildings	–	–	(504)	–	–	(504)	(504)
Exchange differences on translating foreign operations	–	–	6	6	–	–	6
Total comprehensive income for the year	–	6,018	(498)	6	–	(504)	5,520
Contributions by and distributions to owners							
Dividends on ordinary shares (Note 36)	–	(1,817)	–	–	–	–	(1,817)
Issuance of ordinary shares pursuant to warrants exercised	67	–	(20)	–	(20)	–	47
Expiry of warrants	–	2	(2)	–	(2)	–	–
At 31 March 2014	13,964	14,701	2,837	(12)	–	2,849	31,502

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity

For the financial year ended 31 March 2015

Company	Share capital $'000 (Note 28)	Warrant reserve $'000 (Note 29(c))	Retained earnings $'000	Total equity $'000
At 1 April 2014	13,964	–	2,964	16,928
Profit for the year	–	–	5,341	5,341
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	–	5,341	5,341
Contributions by and distributions to owners				
Dividends on ordinary shares (Note 36)	–	–	(3,641)	(3,641)
At 31 March 2015	13,964	–	4,664	18,628
At 1 April 2013	13,897	22	2,292	16,211
Profit for the year	–	–	2,487	2,487
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	–	2,487	2,487
Contributions by and distributions to owners				
Dividends on ordinary shares (Note 36)	–	–	(1,817)	(1,817)
Expiry of warrants	–	(2)	2	–
Issuance of ordinary shares pursuant to warrants exercised	67	(20)	–	47
At 31 March 2014	13,964	–	2,964	16,928

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

For the financial year ended 31 March 2015

	2015 $'000	2014 $'000
Cash flows from operating activities:		
Profit before tax	6,708	7,244
Adjustments for:		
Allowance for amount due from associates	72	533
Amortisation of intangible assets	14	19
Depreciation of property, plant and equipment	3,814	3,492
Gain on disposal of property, plant and equipment	(126)	(94)
Property, plant and equipment written off	145	17
Interest expense	116	66
Interest income	(32)	(38)
Currency realignment	154	70
Operating profit before changes in working capital	10,865	11,309
Decrease in inventories	88	184
(Increase)/decrease in trade and other receivables	(13)	106
Increase in amount due from associates	(72)	(202)
Increase in deposits	(156)	(469)
(Increase)/decrease in prepayments	(831)	465
(Decrease)/increase in trade and other payables	(745)	979
Increase in other liabilities	11	7
Decrease in provisions	(81)	(27)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

For the financial year ended 31 March 2015

	2015 $'000	2014 $'000
Cash flows from operations	9,066	12,352
Income tax paid	(1,596)	(1,169)
Net cash flows generated from operating activities	7,470	11,183
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,592)	(6,040)
Purchase of intangible assets	–	(6)
Proceeds from disposal of property, plant and equipment	320	94
Interest received	32	38
Net cash flows used in investing activities	(8,240)	(5,914)
Cash flows from financing activities		
Proceeds from bank loans	4,867	854
Proceeds from issuance of ordinary shares pursuant to warrants exercised	–	47
Repayment of finance lease liabilities	(148)	(218)
Interest paid	(116)	(66)
Repayment of bank loans	(424)	(351)
Dividends on ordinary shares	(3,641)	(1,817)
Net cash flows generated from/(used in) financing activities	538	(1,551)
Net (decrease)/increase in cash and cash equivalents	(232)	3,718
Cash and cash equivalents at the beginning of the financial year	20,379	16,661
Cash and cash equivalents at the end of the financial year (Note 21)	20,147	20,379

The accompanying accounting policies and explanatory notes form an integral part of the 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.

The registered office and principal place of business of the Company is located at 2 Woodlands Terrace, Singapore 738427.

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are disclosed in Note 13 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2014. The adoption of these standards did not have any significant effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 *Share Based Payment*	1 July 2014
(b) Amendments to FRS 103 *Business Combinations*	1 July 2014
(c) Amendments to FRS 108 *Operating Segments*	1 July 2014
(d) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
(e) Amendments to FRS 16 *Property, Plant and Equipment and FRS 38 Intangible Assets*	1 July 2014
(f) Amendments to FRS 24 *Related Party Disclosures*	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 *Business Combinations*	1 July 2014
(b) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 *Non-current Assets Held for Sales and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107 *Financial Instruments Disclosures*	1 January 2016
(c) Amendments to FRS 19 *Employee Benefits*	1 January 2016
(d) *Amendments to FRS 34 Interim Financial Reporting*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

Except for Amendments to FRS 27, FRS 115 and FRS 109, the Directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of Amendments to FRS 27, FRS 109 and FRS 115 is described below.

<u>Amendments to FRS 27 Equity Method in Separate Financial Statements</u>

Amendments to FRS 27 are effective for financial periods beginning on or after 1 January 2016. These amendments allow the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. Upon adoption of Amendments to FRS 27, the dividend is recognised in profit or loss unless the entity elects to use the equity method, in which case the dividend is recognised as a reduction from the carrying amount of the investment.

<u>FRS 115 Revenue from Contracts with Customers</u>

FRS 115 is effective for financial periods beginning on or after 1 January 2017. FRS 115 establishes a five-step model that apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates.

<u>FRS 109 Financial Instruments</u>

FRS 109 is effective for financial periods beginning on or after 1 January 2018. FRS 109 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in FRS 39. The approach in FRS 109 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets, and enables companies to reflect their risk management activities better in their financial statements, and, in turn, help investors to understand the effect of those activities on future cash flows. FRS 109 is principle-based, and will more closely align hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group is currently evaluating the impact of the changes and assessing whether the adoption of Amendments to FRS 27, FRS 115 and FRS 109 will have an impact on the Group.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations*

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combination (cont'd)*

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2. Summary of significant accounting policies (cont'd)

2.5 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.7 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	–	Over the lower of the remaining lease terms or 50 years
Machinery and equipment	–	5 years to 10 years
Motor vehicles	–	5 years
Renovation	–	3 years to 5 years
Electrical fittings	–	5 years to 10 years
Furniture	–	5 years to 10 years
Computers	–	5 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Summary of significant accounting policies (cont'd)

2.7 *Property, plant and equipment (cont'd)*

The residual values, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

<u>Computer software licences</u>

Computer software licences are stated at cost less accumulated amortisation and impairment in value. They are amortised on a straight-line basis over estimated useful lives of 5 years.

2. Summary of significant accounting policies (cont'd)

2.9 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.10 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2. Summary of significant accounting policies (cont'd)

2.11 *Associates*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.12 *Financial instruments*

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2. Summary of significant accounting policies (cont'd)

2.12 *Financial instruments (cont'd)*

(a) Financial assets (cont'd)

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.12 *Financial instruments (cont'd)*

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.13 *Impairment of financial assets*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.13 *Impairment of financial assets (cont'd)*

(b) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank, and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.15 *Inventories*

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials and sundry consumables is determined on a first-in, first-out basis and includes all costs in bringing the inventories to their present location and condition.

2. Summary of significant accounting policies (cont'd)

2.15 *Inventories (cont'd)*

Where necessary, allowance is provided for damaged, expired and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 *Government grants*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where the grant relates to income, the grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

2. Summary of significant accounting policies (cont'd)

2.18 *Borrowings costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 *Employee benefits*

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.20 *Leases*

(a) As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

2. Summary of significant accounting policies (cont'd)

2.20 *Leases (cont'd)*

(a) As lessee (cont'd)

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.21 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, and sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) Outlet sales

Revenue from sale of goods is recognised net of goods and services tax and discounts upon the passing of title to the customer which generally coincides with delivery and acceptance of the goods sold.

(b) Royalties income

Royalties income is recognised on annual basis as a percentage of the franchisees' turnover in accordance with terms as stated in the franchise agreement.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Rental income

Rental income is accounted for on a straight-line basis over the lease terms.

2. Summary of significant accounting policies (cont'd)

2.22 *Taxes*

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. Summary of significant accounting policies (cont'd)

2.22 *Taxes (cont'd)*

(b) Deferred tax (cont'd)

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2. Summary of significant accounting policies (cont'd)

2.23 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.24 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. These are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3. Significant accounting estimates and judgements (cont'd)

3.1 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statement was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the property, plant and equipment at the end of each reporting period is disclosed in Note 11 to the financial statements.

(b) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 19 to the financial statements. If the present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment will increase by $2,351,000 (2014: increase by $2,357,000).

(c) Valuation of freehold land and buildings

The Group carries its freehold land and buildings at fair value, with changes in fair values being recognised in other comprehensive income. The fair values of freehold land and buildings are determined by independent professional valuer. In determining the fair value, the valuer has determined the fair values using market comparable approach which involve the making of certain assumptions and the use of estimates. In relying on the valuation report of the professional valuer, management has exercised judgement in arriving at a value which is reflective of current market conditions. The carrying amount and key assumptions used to determine the fair value are further explained in Note 32(c).

3. Significant accounting judgements and estimates (cont'd)

3.1 *Key sources of estimation uncertainty (cont'd)*

(d) Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. The carrying amount of the Group's income tax payables and deferred tax liabilities at the end of the reporting period were $1,357,000 (2014: $1,424,000) and $1,082,000 (2014: $1,293,000) respectively.

4. Revenue

	Group	
	2015	2014
	$'000	$'000
Outlet sales	70,402	67,776
Other services	1,238	1,111
	71,640	68,887

5. Other income

	Group 2015 $'000	Group 2014 $'000
Government grants	252	52
Insurance compensation	32	39
Sale of scrap oil	272	290
Special Employment Credit [(a)]	333	326
Wage Credit Scheme [(b)]	323	161
Gain on disposal of property, plant and equipment	126	94
Sundry income	180	185
	1,518	1,147

(a) The Special Employment Credit (SEC) was introduced in 2012 and enhanced in 2013 to provide support for employers to hire older Singaporean workers. During the financial year ended 31 March 2015, the Group received grant income of $333,000 (2014: $326,000) under the Scheme.

(b) The Wage Credit Scheme (WCS) was introduced in 2013 to provide support to help businesses which may face rising wage costs in a tight labour market. During the financial year ended 31 March 2015, the Group received grant income of $323,000 (2014: $161,000) under the Scheme.

