

**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 2020**

**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		Increase/ (Decrease) %
	Year Ended 31-03-2020 S\$'000	31-03-2019 S\$'000	
<b>Revenue</b>	88,040	89,789	(1.9)
Cost of sales	(31,998)	(32,251)	(0.8)
<b>Gross profit</b>	<u>56,042</u>	<u>57,538</u>	<u>(2.6)</u>
<b>Other items of income</b>			
Interest income on short term deposits	106	64	65.6
Other income	1,192	1,145	4.1
<b>Other items of expenses</b>			
Selling and distribution expenses	(39,048)	(38,039)	2.7
Administrative expenses	(11,687)	(12,892)	(9.3)
Interest expenses			
-Borrowings	(282)	(329)	(14.3)
-Leases	(676)	-	NM
Other expenses	(3,771)	(1,774)	112.6
<b>Profit before tax and share of results of joint venture</b>	<u>1,876</u>	<u>5,713</u>	<u>(67.2)</u>
Share of results of joint venture	(160)	(301)	(46.8)
<b>Profit before tax</b>	<u>1,716</u>	<u>5,412</u>	<u>(68.3)</u>
Income tax expense	(867)	(1,074)	(19.3)
<b>Profit for the year</b>	<u>849</u>	<u>4,338</u>	<u>(80.4)</u>
<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations	122	76	60.5
<b>Other comprehensive income for the year, net of tax</b>	<u>122</u>	<u>76</u>	<u>60.5</u>
<b>Total comprehensive income for the year, attributable to owners of the Company</b>	<u><u>971</u></u>	<u><u>4,414</u></u>	<u><u>(78.0)</u></u>

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

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

	The Group Year Ended		+/( -)
	31-03-2020	31-03-2019	
	S\$'000	S\$'000	%
Amortisation of intangible assets	70	63	11.1
Depreciation of property, plant and equipment	5,373	5,262	2.1
Depreciation of right-of-use assets	9,852	-	NM
Impairment loss on property, plant and equipment	271	-	NM
Impairment loss on right-of-use assets	136	-	NM
Property, plant and equipment written off	196	135	45.2
Gain on disposal of property, plant and equipment	(10)	(106)	(90.6)
Interest income from short-term deposits	(106)	(64)	65.6
Interest expense from borrowings	282	329	(14.3)
Interest expense from lease liabilities	676	-	NM
Loss in foreign exchange, net	172	178	(3.4)
Fair value adjustment for investment in unquoted shares	-	16	NM
Loss on disposal of investment in unquoted shares	74	-	NM
Impairment of trade and other receivables	4	59	(93.2)
Impairment loss/(write back) for amount due from associated company	229	(11)	NM
Impairment loss for amount due from joint venture	1,350	-	NM

2. The major components of taxation comprise:

	The Group Year Ended		+/( -)
	31-03-2020	31-03-2019	
	S\$'000	S\$'000	%
<b>Current income tax</b>			
-Current income taxation	1,012	1,326	(23.7)
-Over provision in respect of prior year	(40)	(172)	(76.7)
<b>Deferred income tax</b>			
-Movement in temporary differences	(105)	(80)	31.3
Taxation recognised in the consolidated statement of comprehensive income	867	1,074	(19.3)

