

OLD CHANG KEE LTD.

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

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013****PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

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

Consolidated statement of comprehensive income	The Group		
	1 April 2012 to 31 March 2013 S\$'000	1 January 2011 to 31 March 2012 S\$'000	Increase / (Decrease) %
Revenue	65,631	76,486	(14.2)
Cost of sales	(25,344)	(30,531)	(17.0)
Gross profit	40,287	45,955	(12.3)
Other items of income			
Interest income on short term deposits	35	44	(20.5)
Other income	1,010	886	14.0
Other items of expenses			
Selling and distribution expenses	(25,048)	(30,239)	(17.2)
Administrative expenses	(9,343)	(10,359)	(9.8)
Finance costs	(37)	(59)	(37.3)
Other expenses	(841)	(898)	(6.3)
Profit before tax for the year / period	6,063	5,330	13.8
Income tax expense	(1,082)	(825)	31.2
Profit, net of tax for the year / period	4,981	4,505	10.6
Other comprehensive income:			
Net surplus on revaluation of freehold land and buildings	3,209	-	NM
Exchange differences on translating foreign operations	5	(23)	NM
Other comprehensive income for the year / period, net of tax	3,214	(23)	NM
Total comprehensive income for the year / period, attributable to owners of the Company	8,195	4,482	82.8

NM: Not meaningful

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

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

	The Group		
	01-04-2012 to 31-03-2013	01-01-2011 to 31-03-2012	Increase / (Decrease)
	S\$'000	S\$'000	%
Write-back of allowance for doubtful debts	(17)	(8)	(88.9)
Amortisation of intangible assets	26	37	(29.7)
Depreciation of property, plant and equipment	3,599	4,672	(23.0)
Interest income from short-term deposits	(35)	(44)	(20.5)
Gain in foreign exchange, net	(170)	(273)	(37.7)
Property, plant and equipment written off	227	322	(29.5)
Intangible assets written off	-	8	NM
Loss/(gain) on disposal of property, plant and equipment	2	(147)	NM
Write-off for inventory obsolescence	40	14	185.7

2. The major components of taxation comprise:

	The Group		
	01-04-2012 to 31-03-2013	01-01-2011 To 31-03-2012	Increase / (Decrease)
	S\$'000	S\$'000	%
Current income tax			
- Current taxation	1,216	1,117	8.9
- Over provision in respect of prior year	-	(307)	NM
Deferred income tax			
- Movement in temporary differences	(134)	15	NM
Income tax expense recognised in profit or loss	1,082	825	31.2

NM: Not meaningful

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

	The Group		The Company	
	As at		As at	
	31-03-2013	31-03-2012	31-03-2013	31-03-2012
	S\$'000	S\$'000	S\$'000	S\$'000
Non-Current Assets				
Property, plant and equipment	18,774	13,019	-	-
Intangible assets	39	64	-	-
Investment in subsidiary companies	-	-	5,640	5,600
Investment in unquoted shares	273	273	273	273
Long term deposits	1,598	1,798	-	-
	<u>20,684</u>	<u>15,154</u>	<u>5,913</u>	<u>5,873</u>
Current Assets				
Inventories	794	1,057	-	-
Trade and other receivables	236	289	-	-
Deposits	995	711	-	-
Prepayments	1,004	1,303	26	24
Amount due from associated companies	331	97	330	96
Amount due from subsidiary companies	-	-	3,492	4,651
Cash and bank balances	16,661	15,923	7,722	4,137
	<u>20,021</u>	<u>19,380</u>	<u>11,570</u>	<u>8,908</u>
Current Liabilities				
Trade and other payables	5,171	5,208	1,260	1,091
Other liabilities	134	98	-	-
Provisions	1,808	1,936	-	-
Bank loans	336	-	-	-
Finance lease liabilities	192	332	-	-
Provision for taxation	1,298	1,105	12	20
	<u>8,939</u>	<u>8,679</u>	<u>1,272</u>	<u>1,111</u>
Net Current Assets	11,082	10,701	10,298	7,797
Non-Current Liabilities				
Bank loans	2,968	-	-	-
Finance lease liabilities	188	381	-	-
Deferred tax liabilities	858	992	-	-
	<u>4,014</u>	<u>1,373</u>	<u>-</u>	<u>-</u>
Net Assets	27,752	24,482	16,211	13,670
Equity attributable to owners of the Company				
Share capital	13,897	10,286	13,897	10,286
Retained earnings	10,498	12,999	2,292	2,308
Other reserves	3,357	1,197	22	1,076
Total Equity	27,752	24,482	16,211	13,670