6. Finance costs

	Group 2015 $'000	Group 2014 $'000
Interest expense:		
Finance lease liabilities	15	14
Bank loans	101	52
	116	66

7. Other expenses

	Group 2015 $'000	Group 2014 $'000
Amortisation of intangible assets	14	19
Depreciation of property, plant and equipment	839	697
Loss/(gain) on foreign exchange, net	207	(67)
Property, plant and equipment written off	145	17
Allowance for doubtful debts		
- Amount due from an associate	72	533
	1,277	1,199

8. Profit before tax

Profit before tax is arrived at after charging the following:

	Group 2015 $'000	Group 2014 $'000
Depreciation of property, plant and equipment	3,814	3,492
Inventories recognised as an expense in cost of sales (Note 18)	22,845	22,196
Employee benefits expense (including Directors):		
- Salaries and bonuses	17,381	16,111
- Central Provident Fund	2,742	2,423
Non-audit fees paid to:		
- Auditor of the Group	26	29
Audit fees paid to:		
- Auditor of the Group	62	62
Operating lease expenses (Note 30(b))	9,939	9,012
Staff training and benefits	378	361

9. Income tax expense

(a) Major components of income tax expense

The major components of income tax expense for the year ended 31 March 2015 and 31 March 2014 are as follows:

	Group 2015 $'000	Group 2014 $'000
Current income tax:		
Current taxation	1,362	1,344
Under/(over) provision in respect of previous years	167	(49)
	1,529	1,295
Deferred income tax:		
Movement in temporary differences	(106)	(69)
	(106)	(69)
Income tax expense recognised in profit or loss	1,423	1,226

9. Income tax expense (cont'd)

(b) Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the year ended 31 March 2015 and 31 March 2014 are as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Profit before tax	6,708	7,244
Tax at the domestic rates applicable to profits in the countries where the Group operates	1,175	1,175
Adjustments:		
Non-deductible expenses	370	503
Income not subject to tax	(53)	(37)
Effect of partial tax exemption and tax relief	(236)	(366)
Under/(over) provision in respect of previous years	167	(49)
	1,423	1,226

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

10. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year 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.

10. Earnings per share (cont'd)

The following table reflects the profit and share data used in the computation of basic and dilutive earnings per share for the year ended 31 March 2015 and 31 March 2014:

	Group	
	2015	2014
	$'000	$'000
Profit for the year attributable to ordinary equity holders of the Company used in computation of basic and dilutive earnings per share	5,285	6,018
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic earnings per share	121,374,700	121,207,965
Effect of dilution:		
- Warrants	–	159,247
Weighted average number of ordinary shares for diluted earnings per share	121,374,700	121,367,212

As at 31 March 2014, 27,974,700 warrants had been exercised and converted into ordinary shares of the Company. There have been no significant transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

11. Property, plant and equipment

Group	Freehold land $'000 At Valuation	Buildings $'000 At Valuation	Construction in progress $'000 At Cost	Machinery and equipment $'000 At Cost	Motor vehicles $'000 At Cost	Renovation $'000 At Cost	Electrical fittings $'000 At Cost	Furniture $'000 At Cost	Computers $'000 At Cost	Total $'000
Valuation/ cost										
At 1 April 2013	997	9,718	–	7,061	2,400	7,681	3,062	3,517	2,863	37,299
Additions	–	–	3,079	342	562	1,104	263	449	522	6,321
Disposals	–	–	–	–	(233)	–	–	–	–	(233)
Written off	–	–	–	(72)	–	(177)	(52)	(94)	(2)	(397)
Exchange differences	(32)	(16)	–	(5)	–	(11)	–	–	–	(64)
At 31 March 2014 and 1 April 2014	965	9,702	3,079	7,326	2,729	8,597	3,273	3,872	3,383	42,926
Additions	–	–	4,661	616	1,033	1,794	305	492	241	9,142
Disposals	–	–	–	–	(636)	–	–	–	–	(636)
Written off	–	–	–	(673)	–	(457)	(311)	(613)	(932)	(2,986)
Exchange differences	(59)	(30)	(14)	(3)	(2)	(21)	–	–	(1)	(130)
At 31 March 2015	906	9,672	7,726	7,266	3,124	9,913	3,267	3,751	2,691	48,316

11. Property, plant and equipment (cont'd)

Group	Freehold land $'000 At Valuation	Buildings $'000 At Valuation	Construction in progress $'000 At Cost	Machinery and equipment $'000 At Cost	Motor vehicles $'000 At Cost	Renovation $'000 At Cost	Electrical fittings $'000 At Cost	Furniture $'000 At Cost	Computers $'000 At Cost	Total $'000
Accumulated depreciation										
At 1 April 2013	–	–	–	5,530	1,354	4,853	2,168	2,302	2,318	18,525
Charge for the year	–	241	–	619	382	1,175	354	458	263	3,492
Disposals	–	–	–	–	(233)	–	–	–	–	(233)
Written off	–	–	–	(70)	–	(170)	(52)	(88)	–	(380)
At 31 March 2014 and 1 April 2014	–	241	–	6,079	1,503	5,858	2,470	2,672	2,581	21,404
Charge for the year	–	241	–	583	490	1,271	405	535	289	3,814
Disposals	–	–	–	–	(442)	–	–	–	–	(442)
Written off	–	–	–	(658)	–	(391)	(301)	(582)	(909)	(2,841)
At 31 March 2015	–	482	–	6,004	1,551	6,738	2,574	2,625	1,961	21,935
Net carrying amount										
At 31 March 2014	965	9,461	3,079	1,247	1,226	2,739	803	1,200	802	21,522
At 31 March 2015	906	9,190	7,726	1,262	1,573	3,175	693	1,126	730	26,381

11. Property, plant and equipment (cont'd)

The cash outflow on acquisition of property, plant and equipment amounted to $8,592,000 (2014: $6,040,000).

Assets held under finance leases

During the financial year, the Group acquired motor vehicles with an aggregate cost of $365,000 (2014: $121,000) by means of finance leases. The net carrying amount of motor vehicles held under finance leases as at 31 March 2015 was $867,000 (2014: $482,000).

Leased assets are pledged as security for the related finance lease liabilities (Note 26).

Assets pledged as security

In addition to assets held under finance leases, certain of the Group's freehold land and buildings with a carrying amount of $9,841,000 (2014: $10,076,000) are mortgaged to secure the Group's bank loans (Note 25) and banking facilities.

Revaluation of freehold land and buildings

The Group engaged independent valuers, Savills Valuation and Professional Services (S) Pte Ltd and Rahim & Co (Johor) Sdn. Bhd., an international associate of Savills, to determine the fair value of the freehold land and buildings. The date of the revaluation was 31 March 2013. Details of valuation techniques and inputs used are disclosed in Note 32.

If the freehold land and buildings were measured using the cost model, the carrying amounts would be as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Freehold land at 31 March:		
- Cost and net carrying amount	521	521
Buildings at 31 March:		
- Cost	7,851	7,851
- Accumulated depreciation	(1,322)	(1,263)
Net carrying amount	6,529	6,588

11. Property, plant and equipment (cont'd)

Changes in estimates

During the financial year, the Group revised the estimated remaining useful lives of its renovation, electrical fittings and furnitures at 2 Woodlands Terrace to be 2 years (2014: 5 years) and recorded an accelerated depreciation of $247,000 (2014: Nil) for the financial year ended 31 March 2015.

12. Intangible assets

Group	Computer software licences $'000
Cost	
At 1 April 2013	454
Additions	6
At 31 March 2014, 1 April 2014 and 31 March 2015	460
Accumulated amortisation	
At 1 April 2013	415
Amortisation for the year	19
At 31 March 2014 and 1 April 2014	434
Amortisation for the year	14
At 31 March 2015	448
Net carrying amount	
At 31 March 2014	26
At 31 March 2015	12
Average remaining amortisation years	
- 31 March 2014	3
- 31 March 2015	2

12. Intangible assets (cont'd)

Computer software licences

Computer software licences are stated at cost less accumulated amortisation and any impairment in value. Amortisation is calculated on a straight-line basis to write off the cost of software licences over 5 years. Impairment testing will be performed annually and more frequently when indication of impairment exists. Amortisation period and method will be reviewed annually.

13. Investment in subsidiaries

	Company	
	2015	2014
	$'000	$'000
Unquoted equity shares, at cost	5,640	6,840
Impairment losses	–	(1,200)
	5,640	5,640
Movements in allowance account:		
At beginning of the year	(1,200)	(1,200)
Written off	(1,200)	–
At end of the year	–	(1,200)

13. Investment in subsidiaries (cont'd)

Composition of the Group

The Group has the following investment in subsidiaries.

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2015	2014
Held by the Company:				
Ten & Han Trading Pte Ltd [(1)]	Singapore	Manufacture and distribution of food products, operation of retail food outlets and general trading	100	100
Ten & Han Food Management (Chengdu) Co., Ltd. [(4)]	People's Republic of China	Dormant	–	100
Old Chang Kee Australia Pty Ltd [(2)]	Australia	Operation of retail food outlets	100	100
Old Chang Kee Manufacturing Sdn. Bhd. [(3)]	Malaysia	Dormant	100	100

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by R A Hardwick F CPA, Australia.

(3) Audited by G.K. Lye & Co., Malaysia.

(4) Liquidated on 1 April 2014.

14. Investment in unquoted shares

	Group and Company	
	2015	2014
	$'000	$'000
Available-for-sale financial assets		
- Equity instruments (unquoted), at cost	273	273

15. Investment in associates

	Group and Company	
	2015	2014
	$'000	$'000
Unquoted equity shares, at cost	34	34
Impairment losses	(34)	(34)
Net carrying amount of investment	–	–

Details of associates are as follows:

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2015	2014
Old Chang Kee (M) Sdn Bhd [(1)]	Malaysia	Operating retail food outlets and general trading	40	40
Old Chang Kee (Thailand) Co. Ltd. [(2)]	Thailand	Dormant	40	40

(1) Audited by Poo, Lee & Co., Malaysia.

(2) Audited by U.B. Audit Office, Thailand.

15. Investment in associates (cont'd)

The Group has not recognised losses relating to certain associates where its share of losses exceeds the Group's interest in these associates. The Group's cumulative share of unrecognised losses at the balance sheet date was $225,000 (2014: $180,000) of which $45,000 (2014: $47,000) was the share of the current year's losses. The Group has no obligation in respect of these losses.

Aggregate information about the Group's investments in associates that are not individually material are as follows:

	2015 $'000	2014 $'000
Profit or loss after tax from continuing operations	(113)	(117)
Other comprehensive income	–	–
Total comprehensive income	(113)	(117)

16. Amount due from associates

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Amount due from associates	812	740	802	730
Less: Allowance for doubtful debts	(812)	(740)	(802)	(730)
Net carrying amount (Note 19)	–	–	–	–

Amount due from associates is non-trade in nature, unsecured, interest-free and repayable upon demand.

	Group		Company	
Movements in allowance account:				
At beginning of the year	(740)	(229)	(730)	(198)
Charge for the year	(72)	(533)	(72)	(532)
Write-back	–	22	–	–
At end of the year	(812)	(740)	(802)	(730)

17. Deposits

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current	1,446	1,279	–	–
Non-current	1,772	1,783	–	–
	3,218	3,062	–	–

These are mainly deposits placed with the landlords of retail outlets.