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	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	25,149	28,453	-	-
Right-of-use assets	19,344	-	-	-
Intangible assets	186	228	-	-
Investment in subsidiary companies	-	-	5,640	5,640
Investment in unquoted shares	-	234	-	234
Investment in joint venture	-	160	-	537
Deferred tax assets	10	-	10	-
Long term deposits	2,358	2,568	-	-
	<u>47,047</u>	<u>31,643</u>	<u>5,650</u>	<u>6,411</u>
<b>Current Assets</b>				
Inventories	1,285	1,097	-	-
Trade and other receivables	2,738	336	159	-
Deposits	1,355	756	-	-
Prepayments	1,085	1,013	24	41
Amount due from joint venture	-	494	-	282
Amount due from associated companies	-	131	-	-
Amount due from subsidiary companies	-	-	6,385	7,198
Cash and bank balances	11,749	15,447	3,866	4,999
Restricted cash	2,500	-	-	-
	<u>20,712</u>	<u>19,274</u>	<u>10,434</u>	<u>12,520</u>
<b>Current Liabilities</b>				
Trade and other payables	8,297	7,491	906	1,843
Other liabilities	182	176	-	-
Provisions	2,435	2,390	47	44
Bank loans	1,222	1,430	-	-
Finance lease liabilities	170	146	-	-
Lease liabilities	9,837	-	-	-
Provision for taxation	1,011	1,321	26	35
	<u>23,154</u>	<u>12,954</u>	<u>979</u>	<u>1,922</u>
<b>Net Current (Liabilities)/Assets</b>	(2,442)	6,320	9,455	10,598
<b>Non-Current Liabilities</b>				
Bank loans	6,718	7,748	-	-
Finance lease liabilities	401	502	-	-
Lease liabilities	9,931	-	-	-
Deferred tax liabilities	1,161	1,256	-	-
	<u>18,211</u>	<u>9,506</u>	<u>-</u>	<u>-</u>
<b>Net Assets</b>	<u>26,394</u>	<u>28,457</u>	<u>15,105</u>	<u>17,009</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	13,964	13,964	13,964	13,964
Retained earnings	12,213	14,398	1,141	3,045
Other reserves	217	95	-	-
<b>Total Equity</b>	<u>26,394</u>	<u>28,457</u>	<u>15,105</u>	<u>17,009</u>

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

**Amount repayable in one year or less, or on demand**

<b>As at 31-03-2020</b>		<b>As at 31-03-2019</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
1,392	-	1,576	-

**Amount repayable after one year**

<b>As at 31-03-2020</b>		<b>As at 31-03-2019</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
7,119	-	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 31 March 2020; and
- (ii) corporate guarantees by the Company as at 31 March 2020.

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.**

	31-03-2020 S\$'000	31-03-2019 S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	1,716	5,412
Adjustments for:		-
Impairment loss on trade receivables	4	57
Impairment loss on other receivables	-	2
Impairment loss/(write back) on amount due from associate	229	(11)
Impairment loss on amount due from joint venture	1,350	-
Fair value adjustment for investment in unquoted shares	-	16
Impairment loss for investment in unquoted shares	74	-
Amortisation of intangible assets	70	63
Depreciation of property, plant and equipment	5,373	5,262
Impairment loss on property, plant and equipment	271	-
Depreciation of right-of-use assets	9,852	-
Impairment loss on right-of-use assets	136	-
Gain on disposal of property, plant and equipment	(10)	(106)
Property, plant and equipment written off	196	135
Share of results of joint venture	160	301
Interest expense from borrowings	282	329
Interest expense from lease liabilities	676	-
Interest income	(106)	(64)
Currency realignment	136	131
<b>Operating profit before changes in working capital</b>	<b>20,409</b>	<b>11,527</b>
(Increase)/decrease in inventories	(188)	95
Increase in trade and other receivables	(2,390)	(118)
Increase in amount due from associates	(98)	(120)
Increase in amount due from joint venture	(39)	(212)
(Increase)/decrease in deposits	(389)	125
(Increase)/decrease in prepayments	(72)	179
Increase/(decrease) in trade and other payables	806	(400)
Increase in other liabilities	6	6
Decrease in provisions	(109)	(87)
<b>Cash flows from operations</b>	<b>17,936</b>	<b>10,995</b>
Tax paid	(1,282)	(530)
<b>Net cash flows from operating activities</b>	<b>16,654</b>	<b>10,465</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,314)	(2,144)
Purchase of intangible assets	(28)	(2)
Proceeds from disposal of property, plant and equipment	12	184
Proceeds from disposal of unquoted shares	160	-
Loan to joint venture	(817)	(282)
Interest received	90	64
<b>Net cash flows used in investing activities</b>	<b>(2,897)</b>	<b>(2,180)</b>