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31-03-2013		As at 31-03-2012	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
528	-	332	-

Amount repayable after one year

As at 31-03-2013		As at 31-03-2012	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,156	-	381	-

Details of any collateral

The Group's borrowings are secured as follows:

1. Bank loan is secured by:
 - (i) a first legal mortgage on leasehold properties owned by a wholly owned subsidiary as at 31 March 2013; and
 - (ii) corporate guarantee by the Company as at 31 March 2013.

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

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

	From 1 April 2012 to 31 March 2013 S\$'000	From 1 January 2011 to 31 March 2012 S\$'000
Cash flows from operating activities		
Profit before tax	6,063	5,330
Adjustments for:		
Amortisation of intangible assets	26	37
Revaluation deficit on property, plant and equipment	76	-
Depreciation of property, plant and equipment	3,599	4,672
Loss/(gain) on disposal of property, plant and equipment	2	(147)
Property, plant and equipment written off	227	322
Intangible assets written off	-	8
Interest expense	37	59
Interest income	(35)	(44)
Currency realignment	55	(18)
Operating profit before changes in working capital	<u>10,050</u>	<u>10,219</u>
Decrease/(increase) in inventories	263	(429)
Decrease in trade and other receivables	53	181
Increase in amount due from associated companies	(234)	(97)
Increase in deposits	(84)	(308)
Decrease/(increase) in prepayments	299	(26)
(Decrease)/increase in trade and other payables	(37)	52
Increase/(decrease) in other liabilities	36	(6)
(Decrease)/increase in provisions	(214)	8
Cash flows from operations	<u>10,132</u>	<u>9,594</u>
Tax paid	<u>(1,023)</u>	<u>(358)</u>
Net cash flows from operating activities	<u>9,109</u>	<u>9,236</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,414)	(4,544)
Purchase of intangible assets	(1)	(24)
Proceeds from disposal of property, plant and equipment	-	303
Interest received	35	44
Net cash flows used in investing activities	<u>(6,380)</u>	<u>(4,221)</u>
Cash flows from financing activities		
Proceeds from issuance of ordinary shares pursuant to warrants exercised	2,557	145
Proceeds from bank loan	3,360	-
Repayment of finance lease liabilities	(333)	(625)
Interest paid	(37)	(59)
Repayment of bank loans	(56)	(150)
Dividends paid	(7,482)	(1,427)
Net cash flows used in financing activities	<u>(1,991)</u>	<u>(2,116)</u>
Net increase in cash and cash equivalents	738	2,899
Cash and cash equivalents at the beginning of the financial year / period	<u>15,923</u>	<u>13,024</u>
Cash and cash equivalents at the end of the financial year / period	<u><u>16,661</u></u>	<u><u>15,923</u></u>

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

Equity attributable to owners of the Company

The Group	Share capital	Retained earnings	Other reserves	Foreign currency translation reserve	Warrant reserve	Asset revaluation reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2011	10,081	9,921	1,280	-	1,136	144	21,282
Profit for the period	-	4,505	-	-	-	-	4,505
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	(23)	(23)	-	-	(23)
Total comprehensive income for the period	-	4,505	(23)	(23)	-	-	4,482
Dividends on ordinary shares	-	(1,427)	-	-	-	-	(1,427)
Issuance of ordinary shares pursuant to warrants exercised	205	-	(60)	-	(60)	-	145
At 31 March 2012	10,286	12,999	1,197	(23)	1,076	144	24,482
At 1 April 2012	10,286	12,999	1,197	(23)	1,076	144	24,482
Profit for the year	-	4,981	-	-	-	-	4,981
Other comprehensive income							
Net surplus on revaluation of freehold land and buildings	-	-	3,209	-	-	3,209	3,209
Exchange differences on translating foreign operations	-	-	5	5	-	-	5
Total comprehensive income for the year	-	4,981	3,214	5	-	3,209	8,195
Dividends on ordinary shares	-	(7,482)	-	-	-	-	(7,482)
Issuance of ordinary shares pursuant to warrants exercised	3,611	-	(1,054)	-	(1,054)	-	2,557
At 31 March 2013	13,897	10,498	3,357	(18)	22	3,353	27,752