Deposits are denominated in the following currencies:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Singapore Dollars	2,646	2,472	–	–
Malaysian Ringgit	572	590	–	–
	3,218	3,062	–	–

18. Inventories

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Balance sheet:				
Raw materials	482	597	–	–
Sundry consumables	40	13	–	–
Total inventories at lower of cost and net realisable value	522	610	–	–
Consolidated statement of comprehensive income:				
Inventories recognised as an expense in cost of sales (Note 8)	22,845	22,196	–	–

19. Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Trade and other receivables (current):				
Trade receivables	182	174	–	–
Less: Allowance for doubtful debts	(50)	(68)	–	–
Advances for purchase of property, plant and equipment	11	24	–	–
	143	130	–	–
Deposits (Note 17)	1,446	1,279	–	–
Other receivables (non-current):				
Refundable deposits (Note 17)	1,772	1,783	–	–
Total trade and other receivables (current and non-current)	3,361	3,192	–	–
Amount due from associates (current): (Note 16)	–	–	–	–
Amount due from subsidiaries (current): (Note 20)	–	–	3,570	3,024
Add: Cash and bank balances (Note 21)	20,147	20,379	10,508	9,664
Total loans and receivables	23,508	23,571	14,708	12,688

19. Trade and other receivables (cont'd)

Trade receivables

Trade receivables relate mainly to delivery sales, catering sales, voucher sales and export sales to franchisees and are non-interest bearing and generally on 30 days' terms.

They are recognised at their original invoice amounts which represent their fair values on initial recognition.

	Group	
	2015	2014
	$'000	$'000
Movements in allowance for doubtful debts account:		
At beginning of the year	(68)	(68)
Written off	18	–
At end of the year	(50)	(68)

Receivables that are past due but not impaired

The Group has trade receivables amounting to $104,000 (2014: $74,000) that is past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	2015	2014
	$'000	$'000
Trade receivables past due:		
31 to 60 days	5	11
61 to 90 days	13	8
91 to 120 days	7	–
More than 120 days	79	55
	104	74

20. Amount due from subsidiaries

These amounts are non-trade, unsecured, non-interest bearing and are repayable upon demand.

21. Cash and bank balances

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Cash on hand	56	50	–	–
Cash at banks	19,070	19,311	10,508	9,664
Short-term deposits	1,021	1,018	–	–
	20,147	20,379	10,508	9,664

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between seven days and one month depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The weighted average effective interest rate of short-term deposits is 0.16% (2014: 0.19%) per annum.

Cash and bank balances are denominated in the following currencies:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Singapore Dollars	19,849	19,487	10,508	9,664
Malaysian Ringgit	224	817	–	–
Australian Dollars	74	75	–	–
	20,147	20,379	10,508	9,664

22. Trade and other payables

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Trade payables	3,230	3,412	–	–
Accruals	2,154	2,650	1,285	1,622
Sundry creditors	21	88	44	64
Trade and other payables	5,405	6,150	1,329	1,686
Add:				
- Other liabilities (Note 23)	152	141	–	–
- Bank loan (Note 25)	8,228	3,807	–	–
Finance lease liabilities (Note 30(c))	499	282	–	–
Total financial liabilities carried at amortised cost	14,284	10,380	1,329	1,686

Trade payables are non-interest bearing and are normally settled between 7 to 60 days' terms.

Trade payables are denominated in the following currencies:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Singapore Dollars	2,785	2,931	–	–
Thai Baht	433	468	–	–
Australian Dollars	12	13	–	–
	3,230	3,412	–	–

23. Other liabilities

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Foreign staff deposits	152	141	–	–

24. Provisions

	Provision for unconsumed leave (i)		Provision for reinstatement costs (ii)		Total	
	2015	2014	2015	2014	2015	2014
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
At beginning of year	280	272	1,662	1,536	1,942	1,808
Provided during the year	451	362	185	160	636	522
Utilised during the year	(415)	(354)	(57)	(17)	(472)	(371)
Unused amounts reversed during the year	–	–	(56)	(15)	(56)	(15)
Net exchange difference	–	–	(4)	(2)	(4)	(2)
At end of the year	316	280	1,730	1,662	2,046	1,942
Company						
At beginning of year	–	–	–	–	–	–
Provided during the year	45	–	–	–	45	–
Utilised during the year	(21)	–	–	–	(21)	–
At end of year	24	–	–	–	24	–

24. Provisions (cont'd)

(i) Provision for unconsumed leave

Provision for unconsumed leave of the Group and the Company of $316,000 (2014: $280,000) and $24,000 (2014: Nil) respectively is the estimated cost of employee entitlements to annual leave. The estimated liability for leave is recognised for services rendered by employees up to end of the reporting period.

(ii) Provision for reinstatement costs

Provision for reinstatement costs of $1,730,000 (2014: $1,662,000) is the estimated costs of restoring retail outlets to their original conditions, which are capitalised and included in the cost of fixed assets. The provision is expected to be utilised at the end of the lease terms.

25. Bank loans

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current	897	421	–	–
Non-current	7,331	3,386	–	–
	8,228	3,807	–	–
Bank loans comprise:				
Loan 1	2,632	2,968	–	–
Loan 2	729	839	–	–
Loan 3	4,867	–	–	–
	8,228	3,807	–	–

Loan 1: The loan bears interest rate at 1.3% per annum above the bank's prevailing cost of funds. This loan, denominated in Singapore Dollars, is secured by a first legal mortgage over certain of the Group's leasehold buildings (Note 11) and corporate guarantee provided by the Company. The loan is repayable over 119 monthly installments from February 2013 and a final installment on 2 January 2023.

25. Bank loans (cont'd)

Loan 2: The loan bears interest rate at 1.5% per annum above the bank's prevailing cost of funds. This loan, denominated in Singapore Dollars, is secured by a first legal mortgage over certain of the Group's leasehold buildings (Note 11) and corporate guarantee provided by the Company. The loan is repayable over 119 monthly installments from February 2014 and a final installment on 1 January 2024.

Loan 3: The loan bears interest rate at 1.3% per annum above the bank's prevailing cost of funds. This loan, denominated in Singapore Dollars, is secured by a first legal mortgage over certain of the Group's leasehold buildings (Note 11) and corporate guarantee provided by the Company. The loan is repayable over 119 monthly installments from September 2015 and a final installment on 1 October 2025.

26. Finance lease liabilities (Note 30(c))

Finance lease liabilities are secured by a charge over the leased assets (Note 11). The average discount rate implicit in the leases ranges from 2.9% to 5.58% (2014: 3.58% to 5.58%) per annum.

27. Deferred tax liabilities

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Balance at beginning of year	1,293	858	–	–
Movement in temporary difference	(106)	(69)	–	–
Deferred tax on revaluation of freehold land and buildings	(102)	504	–	–
Exchange difference	(3)	–	–	–
Balance at end of year	1,082	1,293	–	–
Deferred taxation comprises:				
Deferred tax liabilities:				
Excess of net book value over tax base of plant and equipment	(727)	(831)	–	–
Deferred tax on revaluation of freehold land and buildings	(402)	(504)	–	–
Exchange difference	(3)	–	–	–
	(1,132)	(1,335)	–	–
Deferred tax assets:				
Provisions	50	42	–	–
	(1,082)	(1,293)	–	–

28. Share capital

	Group and Company			
	2015		2014	
	No. of ordinary shares	$'000	No. of ordinary shares	$'000
Ordinary shares issued and fully paid				
At beginning of the year	121,374,700	13,964	120,897,700	13,897
Issuance of ordinary shares pursuant to warrants exercised	–	–	477,000	67
At end of the year	121,374,700	13,964	121,374,700	13,964

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

29. Other reserves

(a) Asset revaluation reserve

The asset revaluation reserve represents increases in the fair value of freehold land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

29. Other reserves (cont'd)

(c) Warrant reserve

On 9 September 2010, the Company issued 28,020,000 warrants at an issue price of $0.05 for each warrant, each warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of $0.10 for each new share, on the basis of three warrants for every ten shares of the Company, fractional entitlements to be disregarded.

The value ascribed to the warrants less issue expenses is credited as a reserve in equity under warrant reserve and an appropriate amount is transferred to the share capital account as and when the warrants are exercised.

In 2014, 27,974,700 warrants were exercised and converted into ordinary shares of the Company. There is no warrant outstanding as at 31 March 2015 and 31 March 2014.

30. Commitments and contingencies

(a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements is as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Capital commitments in respect of property, plant and equipment	5,506	8,467	–	–

30. Commitments and contingencies (cont'd)

(b) Operating lease commitments - as lessee

The Group has non-cancellable operating lease agreements in respect of equipment, land, production and storage premises and retail outlets. These non-cancellable operating leases have average tenure of between 1 to 60 years. Some of the leases include a clause to enable upward revision of the rental charges on an annual basis based on prevailing conditions. Some of the rental outlets include clauses whereby rental is charged using a base rental plus a percentage of the outlet's sales turnover.

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Minimum lease payments under operating leases recognised as an expense	9,939	9,012	–	–

Included in minimum lease payment is an amount of $1,303,000 (2014: $1,280,000) pertaining to contingent rental incurred during the financial year ended 31 March 2015.

Future minimum rental payables under non-cancellable operating leases as at the end of the reporting year are as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Not later than one year	8,389	7,516	–	–
Later than one year but not later than five years	9,535	7,563	–	–
Later than five years	2,955	2,790	–	–
	20,879	17,869	–	–

(c) Finance lease commitments

The Group has finance leases for certain motor vehicles and computers. These leases have terms ranging from 2 to 7 years with options to purchase at the end of the lease term. The lease terms do not contain restrictions concerning dividends, additional debt or further leasing.

30. Commitments and contingencies (cont'd)

(c) Finance lease commitments (cont'd)

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

Group	2015 Minimum lease payments $'000	2015 Present value of payments $'000	2014 Minimum lease payments $'000	2014 Present value of payments $'000
Not later than one year	129	110	129	120
Later than one year but not later than five years	414	389	174	162
Total minimum lease payments	543	499	303	282
Less: Amounts representing finance charges	(44)	–	(21)	–
Present value of minimum lease payments	499	499	282	282

31. Related party transactions

Related parties are entities with common direct or indirect shareholders and/or Directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decision.

Some of the Group's transactions and arrangements are with related parties and the effects of these as determined between the parties are reflected in these financial statements.

31. Related party transactions (cont'd)

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Group	
	2015	**2014**
	$'000	**$'000**
Rental expense paid to Director–related company	(55)	(54)
Advisory services fee and other professional fees paid to related party	(203)	(84)
Compensation of key management personnel		
Short-term employee benefits	3,084	3,111
Central Provident Fund contributions	47	52
Total compensation paid to key management personnel	3,131	3,163
Comprise amounts paid to:		
- Directors of the Company	2,966	2,879
- Other key management personnel	165	284
	3,131	3,163

The remuneration of key management personnel are determined by the Board of Directors having regard to the performance of individuals and market trends.

32. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

32. Fair value of assets and liabilities (cont'd)

(a) Fair value hierarchy (cont'd)

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group 2015 Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Non-financial assets:				
Property, plant and equipment (Note 11)				
- Freehold land	–	–	906	906
- Buildings	–	–	9,190	9,190
At 31 March 2015	–	–	10,096	10,096

32. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

	Group 2014 Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
Non-financial assets:				
Property, plant and equipment (Note 11)				
- Freehold land	–	–	965	965
- Buildings	–	–	9,461	9,461
At 31 March 2014	–	–	10,426	10,426

32. Fair value of assets and liabilities (cont'd)

(c) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

	Fair value as at 31 March 2015 $'000	Fair value as at 31 March 2014 $'000	Valuation techniques	Significant Unobservable inputs	Range
Non-financial assets:					
Property, plant and equipment (Note 11)					
- Freehold land	906	965	Market comparable approach	Yield adjustments	5% to 10%
- Buildings	9,190	9,461	Market comparable approach	Yield adjustments	-5% to 30%

For freehold land and buildings, a significant increase/(decrease) in yield adjustments would result in a significantly higher/(lower) fair value measurement.

