Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Old Chang Kee Ltd.

Stock code: 5ML

Meeting details:
Date: 21 July 2026
Time: 2.00 p.m.
Venue: Woodlands Regional Library – Auditorium Basement 1, 900 South Woodlands Dr, #01-03 Civic Centre, Singapore 730900

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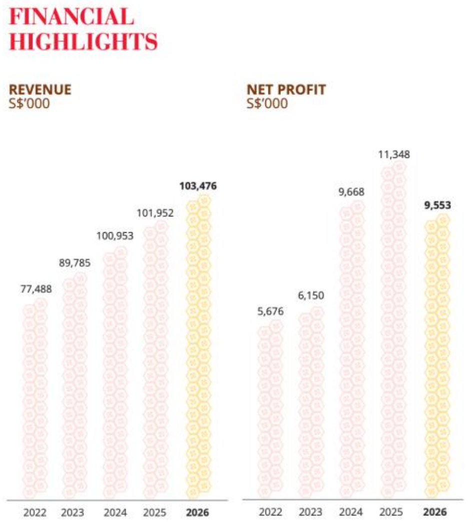
Q1. For the financial year ended 31 March 2026, the group reported a 1.5% increase in revenue to $103.5 million. Gross profit increased to $71.6 million, while gross profit margin remained stable at 69.2%.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year ended 31 March 2026

	Note	2026 $'000	2025 $'000
Revenue	4	103,476	101,952
Cost of sales		(31,888)	(31,364)
Gross profit		71,588	70,588
Other items of income			
Interest income on short-term deposits		787	1,339
Other income	5	1,797	1,858
Other items of expense			
Selling and distribution expenses		(42,435)	(40,746)
Administrative expenses		(17,427)	(16,718)
Finance costs	6	(1,121)	(1,229)
Other expenses	7	(1,433)	(1,649)
Profit before tax and share of results of joint venture	8	11,756	13,443
Share of results of joint venture		–	–
Profit before tax		11,756	13,443
Income tax expense	9	(2,203)	(2,095)
Profit for the year		9,553	11,348

(Adapted from company annual report)

Despite higher revenue and the stable gross margin, net profit declined by 15.8% to $9.6 million. The decline was primarily attributable to higher selling and distribution ("S&D") expenses, which increased by 4.1% to 41.0% of revenue, and administrative expenses, which rose by 4.2%. The increase was driven mainly by higher staff costs, depreciation, subcontractor expenses and bank charges, partially offset by lower advertising, utility and professional expenses.

(i) **Can management help shareholders better understand whether the recent increases in selling and distribution and administrative expenses are structural or temporary in nature? Which cost components does management expect to moderate over time, and which are likely to remain embedded in the group's cost base?**

(ii) **Looking ahead, what are the primary drivers of the group's future growth? How does management expect growth to be balanced between same-store sales, expansion of the store network and newer business lines such as retail products and catering?**

(iii) **Beyond marketing, how is the group evaluating the use of artificial intelligence across its operations? Which business functions present the greatest opportunities for AI to improve productivity or reduce costs?**

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Q2. The group's overseas expansion in the United Kingdom through its joint venture has delivered less than satisfactory results since FY2018. The joint venture has remained loss-making since inception and recorded a loss of $(437,000) for the year. Operating expenses continued to be higher than revenue.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2026

14. Investment in associates and joint venture (cont'd)

Investment in joint venture

The Group has not recognised losses relating to joint venture where its share of losses exceeds the Group's interest in the joint venture. The Group's cumulative share of unrecognised losses at the end of the reporting period was $2,265,000 (2025: $2,003,000) of which $262,000 (2025: $297,000) was the share of the current year's losses. The Group has no obligation in respect of these losses.

Information about the Group's joint venture is as follows:

	OCK UK	
	2026	**2025**
	$'000	$'000
Revenue	2,442	2,505
Other income	155	–
Administrative expenses	(133)	(160)
Other operating expenses	(2,901)	(2,840)
Loss before tax	(437)	(495)
Income tax expense	–	–
Loss after tax, representing total comprehensive income	(437)	(495)

(Source: company annual report; emphasis added)

As disclosed in Note 14, the group's cumulative share of unrecognised losses has reached $(2.265) million, including $(292,000) as the share of the current year's losses. Management has stated that the group has no obligation in respect of these losses. However, over the past four financial years, the group extended loans of $103,000, $319,000, $150,000 and $155,000, respectively, to the joint venture, amounting to a total of $727,000. At the same time, the amounts due from the joint venture were impaired each year.

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15. Amount due from joint venture and amounts due from associates

	Group		Company	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Amount due from joint venture	2,816	2,645	1,937	1,834
Less: Allowance for impairment	(2,816)	(2,645)	(1,937)	(1,834)
Net carrying amount	–	–	–	–
Movements in allowance of expected credit losses:				
At the beginning of the financial year	(2,645)	(2,150)	(1,834)	(1,515)
Charge for the year	(171)	(495)	(103)	(319)
At the end of the financial year	(2,816)	(2,645)	(1,937)	(1,834)

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

(Source: company annual report; emphasis added)

The situation is similar for the group's associates, where the cumulative share of unrecognised losses amounted to $(656,000) as at 31 March 2026.

(i) **Who within management is accountable for overseeing the financial performance of the group's associates and joint ventures? How does the board monitor these investments and assess whether they create value for shareholders?**

Management has previously stated that the overseas operations serve a strategic purpose by enhancing the group's brand visibility and international presence.

(ii) **Given that the group's revenue is overwhelmingly generated from its domestic retail operations in Singapore, can the board explain the commercial linkage between an overseas presence and customer demand at its local outlets?**

(iii) Nearly $3 million of receivables due from the joint venture has already been impaired even as the group continued to provide funding to the joint venture. **Has the board established clear financial or operational milestones that the joint venture must achieve before further capital is committed? Has the board set a limit on the amount of additional funding it is prepared to provide?**

Q3. The company's internal audit function is outsourced to In.Corp Business Advisory Pte. Ltd.

(i) **Can the audit committee (AC) help shareholders understand the scope of the internal audit undertaken in FY2026? What input does the AC provide to determine the annual internal audit plan?**

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The group operates more than 80 outlets across multiple brands, including Old Chang Kee Coffee House, Curry Times and its catering business. The group's retail operations involve high volumes of cash transactions, inventory movements and decentralised outlet operations.

(ii) **How does the AC prioritise audit resources across these high-risk areas, and which operational risks are considered to have the greatest potential financial impact on the group?**

(iii) **What are the key findings arising from the internal audit work conducted during FY2026?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Check out the latest questions on the annual reports of listed companies on [SIAS website]

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