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

The Company	Share capital S\$'000	Warrant reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 1 January 2011	10,081	1,136	1,756	12,973
Profit for the period	-	-	1,979	1,979
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,979	1,979
Dividends on ordinary shares	-	-	(1,427)	(1,427)
Issuance of ordinary shares pursuant to warrants exercised	205	(60)	-	145
At 31 March 2012	10,286	1,076	2,308	13,670
At 1 April 2012	10,286	1,076	2,308	13,670
Profit for the year	-	-	7,466	7,466
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	7,466	7,466
Dividends on ordinary shares	-	-	(7,482)	(7,482)
Issuance of ordinary shares pursuant to warrants exercised	3,611	(1,054)	-	2,557
At 31 March 2013	13,897	22	2,292	16,211

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

Ordinary shares

	Number of shares	S\$'000
Issued and fully paid ordinary shares as at 1 October 2012	95,806,600	10,352
Allotment and issue of new ordinary shares upon the exercise of Warrants (as defined below)	25,091,100	3,545
Issued and fully paid ordinary shares as at 31 March 2013	120,897,700	13,897

Warrants

On 9 September 2010, the Company issued 28,020,000 warrants ("**Warrants**") at an issue price of S\$0.05 for each Warrant, each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of S\$0.10 for each new share, on the basis of three (3) Warrants for every ten (10) existing ordinary shares in the capital of the Company, fractional entitlements to be disregarded.

As at 31 March 2013, 27,497,700 Warrants have been exercised and converted into ordinary shares of the Company (31 March 2012: 1,937,400).

As at 31 March 2013, there were 522,300 outstanding Warrants (31 March 2012: 26,082,600); and the total number of shares that may be issued on conversion of all outstanding Warrants is 522,300 (31 March 2012: 26,082,600).

There were no treasury shares, outstanding options and/or other convertibles as at 31 March 2013 and 31 March 2012.

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

	As at 31-03-2013	As at 31-03-2012
Total number of issued shares excluding treasury shares	120,897,700	95,337,400

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

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

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

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

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

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group has consistently applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the most recently audited financial statements for the financial period ended 31 March 2012.

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

The Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are relevant to its operations and are effective for financial periods beginning on or after 1 April 2012. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of the new/revised FRS and INT FRS did not result in any substantial changes to the Group's and the Company's accounting policies and has no material impact on the financial statements for the current financial year reported on.

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

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

Fully diluted EPS is computed by dividing the earnings attributable to owners of the Company in each financial period by the weighted average number of ordinary shares in issue after adjusting for the dilutive effect upon the exercise of all outstanding Warrants.

EPS after deducting any provision for preference dividends:-	The Group Year / Period ended	
	31-03-2013	31-03-2012
(a) Based on weighted average number of ordinary shares in issue (Singapore cents); and	4.96	4.75
(b) On a fully diluted basis (Singapore cents)	4.28	4.00

Number of shares used in the respective computations of EPS:-	The Group Year / Period ended	
	31-03-2013	31-03-2012
(a) Based on weighted average number of ordinary shares in issue; and	100,397,323	94,860,021
(b) On a fully diluted basis	116,317,408	112,740,268

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

	The Group		The Company	
	31-03-2013	31-03-2012	31-03-2013	31-03-2012
Net asset value per ordinary share based on issued share capital as at the end of the financial period reported on	S\$0.23	S\$0.26	S\$0.13	S\$0.14
Issued share capital as at the end of the period	120,897,700	95,337,400	120,897,700	95,337,400

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

Revenue

	Increase / (decrease)			
	Changes 12M2013 vs 15M2012 S\$'000	3M2012 S\$'000	Changes 12M2013 vs 12M2012 S\$'000	%
Retail Revenue	(9,576)	(13,430)	3,854	6.4%
Other services	(1,279)	(486)	(793)	(32.7%)
Total Revenue	(10,855)	(13,916)	3,061	4.9%

The Group's revenue decreased from approximately S\$76.5 million for the 15-month period from 1 January 2011 to 31 March 2012 ("**15M2012**") to approximately S\$65.6 million for the 12-month period from 1 April 2012 to 31 March 2013 ("**12M2013**"), a decrease of approximately S\$10.9 million or 14.2%.