(ii) Valuation policies and procedures

The Group Financial Controller (GFC), who is assisted by the assistant finance manager and accountant (collectively referred to as the "Finance Department") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the Finance Department reports to the Group's Audit Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. The Finance Department is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

For valuations performed by external valuation experts, the Finance Department reviews the appropriateness of the valuation methodologies and assumptions adopted. The Finance Department also evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

32. Fair value of assets and liabilities (cont'd)

(c) Level 3 fair value measurements (cont'd)

(ii) Valuation policies and procedures (cont'd)

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated by the Finance Department for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

The Finance Department documents and reports its analysis and results of the external valuations to the Audit Committee as and when necessary. The Audit Committee performs a high-level independent review of the valuation process and results and recommends if any revisions need to be made before presenting the results to the Board of Directors for approval.

(d) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and bank balances (Note 21), Current trade and other receivables and payables (Notes 19 and 22), Deposits (Note 17), Other liabilities (Note 23), and Current bank loans and Non-current bank loans at floating rates (Note 25)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of reporting period.

32. Fair value of assets and liabilities (cont'd)

(e) Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table shows an analysis of the Group's assets and liabilities not measured at fair value at 31 March 2015 but for which fair value is disclosed:

	Group 2015 Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying amount
	$'000	$'000	$'000	$'000	$'000
Financial Assets:					
Long term deposits	–	–	1,725	1,725	1,772
Financial Liabilities:					
Finance lease liabilities	–	–	447	447	499

32. Fair value of assets and liabilities (cont'd)

(e) Assets and liabilities not carried at fair value but for which fair value is disclosed (cont'd)

	Group 2014 Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying amount
	$'000	$'000	$'000	$'000	$'000
Financial Assets:					
Long term deposits	–	–	1,719	1,719	1,783
Financial Liabilities:					
Finance lease liabilities	–	–	259	259	282

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

32. Fair value of assets and liabilities (cont'd)

(f) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	Group				Company			
	2015 $'000		2014 $'000		2015 $'000		2014 $'000	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:								
Available-for-sale financial assets								
- Investment in unquoted shares	273	*	273	*	273	*	273	*
Long term deposits	1,772	1,725	1,783	1,719	–	–	–	–
Financial liabilities:								
Finance lease liabilities	499	447	282	259	–	–	–	–

* Investment in equity instruments (unquoted) carried at cost

Fair value information has not been disclosed for the Group's investment in equity instruments (unquoted) carried at cost because fair value cannot be measured reliably. These equity instruments represent ordinary shares in a Singapore frozen food products company that is not quoted on any market and does not have any comparable industry peer that is listed. The Group does not intend to dispose of this investment in the foreseeable future.

33. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the CEO and Group Financial Controller. Exposure to key financial risks is monitored on an on-going basis and management will assess the extent of such risks in order to ensure that these risks are kept at a minimal level. It is, and has been throughout the current and previous financial year the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets which include cash and cash equivalents, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades mainly in cash. Credit terms are only extended to reputable business associate companies, recognised and creditworthy third parties. Transactions with credit terms relate mainly to delivery and catering sales, voucher sales and export sales. The Group monitors the creditability of existing customers on a regular basis and terms with such customers are adjusted if the customers do not abide by the terms extended. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 19.

There is no significant concentration of credit risk within the Group.

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with financial institutions with high credit ratings and no history of default.

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 19.

33. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group seeks to maintain sufficient liquid financial assets and stand-by credit facilities to manage its liquidity risks. As at 31 March 2015, the Group had total bank and finance lease facilities of $14.9 million (2014: $6.1 million) of which $10.2 million (2014: $5.6 million) were utilised and the balance $4.7 million (2014: $539,000) remain unutilised.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's and the Company's financial assets and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
2015				
Financial assets:				
Trade and other receivables	143	–	–	143
Deposits	1,446	1,772	–	3,218
Cash and bank balances	20,147	–	–	20,147
Available-for-sale financial assets	–	–	273	273
Total undiscounted financial assets	21,736	1,772	273	23,781
Financial liabilities:				
Trade and other payables	5,405	–	–	5,405
Other liabilities	152	–	–	152
Finance lease liabilities	129	414	–	543
Bank loan	995	5,265	2,445	8,705
Total undiscounted financial liabilities	6,681	5,679	2,445	14,805
Total net undiscounted financial assets/ (liabilities)	15,055	(3,907)	(2,172)	8,976

33. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Group	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
2014				
Financial assets:				
Trade and other receivables	130	–	–	130
Deposits	1,279	1,783	–	3,062
Cash and bank balances	20,379	–	–	20,379
Available-for-sale financial assets	–	–	273	273
Total undiscounted financial assets	21,788	1,783	273	23,844
Financial liabilities:				
Trade and other payables	6,150	–	–	6,150
Other liabilities	141	–	–	141
Finance lease liabilities	129	175	–	304
Bank loan	482	1,860	1,761	4,103
Total undiscounted financial liabilities	6,902	2,035	1,761	10,698
Total net undiscounted financial assets/ (liabilities)	14,886	(252)	(1,488)	13,146

33. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Company	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
2015				
Financial assets:				
Amount due from subsidiaries	3,570	–	–	3,570
Amount due from associates	–	–	–	–
Cash and bank balances	10,508	–	–	10,508
Available-for-sale financial assets	–	–	273	273
Total undiscounted financial assets	14,078	–	273	14,351
Financial liabilities:				
Trade and other payables	1,329	–	–	1,329
Total undiscounted financial liabilities	1,329	–	–	1,329
Total net undiscounted financial assets	12,749	–	273	13,022

33. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Company	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
2014				
Financial assets:				
Amount due from subsidiaries	3,024	–	–	3,024
Amount due from associates	–	–	–	–
Cash and bank balances	9,664	–	–	9,664
Available-for-sale financial assets	–	–	273	273
Total undiscounted financial assets	12,688	–	273	12,961
Financial liabilities:				
Trade and other payables	1,686	–	–	1,686
Total undiscounted financial liabilities	1,686	–	–	1,686
Total net undiscounted financial assets	11,002	–	273	11,275

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Company obtains financing through bank loans and finance lease facilities. The Company's policy is to obtain the most favourable interest rates available without increasing its interest risk exposure. All the Group's financial assets and liabilities at floating rates are contractually repriced at intervals of less than 6 months (2014: less than 6 months) from the end of the reporting period.

33. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk (cont'd)

The following table sets out the carrying amounts, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

Group	Note	Within 1 year $'000	1 to 2 years $'000	2 to 3 years $'000	3 to 4 years $'000	4 to 5 years $'000	Over 5 years $'000	Total $'000
2015								
Fixed rate								
Short-term deposits	21	1,021	–	–	–	–	–	1,021
Obligations under finance leases	30(c)	(110)	(112)	(117)	(114)	(46)	–	(499)
Floating rate								
Cash at banks	21	19,070	–	–	–	–	–	19,070
Bank loans	25	(897)	(1,234)	(1,234)	(1,234)	(1,234)	(2,395)	(8,228)
2014								
Fixed rate								
Short-term deposits	21	1,018	–	–	–	–	–	1,018
Obligations under finance leases	30(c)	(120)	(43)	(41)	(42)	(36)	–	(282)
Floating rate								
Cash at banks	21	19,311	–	–	–	–	–	19,311
Bank loans	25	(421)	(421)	(421)	(421)	(421)	(1,702)	(3,807)

Interests on financial instruments at fixed rates are fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above table are not subject to interest rate risks.

33. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk (cont'd)

Sensitivity analysis

At the end of the reporting period, if interest rates had been 100 (2014: 100) basis points lower/higher with all other variables held constant, the Group's profit would have been $108,000 (2014: $155,040) lower/higher, arising mainly as a result of lower/higher interest income/expense on floating rate bank loans and bank balances. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as in prior years.

(d) Foreign currency risk

The Group has transactional currency exposures arising from purchases that are denominated in a currency other than the functional currency, SGD. The foreign currencies in which these transactions are denominated are mainly Thai Baht ("THB") and Malaysian Ringgit ("MYR"). Approximately 23% (2014: 24%) of the Group's purchases are denominated in foreign currencies.

The Group does not have a formal hedging policy with respect to foreign currency exposure. Exposure to foreign currency risk is monitored on an on-going basis and management seeks to keep the net exposure to an acceptable level.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the THB and MYR exchange rate (against SGD), with all other variables held constant, of the Group's profit before tax.

		The Group	
		2015	2014
		$'000	$'000
Thai Baht	- strengthened 5% (2014: 5%)	(22)	(23)
	- weakened 5% (2014: 5%)	22	23
Malaysian Ringgit	- strengthened 5% (2014: 5%)	40	70
	- weakened 5% (2014: 5%)	(40)	(70)

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies, or processes during the financial year ended 31 March 2015.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, other liabilities, bank loan, finance lease liabilities, less cash and bank balances. Capital includes equity attributable to equity holders of the Group.

	Group	
	2015	2014
	$'000	$'000
Net debt:		
Trade and other payables (Note 22)	5,405	6,150
Other liabilities (Note 23)	152	141
Provisions (Note 24)	2,046	1,942
Bank loans (Note 25)	8,228	3,807
Finance lease liabilities (Note 30 (c))	499	282
Less: Cash and bank balances (Note 21)	(20,147)	(20,379)
	(3,817)	(8,057)
Capital:		
Equity attributable to the equity holders of the Company	33,297	31,502
Capital and net debt	29,480	23,445
Gearing ratio	– (1)	– (1)

(1) Not meaningful as cash and bank balances exceeds total debts.

35. Segment information

Operating segments

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.

Geographical segments

The following table presents revenue and results information regarding the Group's business segments for the financial year ended 31 March 2015 and 31 March 2014.