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	
	Year Ended	Year Ended
	31-03-2020	31-03-2019
	S\$'000	S\$'000
<b>Cash flows from financing activities</b>		
Dividends paid	(3,034)	(3,641)
Proceeds from bank loan	8,482	-
Repayment of finance lease liabilities	(161)	(224)
Repayment of lease obligation	(9,564)	-
Interest portion of lease liabilities paid	(676)	-
Interest paid	(282)	(329)
Repayment of bank loans	(9,720)	(1,431)
Bank deposit pledged	(2,500)	-
<b>Net cash flows used in financing activities</b>	<b>(17,455)</b>	<b>(5,625)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,698)</b>	<b>2,660</b>
Cash and cash equivalents at the beginning of the financial year	15,447	12,787
<b>Cash and cash equivalents at the end of the financial year</b>	<b>11,749</b>	<b>15,447</b>

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	Foreign currency translation reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 01-04-2018</b>	<b>13,964</b>	<b>13,701</b>	<b>19</b>	<b>27,684</b>
Profit for the year	-	4,338	-	4,338
<u>Other comprehensive income</u>				
Foreign currency translation	-	-	76	76
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>4,338</b>	<b>76</b>	<b>4,414</b>
Dividends on ordinary shares	-	(3,641)	-	(3,641)
<b>Balance at 31-03-2019</b>	<b>13,964</b>	<b>14,398</b>	<b>95</b>	<b>28,457</b>
<b>Balance at 01-04-2019</b>	<b>13,964</b>	<b>14,398</b>	<b>95</b>	<b>28,457</b>
Profit for the year	-	849	-	849
<u>Other comprehensive income</u>				
Foreign currency translation	-	-	122	122
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>849</b>	<b>122</b>	<b>971</b>
Dividends on ordinary shares	-	(3,034)	-	(3,034)
<b>Balance at 31-03-2020</b>	<b>13,964</b>	<b>12,213</b>	<b>217</b>	<b>26,394</b>

- 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.

	Share capital	Retained earnings	Total equity
The Company	S\$'000	S\$'000	S\$'000
<b>Balance at 01-04-2018</b>	<b>13,964</b>	<b>2,169</b>	<b>16,133</b>
Profit for the year	-	4,517	4,517
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>4,517</b>	<b>4,517</b>
Dividends on ordinary shares	-	(3,641)	(3,641)
<b>Balance at 31-03-2019</b>	<b>13,964</b>	<b>3,045</b>	<b>17,009</b>
<b>Balance at 01-04-2019</b>	<b>13,964</b>	<b>3,045</b>	<b>17,009</b>
Profit for the year	-	1,130	1,130
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,130</b>	<b>1,130</b>
Dividends on ordinary shares	-	(3,034)	(3,034)
<b>Balance at 31-03-2020</b>	<b>13,964</b>	<b>1,141</b>	<b>15,105</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 2020 and 30 September 2019	121,374,700	13,964

There were no treasury shares, outstanding options, other convertibles and/or subsidiary holdings as at 31 March 2020 and 31 March 2019.

- 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.**

	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Total number of issued shares excluding treasury 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 modifications or emphasis of a matter).**

Not applicable.

- 3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

***This is not required for any audit issue that is a material uncertainty relating to going concern.***

Not applicable, as the Group's latest audited financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

- 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 from 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 S\$20.6 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/loss per ordinary share ("EPS" or "LPS") is computed by dividing the earnings/loss attributable to owners of the Company in each financial period/year by the weighted average number of ordinary shares in issue during the respective financial year.

EPS after deducting any provision for preference dividends :-	The Group Year Ended	
	31-03-2020	31-03-2019
(a) Based on weighted average number of ordinary shares in issue (Singapore cents); and 31 December 2019	0.70	3.57
(b) On a fully diluted basis (Singapore cents)	0.70	3.57

Number of shares used in the respective computations of EPS :-	The Group Year Ended	
	31-03-2020	31-03-2019
(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 year ended 31 March 2020 and 31 March 2019 were the same as there were no potentially dilutive securities in issue as at 31 March 2020 and 31 March 2019.

**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.**

	Year Ended			
	The Group		The Company	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Net asset value per ordinary share based on total number of issued shares as at the end of the financial year reported on	\$0.22	\$0.23	\$0.12	\$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

**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.**

**(A) Statement of Comprehensive Income**

**FY2020 vs FY2019**

The Group's revenue decreased by approximately S\$1.7 million or 1.9% for the year ended 31 March 2020 ("FY2020"), mainly due to a decrease in revenue from retail outlets, offset by higher revenue from delivery, catering and events. As at 31 March 2020, the Group operated a total of 89 outlets in Singapore, as compared to 86 outlets as at 31 March 2019.