The decrease in the revenue was mainly due to changes in retail revenue and other services as follows:

Retail revenue

Revenue from the retail division decreased from approximately S\$73.6 million for 15M2012 to S\$64.0 million for 12M2013, a decrease of approximately S\$9.6 million or 13.0%. The decrease in the retail division's revenue was mainly due to (i) the exclusion of 3 months' revenue from 1 January 2011 to 31 March 2011 ("**3M2012**") amounting to approximately S\$13.4 million; partially offset by (ii) higher year-on-year revenue of approximately S\$64.0 million for 12M2013 as compared to approximately S\$60.1 million for the 12-month period from 1 April 2011 to 31 March 2012 ("**12M2012**"). The year-on-year revenue growth was attributable to revenue contribution from new outlets as well as higher sales from the existing outlets, offset by closure of outlets.

Other services

Revenue from other services such as delivery and catering services decreased from approximately S\$2.9 million for 15M2012 to S\$1.6 million for 12M2013, a decrease of approximately S\$1.3 million or 43.9%. The 3-month revenue for 3M2012 from other services was S\$486,000. The year-on-year revenue from other services decreased by approximately S\$793,000 from approximately S\$2.4 million for 12M2012 to approximately S\$1.6 million for 12M2013, mainly due to a change in our delivery services to only accept bulk orders.

As at 31 March 2013, the Group operated a total of 76 outlets in Singapore, as compared to 82 outlets as at 31 March 2012. 9 outlets were closed and 3 new outlets opened during 12M2013.

The Group's signature puff products remained the major contributor to its revenue and accounted for approximately 33.3% of the Group's revenue in 12M2013, as compared to approximately 33.7% in 15M2012.

Cost of sales and gross profit

	Increase / (decrease)			
	Changes 12M2013 vs 15M2012 S\$'000	3M2012 S\$'000	Changes 12M2013 vs 12M2012 S\$'000	%
Cost of sales	(5,187)	(5,573)	386	1.5%
Gross Profit	(5,668)	(8,343)	2,675	7.1%

Cost of sales decreased from approximately S\$30.5 million in 15M2012 to S\$25.3 million in 12M2013, a decrease of approximately S\$5.2 million or 17.0%.

The decrease in the cost of sales was mainly due to the following:

- the exclusion of 3M2012 cost of sales amounting to approximately S\$5.6 million; partially offset by
- an increase in year-on-year cost of sales of approximately S\$386,000 from S\$25.0 million for 12M2012 to S\$25.3 million for 12M2013 which was mainly due to higher revenue generated by the Group. While revenue increased by 4.9% in 12M2013, the cost of sales increased at a lower rate of 1.5% as compared to 12M2012.

The Group's gross profit decreased from approximately S\$46.0 million in 15M2012 to S\$40.3 million in 12M2013, a decrease of approximately S\$5.7 million or 12.3%. The Group's gross profit margin increased slightly from approximately 60.1% in 15M2012 to 61.4% in 12M2013 mainly due to a) improved efficiency of production staff; b) closure of non-profitable overseas outlets; and c) revision of our products' selling prices in December 2012.

Other items of income

	Increase / (decrease)			
	Changes 12M2013 vs 15M2012 S\$'000	3M2012 S\$'000	Changes 12M2013 vs 12M2012 S\$'000	%
Other income	124	(86)	210	25.1%

Other income increased from approximately S\$886,000 in 15M2012 to approximately S\$1.0 million in 12M2013, an increase of approximately S\$124,000 or 14.0%. The increase was mainly due to the following:

- higher insurance compensation income of approximately S\$32,000 mainly for medical expenses; and
- higher special employment credit grant provided by the Government and other grants received from government agencies by approximately S\$291,000 and S\$47,000 respectively in 12M2013 as compared to 12M2012.

