

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 YEAR ENDED 31 MARCH 2017**

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			The Group		
	4Q2017 S\$'000	4Q2016 S\$'000	+ / (-) %	FY2017 S\$'000	FY2016 S\$'000	+ / (-) %
Revenue	19,234	17,695	8.7	78,345	73,857	6.1
Cost of sales	(7,098)	(6,704)	5.9	(28,721)	(27,217)	5.5
Gross profit	12,136	10,991	10.4	49,624	46,640	6.4
Other items of income						
Interest income on short term deposits	12	14	(14.3)	81	41	97.6
Other income	510	905	(43.6)	1,351	1,878	(28.1)
Other items of expenses						
Selling and distribution expenses	(8,452)	(7,659)	10.4	(32,333)	(30,232)	6.9
Administrative expenses	(3,070)	(2,754)	11.5	(11,614)	(10,795)	7.6
Finance costs	(47)	(50)	(6.0)	(175)	(199)	(12.1)
Other expenses	(3,455)	(167)	1,968.9	(4,504)	(1,238)	263.8
(Loss) / profit before tax for the period / year	(2,366)	1,280	(284.8)	2,430	6,095	(60.1)
Income tax credit / (expense)	262	(192)	(236.5)	(685)	(1,122)	(38.9)
(Loss) / profit for the period / year	(2,104)	1,088	(293.4)	1,745	4,973	(64.9)
Other comprehensive income						
Net deficit on revaluation of freehold land and buildings	(2,053)	-	NM	(2,053)	-	NM
Deferred tax on revaluation of freehold land and buildings	335	-	NM	335	-	NM
Exchange differences on translating foreign operations	5	7	(28.6)	15	(14)	NM
Other comprehensive (loss) / income for the period / year, net of tax	(1,713)	7	NM	(1,703)	(14)	NM
Total comprehensive (loss) / income for the period / year, attributable to owners of the Company	(3,817)	1,095	(448.6)	42	4,959	NM

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			The Group		
	4Q2017	4Q2016	+/(-)	FY2017	FY2016	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Allowance for doubtful debts allowances / (write back) for amount due from associates	115	(12)	NM	115	(12)	NM
Deficit on revaluation on property, plant and equipment	2,997	-	NM	2,997	-	NM
Amortisation of intangible assets	16	15	6.7	59	44	34.1
Depreciation of property, plant and equipment	1,166	1,156	0.9	4,502	4,102	9.8
Property, plant and equipment written off	4	16	NM	72	42	71.4
Gain on disposal of property, plant and equipment	-	(9)	NM	(19)	(9)	111.1
Interest income from short-term deposits	(12)	(14)	(14.3)	(81)	(41)	97.6
Interest expenses	47	50	(6.0)	175	199	(12.1)
Loss/(gain) in foreign exchange, net	111	(99)	NM	384	306	25.5

2. The major components of taxation comprise:

	The Group			The Group		
	4Q2017	4Q2016	+/(-)	FY2017	FY2016	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Current income tax						
-Current income taxation	11	(249)	NM	1,121	501	123.8
-(Over)/under provision in respect of prior year	(26)	-	NM	(72)	39	NM
Deferred income tax						
-Movement in temporary differences	(247)	441	NM	(364)	582	NM
Taxation recognised in the consolidated statement of comprehensive income	(262)	192	NM	685	1,122	(38.9)