The Group's gross profit margin decreased by 0.4% in FY2020, mainly due to higher food, packing materials and manpower cost for FY2020. The increase in selling and distribution ("S & D") expenses was largely due to an increase in depreciation for property, plant and equipment, staff costs, subcontract fees, and utilities expenses.

The increase in depreciation expenses was mainly due to adoption of SFRS(I) 16, which resulted in the recognition of lease-related depreciation attributed to the right-of-use assets.

The decrease in administrative expenses was mainly due to lower professional expenses and lower bonus provision for FY2020. Interest expenses increased by approximately S\$629,000, as the adoption of SFRS(I) 16 resulted in the recognition of lease-related interest expenses attributed to the lease liabilities on the balance sheet.

Other expenses increased by S\$2.0 million, mainly due to

- (i) impairment of amount due from (a) our joint venture in United Kingdom ("UK") of approximately \$1.4 million and (b) the Group's Malaysian associate of approximately S\$229,000, as both their operations had been adversely affected by the pandemic; and
- (ii) impairment of property, plant and equipment and right-of-use assets of approximately S\$407,000 for retail outlets affected by the pandemic and an increase in fixed assets written off of approximately S\$196,000 due to outlets closure and renovation in FY2020.

The Group's taxation expenses decreased by S\$207,000 or 19.3% mainly due to a decrease in profit for the current financial period offset by higher non tax deductible items for the period.

**(B) Statement of Financial Position**

**Non-current assets**

The Group's non-current assets increased by approximately S\$15.4 million, mainly due to the recognition of right-of-use assets of S\$19.4 million arising from the adoption of SFRS(I) 16.

This was partially offset by

- (i) a decrease in property, plant and equipment mainly due to depreciation expenses, impairment and assets written off, offset by additions in FY2020;
- (ii) full disposal of the Group's investment in unquoted shares;
- (iii) share of operating losses for the Group's UK joint venture; and
- (iv) a decrease in long term deposits mainly due to reclassification of lease deposits to current assets in accordance with the respective lease tenures, offset by top-up of lease deposit for lease renewals.

**Current assets**

The Group's current assets increased by approximately S\$1.4 million mainly due to:

- (a) an increase in Job Support Scheme ("JSS") receivables of approximately S\$2.3 million;
- (b) an increase in inventories mainly due to bulk purchase of finished products;
- (c) an increase in short term deposits, mainly due to reclassification of lease deposits in accordance with the respective lease tenures; and

(d) an increase in restricted cash, due to fixed deposit pledged with a bank to secure bank guarantees.

The increase in current assets was partially offset by:

- (a) full impairment made for the Group's loans to its UK joint venture and Malaysian associate in FY2020, and
- (b) a decrease in cash and bank balances of approximately S\$3.7 million as explained under the statement of cash flow in paragraph (c) below.

#### Current and non-current liabilities

The increase in the Group's current liabilities was mainly due to recognition of lease liabilities of approximately S\$9.8 million from the adoption of SFRS(I) 16, and deferred JSS income of approximately S\$ 2.3 million, partially offset by decreases in tax provision and accrued operating expenses during the year.

The increase in the Group's non-current liabilities was mainly due to recognition of lease liabilities of approximately S\$9.9 million from the adoption of SFRS(I) 16, offset by a decrease in deferred tax provision and bank loan repayments made during the year.

#### Net working capital

As at 31 March 2020, the Group had a negative net working capital of approximately S\$2.4 million due to the adoption of SFRS(I) 16. Excluding lease liabilities of approximately S\$9.8 million arising from the adoption of SFRS(I) 16, the Group had a positive working capital of S\$7.4 million as of 31 March 2020.

The Board believes that the Group is able to meet its short term debt obligations as and when they fall due, as it still continues to generate positive cash flows from operations.