The increase in other income was partially offset by a) absence of gain on disposal of motor vehicles of approximately S\$147,000 which was recognised in 12M2012; b) lower non trade income of approximately S\$14,000 as compared to 12M2012 and c) exclusion of 3M2012 other income of approximately S\$86,000.

Operating Expenses

Operating Expenses	Increase / (decrease)			
	Changes 12M2013 vs 15M2012 S\$'000	3M2012 S\$'000	Changes 12M2013 vs 12M2012 S\$'000	%
Selling and distribution expenses	(5,191)	(5,611)	420	1.7
Administrative expenses	(1,016)	(1,831)	815	9.6
Other expenses	(57)	(194)	137	19.5
Finance costs	(22)	(12)	(10)	(22.0)
Total operating expenses	(6,286)	(7,648)	1,362	4.0%

Selling and distribution expenses

Selling and distribution (“S & D”) expenses decreased from approximately S\$30.2 million in 15M2012 to S\$25.0 million in 12M2013, a decrease of approximately S\$5.2 million or 17.2%.

S & D expenses in 12M2013 amounted to approximately 38.2% of revenue as compared to approximately 39.5% in 15M2012.

The improvement in S & D expenses as a percentage of revenue was largely attributed to the following:

- subcontract contract expenses decreased from approximately 0.8% of revenue in 15M2012 to approximately 0.3% in 12M2013;
- depreciation for outlet renovation and equipment decreased from approximately 2.7% of revenue in 15M2012 to approximately 2.5% in 12M2013;
- provision for reinstatement costs of outlets decreased from 1.1% of revenue in 15M2012 to 0.7% in 12M2013; and
- higher revenue generated from our existing retail outlets and closure of non-profitable outlets resulted in lower rental expenses as a percentage of revenue, from approximately 12.9% of revenue in 15M2012 to 12.4% in 12M2013.

The decrease in S & D expenses as a percentage of revenue was partially offset by an increase in the following expenses:

- higher staff cost mainly arising from salary adjustment, higher CPF contribution rates and foreign worker levies accounted for an increase in staff related expenses, from approximately 16.3% of revenue in 15M2012 to 16.5% in 12M2013; and
- higher operating lease expenses, mainly storage charges, from approximately 0.2% in 15M2012 to 0.5% in 12M2013.

Administrative expenses

Administrative expenses decreased from approximately S\$10.4 million in 15M2012 to approximately S\$9.3 million in 12M2013, a decrease of approximately S\$1.0 million or 9.8%.

The decrease in administrative expenses was mainly due to the following:

- (i) the exclusion of 3M2012 administrative expenses amounting to approximately S\$1.8 million, partially offset by
- (ii) higher year-on-year administrative expenses by approximately S\$815,000 for 12M2013 as compared to 12M2012.

The year-on-year increase in administrative expenses was mainly due to the following:

- a) an increase in staff and executive directors' remuneration by approximately S\$504,000;
- b) an increase in staff welfare and medical expenses by approximately S\$151,000;
- c) an increase in repair and maintenance expenses by approximately S\$81,000;
- d) an increase in donation and sponsorship expenses by approximately S\$52,000;
- e) an increase in legal, professional and compliance expenses by approximately S\$273,000; and
- f) an increase in stamp fees expenses by approximately S\$120,000 mainly due to the purchase of a new factory.

The year-on-year increase in administrative expenses was partially offset by decreases in computer support related expenses, entertainment, staff refreshment and travelling expenses amounting to S\$273,000.

Other expenses

Other expenses decreased by approximately S\$57,000 or 6.3% from S\$898,000 in 15M2012 to S\$841,000 in 12M2013, largely attributed to the following:

- (i) the exclusion of 3M2012 other expenses amounting to approximately S\$194,000, partially offset by
- (ii) higher year-on-year other expenses of approximately S\$137,000 or 8.6% for 12M2013 as compared to 12M2012. The year-on-year increase in other expenses was mainly due to the following:
 - a) an increase in depreciation expenses for office equipment and fixed assets written off of approximately S\$36,000;
 - b) lower foreign exchange gain of approximately S\$43,000; and
 - c) revaluation deficit for our Malaysia factory building by approximately S\$76,000.