2015	Singapore	People's Republic of China	Australia	Malaysia	Elimination	Total
	$'000	$'000	$'000	$'000		$'000
Revenue:						
Sales	71,347	–	312	–	(19)	71,640
Results:						
Segment results	10,870	–	(144)	(74)	–	10,652
Depreciation	(3,772)	–	(34)	(8)	–	(3,814)
Amortisation	(14)	–	–	–	–	(14)
Finance costs	(100)	–	–	(16)	–	(116)
Profit/(loss) before tax	6,984	–	(178)	(98)	–	6,708
Income tax expense						(1,423)
Profit, net of tax						5,285
Other segment information:						
Segment assets	48,584	–	142	3,340	–	52,066
Capital expenditure						
- Tangible assets	8,221	–	–	921	–	9,142
- Intangible assets	–	–	–	–	–	–

35. Segment information (cont'd)

2014	Singapore $'000	People's Republic of China $'000	Australia $'000	Malaysia $'000	Elimination	Total $'000
Revenue:						
Sales	68,634	–	273	–	(20)	68,887
Results:						
Segment results	11,025	(2)	(140)	(62)	–	10,821
Depreciation	(3,454)	–	(35)	(3)	–	(3,492)
Amortisation	(19)	–	–	–	–	(19)
Finance costs	(64)	–	–	(2)	–	(66)
Profit/(loss) before tax	7,488	(2)	(175)	(67)	–	7,244
Income tax expense						(1,226)
Profit, net of tax						6,018
Other segment information:						
Segment assets	43,201	–	193	3,147	–	46,541
Capital expenditure						
- Tangible assets	6,051	–	5	265	–	6,321
- Intangible assets	6	–	–	–	–	6

36. Dividends

	Group and Company	
	2015	2014
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
• Final exempt (one-tier) dividend for 2014: $0.015 (2013: $0.015) per share	1,821	1,817
• Interim exempt (one-tier) dividend for 2015: $0.015(2014: Nil) per share	1,820	–
	3,641	1,817
Proposed but not recognised as a liability as at 31 March 2015:		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
• Final exempt (one-tier) dividend for 2015: $0.015 (2014: $0.015) per share	1,821	1,821

37. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Directors on 26 June 2015.

Share Capital

Issued and fully paid-up capital	:	S$13,964,000
Number of shares	:	121,374,700
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share
Treasury shares	:	Nil

Substantial Shareholders

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Han Keen Juan	71,136,000 [(1)]	58.61	8,892,000 [(2)]	7.33
Goodview Properties Pte Ltd	14,198,000	11.70	–	–
Far East Organization Centre Pte Ltd	–	–	14,198,000 [(3)]	11.70
Estate of Ng Teng Fong, Deceased	–	–	14,198,000 [(3)]	11.70
Mdm Tan Kim Choo	–	–	14,198,000 [(3)]	11.70
Lim Tao-E William	8,892,000	7.33	–	–
Ng Choi Hong	8,892,000	7.33	71,136,000 [(2)]	58.61

Notes:

(1) Han Keen Juan has a direct interest in 10,000,000 shares held in the name of Hong Leong Finance Nominees Pte Ltd.

(2) Han Keen Juan and Ng Choi Hong are husband and wife. Each is deemed to be interested in the direct interest of the other, as each has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of those shares held by the other.

(3) Far East Organization Centre Pte Ltd, Estate of Ng Teng Fong, Deceased and Mdm Tan Kim Choo are deemed to have an interest in the shares held by Goodview Properties Pte Ltd.

Statistics of Shareholdings

As at 22 June 2015

Public Float

Based on the information available and to the best knowledge of the Company as at 22 June 2015, approximately 14.92% of the issued ordinary shares of the Company was held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	178	19.28	2,094	0.00
100 - 1,000	180	19.50	162,942	0.14
1,001 - 10,000	352	38.14	1,772,300	1.46
10,001 - 1,000,000	206	22.32	14,144,364	11.65
1,000,001 AND ABOVE	7	0.76	105,293,000	86.75
TOTAL	**923**	**100.00**	**121,374,700**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	HAN KEEN JUAN	61,136,000	50.37
2	GOODVIEW PROPERTIES PTE LTD	14,198,000	11.70
3	HONG LEONG FINANCE NOMINEES PTE LTD	10,005,000	8.24
4	LIM TAO-E WILLIAM	8,892,000	7.33
5	NG CHOI HONG	8,892,000	7.33
6	CHEW THYE CHUAN	1,160,000	0.96
7	PHILLIP SECURITIES PTE LTD	1,076,260	0.89
8	ONG HIE KOAN	1,010,000	0.83
9	KOH CHIN HWA	720,000	0.59
10	CYL INVESTMENTS LIMITED	696,000	0.57
11	CHAN WENG CHIH MATTHEW (CHEN RONGZHI MATTHEW)	674,000	0.56
12	CHOW SIEN TAI @ CHOW PIN TAI	602,000	0.50
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	600,208	0.49
14	CIMB SECURITIES (SINGAPORE) PTE. LTD.	554,000	0.46
15	LIM ADAM @ ADAM IBRAHIM	416,000	0.34
16	JAMES ALVIN LOW YIEW HOCK	410,000	0.34
17	TAN KOK CHING	310,000	0.26
18	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	306,000	0.25
19	LEE CHEE MENG	271,000	0.22
20	SEAH WEE LIUM (XIE WEINIAN)	260,000	0.21
	TOTAL	**112,188,468**	**92.44**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at Republic Polytechnic, 9 Woodlands Avenue 9, Singapore 738964, Lecture Theatre LRE5 (Building E5, Level 3), on 28 July 2015 at 2.00 p.m. to transact the following businesses:

All capitalised terms in this Notice and defined in the Addendum shall, unless otherwise defined in this Notice, bear the respective meanings ascribed thereto in the Addendum.

As Ordinary Business

1. To receive and adopt the Directors' Report and Audited Financial Statements of the Company for the financial year ended 31 March 2015 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final tax-exempt (one-tier) dividend of 1.5 Singapore cents per ordinary share for the financial year ended 31 March 2015. **(Resolution 2)**

3. To approve the payment of Directors' fees of S$164,000 for the financial year ending 31 March 2016 to be paid quarterly in arrears (2015: S$164,000) **[See Explanatory Note (i)]** **(Resolution 3)**

4. To record the retirement of Mr Wong Ming Kwong, a Director retiring pursuant to Article 90 of the Company's Articles of Association and who has decided not to seek re-appointment.

5. To approve the appointment of Mr Zainudin Bin Nordin as a Director of the Company. **[See Explanatory Note (ii)]** **(Resolution 4)**

6. To re-elect Mr Ong Chin Lin as a Director retiring under Article 89 of the Articles of Association of the Company. **[See Explanatory Note (iii)]** **(Resolution 5)**

7. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

8. To transact any other ordinary business that may properly be transacted at an annual general meeting.

As Special Business

ORDINARY RESOLUTION: PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without modifications:-

9. That:

(a) for the purposes of the Companies Act (Cap. 50) of Singapore (the "**Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the ordinary shares in the capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**"), transacted on the SGX-ST or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") (if effected otherwise than on the Catalist) in accordance with any equal access schemes as defined in Section 76C of the Act as may be determined or formulated by the Directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act and otherwise in accordance with all other listing rules and regulations of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by an ordinary resolution of shareholders of the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution 7 and expiring on the earlier of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held; or

(ii) the date on which the Share Buyback(s) are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

(c) in this Resolution 7:

"**Prescribed Limit**" means 10% of the total number of ordinary shares of the Company as at the date of the last annual general meeting which was held on 24 July 2014 or as at the date of passing of this Resolution 7 (whichever is the higher) unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period (as hereinafter defined), in which event the total number of ordinary shares of the Company shall be taken to be the amount of the total number of ordinary shares of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the last annual general meeting was held or required by law to be held, before this Resolution 7 is passed and expiring on the date the next annual general meeting is held or is required by law to be held, the date on which the Share Buyback(s) are carried out to the full extent mandated, or the date the said mandate is revoked or varied by the Company in a general meeting, whichever is the earlier, after the date this Resolution 7 is passed; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, the price per Share which is not more than 5% above the average of the closing market prices of the Shares over the last five (5) Market Days on the Catalist, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company, and which is deemed to be adjusted in accordance with the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**") for any corporate action occurring after the relevant period of the five (5) Market Days period; and;

(ii) in the case of an Off-Market Purchase, the price per Share based on not more than 25% above the average of the closing market prices of the Shares over the last five (5) Market Days on the Catalist, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an Off-Market Purchase scheme, and which is deemed to be adjusted in accordance with the Catalist Rules for any corporate action occurring after the relevant period of the five (5) Market Days period; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors of the Company and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they may consider desirable, expedient or necessary in the interest of the Company in connection with or for the purposes of giving full effect to the Share Buyback Mandate. **[See Explanatory Note (iv)]**

(Resolution 7)

ORDINARY RESOLUTION: THE PROPOSED SHARE ISSUE MANDATE TO ALLOT AND ISSUE SHARES OF UP TO 100% OF THE TOTAL NUMBER OF ISSUED SHARES ON A PRO-RATA BASIS AND UP TO 50% OF THE TOTAL NUMBER OF ISSUED SHARES OTHER THAN ON A PRO-RATA BASIS

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

10. That pursuant to Section 161 of the Companies Act (Cap. 50) of Singapore (the "**Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:-

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) issue Shares (in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution 8 was in force), provided that:-

(i) the aggregate number of Shares to be issued pursuant to this ordinary Resolution 8 does not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below); and

(ii) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Resolution 8 is passed, after adjusting for:-

(A) new Shares arising from the conversion or exercise of any convertible securities or Share options; or vesting of Share awards which are outstanding or subsisting at the time this Resolution 8 is passed, provided that the Share options or Share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(B) any subsequent bonus issue, consolidation or sub-division of Shares;

(iii) in exercising the authority conferred by this Resolution 8, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force and (in each case, unless such compliance has been waived by the SGX-ST) all applicable legal requirements under the Act and the Articles of Association for the time being of the Company; and

(iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 8 shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. **[See Explanatory Note (v)]**
(Resolution 8)

ORDINARY RESOLUTION: AUTHORITY TO GRANT AWARDS IN ACCORDANCE WITH THE OLD CHANG KEE PERFORMANCE SHARE SCHEME

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

11. That pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore, the Directors of the Company be and are hereby authorised and empowered to grant awards ("**Awards**") in accordance with the provisions of the Old Chang Kee Performance Share Scheme (the "**Scheme**") and to allot and issue or deliver from time to time such number of fully paid-up Shares ("**Award Shares**") as may be required to be allotted and issued or delivered pursuant to the vesting of the Award Shares under the Scheme, provided that the aggregate number of Award Shares to be allotted and issued pursuant to the Scheme and all other share option, share incentive, performance share or restricted share plans implemented by the Company and for the time being in force, shall not exceed fifteen per cent. (15%) of the total number of issued ordinary shares of the Company (excluding treasury shares) from time to time. **[See Explanatory Note (vi)]**
(Resolution 9)

By Order of the Board

Adrian Chan Pengee
Company Secretary
Singapore

13 July 2015

Explanatory Notes:

(i) Directors' Fees are for the forthcoming financial year from 1 April 2015 to 31 March 2016, to be paid out quarterly in arrears.

(ii) Mr Zainudin Bin Nordin, if appointed as a Director of the Company, will be an Independent Director of the Company and will also be appointed as Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. The Board considers Mr Zainudin Bin Nordin to be independent for the purpose of Rule 704(7) of the Catalist Rules.

(iii) Mr Ong Chin Lin will, upon re-election as a Director of the Company, remain as an Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee. The Board considers Mr Ong to be independent for the purpose of Rule 704(7) of the Catalist Rules.

(iv) The ordinary resolution proposed in item 9 above relates to the renewal of a mandate approved by shareholders of the Company at the annual general meeting of the Company held on 24 July 2014, and if passed, will empower the Directors of the Company, from the date of the above AGM until the date of the next annual general meeting to be held or is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to ten per cent. (10%) of the total number of ordinary shares (excluding treasury shares) of the Company at prices up to but not exceeding the Maximum Price. The rationale for the Share Buyback Mandate, the authority and limitation on the purchase or acquisition of Shares under the Share Buyback Mandate, the source of funds to be used for the purchase or acquisition including the amount of financing, and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are set out in greater detail in the Addendum to shareholders of the Company.

