

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

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
 FOR THE FIRST QUARTER ENDED 30 JUNE 2019**

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.**

	The Group		Increase / (Decrease) %
	First Quarter Ended		
	30-06-2019	30-06-2018	
Consolidated statement of comprehensive income	S\$'000	S\$'000	
Revenue	21,678	22,325	(2.9)
Cost of sales	(7,949)	(7,888)	0.8
Gross profit	<u>13,729</u>	<u>14,437</u>	(4.9)
Other items of income			
Interest income on short term deposits	23	11	109.1
Other income	172	168	2.4
Other items of expenses			
Selling and distribution expenses	(9,398)	(9,390)	0.1
Administrative expenses	(2,985)	(3,142)	(5.0)
Interest expenses			
borrowings	(89)	(78)	14.1
leases	(171)	-	NM
Other expenses	(432)	(388)	11.3
Profit before tax and share of results of joint venture	<u>849</u>	<u>1,618</u>	(47.5)
Share of results of joint venture	(74)	(44)	68.2
Profit before tax	<u>775</u>	<u>1,574</u>	(50.8)
Income tax expense	(182)	(323)	(43.7)
Profit for the period	<u>593</u>	<u>1,251</u>	(52.6)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	37	4	825.0
Other comprehensive income for the period, net of tax	<u>37</u>	<u>4</u>	825.0
Total comprehensive income for the period, attributable to owners of the Company	<u><u>630</u></u>	<u><u>1,255</u></u>	(49.8)

1(a)(ii)

Notes to consolidated statement of comprehensive income

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

	The Group		
	First Quarter Ended		
	30-06-2019	30-06-2018	+ / (-)
	S\$'000	S\$'000	%
Amortisation of intangible assets	17	15	13.3
Depreciation of property, plant and equipment	1,268	1,350	(6.1)
Depreciation of right-of-use assets	2,225	-	NM
Interest income from short-term deposits	(23)	(11)	109.1
Interest expense from borrowings	89	78	14.1
Interest expense from amortisation of lease liabilities	171	-	NM
Loss in foreign exchange, net	96	21	357.1
Gain on disposal of property, plant and equipment	(10)	(44)	(77.3)

NM: Not meaningful

2. The major components of taxation comprise:

	The Group		
	First Quarter Ended		
	30-06-2019	30-06-2018	+ / (-)
	S\$'000	S\$'000	%
Current income tax			
-Current income taxation	263	379	(30.6)
Deferred income tax			
-Movement in temporary differences	(81)	(56)	44.6
Taxation recognised in the consolidated statement of comprehensive income	182	323	(43.7)

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	
	30-06-2019	31-03-2019	30-06-2019	31-03-2019
	S\$'000	S\$'000	S\$'000	S\$'000
Non-Current Assets				
Property, plant and equipment	27,444	28,453	-	-
Right-of-use assets	20,425	-	-	-
Intangible assets	239	228	-	-
Investment in subsidiary companies	-	-	5,640	5,640
Investment in unquoted shares	234	234	234	234
Investment in joint venture	86	160	537	537
Long term deposits	2,760	2,568	-	-
	51,188	31,643	6,411	6,411
Current Assets				
Inventories	981	1,097	-	-
Trade and other receivables	254	336	-	-
Deposits	758	756	-	-
Prepayments	1,318	1,013	7	41
Amount due from joint venture	508	494	291	282
Amount due from associated companies	163	131	10	-
Amount due from subsidiary companies	-	-	5,726	7,198
Cash and bank balances	14,857	15,447	6,809	4,999
Restricted cash	2,500	-	-	-
	21,339	19,274	12,843	12,520
Current Liabilities				
Trade and other payables	8,046	7,491	2,185	1,843
Other liabilities	172	176	-	-
Provisions	2,396	2,390	50	44
Bank loans	1,198	1,430	-	-
Finance lease liabilities	163	146	-	-
Lease liabilities	9,219	-	-	-
Provision for taxation	1,584	1,321	39	35
	22,778	12,954	2,274	1,922
Net Current (Liabilities)/Assets	(1,439)	6,320	10,569	10,598
Non-Current Liabilities				
Bank loans	7,639	7,748	-	-
Finance lease liabilities	530	502	-	-
Lease liabilities	11,318	-	-	-
Deferred tax liabilities	1,175	1,256	-	-
	20,662	9,506	-	-
Net Assets	29,087	28,457	16,980	17,009
Equity attributable to owners of the Company				
Share capital	13,964	13,964	13,964	13,964
Retained earnings	14,991	14,398	3,016	3,045
Other reserves	132	95	-	-
Total Equity	29,087	28,457	16,980	17,009