As a result of the above, total operating expenses decreased from approximately S\$41.6 million in 15M2012 to approximately S\$35.3 million in 12M2013, a decrease of approximately S\$6.3 million or 15.1%.

Total operating expenses amounted to approximately 53.7% of the Group's revenue in 12M2013, and 54.3% in 15M2012.

Depreciation and profit before tax

	Increase / (decrease)			
	Changes 12M2013 vs 15M2012 S\$'000	3M2012 S\$'000	Changes 12M2013 vs 12M2012 S\$'000	%
Depreciation	(1,073)	(744)	(329)	8.4
Profit before tax	733	(790)	1,523	33.6

Depreciation

Depreciation decreased from approximately S\$4.7 million in 15M2012 to approximately S\$3.6 million in 12M2013, a decrease of approximately S\$1.1 million or 23.0%. The decrease was mainly due to the following:

- the exclusion of 3M2012 depreciation expenses amounting to approximately S\$744,000; and
- lower year-on-year depreciation for leasehold improvement expenses by approximately S\$398,000 in 12M2013 as compared to 12M2012, partially offset by an increase in depreciation of plant and equipment of approximately S\$69,000.

Profit before taxation

The Group's profit before taxation increased from approximately S\$5.3 million in 15M2012 to approximately S\$6.1 million in 12M2013, an increase of approximately S\$733,000 or 13.8%.

The increase was mainly due to higher year-on-year profit before tax of approximately S\$1.5 million for 12M2013 as compared to 12M2012, offset by exclusion of 3M2012 profit before tax of approximately S\$790,000.

Taxation

	Increase / (decrease)			
	Changes 12M2013 vs 15M2012 S\$'000	3M2012 S\$'000	Changes 12M2013 vs 12M2012 S\$'000	%
Taxation	257	(115)	372	52.4

The Group's taxation expenses increased from approximately S\$825,000 for 15M2012 to S\$1.1 million for 12M2013, an increase of approximately S\$257,000 or 31.2%. Excluding the taxation expenses of approximately S\$115,000 for 3M2012, the increase of S\$372,000 was mainly attributed to higher profit before tax and higher non-deductible expenses in 12M2013 as compared to 12M2012.

Other comprehensive income

The increase in other comprehensive income was mainly due to net surplus on revaluation of the Group's freehold land and buildings amounting to approximately S\$3.2 million (15M2012: Nil). The valuations by the independent valuers were conducted on 31 March 2013.

Balance Sheet

Non-current assets

The Group's non-current assets increased by approximately S\$5.5 million or 36.5% from S\$15.2 million as at 31 March 2012 to S\$20.7 million as at 31 March 2013, mainly due to the following:

- a) purchase of fixed assets amounting to approximately S\$6.5 million, primarily for the purchase of a new factory facility, additions of plant and equipment, and renovation costs for the Group's new and existing retail outlets; and
- b) net revaluation surplus for the Group's freehold land and buildings of approximately S\$3.2 million; partially offset by
- c) depreciation expenses for the Group and fixed assets written off for closed retail outlets of approximately S\$3.6 million and S\$277,000 for 12M2013 respectively.

The increase in the Group's non current assets was partially offset by a decrease in long term deposits amounting to approximately S\$200,000 mainly due to reclassification of lease deposits to short-term deposits in accordance with the respective lease tenures.

Current assets

The Group's current assets increased by approximately S\$641,000 from S\$19.4 million as at 31 March 2012 to S\$20.0 million as at 31 March 2013, mainly due to the following:

- a) an increase in short-term deposits amounting to approximately S\$284,000, mainly due to the reclassification of long-term deposits to short-term deposits in accordance with the respective lease tenures;
- b) advances to an associated company of approximately S\$234,000 for renovation and refurbishment works for new retail outlets; and
- c) an increase in cash and bank balances by approximately S\$738,000 mainly due to cash inflow from operating activities and proceeds from issuance of ordinary shares pursuant to warrants exercised, partially offset by the purchase of property, plant and equipment and dividends paid during the 12M2013.