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	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
	S\$'000	S\$'000	S\$'000	S\$'000
Non-Current Assets				
Property, plant and equipment	27,571	28,928	-	-
Intangible assets	352	385	-	-
Investment in subsidiary companies	-	-	5,640	5,640
Investment in unquoted shares	273	273	273	273
Long term deposits	2,024	1,748	-	-
	30,220	31,334	5,913	5,913
Current Assets				
Inventories	705	716	-	-
Trade and other receivables	253	156	-	-
Deposits	1,040	1,156	-	-
Prepayments	2,939	1,703	24	24
Amount due from subsidiary companies	-	-	7,720	9,735
Cash and bank balances	15,555	19,407	5,557	6,594
	20,492	23,138	13,301	16,353
Current Liabilities				
Trade and other payables	8,252	7,129	1,834	1,712
Other liabilities	170	162	-	-
Provisions	2,285	2,049	32	33
Bank loans	4,230	944	-	-
Finance lease liabilities	117	110	-	-
Provision for taxation	1,129	546	16	28
	16,183	10,940	1,882	1,773
Net Current Assets	4,309	12,198	11,419	14,580
Non-Current Liabilities				
Bank loans	6,032	6,976	-	-
Finance lease liabilities	160	279	-	-
Deferred tax liabilities	963	1,662	-	-
	7,155	8,917	-	-
Net Assets	27,374	34,615	17,332	20,493
Equity attributable to owners of the Company				
Share capital	13,964	13,964	13,964	13,964
Retained earnings	12,139	17,677	3,368	6,529
Other reserves	1,271	2,974	-	-
Total Equity	27,374	34,615	17,332	20,493

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

Amount repayable in one year or less, or on demand

As at 31-03-2017		As at 31-03-2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
4,347	-	1,054	-

Amount repayable after one year

As at 31-03-2017		As at 31-03-2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
6,192	-	7,255	-

Details of any collateral

The Group's borrowings are secured as follows:

1. Bank loans are secured by:

- (i) a first legal mortgage on freehold and leasehold properties owned by the Group's wholly owned subsidiary companies as at 31 March 2017; and
- (ii) corporate guarantee by the Company as at 31 March 2017.

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.

	The Group		The Group	
	4Q2017	4Q2016	FY2017	FY2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
(Loss) / Profit before tax	(2,366)	1,280	2,430	6,095
Adjustments for:				
- Allowances/ (write back) for amount due from associates	115	(12)	115	(12)
Amortisation of intangible assets	16	15	59	44
Depreciation of property, plant and equipment	1,166	1,156	4,502	4,102
Deficit on revaluation on property, plant and equipment	2,997	-	2,997	-
Gain on disposal of property, plant and equipment	-	(9)	(19)	(9)
Property, plant and equipment written off	4	16	72	42
Interest expense	47	50	175	199
Interest income	(12)	(14)	(81)	(41)
Currency realignment	51	(135)	264	167
Operating profit before changes in working capital	2,018	2,347	10,514	10,587
Decrease/(increase) in inventories	112	(108)	11	(194)
(Increase)/decrease in trade and other receivables	(1)	67	(97)	(13)
(Increase)/decrease in amount due from an associated company	(14)	12	(115)	12
(Increase)/decrease in deposits	(75)	(23)	(160)	314
Increase in prepayments	(566)	(647)	(1,236)	(333)
(Decrease)/increase in trade and other payables	(258)	1,117	1,123	1,724
(Decrease)/increase in other liabilities	(1)	(5)	8	10
Decrease in provisions	(8)	(52)	(8)	(138)
Cash flows from operations	1,207	2,708	10,040	11,969
Tax paid	(15)	(34)	(466)	(1,353)
Net cash flows from operating activities	1,192	2,674	9,574	10,616
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,586)	(1,617)	(8,272)	(6,731)
Purchase of intangible assets	-	(176)	(26)	(417)
Proceeds from disposal of property, plant and equipment	-	9	19	9
Interest income received	12	14	81	41
Net cash flows used in investing activities	(1,574)	(1,770)	(8,198)	(7,098)
Cash flows from financing activities				
Proceeds from bank loan	3,286	-	3,286	333
Repayment of finance lease liabilities	(27)	(26)	(112)	(110)
Dividends paid	-	-	(7,283)	(3,641)
Interest paid	(47)	(50)	(175)	(199)
Repayment of bank loans	(236)	(237)	(944)	(641)
Net cash flows from / (used in) financing activities	2,976	(313)	(5,228)	(4,258)
Net increase / (decrease) in cash and cash equivalents	2,594	591	(3,852)	(740)
Cash and cash equivalents at the beginning of the financial period / year	12,961	18,816	19,407	20,147
Cash and cash equivalents at the end of the financial period / year	15,555	19,407	15,555	19,407