(v) The ordinary resolution proposed in item 10 above, if passed, will authorise and empower the Directors of the Company from the date of the above AGM until the next annual general meeting to be held or is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue up to hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares) (including Shares to be issued in pursuance of any Instrument made or granted while this Resolution 8 was in force), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of any Instrument made or granted while this Resolution 8 was in force) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company, without seeking any further approval from shareholders in general meeting but within the limitation imposed by Resolution 8, for such purposes as the Directors may consider to be in the interests of the Company.

(vi) The ordinary resolution proposed in item 11 above, if passed, will empower the Directors of the Company to offer and grant awards, and to allot and issue new ordinary shares in the capital of the Company, pursuant to the vesting of the Award Shares under the Scheme (which was approved by shareholders at the Extraordinary General Meeting held on 29 April 2009) as may be modified by the Directors of the Company from time to time, provided that the aggregate number of Shares to be allotted and issued pursuant to the Scheme and all other share option, share incentive, performance share or restricted share plans implemented by the Company and for the time being in force, shall not exceed fifteen per cent. (15%) of the total number of issued ordinary shares of the Company (excluding treasury shares) from time to time.

Notice of Annual General Meeting

Notes:

(1) A member entitled to attend and vote at the AGM is entitled to appoint no more than two proxies to attend and vote on his behalf and such proxy need not be a member of the Company. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each proxy.

(2) The instrument appointing the proxy, duly executed, must be deposited at the registered office of the Company at 2 Woodlands Terrace, Singapore 738427 not later than 48 hours before the time set for the AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDENDUM DATED 13 JULY 2015

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Addendum is circulated to shareholders of Old Chang Kee Ltd. (the "Company") together with the Company's annual report for the financial year ended 31 March 2015 (the "**Annual Report**"). Its purpose is to provide shareholders with the relevant information relating to, and to seek shareholders' approval for, the proposed renewal of the Share Buy-back Mandate (as defined hereinafter) to be tabled at the annual general meeting to be held on 28 July 2015 at 2.00 p.m. at Republic Polytechnic, 9 Woodlands Avenue 9, Singapore 738964, Lecture Theatre LRE5 (Building E5, Level 3) (the "**AGM**").

If you are in doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

Your attention is drawn to page 154 of this Addendum in respect of actions to be taken if you wish to attend and vote at the AGM. The notice of AGM and proxy form are enclosed with the Annual Report.

This Addendum has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Addendum.

This Addendum has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Addendum, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Addendum.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

OLD CHANG KEE LTD.

(Incorporated in the Republic of Singapore on 16 December 2004)
(Company Registration No. 200416190W)

ADDENDUM TO SHAREHOLDERS

in relation to

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

DEFINITIONS

For the purpose of this Addendum, the following definitions have, where appropriate, been used:

"AGM"	:	The annual general meeting of the Company to be held on 28 July 2015
"Approval Date"	:	Has the meaning ascribed to it in Section 1.3.1 of this Addendum
"Articles"	:	The Articles of Association of the Company
"Associates"	:	Shall bear the meaning assigned to it by the Listing Manual
"Award"	:	A contingent award of Shares granted under the Scheme
"Board"	:	The board of the Directors of the Company
"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"CDP"	:	The Central Depository (Pte) Limited
"cents"	:	Singapore cents
"Company" or "Old Chang Kee"	:	Old Chang Kee Ltd.
"Companies Act"	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company; or (a) in fact exercises control over a company
"Council"	:	The Securities Industry Council
"Directors"	:	Directors of the Company as at the date of this Addendum
"EPS"	:	Earnings per Share

"Group"	:	The Company and its Subsidiaries
"Latest Practicable Date"	:	30 June 2015, being the latest practicable date prior to the printing of this Addendum
"Listing Manual"	:	The provisions of the SGX-ST Listing Manual Section B: Rules of Catalist as amended, supplemented or modified from time to time
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Market Purchase"	:	Has the meaning ascribed to it in Section 1.3.3 of this Addendum
"Maximum Price"	:	Has the meaning ascribed to it in Section 1.3.4 of this Addendum
"NTA"	:	Net tangible assets
"Off-Market Purchase"	:	Has the meaning ascribed to it in Section 1.3.3 of this Addendum
"Relevant Period"	:	The period commencing from the date the last annual general meeting was held or was required by law to be held before the resolution relating to the Share Buy-back Mandate is passed and expiring on the date the next annual general meeting is or required by law to be held, the date on which the share buy-backs are carried out to the full extent mandated, or the date the said mandate is revoked or varied by the Company in a general meeting, whichever is the earlier, after the said resolution is passed
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Buy-back(s)"	:	The buy-back(s) of Shares by the Company pursuant to the terms of the Share Buy-back Mandate
"Share Buy-back Mandate"	:	The proposed mandate to enable the Company to purchase or otherwise acquire its Shares, the terms of which are set out in Section 1.3 of this Addendum
"Shareholders"	:	Persons who are registered as holders of the Shares except where the registered holder is CDP, in which case the term "Shareholders" shall in relation to such Shares mean the Depositors whose securities accounts with CDP are credited with the Shares
"Shares"	:	Ordinary shares in the capital of the Company

Addendum

"Subsidiaries"	:	The subsidiaries of a company (as defined in Section 5 of the Companies Act) and "Subsidiary" shall be construed accordingly
"Substantial Shareholders"	:	A person who has an interest or interests in voting shares in the Company representing not less than 5% of all the voting shares in the Company
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers
Currencies and others		
"S$"	:	Singapore dollars
"%" or "per cent."	:	Per centum or percentage

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively by Section 130A of the Companies Act. The term "treasury shares" shall have the meaning ascribed to it in Section 4 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term or word defined under the Securities and Futures Act (Chapter 289) of Singapore or the Companies Act or the Listing Manual or any statutory or regulatory modification thereof and used in this Addendum shall where applicable have the same meaning ascribed to it under the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act or the Listing Manual or such statutory modification, as the case may be, unless otherwise provided.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Addendum may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of a day in this Addendum is a reference to Singapore time.

OLD CHANG KEE LTD.

(Incorporated in the Republic of Singapore on 16 December 2004)
(Company Registration No. 200416190W)

LETTER TO SHAREHOLDERS

Directors:

Han Keen Juan (Executive Chairman)
Lim Tao-E William (Chief Executive Officer and Executive Director)
Chow Hui Shien (Deputy Chief Executive Officer and Executive Director)
Ong Chin Lin (Lead Independent Director)
Wong Ming Kwong (Independent Director)
Yap Su Ming Audrey (Independent Director)

Registered Office:

2 Woodlands Terrace
Singapore 738427

13 July 2015

To: The Shareholders of Old Chang Kee Ltd.

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

Dear Shareholder,

1. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

1.1 Introduction

Shareholders had approved the adoption of the Share Buy-back Mandate at the Extraordinary General Meeting held on 29 April 2009 ("**2009 EGM**") to allow the Company to purchase or otherwise acquire fully-paid issued ordinary shares in the capital of the Company. The authority and limitations on the Share Buy-back Mandate were set out in the Circular dated 14 April 2009 and Ordinary Resolution 1 set out in the Notice of the Extraordinary General Meeting held on 29 April 2009.

The Share Buy-back Mandate was renewed at the Company's previous annual general meeting held on 24 July 2014 and will expire on the date of the AGM. Accordingly, Shareholders' approval is being sought for the renewal of the Share Buy-back Mandate at the AGM to be held on 28 July 2015.

If approved, the Share Buy-back Mandate will take effect from the date of the AGM and continue in force until the date of the next annual general meeting or such date as the next annual general meeting is required by law to be held, unless prior thereto, Share Buy-backs are carried out to the full extent mandated or the Share Buy-back Mandate is revoked or varied by the Company in a general meeting. In order to continue the Share Buy-back Mandate, the Share Buy-back Mandate will have to be put to Shareholders for renewal at each subsequent annual general meeting of the Company.

The purchase of Shares by the Company pursuant to the Share Buy-back Mandate will have to be made in accordance with the Articles, the Listing Manual, the Companies Act, and such other laws and regulations as may for the time being be applicable. The Articles expressly permit the Company to purchase or otherwise acquire Shares issued by it.

The Company has on 13 July 2015 issued a notice convening the AGM, and the proposed Resolution 7 in the notice of the AGM relates to the proposed renewal of the Share Buy-back Mandate.

The purpose of this Addendum is to provide Shareholders with information relating to the proposed renewal of the Share Buy-back Mandate to be tabled at the AGM to be held at Republic Polytechnic, 9 Woodlands Avenue 9, Singapore 738964, Lecture Theatre LRE5 Building E5, Level 3 on 28 July 2015 at 2.00 p.m.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions expressed in this Addendum.

1.2 Rationale

The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A share buy-back at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

Share buy-backs provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or net tangible asset value per Share.

The Directors further believe that share buy-backs by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.

If and when circumstances permit, the Directors will decide whether to effect the share buy-backs via market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out buy-backs to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group, taking into account the working capital requirements of the Company or the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company.

1.3 Terms of the Share Buy-back Mandate

The authority and limitations placed on purchases of Shares by the Company under the Share Buy-back Mandate are summarised below:

1.3.1 Maximum number of shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the total number of ordinary shares of the Company as at the last annual general meeting which was held on 24 July 2014 or as at the date of the annual general meeting at which the Share Buy-back Mandate is approved (the "**Approval Date**") (whichever is the higher) unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of ordinary shares of the Company shall be taken to be the amount of the total number of ordinary shares of the Company as altered (excluding any treasury shares that may be held by the Company from time to time).

For illustrative purposes only, based on the existing issued and paid-up capital of the Company as the Latest Practicable Date of S$13,964,000 comprising 121,374,700 Shares, and assuming that no further Shares are issued on or prior to the AGM, not more than 12,137,470 Shares (representing approximately 10% of the total number of ordinary shares of the Company excluding treasury shares as at that date) may be purchased or acquired by the Company pursuant to the Share Buy-back Mandate.

1.3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

(a) the date on which the next annual general meeting is held or required by law to be held;

(b) the date on which the Share Buy-backs are carried out to the full extent mandated; or

(c) the date on which the authority contained in the Share Buy-back Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

1.3.3 Manner of purchase of Shares

Purchases of Shares may be made by way of:

(a) market purchases ("**Market Purchase**"), transacted through the SGX-ST or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the Catalist) in accordance with an equal access scheme as defined in Section 76C of the Companies Act as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual.

Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

(a) offers for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued Shares;

(b) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(c) the terms of all the offers are the same, except that there shall be disregarded:

  (i) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;

  (ii) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and

  (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed Share Buy-back;

(d) the consequences, if any, of share buy-backs by the Company that will arise under the Take-over Code or other applicable take-over rules;

(e) whether the Share Buy-back, if made, could affect the listing of the Shares on the SGX-ST;

(f) details of any Share Buy-back made by the Company in the previous 12 months (whether Market Purchase or Off-Market Purchase), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(g) whether the shares purchased by the Company would be cancelled or kept as treasury shares.