The increase in the Group's current assets was offset by a decrease in inventories and prepayment of approximately S\$263,000 and S\$299,000 respectively. The decrease in prepayment was mainly due to a decrease in advance payments made to suppliers during 12M2013. The decrease in inventories of approximately S\$263,000 was mainly due to lower bulk purchase from overseas suppliers during 12M2013.

Current liabilities

The Group's current liabilities increased by approximately S\$260,000 from approximately S\$8.7 million as at 31 March 2012 to approximately S\$8.9 million as at 31 March 2013 due mainly to the following:

- i) bank loan payable within 12 months of approximately S\$336,000 obtained to finance the purchase of a new factory facility; and
- ii) an increase in provision for tax by approximately S\$193,000 due to the provision of tax for 12M2013 of approximately S\$1.2 million partially offset by tax payments made of approximately S\$1.0 million during 12M2013.

The increase in the Group's current liabilities was offset by a decrease in short term finance lease liabilities of approximately S\$140,000 mainly due to repayments made during the period offset by reclassifications of finance lease liabilities from long term to short term; and a decrease in provisions of approximately S\$128,000 for 12M2013.

Non-current liabilities

The Group's non-current liabilities increased by approximately S\$2.6 million, from approximately S\$1.4 million as at 31 March 2012 to approximately S\$4.0 million as at 31 March 2013, mainly due to a long term bank loan of approximately S\$3.0 million obtained for the purchase of a new factory facility, partially offset by decrease in long term finance lease mainly due to reclassification of finance lease liabilities of approximately S\$193,000 from long term to short term according to the lease repayment periods, and a decrease in deferred tax liabilities of approximately S\$134,000 during 12M2013.

Net working capital

As at 31 March 2013, the Group had a positive net working capital of approximately S\$11.1 million as compared to approximately S\$10.7 million as at 31 March 2012.

Cash flow

In 12M2013, the Group generated an operating profit before working capital changes of approximately S\$10.1 million. Net cash generated from operating activities amounted to approximately S\$9.1 million.

The net cash inflow from working capital changes comprised mainly, a decrease in inventories and prepayments of approximately S\$263,000 and S\$299,000 respectively, partially offset by an increase in amount due from associated companies and deposits by S\$234,000 and S\$84,000 respectively and a decrease in provisions of approximately S\$214,000.

In 12M2013, net cash used in investing activities amounted to approximately S\$6.4 million. This was mainly attributed to the purchase of a new factory facility, plant and equipment and renovation cost for the Group's production facilities and retail outlets.

Net cash used in financing activities amounted to approximately S\$2.0 million in 12M2013. This was mainly attributed to final dividends paid for the 15M2012 and special interim dividends paid during 12M2013, which amounted to S\$1.4 million and S\$6.1 million respectively, and repayments of finance lease liabilities and bank loans including interest of an aggregate of S\$426,000 partially offset by proceeds from the issuance of ordinary shares of S\$2.6 million pursuant to Warrants exercised in 12M2013 and bank loan of approximately S\$3.4 million drawn down for the purchase of our new factory .

The Group's cash and cash equivalents amounted to approximately S\$16.7 million as at 31 March 2013, as compared to approximately S\$15.9 million as at 31 March 2012.

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

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

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

The Group expects operating lease expenses (rental) and labour and raw material costs to remain high for the next 12 months, and believes that the labour market will continue to remain tight.

11 Dividend.

(a) Current financial period reported on.

Whether an interim (final) ordinary dividend has been declared (recommended) for the current financial period reported on?

The Directors proposed to declare dividends for the current financial period reported on as follows:

Name of Dividend	: Ordinary (final)
Dividend Type	: Cash
Dividend per share	: 1.5 cent per ordinary share
Tax Rate	: Tax exempt (one-tier)

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

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

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

(c) Date payable.

To be announced at a later date

(d) Books closure date.

To be announced at a later date

12 If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13 Interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

There were no interested person transactions of S\$100,000 or more for the current financial year ended 31 March 2013. The Company does not have a general mandate from its shareholders for recurrent interested person transactions.