### **(C) Cash flow**

For FY2020, the Group generated an operating profit before working capital changes of approximately S\$20.4 million. Net cash generated from operating activities, inclusive of working capital changes and tax paid, amounted to approximately S\$16.7 million in FY2020.

In FY2020, net cash used in investing activities amounted to approximately S\$2.9 million. This was mainly due to additions of plant and equipment, renovation costs for the Group's new retail outlets and working capital loans to the UK joint venture for the opening of new outlet in the UK.

Net cash used in financing activities amounted to approximately S\$17.5 million in FY2020. This was mainly due to dividends of approximately S\$3.0 million paid during FY2020, repayment of lease obligations inclusive of lease interest, of approximately S\$10.2 million and repayments of bank loans and finance lease during the period, partially offset by refinancing proceeds from bank loans taken for factory renovation.

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

In our update to shareholders on 27 April 2020 regarding the impact of the pandemic, the Group had mentioned that it was in the early stages of assessing the impact of potential impairment to our assets in the overseas and local markets. For the financial year ended 31 March 2020, following its assessment of the impact of the pandemic on its businesses, the Group has recorded an impairment of approximately S\$2.0 million for loans to our overseas joint venture and associate, as well as retail outlets affected by the pandemic.

### **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 impact of Coronavirus Disease 2019 ("Covid-19") on businesses in general has been unprecedented. With significant uncertainty hanging over the entire retail sector both in Singapore and overseas, the Group has impaired (i) its loans to its UK joint venture and Malaysian associate, and (ii) assets of selected outlets located in tourist belts for the financial year ended 31 March 2020. The Group will continue to review if there is a need to make further impairment to its assets, depending on how Covid-19 pans out in the months ahead.

As of the date of this announcement, the vast majority of our over 100 retail outlets in Singapore and overseas have reopened, except for 8 outlets in Singapore and 2 franchised outlets in Indonesia.

Since the onset of the pandemic, the Group has been receiving corporate catering orders (including dormitory orders) for bento meals. The meal orders for dormitories will fluctuate, depending on the Covid-19 situation and

the movements of the affected workers residing in dormitories, but these non-retail revenue should help to partially offset the expected plunge in retail sales in the coming months.

At this critical juncture, the Board is grateful to the Singapore Government for the unprecedented support measures such as the JSS and the property tax rebates, which will help to cushion the impact of the slowdown in our revenue and operational profits for the next reporting period and the next 12 months.

The Group has been prudent with its spending over the past years. Provided that the health crisis does not deteriorate materially resulting in the complete closure of all our retail outlets for an extended period, the Board believes that the Group's cash balance is sufficient to buffer against the impact of Covid-19 for at least the next 12 months.

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:	0.50 Singapore cent per ordinary share
Tax Rate:	Tax exempt (one-tier)

Due to significant uncertainty on the duration and intensity of the Covid-19 pandemic, a lower ordinary (final) dividend has been proposed for the current financial period compared to the preceding period to conserve the Group's cash flows.

**(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)

**(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 and the reason(s) for the decision.**

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 ("IPTs"). There were no IPTs exceeding S\$100,000 entered into for the financial year under review.

**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.

**15 Additional Information Required Pursuant to Rule 706A**

During FY2020, the Company did not acquire or dispose of any shares which would result in any company becoming or ceasing to be a subsidiary or associated company of the Company, or increase or reduce the Company’s shareholding percentage in any subsidiary or associated company.