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

Amount repayable in one year or less, or on demand

As at 30-06-2019		As at 31-03-2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,361	-	1,576	-

Amount repayable after one year

As at 30-06-2019		As at 31-03-2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
8,169	-	8,250	-

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 30 June 2019; and
- (ii) corporate guarantee by the Company as at 30 June 2019.

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	
	First Quarter Ended	
	30-06-2019	30-06-2018
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax	775	1,574
Adjustments for:		
Amortisation of intangible assets	17	15
Depreciation of property, plant and equipment	1,268	1,350
Depreciation of right-of-use assets	2,225	-
Gain on disposal of property, plant and equipment	(10)	(44)
Property, plant and equipment written off	-	2
Share of results of joint venture	74	44
Interest expense from borrowings	89	78
Interest expense from amortisation of lease liabilities	171	-
Interest income	(23)	(11)
Currency realignment	73	14
Operating profit before changes in working capital	4,659	3,022
Decrease in inventories	116	244
Decrease in trade and other receivables	82	26
Increase in amount due from associate	(32)	(72)
Increase in amount due from joint venture	(14)	(103)
Increase in deposits	(194)	(36)
(Increase)/decrease in prepayments	(305)	434
Increase in trade and other payables	555	550
Decrease in other liabilities	(4)	(4)
Increase in provisions	6	2
Cash flows generated from operations	4,869	4,063
Tax paid	-	-
Net cash flows generated from operating activities	4,869	4,063
Cash flows from investing activities		
Purchase of property, plant and equipment	(199)	(1,023)
Purchase of intangible asset	(28)	-
Proceeds from disposal of property, plant and equipment	10	121
Interest received	23	11
Bank deposit pledged	(2,500)	-
Net cash flows used in investing activities	(2,694)	(891)
Cash flows from financing activities		
Loan to joint venture	-	(179)
Proceeds from bank loan	8,482	-
Repayment of finance lease liabilities	(51)	(82)
Repayment of lease obligation	(2,113)	-
Interest portion of lease liabilities paid	(171)	-
Interest paid	(89)	(78)
Repayment of bank loans	(8,823)	(358)
Net cash flows used in financing activities	(2,765)	(697)
Net (decrease)/increase in cash and cash equivalents	(590)	2,475
Cash and cash equivalents at the beginning of the financial period	15,447	12,787
Cash and cash equivalents at the end of the financial period	14,857	15,262

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

	Share capital	Retained earnings	Foreign currency translation reserve	Total equity
The Group	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01-04-2019	13,964	14,398	95	28,457
Profit for the period	-	593	-	593
<u>Other comprehensive income</u>				
Exchange differences on translating foreign operations	-	-	37	37
Total comprehensive income for the period	-	593	37	630
Balance at 30-06-2019	13,964	14,991	132	29,087
Balance at 01-04-2018	13,964	13,701	19	27,684
Profit for the period	-	1,251	-	1,251
<u>Other comprehensive income</u>				
Exchange differences on translating foreign operations	-	-	4	4
Total comprehensive income for the period	-	1,251	4	1,255
Balance at 30-06-2018	13,964	14,952	23	28,939

- 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
At 01-04-2019	13,964	3,045	17,009
Loss for the period	-	(29)	(29)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(29)	(29)
Balance at 30-06-2019	13,964	3,016	16,980
At 01-04-2018	13,964	2,169	16,133
Profit for the period	-	2	2
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	2	2
Balance at 30-06-2018	13,964	2,171	16,135

- 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 30 June 2019 and 31 March 2019	121,374,700	13,964

There were no treasury shares, subsidiary holdings, outstanding options and/or other convertibles as at 30 June 2019 and 30 June 2018.