14 Update on use of exercise proceeds from Warrants Issue.

As of 31 March 2013, the Exercise Proceeds amounting to S\$2,749,770 have not been utilised. The Company will continue to make periodic announcements on the material disbursement of any proceeds arising from the exercise of the Warrants as and when such proceeds are materially disbursed.

15 Update on use of initial public offering proceeds.

As of 31 March 2013, there is an unutilised balance of the initial public offering proceeds amounting to S\$227,000 which had been set aside for expansion through strategic alliances, acquisitions, joint ventures and franchises. The portion of the initial public offering proceeds that were utilised were in accordance with their stated uses.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

	Singapore	People's Republic of China	Australia	Malaysia	Eliminations	Total
Year ended 31 March 2013	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
Sales	65,328	-	325	-	(22)	65,631
Results:						
Segment results	9,965	(26)	(120)	(94)	-	9,725
Depreciation	(3,561)	-	(38)	-	-	(3,599)
Amortisation	(26)	-	-	-	-	(26)
Finance costs	(37)	-	-	-	-	(37)
Profit/(loss) before taxation	6,341	(26)	(158)	(94)	-	6,063
Taxation						(1,082)
Profit, net of tax						4,981
Other segment information:						
Segment assets	38,380	4	259	2,062	-	40,705
Capital expenditure:						
- Tangible assets	6,479	-	-	21	-	6,500
- Intangible assets	1	-	-	-	-	1

	Singapore	People's Republic of China	Australia	Malaysia	Eliminations	Total
Period ended 31 March 2012	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
Sales	76,247	213	103	-	(77)	76,486
Results:						
Segment results	10,655	(483)	(73)	(1)	-	10,098
Depreciation	(4,589)	(70)	(13)	-	-	(4,672)
Amortisation	(36)	(1)	-	-	-	(37)
Finance costs	(59)	-	-	-	-	(59)
Profit/(loss) before taxation	5,971	(554)	(86)	(1)	-	5,330
Taxation						(825)
Profit, net of tax						4,505
Other segment information:						
Segment assets	32,961	40	341	1,192	-	34,534
Capital expenditure:						
- Tangible assets	5,053	38	202	1,144	-	6,437
- Intangible assets	22	2	-	-	-	24

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.

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

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

The Group's overseas operations accounted for less than 1% of the Group's revenue for the financial year ended 31 March 2013 and as such, these operations do not contribute significantly to the Group's turnover and earnings.

18 A breakdown of sales.

	The Group Year / Period Ended		
	31-03-2013 S\$'000	31-03-2012 S\$'000	Increase / (Decrease) %
Sales reported for first half year	32,211	29,105	10.7
Operating profit after tax before deducting minority interests reported for first half year	2,388	1,209	97.5
Sales reported for second half year / second 9 months	33,420	47,381	(29.5)
Operating profit after tax before deducting minority interests reported for second half year / second 9 months	2,530	3,296	(23.2)

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

	The Company Year / Period Ended	
	31-03-2013 S\$'000	31-03-2012 S\$'000
Ordinary	1,813*	953
Special	6,045	477
Preference	-	-
Total	7,858	1,430

*The final dividends for the current financial year ended 31 March 2013 is recommended by the Board of Directors and is subject to the approval of the shareholders at the upcoming Annual General Meeting of the Company.

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

Name	Age	Family relationship with any director or chief executive officer or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chow Phee Liat	44	<ol style="list-style-type: none"> 1. Nephew of Executive Chairman, Han Keen Juan. 2. Nephew of substantial shareholder, Mdm Ng Choi Hong. Mdm Ng is the spouse of Executive Chairman, Han Keen Juan. 3. Cousin of Chief Executive Officer, Lim Tao-E William. 4. Brother of Chow Hui Shien (General Manager). 	Franchise and Logistics Manager, overseeing franchise operations of the Group since April 2005, and logistics operations of the Group since January 2010	No change

BY ORDER OF THE BOARD

Adrian Chan Pengee
Company Secretary

29 May 2013

This announcement 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 relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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

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