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 Group	Equity attributable to owners of the Company					Total equity \$'000
	Share capital \$'000	Retained earnings \$'000	Other reserves \$'000	Foreign currency translation \$'000	Asset revaluation reserve \$'000	
Balance at 1 April 2016	13,964	17,677	2,974	23	2,951	34,615
Profit for the period	-	3,849	-	-	-	3,849
Other comprehensive income						
Exchange differences on translating foreign operations	-	-	10	10	-	10
Total comprehensive income for the period	-	3,849	10	10	-	3,859
Dividends on ordinary shares	-	(7,283)	-	-	-	(7,283)
Balance at 31 December 2016	13,964	14,243	2,984	33	2,951	31,191
Loss for the period	-	(2,104)	-	-	-	(2,104)
Other comprehensive income						
Deferred tax on revaluation of freehold land and buildings	-	-	335	-	335	335
Net deficit on revaluation of freehold land and buildings	-	-	(2,053)	-	(2,053)	(2,053)
Exchange differences on translating foreign operations	-	-	5	5	-	5
Total comprehensive income for the period	-	(2,104)	(1,713)	5	(1,718)	(3,817)
Dividends on ordinary shares	-	-	-	-	-	-
Balance at 31 March 2017	13,964	12,139	1,271	38	1,233	27,374

The Group	Equity attributable to owners of the Company					Total equity \$'000
	Share capital \$'000	Retained earnings \$'000	Other reserves \$'000	Foreign currency translation \$'000	Asset revaluation reserve \$'000	
Balance at 1 April 2015	13,964	16,345	2,988	37	2,951	33,297
Profit for the period	-	3,885	-	-	-	3,885
Other comprehensive income						
Exchange differences on translating foreign operations	-	-	(21)	(21)	-	(21)
Total comprehensive income for the period	-	3,885	(21)	(21)	-	3,864
Dividends on ordinary shares	-	(3,641)	-	-	-	(3,641)
Balance at 31 December 2015	13,964	16,589	2,967	16	2,951	33,520
Profit for the period	-	1,088	-	-	-	1,088
Other comprehensive income						
Exchange differences on translating foreign operations	-	-	7	7	-	7
Total comprehensive income for the period	-	1,088	7	7	-	1,095
Dividends on ordinary shares	-	-	-	-	-	-
Balance at 31 March 2016	13,964	17,677	2,974	23	2,951	34,615

- 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	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 April 2016	13,964	6,529	20,493
Profit for the period	-	2,201	2,201
Dividends on ordinary shares	-	(7,283)	(7,283)
Balance at 31 December 2016	13,964	1,447	15,411
Profit for the period	-	1,921	1,921
Balance at 31 March 2017	13,964	3,368	17,332
The Company	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 April 2015	13,964	4,664	18,628
Loss for the period	-	(172)	(172)
Dividends on ordinary shares	-	(3,641)	(3,641)
Balance at 31 December 2015	13,964	851	14,815
Profit for the period	-	5,678	5,678
Balance at 31 March 2016	13,964	6,529	20,493

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, , if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Ordinary shares

	Number of shares	S\$'000
Issued and fully paid ordinary shares as at 31 March 2017 and 31 December 2016	121,374,700	13,964

There were no treasury shares, outstanding options, other convertibles and/or subsidiary holdings as at 31 March 2017 and 31 March 2016.

- 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 31-03-2017	As at 31-03-2016
Total number of issued shares	121,374,700	121,374,700

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

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

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

Not applicable. There were no subsidiary holdings during and as at the end of the current financial year 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 year as those used in the most recently audited financial statements for the financial year ended 31 March 2016.

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 and revised Financial Reporting Standards (“FRS”) and Interpretations to FRS (“INT FRS”) that are relevant to its operations, which took effect from financial periods beginning on or after 1 April 2016. 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 and 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 period 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.