1.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

(a) in the case of a Market Purchase, the price per Share which is not more than 5% above the average of the closing market prices of the Shares over the last five (5) Market Days on the Catalist, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company, and which is deemed to be adjusted in accordance with the Listing Manual for any corporate action occurring after the relevant period of the five (5) Market Days period; and

(b) in the case of an Off-Market Purchase, the price per Share based on not more than 25% above the average of the closing market prices of the Shares over the last five (5) Market Days on the Catalist, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an Off-Market Purchase scheme, and which is deemed to be adjusted in accordance with the Listing Manual for any corporate action occurring after the relevant period of the five (5) Market Days period

in either case, excluding related expenses of the purchase (the "**Maximum Price**").

For the purposes of (b) above:-

"**day on which the Company makes an announcement of an offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from the Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

1.4 Status of purchased shares under the Share Buy-back Mandate

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Where shares purchased or acquired by a company are cancelled, such shares will be automatically de-listed from the Catalist. Where applicable, certificates in respect of such cancelled shares will be cancelled and destroyed by the Company as soon as is reasonably practicable after following the settlement of such purchase or acquisition. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

1.5 Treasury shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

1.5.1 Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of Shares at that time.

1.5.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

1.5.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time:

(a) sell the treasury shares for cash;

(b) transfer the treasury shares for the purposes of any employee's share scheme;

(c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the treasury shares; or

(e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Pursuant to Rule 704(31) of the Listing Manual, the Company will immediately announce any sale, transfer, cancellation and/or use of treasury shares, stating the following:

(i) date of the sale, transfer, cancellation and/or use;

(ii) purpose of such sale, transfer, cancellation and/or use;

(iii) number of treasury shares sold, transferred, cancelled and/or used;

(iv) number of such shares before and after such sale, transfer, cancellation and/or use;

(v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(vi) value of the treasury shares if they are used for a sale or transfer or cancelled.

1.6 Sources of funds for Share Buy-back

The Company may only apply funds for the purchase or acquisition of Shares in accordance with the Articles and the applicable laws and regulations in Singapore. The Company may not purchase or acquire its Shares for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Any purchase of Shares could only be made out of the Company's distributable profits that are available for payment as dividends, as well as from its capital, provided that:

(a) the Company is able to pay its debts in full at the time it purchases the Shares and will be able to pay its debts as they fall due in the normal course of business in the 12 months immediately following the purchase; and

(b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the purchase of Shares become less than the value of its liabilities (including contingent liabilities) having regard to the most recent financial statements of the Company, all other circumstances that the Directors or management of the Company know or ought to know affect or may affect the value of the Company's assets and the value of the Company's liabilities (including contingent liabilities), and valuations of assets or estimates of liabilities that are reasonable in the circumstances.

Further, for the purposes of determining the value of a contingent liability, the Directors or managers of the Company may take into account the following:

(a) the likelihood of the contingency occurring; and

(b) any claim the Company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

The Company will use internal resources and/or external borrowings and/or a combination of both to finance purchases of Shares pursuant to the Share Buy-back Mandate.

1.7 Financial effects of the Share Buy-back Mandate

The financial effects on the Company and the Group arising from the Share Buy-backs which may be made pursuant to the Share Buy-back Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the aggregate number of Shares purchased or acquired, the price at which such Shares are purchased or acquired, whether the Shares purchased or acquired are held as treasury shares or cancelled and the amount (if any) borrowed by the Company to fund the purchase or acquisition.

Where the Company chooses not to hold the purchased Shares as treasury shares, such Shares shall be cancelled. The Company shall:-

(i) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;

(ii) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or

(iii) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

Where the Company chooses to hold the purchased Shares as treasury shares, the total number of issued Shares of the Company will remain unchanged.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 March 2015, are based on the following principal assumptions:

(a) the acquisition of Shares pursuant to the Share Buy-back Mandate had taken place on 1 April 2014 for the purpose of computing the financial effects on the EPS of the Group and the Company;

(b) the maximum number of shares that can be bought back without adversely affecting the 10% public float requirement is 6,637,367;

(c) the acquisition of Shares pursuant to the Share Buy-back Mandate had taken place on 31 March 2015 for the purpose of computing the financial effects on the shareholders' equity, NTA per share and gearing of the Group and the Company; and

(d) transaction costs incurred for the acquisition of Shares pursuant to the Share Buy-back Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

1.7.1 Purchase or acquisition out of capital or profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced but the issued share capital of the Company will be reduced by the value of the Shares purchased. Where the consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) paid by the Company for the purchase or acquisition of the Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

1.7.2 Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued and paid-up capital of the Company is S$13,964,000 comprising 121,374,700 Shares. No Shares are reserved for issue by the Company as at the Latest Practicable Date.

1.7.3 Financial effects

For illustrative purposes only, and on the basis of the assumptions set out below, the financial effects of the:

(a) acquisition of Shares by the Company pursuant to the Share Buy-back Mandate by way of purchases made out of capital and held as treasury shares; and

(b) acquisition of Shares by the Company pursuant to the Share Buy-back Mandate by way of purchases made out of capital and cancelled;

based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2015 are set out in the sections below.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buy-back Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of the Shares pursuant to the Share Buy-back Mandate by way of purchases made out of capital are set out in this Addendum.

1.7.3.1 Purchases made entirely out of capital and held as treasury shares

Market Purchase

For illustrative purposes only, in a Market Purchase, assuming that the Maximum Price is S$0.78, which is 105% of the average of the closing market prices of the Shares over the last five (5) Market Days on the Catalist, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date (being the date of the Market Purchase by the Company), and which is deemed to be adjusted in accordance with the Listing Manual for any corporate action occurring after the relevant period of the five (5) Market Days period, the maximum amount of funds required for the purchase of up to 6,637,367 Shares is S$5,177,146. On this assumption, the impact of the Share Buy-back by the Company undertaken in accordance with the proposed Share Buy-back Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 March 2015 is as follows:

	Company		**Group**	
As at 31 March 2015	**Before the Share Buy-back**	**After the Share Buy-back**	**Before the Share Buy-back**	**After the Share Buy-back**
Shareholders' Equity (S$'000)	18,628	13,451	33,297	28,120
NTA (S$'000)	18,628	13,451	33,285	28,108
Current Assets (S$'000)	14,105	8,928	23,628	18,451
Current Liabilities (S$ '000)	1,390	1,390	9,967	9,967
Working Capital (S$ '000)	12,715	7,538	13,661	8,484
Total Borrowings (S$ '000)	–	–	8,727	8,727
Cash & Cash Equivalents (S$ '000)	10,508	5,331	20,147	14,970
Net Profit (S$ '000)	5,341	5,341	5,285	5,285
Number of Shares ('000)	121,375	114,738	121,375	114,738
Financial Ratios				
NTA per Share (cents)	15.35	11.72	27.42	24.50
Basic EPS (cents)	4.40	4.65	4.35	4.61
Debt Equity Ratio (%)	–	–	26.2	31.0
Current Ratio (times)	10.1	6.4	2.4	1.9

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S$0.93, which is 125% of the average of the closing market prices of the Shares over the last five (5) Market Days on the Catalist, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date (being the date on which the Company makes an announcement of the offer under the Off-Market Purchase scheme), the maximum amount of funds required for the purchase of up to 6,637,367 Shares is S$6,172,751. On this assumption, the impact of the Share Buy-back by the Company undertaken in accordance with the proposed Share Buy-back Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 March 2015 is as follows:

	Company		**Group**	
As at 31 March 2015	**Before the Share Buy-back**	**After the Share Buy-back**	**Before the Share Buy-back**	**After the Share Buy-back**
Shareholders' Equity (S$'000)	18,628	12,456	33,297	27,125
NTA (S$'000)	18,628	12,456	33,285	27,113
Current Assets (S$'000)	14,105	7,933	23,628	17,456
Current Liabilities (S$ '000)	1,390	1,390	9,967	9,967
Working Capital (S$ '000)	12,715	6,543	13,661	7,489
Total Borrowings (S$ '000)	–	–	8,727	8,727
Cash & Cash Equivalents (S$ '000)	10,508	4,336	20,147	13,975
Net Profit (S$ '000)	5,341	5,341	5,285	5,285
Number of Shares ('000)	121,375	114,738	121,375	114,738
Financial Ratios				
NTA per Share (cents)	15.35	10.86	27.42	23.63
Basic EPS (cents)	4.40	4.65	4.35	4.61
Debt Equity Ratio (%)	–	–	26.2	32.2
Current Ratio (times)	10.1	5.7	2.4	1.8

1.7.3.2 Purchases made entirely of capital and cancelled

Market Purchase

For illustrative purposes only, in a Market Purchase, assuming that the Maximum Price is S$0.78, which is 105% of the average of the closing market prices of the Shares over the last five (5) Market Days on the Catalist, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date (being the date of the Market Purchase by the Company), and which is deemed to be adjusted in accordance with the Listing Manual for any corporate action occurring after the relevant period of the five (5) Market Days period, the maximum amount of funds required for the purchase of up to 6,637,367 Shares is S$5,177,146. On this assumption, the impact of the Share Buy-back by the Company undertaken in accordance with the proposed Share Buy-back Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 March 2015 is as follows:

	Company		Group	
As at 31 March 2015	**Before the Share Buy-back**	**After the Share Buy-back**	**Before the Share Buy-back**	**After the Share Buy-back**
Shareholders' Equity (S$'000)	18,628	13,451	33,297	28,120
NTA (S$'000)	18,628	13,451	33,285	28,108
Current Assets (S$'000)	14,105	8,928	23,628	18,451
Current Liabilities (S$ '000)	1,390	1,390	9,967	9,967
Working Capital (S$ '000)	12,715	7,538	13,661	8,484
Total Borrowings (S$ '000)	–	–	8,727	8,727
Cash & Cash Equivalents (S$ '000)	10,508	5,331	20,147	14,970
Net Profit (S$ '000)	5,341	5,341	5,285	5,285
Number of Shares ('000)	121,375	114,738	121,375	114,738
Financial Ratios				
NTA per Share (cents)	15.35	11.72	27.42	24.50
Basic EPS (cents)	4.40	4.65	4.35	4.61
Debt Equity Ratio (%)	–	–	26.2	31.0
Current Ratio (times)	10.1	6.4	2.4	1.9

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S$0.93, which is 125% of the average of the closing market prices of the Shares over the last five (5) Market Days on the Catalist, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date (being the date on which the Company makes an announcement of the offer under the Off-Market Purchase scheme), the maximum amount of funds required for the purchase of up to 6,637,367 Shares is S$6,172,751. On this assumption, the impact of the Share Buy-back by the Company undertaken in accordance with the proposed Share Buy-back Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 March 2015 is as follows:

	Company		Group	
As at 31 March 2015	**Before the Share Buy-back**	**After the Share Buy-back**	**Before the Share Buy-back**	**After the Share Buy-back**
Shareholders' Equity (S$'000)	18,628	12,456	33,297	27,125
NTA (S$'000)	18,628	12,456	33,285	27,113
Current Assets (S$'000)	14,105	7,933	23,628	17,456
Current Liabilities (S$ '000)	1,390	1,390	9,967	9,967
Working Capital (S$ '000)	12,715	6,543	13,661	7,489
Total Borrowings (S$ '000)	–	–	8,727	8,727
Cash & Cash Equivalents (S$ '000)	10,508	4,336	20,147	13,975
Net Profit (S$ '000)	5,341	5,341	5,285	5,285
Number of Shares ('000)	121,375	114,738	121,375	114,738
Financial Ratios				
NTA per Share (cents)	15.35	10.86	27.42	23.63
Basic EPS (cents)	4.40	4.65	4.35	4.61
Debt Equity Ratio (%)	–	–	26.2	32.2
Current Ratio (times)	10.1	5.7	2.4	1.8

The actual impact will depend on the number and price of the Shares bought back. The Directors do not propose exercising the proposed Share Buy-back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and capital adequacy position of the Company.