**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.**

<b>Year ended 31 March 2020</b>	<b>Singapore S\$'000</b>	<b>Australia S\$'000</b>	<b>Malaysia S\$'000</b>	<b>Eliminations S\$'000</b>	<b>Total S\$'000</b>
<b>Revenue</b>					
<b>Sales</b>	<b>87,970</b>	<b>354</b>	<b>2,496</b>	<b>(2,780)</b>	<b>88,040</b>
<b>Results:</b>					
<b>Segment results</b>	<b>18,169</b>	<b>(177)</b>	<b>551</b>	<b>(17)</b>	<b>18,526</b>
Gain on disposal of property, plant and equipment	10	-	-	-	10
Depreciation of property, plant and equipment	(5,108)	(18)	(247)	-	(5,373)
Depreciation of right-of-use assets	(9,795)	(57)	-	-	(9,852)
Impairment loss on property, plant and equipment	(271)	-	-	-	(271)
Impairment loss on right-of-use-assets	(136)	-	-	-	(136)
Amortisation	(69)	-	(1)	-	(70)
Interest expenses					
-Borrowings	(270)	-	(12)	-	(282)
-Leases	(669)	(7)	-	-	(676)
<b>Profit/(loss) before tax and share of results of joint venture</b>	<b>1,861</b>	<b>(259)</b>	<b>291</b>	<b>(17)</b>	<b>1,876</b>
Share of results of joint venture					(160)
Taxation					(867)
<b>Profit, net of tax</b>					<b>849</b>
<b>Other segment information:</b>					
<b>Segment assets</b>	<b>65,281</b>	<b>204</b>	<b>2,320</b>	<b>(46)</b>	<b>67,759</b>
<b>Capital expenditure:</b>					
- Tangible assets	42,437	127	1,929	-	44,493
- Intangible assets	184	-	2	-	186
<b>Year ended 31 March 2019</b>	<b>Singapore S\$'000</b>	<b>Australia S\$'000</b>	<b>Malaysia S\$'000</b>	<b>Eliminations S\$'000</b>	<b>Total S\$'000</b>
<b>Revenue</b>					
<b>Sales</b>	<b>89,451</b>	<b>324</b>	<b>873</b>	<b>(859)</b>	<b>89,789</b>
<b>Results:</b>					
<b>Segment results</b>	<b>11,450</b>	<b>(189)</b>	<b>25</b>	<b>(9)</b>	<b>11,277</b>
Gain on disposal of property, plant and equipment	106	-	-	-	106
Fair value adjustment for investment in unquoted shares	(16)	-	-	-	(16)
Depreciation of property, plant and equipment	(4,987)	(22)	(253)	-	(5,262)
Amortisation	(62)	-	(1)	-	(63)
Finance costs	(316)	-	(13)	-	(329)
<b>Profit/(loss) before tax and share of results of joint venture</b>	<b>6,175</b>	<b>(211)</b>	<b>(242)</b>	<b>(9)</b>	<b>5,713</b>
Share of results of joint venture					(301)
Taxation					(1,074)
<b>Profit, net of tax</b>					<b>4,338</b>
<b>Other segment information:</b>					
<b>Segment assets</b>	<b>48,431</b>	<b>134</b>	<b>2,381</b>	<b>(29)</b>	<b>50,917</b>
<b>Capital expenditure:</b>					
- Tangible assets	26,220	55	2,178	-	28,453
- Intangible assets	226	-	2	-	228

**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 5% of the Group's revenue for the financial year ended 31 March 2020 and as such, these operations do not contribute significantly to the Group's turnover and earnings.

**18 A breakdown of sales.**

	The Group		
	31-03-2020	31-03-2019	Increase (Decrease)
	S\$'000	S\$'000	%
Sales reported for the first half year	44,616	45,748	(2.5)
Operational profit after tax before deducting non-controlling interests reported for first half year	1,554	2,271	(31.6)
Sales reported for the second half year	43,424	44,041	(1.4)
Operational (loss)/profit after tax before deducting non-controlling interests reported for second half year	(705)	2,067	(134.1)

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

	The Group	
	31-03-2020	31-03-2019
	S\$'000	S\$'000
Ordinary - Interim	1,214	1,821
- Final	*607	1,820
<b>Total</b>	<b>1,821</b>	<b>3,641</b>

\*The proposed final dividend for the current financial year ended 31 March 2020 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.

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	52	<ol style="list-style-type: none"> <li>1. Nephew of Executive Chairman, Han Keen Juan.</li> <li>2. Nephew of substantial shareholder, Mdm Ng Choi Hong. Mdm Ng is the spouse of Executive Chairman, Han Keen Juan.</li> <li>3. Cousin of Chief Executive Officer, Lim Tao-E William.</li> <li>4. Brother of Executive Director and Deputy Chief Executive Officer, Chow Hui Shien.</li> </ol>	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**

28 July 2020

*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") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.*

*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.*

*The contact person for the Sponsor is Ms Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing Address:16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).*