EPS after deducting any provision for preference dividends :-	The Group		The Group	
	4Q2017	4Q2016	FY2017	F2016
(a) Based on weighted average number of ordinary shares in issue (Singapore cents); and	(1.73)	0.90	1.44	4.10
(b) On a fully diluted basis (Singapore cents)	(1.73)	0.90	1.44	4.10

Number of shares used in the respective computations of EPS :-	The Group		The Group	
	4Q2017	4Q2016	FY2017	F2016
(a) Based on weighted average number of ordinary shares in issue ; and	121,374,700	121,374,700	121,374,700	121,374,700
(b) On a fully diluted basis	121,374,700	121,374,700	121,374,700	121,374,700

The basic and diluted EPS for the financial periods ended 31 March 2017 and 31 March 2016 are the same as there are no potentially dilutive shares in issue as at 31 March 2017 and 31 March 2016.

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	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Net asset value per ordinary share based on total number of issued shares as at the end of the financial period reported on	\$0.23	\$0.29	\$0.14	\$0.17
Total number of issued shares as at the end of the financial period reported on	121,374,700	121,374,700	121,374,700	121,374,700

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

The Group's revenue increased from approximately S\$73.9 million for the financial year from 1 April 2015 to 31 March 2016 ("FY2016") to approximately S\$78.3 million for the financial year from 1 April 2016 to 31 March 2017 ("FY2017"), an increase of approximately S\$4.4 million or 6.1%.

Revenue from retail outlets increased by approximately S\$4.3 million or 5.9%. The increase in revenue was mainly due to revenue contribution from new outlets, partially offset by lower revenue from existing outlets, and absence of revenue from temporary closure of outlets due to mall revamps.

Revenue from other services, such as delivery and catering services increased by approximately S\$170,000 or 15.9%, mainly due to higher sales generated from food delivery services.

As at 31 March 2017, the Group operated a total of 89 outlets in Singapore as compared to 83 outlets as at 31 March 2016.

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 FY2017, as compared to approximately 31.6% in FY2016.

Cost of sales and gross profit

Cost of sales increased by approximately S\$1.5 million or 5.5%. The increase was mainly due to the higher revenue generated by the Group.

The Group's gross profit increased by approximately S\$3.0 million or 6.4%. The Group's gross profit margin increased from approximately 63.1% in FY2016 to 63.3% in FY2017, mainly due to improved factory efficiency, such as lower production-related depreciation and production staff cost as a percentage of revenue, offset by an increase in cost of purchase in FY2017.

Other income

Other income decreased by approximately S\$527,000 mainly attributed to the following:-

- (i) absence of insurance proceeds of approximately S\$228,000 received in FY2016 for damaged equipment;
- (ii) lower wage credit schemes income of approximately S\$311,000 offset by an increase in special employment credit, temporary employment credit income of approximately S\$100,000; and
- (iii) lower government grant of approximately S\$78,000 to support the Group's productivity initiatives.

Operating Expenses

Selling and distribution expenses

Selling and distribution ("S & D") expenses increased by approximately S\$2.1 million or 6.9%. S & D expenses in FY2017 amounted to approximately 41.3% of revenue as compared to approximately 40.9% of revenue in FY2016.

The increase in S & D expenses as a percentage of revenue was largely attributable to an increase in staff costs of approximately S\$908,000; higher outlet rental expenses of approximately \$937,000 and higher delivery subcontract expenses of approximately S\$135,000.

Administrative expenses

Administrative expenses increased by approximately S\$819,000 or 7.6%. The increase in administrative expenses was mainly due to

- (a) an increase in head office staff costs of approximately S\$462,000 arising from wage adjustment;
- (b) an increase in travelling and entertainment expenses of approximately S\$129,000; and
- (c) an increase in insurance, upkeep of computer expenses, legal and professional expenses.

Other expenses

The increase in other expenses of approximately S\$3.3 million in FY2017 was mainly due to the following:-

- (a) revaluation deficit for the Group's Singapore and Malaysia factory building by approximately S\$3.0 million;
- (b) higher foreign exchange losses of approximately S\$384,000 primarily on Malaysian Ringgit denominated loans to associated and subsidiary company; and
- (c) allowance for doubtful debts for amount due from an associated company, amounting to approximately S\$117,000.