Shareholders should note that the financial effects set out above are based on certain assumptions and are for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited financial statements for the financial year ended 31 March 2015 and is not necessarily representative of future financial performance.

Although the Share Buy-back Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

1.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of share purchases by the Company, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

1.9 Requirements under the Companies Act and Listing Manual

Within thirty (30) days of the passing of a Shareholders' resolution to approve the Share Buy-back Mandate, the Company shall lodge a copy of such resolution with the ACRA.

Within thirty (30) days of a Share purchase or acquisition on the Catalist or otherwise, the Company shall lodge with the ACRA a notification of the Share purchase or acquisition in the prescribed form. Such notification shall include, *inter alia*, the date of the purchase, the number of Shares purchased, the number of Shares cancelled and/or the number of Shares held as treasury Shares, the Company's issued share capital before and after the Share purchase, the amount of consideration paid by the Company for the purchase and whether the Shares were purchased out of the profits or capital of the Company.

Under the Listing Manual, a listed company may purchase shares by way of Market Purchases at a price per share which is, *inter alia*, not more than 5% above the average of the closing market prices of the Shares over the last five (5) Market Days on the Catalist, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company, and which is deemed to be adjusted in accordance with the Listing Manual for any corporate action occurring after the relevant period of the five (5) Market Days period. The Maximum Price for a Share in relation to Market Purchases by the Company conforms to this restriction.

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m., (a) in the case of a Market Purchase, on the Market Day following the day on which it purchased shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details of the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable and such announcement must be made in the form of Appendix 8D of the Listing Manual.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider' in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buy-back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company would not purchase or acquire any Shares through Market Purchases commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements.

1.10 Listing Status

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its Shares are in the hands of the public. The "public", as defined under the Listing Manual, are persons other than the Directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Manual) of such persons.

As at the Latest Practicable Date, there are 973 Shareholders and 18,111,100 Shares are in the hands of the public (as defined above), representing approximately 14.92% of the issued share capital of the Company. For illustrative purposes only, assuming the Company undertakes purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buy-back Mandate and all such Shares purchased are held by the public, the number of Shares in the hands of the public would be reduced by approximately 12,137,470 Shares, the resultant number of Shares held by public Shareholders would be reduced to 5,973,630, representing approximately 5.47% of the remaining issued Shares of the Company. Therefore in such a case and in order not to adversely affect the listing status of Shares on the SGX-ST, the Company will not be permitted to undertake purchases or acquisitions of its Shares to the full 10% limit pursuant to the Share Buy-back Mandate if it will result in the number of Shares held by public Shareholders falling below 10% of the remaining issued Shares of the Company. Accordingly, the Company is restricted to market purchases of up to 6,637,367 Shares which would result in the number of Shares in the hands of the public to be reduced to 11,473,733 Shares, representing 10% of the remaining issued Shares of the Company.

1.11 Take-over Obligations

Appendix 2 of the Take-over Code contains the Share Buy-back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

1.11.1 Obligation to make a take-over offer

Under Appendix 2 of the Take-over Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a Share Buy-back by the Company will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code ("**Rule 14**"). Consequently, a Shareholder or group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company, and become obligated to make a take-over offer for the Company under Rule 14.

Pursuant to Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of 6 months.

1.11.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

(a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(b) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, and any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company; and

(c) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to the individual's instructions, and companies controlled by any of the aforementioned persons and entities, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purposes of voting rights.

The circumstances under which Shareholders of the Company (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

1.11.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Shareholders and persons acting in concert with them will incur an obligation to make a takeover offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholders and their concert parties would increase to 30% or more, or if the voting rights of such Shareholders and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-back Mandate.

Shareholders will be subject to the provisions of Rule 14 if they acquire any Shares after Share Buy-backs by the Company.

Based on the information set out below, in the event that the Company undertakes Share Buy-backs of up to 10% of the issued share capital of the Company as permitted by the Share Buy-back Mandate, none of the Directors or Substantial Shareholders are required to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

The Directors are not aware of any potential Shareholders who may have to make a mandatory take-over offer to the other Shareholders as a result of a purchase of Shares by the Company pursuant to the proposed Share Buy-back Mandate.

Shareholders are advised to consult their professional advisers and/or the Council and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company pursuant to the Share Buy-back Mandate.

Purely for illustrative purposes, on the basis of 121,374,700 Shares in issue as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the AGM, not more than 12,137,470 Shares (representing 10% of the Shares in issue as at that date) may be purchased or acquired by the Company pursuant to the Share Buy-back Mandate, if so approved by Shareholders at the AGM.

Assuming that the Share Buy-back Mandate is validly and fully exercised prior to the next annual general meeting and the maximum allowed number of Shares, being 12,137,470 Shares have been purchased or acquired (on the basis that there would have been no change to the number of Shares in issue at the time of such exercise), and that such re-purchased Shares are not acquired from Directors and the Substantial Shareholders and are deemed cancelled immediately upon purchase or held as treasury shares, based on the Register of Directors' Shareholdings and Register of Substantial Shareholders of the Company, as at the Latest Practicable Date, the shareholdings of the Directors and Substantial Shareholders would be changed as follows:

	Before the Share Buy-back				After the Share Buy-back			
	Direct interest		Deemed interest		Direct interest		Deemed interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Han Keen Juan [2]	71,136,000[1]	58.61	8,892,000	7.33	71,136,000[1]	65.12	8,892,000	8.14
Lim Tao-E William	8,892,000	7.33	–	–	8,892,000	8.14	–	–
Ong Chin Lin	65,000	0.05	–	–	65,000	0.06	–	–
Chow Hui Shien	80,600	0.07	–	–	80,600	0.07	–	–
Substantial Shareholders								
Ng Choi Hong [2]	8,892,000	7.33	71,136,000	58.61	8,892,000	8.14	71,136,000	65.12
Goodview Properties Pte Ltd	14,198,000	11.70	–	–	14,198,000	13.00	–	–
Far East Organization Centre Pte Ltd [3]	–	–	14,198,000	11.70	–	–	14,198,000	13.00
Estate of Ng Teng Fong, Deceased [3]	–	–	14,198,000	11.70	–	–	14,198,000	13.00
Mdm Tan Kim Choo [3]	–	–	14,198,000	11.70	–	–	14,198,000	13.00

Notes:

(1) Han Keen Juan has a direct interest in 10,000,000 shares held in the name of Hong Leong Finance Nominees Pte Ltd.

(2) Han Keen Juan and Ng Choi Hong are husband and wife. Each is deemed to be interested in the direct interest of the other, as each has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of those shares held by the other.

(3) Far East Organization Centre Pte Ltd, Estate of Ng Teng Fong, Deceased and Mdm Tan Kim Choo are deemed to have an interest in the shares held by Goodview Properties Pte Ltd.

1.12 Shares purchased by the Company

The Company has not made any Share Buy-backs in the 12 months preceding the Latest Practicable Date.

1.13 Limits on shareholdings

The Company does not have any limits on the shareholding of any Shareholder.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company at 2 Woodlands Terrace Singapore 738427, not later than 48 hours before the time fixed for the AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the AGM if he so wishes in place of the proxy if he finds that he is able to do so.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP pursuant to Division 7A of Part IV of the Companies Act at least 48 hours before the AGM.

3. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Buy-back Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 7 being the Ordinary Resolution relating to the proposed renewal of the Share Buy-back Mandate.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in this Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Addendum in its proper form and context.

5. DOCUMENTS FOR INSPECTION

A copy of the following documents may be inspected at the registered office of the Company at 2 Woodlands Terrace Singapore 738427, during normal business hours from the date of this Addendum up to and including the date of the AGM:

(a) the Annual Report of the Company for the financial year ended 31 March 2015; and

(b) the Memorandum and Articles of Association of the Company.

Yours faithfully
For and on behalf of the Board of Directors of
Old Chang Kee Ltd.

Lim Tao-E William
Chief Executive Officer

PROXY FORM

Old Chang Kee Ltd.

Company Registration No. 200416190W
(Incorporated In The Republic of Singapore)

IMPORTANT
1. For investors who have used their CPF monies to buy Old Chang Kee Ltd.'s shares, the 2015 Annual Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

*I/We, ____ of

____

being a *member/members of Old Chang Kee Ltd. (the "Company"), hereby appoint:

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

*and/or

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Republic Polytechnic, 9 Woodlands Avenue 9, Singapore 738964, Lecture Theatre LRE5 (Building E5, Level 3), on 28 July 2015 at 2.00 p.m. and at any adjournment thereof. *I/We direct *my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

		To be used on a show of hands		To be used in event of a poll	
No.	Resolutions relating to:	For*	Against*	For**	Against**
As Ordinary Business					
1	Adoption of Directors' Report and Audited Financial Statements for the year ended 31 March 2015				
2	Payment of proposed final tax-exempt (one-tier) dividend of 1.5 Singapore cents per ordinary share in respect of the financial year ended 31 March 2015				
3	Approval of Directors' Fees amounting to S$164,000 for the financial year ending 31 March 2016 to be paid quarterly in arrears				
4	Appointment of Mr Zainudin Bin Nordin as Director of the Company				
5	Re-election of Mr Ong Chin Lin as Director of the Company				
6	Re-appointment of Ernst & Young LLP as Auditors of the Company and authorising Directors to fix their remuneration				
As Special Business					
7	Authority to purchase shares pursuant to the Renewal of Share Buyback Mandate				
8	Authority to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore				
9	Authority to grant awards and to allot and issue shares in accordance with the Old Chang Kee Performance Share Scheme				

** Please indicate your vote "For" or "Against" with a [√] within the box provided.*
*** If you wish to exercise all your votes "For" or "Against", please tick with "√" within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ____________ day of ______________ 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder
* Delete where inapplicable

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Singapore Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, must be deposited at the registered office of the Company at 2 Woodlands Terrace, Singapore 738427 not less than 48 hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Singapore Companies Act, Chapter 50.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 July 2015.

Old Chang Kee since 1956 老曾记

Old Chang Kee Ltd., 2 Woodlands Terrace, Singapore 738427
Tel: (65) 6303 2400 Fax: (65) 6303 2415