- 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 30-06-2019	As at 31-03-2019
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 period 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 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.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 March 2019.

- 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 has adopted the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)"), which are effective for the financial year beginning 1 April 2019. The impact of adopting the following SFRS(I) which are effective for the financial year beginning 1 April 2019, are detailed as follows:

SFRS(I) 16 – Leases

On the adoption of SFRS(I) 16, the Group has chosen, on a lease-by-lease basis, to measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

In addition, the Group has elected the following practical expedients:

- (i) not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;
- (ii) to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019; and
- (iii) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

On 1 April 2019, the adoption of SFRS(I) 16 has resulted in the recognition of right-of-use assets and lease liabilities of approximately S\$22 million for the Group's leases previously classified as operating leases.

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 First Quarter Ended	
	1Q2020	1Q2019
(a) Based on weighted average number of ordinary shares in issue (Singapore cents); and	0.49	1.03
(b) On a fully diluted basis (Singapore cents)	0.49	1.03

Number of shares used in the respective computations of EPS :-	The Group First Quarter Ended	
	1Q2020	1Q2019
(a) Based on weighted average number of ordinary shares in issue ; and	121,374,700	121,374,700
(b) On a fully diluted basis	121,374,700	121,374,700

The basic and diluted EPS for the financial periods ended 30 June 2019 and 30 June 2018 are the same as there are no potentially dilutive shares in issue as at 30 June 2019 and 30 June 2018.

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		Company	
	30-06-2019	31-03-2019	30-06-2019	31-03-2019
Net asset value per ordinary share based on total number of issued shares as at the end of the financial period reported on	\$0.24	\$0.23	\$0.14	\$0.14
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

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

The Group’s revenue decreased from approximately S\$22.3 million for the financial period from 1 April 2018 to 30 June 2018 (“1Q2019”) to approximately S\$21.7 million for the period from 1 April 2019 to 30 June 2019 (“1Q2020”), a decrease of approximately S\$647,000 or 2.9%.

Revenue from retail outlets decreased by approximately S\$868,000 or 4.0% mainly due to the absence of revenue from closed outlets and a decrease in revenue from existing outlets, partially offset by revenue contribution from new outlets.

Revenue from other services, such as delivery and catering services, increased by approximately S\$221,000 or 49.8% from S\$444,000 to S\$665,000, mainly due to higher delivery revenue.

As at 30 June 2019, the Group operated a total of 89 outlets in Singapore, as compared to 90 outlets as at 30 June 2018.

Cost of sales and gross profit

Cost of sales increased by approximately S\$61,000 or 0.8% mainly due to higher manpower cost in 1Q2020.

The Group's gross profit decreased by approximately S\$708,000 or 4.9%. The Group's gross profit margin decreased from approximately 64.7% in 1Q2019 to 63.3% in 1Q2020, mainly due to higher manpower cost arising from annual salary adjustment and higher food cost as a percentage of revenue in 1Q2020 due to higher raw material prices.

Operating Expenses

Selling and distribution expenses

Selling and distribution ("**S & D**") expenses increased by approximately S\$8,000 or 0.1% in 1Q2020. S & D expenses in 1Q2020 amounted to approximately 43.4% of revenue as compared to approximately 42.1% of revenue in 1Q2019.