Depreciation and amortisation

The increase in depreciation expenses of approximately S\$0.4 million in FY2017 was mainly due to additions of plant and equipment and renovation costs for the Group's new retail outlets, and completion of the Group's new factory facility in Singapore.

As a result of the above, total operating expenses increased by approximately S\$6.2 million or 14.5%. Total operating expenses amounted to approximately 62.1% of revenue in FY2017 and 57.5% in FY2016 respectively.

Finance costs

Finance costs decreased by approximately S\$24,000 mainly due to partial repayment of loans taken to finance the construction and renovation of factory facilities.

Profit before tax

The Group's profit before tax decreased from approximately S\$6.1 million in FY2016 to approximately S\$2.4 million in FY2017, a decrease of approximately S\$3.7 million or 60.1%. Excluding revaluation deficit of approximately S\$3.0 million for the Group's Singapore and Malaysia factory facilities, the Group's profit before tax decreased by approximately S\$668,000 or 11.0%.

Taxation

The Group's taxation expenses decreased by approximately S\$437,000 or 38.9%. The decrease was mainly due to write back of deferred tax provided, offset by higher non tax-deductible expenses for the current financial year.

Other comprehensive income

The decrease in other comprehensive income was mainly due to net revaluation deficit of approximately S\$2.1 million, on revaluation of the Group's Singapore and Malaysia factory facilities.

Balance Sheet

Non-current assets

The Group's non-current assets decreased by approximately S\$1.1 million or 3.6% mainly due to the decrease in property, plant and equipment as a result of:

- (a) net revaluation deficit for the Group's freehold land and buildings of approximately S\$5.0 million and

(b) depreciation expenses for the Group and fixed assets written off for closed retail outlets,

offset by additions of plant and equipment and renovation costs for the Group's new retail outlets, and construction of the Group's new factory facility in Singapore.

The decrease in non-current assets was also offset by an increase in long term deposits mainly due to additional lease deposits paid to secure new outlets, and reclassification of short term lease deposits to long term upon lease renewals, in accordance with the respective lease tenures.

Current assets

The Group's current assets decreased by approximately S\$2.6 million or 11.4% mainly due to

- (a) a decrease in short term deposits mainly due to reclassification of lease deposits from short term to long term in accordance with the lease tenures and refund of deposits for closed outlets;
- (b) a decrease of S\$3.9 million in cash and bank balances mainly due to purchase of property, plant and equipment, repayment of bank loans and finance leases, and dividends of approximately S\$8.3 million paid during FY2017, partially offset by cash inflow from operating activities and proceeds from bank loan of approximately S\$3.3 million for the construction and renovation of the Singapore factory.

The decrease in current assets was partially offset by:-

- (i) an increase in trade and other receivables due to slower debtor repayments for sale of waste oil and non-retail credit sales during March 2017; and
- (ii) an increase in prepayment due to advance payments for equipment purchase and renewal of insurance policies.

Current liabilities

The Group's current liabilities increased by approximately S\$5.2 million or 47.9% mainly due to the following:

- (a) an increase in trade and other payables mainly due to increase in period-end billings by trade suppliers and contractors;
- (b) an increase in provisions, due to provision for reinstatement cost for new outlets;
- (c) an increase in bank loans due to the construction and renovation of the Singapore factory; and
- (d) an increase in provision for taxation mainly due to tax expenses provided of approximately S\$1.1 million, offset by tax paid of approximately S\$0.5 million during the financial year.

Non-current liabilities

The Group's non-current liabilities decreased by approximately S\$1.8 million or 19.8% mainly due to repayment of bank loans and finance lease, and decrease in deferred tax liabilities during FY2017 ,

Net working capital

As at 31 March 2017, the Group had a positive net working capital of approximately S\$4.3 million as compared to approximately S\$12.2 million as at 31 March 2016.

Cash flow

For FY2017, the Group generated an operating profit before working capital changes of approximately S\$10.5 million. Net cash generated from operating activities, inclusive of working capital changes, amounted to approximately S\$9.6 million in FY2017.

In FY2017, net cash used in investing activities amounted to approximately S\$8.2 million. This was mainly attributable to additions of plant and equipment and renovation costs for the Group's new retail outlets, and construction of the Group's new factory facility in Singapore.

Net cash used in financing activities amounted to approximately S\$5.2 million in FY2017. This was mainly due to dividends paid during the period and repayments of bank loan and finance lease liabilities, including interest paid, offset by proceeds from bank loan of approximately S\$3.3 million for the construction and renovation of the Singapore factory.

- 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 in the next reporting period and the next 12 months, and believes that the labour market will continue to remain tight. The Group will be integrating its factory in Iskandar Malaysia and its expanded factory facilities in Singapore at 2 and 4 Woodlands Terrace in the coming months. These will provide the Group with a platform to expand its product range and grow its business both locally and regionally.

- 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?

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

Name of Dividend:	Special (final)
Dividend Type:	Cash
Dividend per share:	3 Singapore cents per ordinary share
Tax Rate:	Tax exempt (one-tier)

(a) Date payable.

To be announced at a later date

(b) 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** **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from its shareholders for recurrent interested person transactions.

- 14** **Confirmation pursuant to Rule 720(1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“Catalist Rules”).**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15 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	Australia	Malaysia	Eliminations	Total
Year ended 31 March 2017	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue					
Sales	77,937	285	323	(200)	78,345
Results:					
Segment results	10,197	(138)	104	-	10,163
Deficit on revaluation on property, plant and equipment	(2,664)	-	(333)	-	(2,997)
Depreciation	(4,213)	(23)	(266)	-	(4,502)
Amortisation	(59)	-	-	-	(59)
Finance costs	(159)	-	(16)	-	(175)
Profit/(loss) before taxation	3,102	(161)	(511)	-	2,430
Taxation					(685)
Profit, net of tax					1,745
Other segment information:					
Segment assets	47,802	168	2,742	-	50,712
Capital expenditure:					
- Tangible assets	25,014	21	2,536	-	27,571
- Intangible assets	348	-	4	-	352

	Singapore	Australia	Malaysia	Eliminations	Total
Year ended 31 March 2016	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue					
Sales	73,589	262	38	(32)	73,857
Results:					
Segment results	10,758	(132)	(186)	-	10,440
Depreciation	(3,898)	(30)	(174)	-	(4,102)
Amortisation	(44)	-	-	-	(44)
Finance costs	(182)	-	(17)	-	(199)
Profit/(loss) before taxation	6,634	(162)	(377)	-	6,095
Taxation					(1,122)
Profit, net of tax					4,973
Other segment information:					
Segment assets	50,968	80	3,424	-	54,472
Capital expenditure:					
- Tangible assets	5,786	-	1,086	-	6,872
- Intangible assets	385	-	-	-	385

16 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 2017 and as such, these operations do not contribute significantly to the Group's turnover and earnings.

17 A breakdown of sales.

	The Group		
	FY2017	FY2016	Increase (Decrease)
	S\$'000	S\$'000	%
Sales reported for the first half year	38,839	37,305	4.1
Operational profit after tax before deducting minority interests reported for first half year	2,483	2,655	(6.5)
Sales reported for the second half year	39,506	36,552	8.1
Operational (loss) / profit after tax before deducting minority interests reported for second half year	(738)	2,318	NM

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

	The Group Year Ended	
	31-03-2017	31-03-2016
	S\$'000	S\$'000
Ordinary - Interim	1,821	1,820
- Final	*1821	1,821
Special - Final	-	3,642
Total	3,642	7,283

*The final dividends for the current financial year ended 31 March 2017 is recommended by the Board of Directors and is subject to the approval of the Company's shareholders at the upcoming Annual General Meeting of the Company.

- 19 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	49	<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 Executive Director and Deputy Chief Executive Officer, Chow Hui Shien. 	Overseas Business Development Manager, overseeing the overseas business operations of the Group since December 2013; and Executive Director of Old Chang Kee Manufacturing Sdn Bhd, the Group's wholly owned subsidiary, since November 2014	No changes.

BY ORDER OF THE BOARD

Adrian Chan Pengee
Company Secretary

29 May 2017

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 Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

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

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