The increase in S & D expenses as a percentage of revenue was largely attributable to:

- (a) an increase in staff costs of approximately S\$85,000 mainly due to annual staff salary increment;
- (b) an increase in subcontract fees of approximately S\$79,000 in line with the increase in delivery revenue;
- (c) an increase in outlets utility expenses of S\$33,000 mainly due to higher tariff rates during the period; and
- (d) an increase in S & D depreciation expenses of approximately S\$2.2 million, as the adoption of SFRS(I) 16 resulted in the recognition of lease-related depreciation attributed to the right-of-use assets on the balance sheet, partially offset by
- (e) a decrease in outlet rental expenses of approximately S\$2.3 million due to the adoption of SFRS(I) 16, as lease obligations are now capitalised as right-of-use assets and amortised over the period of lease, instead of being classified as operating rental expenses in the previous period and
- (f) a decrease in advertising and promotion expenses of approximately S\$70,000.

Administrative expenses

Administrative expenses decreased by approximately S\$157,000 or 5.0%. The decrease in administrative expenses was mainly due to

- (a) a decrease in head office staff costs of approximately S\$114,000 due to lower bonus provision for the period; and
- (b) a decrease in insurance and medical expenses of approximately S\$31,000.

Other expenses

The increase in other expenses of approximately S\$44,000 in 1Q2020 was mainly due to an increase in foreign exchange loss of approximately S\$75,000 pursuant to foreign exchange revaluation loss for RM-denominated loans to our Malaysian operations, partially offset by a decrease in depreciation expenses of approximately S\$32,000.

As a result of the above, the proportion of total operating expenses compared to revenue increased from 57.9% in 1Q2019 to 59.1% in 1Q2020.

Depreciation and amortisation

The increase in depreciation and amortisation expenses of approximately S\$2.1 million in 1Q2020 was mainly due to the adoption of SFRS(I) 16. Total depreciation related to the lease liabilities amounted to approximately S\$2.2 million or 10.3% of revenue. Excluding the depreciation for right-of-use assets, total depreciation and amortisation expenses decreased by approximately S\$80,000 for 1Q2020.

Finance costs

Finance costs increased by approximately S\$182,000 as the adoption of SFRS(I) 16 resulted in the recognition of lease-related interest expenses attributed to the amortization of the lease liabilities on the balance sheet.

Total interest related to the lease liabilities amounted to approximately S\$171,000, and the increase in interest expense related to borrowing amounted to approximately S\$11,000.

Share of results of joint venture

The increase in the share of operating losses for the joint venture in the United Kingdom ("UK") was mainly due to continuing high fixed costs and more marketing activities in 1Q2020.

Profit before tax

The Group's profit before tax decreased from approximately S\$1.6 million in 1Q2019 to approximately S\$775,000 in 1Q2020, a decrease of approximately S\$799,000 or 50.8%.

Taxation

The Group's taxation expenses decreased by S\$141,000 or 43.7% mainly due to a decrease in profit for the current financial period, and lower non tax deductible items for the period.

Balance Sheet

Non-current assets

The Group's non-current assets increased by approximately S\$19.5 million or 61.8% mainly due to the following:

- (a) recognition of right-of-use assets of S\$20.4 million arising from the adoption of SFRS(I) 16;
- (b) addition of plant and equipment, motor vehicles and outlet renovation during the period; and
- (c) an increase in long term deposits mainly due to top-up of lease deposit for lease renewals, partially offset by reclassification of long term lease deposits to short term lease deposits, in accordance with the respective lease tenures.

The increase in non-current assets was partially offset by:

- (d) depreciation expenses of approximately S\$3.5 million, which comprised depreciation for right-of-use assets and property, plant and equipment of approximately S\$2.2 million and S\$1.3 million respectively; and
- (e) share of operating losses for the UK joint venture of approximately S\$74,000 for 1Q2019.

Current assets

The Group's current assets increased by approximately S\$2.1 million or 10.7% mainly due to:

- (a) an increase of S\$2.5 million in restricted cash due to placement of a pledged fixed deposit during the period;

- (b) an increase in amount due from joint venture mainly due to product sales to the UK joint venture of approximately S\$14,000;
- (c) an increase in prepayments mainly due to deposits paid to contractors for outlet renovation and purchase of equipment; and
- (d) an increase in amount due from associates mainly due to product sales to the Malaysian associated company of approximately S\$32,000.

The increase in current assets was partially offset by:

- (e) a decrease in cash and bank balances of approximately S\$0.6 million as explained under the statement of cash flow in paragraph 1(c);
- (f) a decrease in inventories due to lower bulk purchase; and
- (g) a decrease in trade and other receivables mainly due to settlement of credit sales for promotional vouchers.

Current liabilities

The Group's current liabilities increased by approximately S\$9.8 million or 75.8% mainly due to the following:

- (a) recognition of lease liabilities of approximately S\$9.2 million due to the adoption of SFRS(I) 16;
- (b) an increase in finance leases mainly for the purchase of motor vehicle, offset by repayment of finance lease for the current period;
- (c) an increase in trade and other payables mainly due to higher accrued staff cost and accrued rental, offset by lower trade creditors for the current period; and
- (d) an increase in provision for taxation mainly due to tax expenses provided for the current period; partially offset by
- (e) a decrease in bank loans of approximately S\$232,000 mainly due to refinancing of bank loans in June 2019.

Non-current liabilities

The Group's non-current liabilities increased by approximately S\$11.2 million or 117.4% mainly due to

- (a) recognition of lease liabilities of approximately S\$11.3 million due to the adoption of SFRS(I) 16; and
- (b) an increase in finance lease mainly for the purchase of motor vehicle; partially offset by
- (c) repayment of bank loans and decrease in deferred tax liabilities during 1Q2020.

Net working capital

As at 30 June 2019, the Group had a negative net working capital of approximately S\$1.4 million as compared to approximately S\$6.3 million positive working capital as at 31 March 2019. Excluding lease liabilities of approximately S\$9.2 million due to the adoption of SFRS(I) 16, the Group had a positive working capital of S\$7.8 million for 30 June 2019.

Cash flow

In 1Q2020, the Group generated an operating profit before working capital changes of approximately S\$4.7 million. Net cash generated from operating activities, inclusive of working capital changes, amounted to approximately S\$4.9 million in 1Q2020.

In 1Q2020, net cash used in investing activities amounted to approximately S\$2.7 million. This was mainly attributable to additions of plant and equipment and renovation costs for the Group's new retail outlets and factory facility in Singapore and placement of a pledged fixed deposit of S\$2.5 million to secure bank credit facilities.

Net cash used in financing activities amounted to approximately S\$2.8 million in 1Q2020. This was mainly due to repayment of lease obligations inclusive of lease interest, of approximately S\$2.3 million and repayments of bank loans of approximately S\$8.8 million, partially offset by bank loan refinancing proceeds of approximately S\$8.5 million during the period.

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 will continue with its efforts to drive operational efficiencies, and to enhance its brand positioning, amidst the challenging retail conditions.

The initial customer response and press reviews for the Group's first flagship outlet in Covent Garden - London, UK have been positive, but fixed costs remain high. Currently, the Group is on the lookout to open more retail outlets in Central London which will help to improve brand visibility and to achieve economies of scale.

On the current local operations, the Group expects rental, 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.

11 **Dividend.**

If a decision regarding dividend has been made:-

(a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**

No.

(b) (i) **Amount per share (cents)**

Not applicable.

(b) (ii) **Previous corresponding period (cents)**

Not applicable.

(c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

(d) **The date the dividend is payable**

Not applicable.

(e) **The date on which Registrable Transfer received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared (recommended) for the current financial period reported on, as it is the Company's usual practice to declare dividends (if any) for the half year and/or full year financial periods only.

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.

There were no IPTs exceeding S\$100,000 entered into for the financial period under review.

14 Negative confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

We, Han Keen Juan and Lim Tao-E William, being two of the Directors of Old Chang Kee Ltd., do hereby confirm on behalf of the Board of Directors of the Company (the “**Board**”) that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the first quarter ended 30 June 2019 to be false or misleading in any material aspects.

15 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.

On behalf of the Board:

Han Keen Juan
Director

Lim Tao-E William
Director

BY ORDER OF THE BOARD

Adrian Chan Pengee
Company Secretary

14 August 2019

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

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

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