

# Financial Analysis & Forecast Report

## Old Chang Kee Ltd (SGX:5ML)



### Model Overview

This report provides a concise summary of a fully linked 3-statement financial model built for Old Chang Kee Ltd., covering historical performance from 2022 to 2024 and projecting results from 2025 to 2029. The model includes a complete Income Statement, Balance Sheet, and Cash Flow Statement, with supporting schedules for working capital, PPE, leases/ROU assets, depreciation, capex, tax, and provisions. All linkages are intact, and the balance sheet balances across all periods.

### Revenue & Operating Drivers

Revenue is projected using normalised historical growth patterns. Operating inputs such as store openings and volume/pricing adjustments are incorporated where relevant. Cost ratios follow the trends observed from 2022–2024 to maintain continuity.

#### Key operating assumptions include:

- Revenue growth aligned with multi-year historical averages
- COGS and SG&A expressed as stable % of revenue
- Depreciation based on PPE schedule; ROU amortisation from lease schedule
- Finance income/expense linked to average cash and lease liabilities

### Balance Sheet Drivers

Working capital items scale with revenue using historical day ratios. Long-term balances evolve using consistent patterns unless a major structural shift is expected.

#### Core BS drivers:

- AR, Inventory, and AP forecast using historical days
- Effective tax rate applied consistently to PBT
- DTL and provisions based on average historical movements
- NCI maintained in line with ownership proportions

### Capex, Leases & Free Cash Flow (FCF)

Capex requirements are projected using maintenance and growth components as % of revenue. Lease expenses follow the amortisation schedule, ensuring correct separation between interest and principal.

FCF reflects operating inflows, capex outflows, and lease repayments

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	Historical			Forecast				
Key Assumptions	2022	2023	2024	2025	2026	2027	2028	2029
Revenue Growth (% Change)		15.9%	12.4%	9.0%	9.0%	9.0%	9.0%	9.0%
Cost of Goods Sold (% Revenue)	35.7%	35.1%	32.4%	34.4%	34.4%	34.4%	34.4%	34.4%
Other Income (% Revenue)	7.9%	1.9%	2.2%	2.0%	2.0%	2.0%	2.0%	2.0%
SG&A (% Revenue)	61.1%	55.5%	55.6%	57.4%	57.4%	57.4%	57.4%	57.4%
Inventory Days	15.5	11.6	18.1	15.0	15.0	15.0	15.0	15.0
Accounts Receivable Days	1.2	2.0	3.6	3.6	3.6	3.6	3.6	3.6
Accounts Payable Days	94.2	98.4	124.4	105.0	105.0	105.0	105.0	105.0
Other Liabilities (% of Revenue)	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
Provisions (% of PPE)	12.7%	12.8%	14.1%	13.2%	13.2%	13.2%	13.2%	13.2%
Effective Tax Rate	9.3%	19.7%	22.7%	17.2%	17.2%	17.2%	17.2%	17.2%

## Summary of Model Outputs

### Revenue & Profitability

Revenue is projected to grow at a CAGR of ~9% over the 2025–2029 horizon, supported by stable operating performance. EBITDA margin remains consistent or gradually improves. Net income expands as operating leverage increases and cost ratios stabilise.

### Cash Flow & CapEx

Cash flow generation remains aligned with operating scale. Capex is predictable, and free cash flow trends *upward* as operating cash flows strengthen and capex requirements remain modest.

### Key Observations:

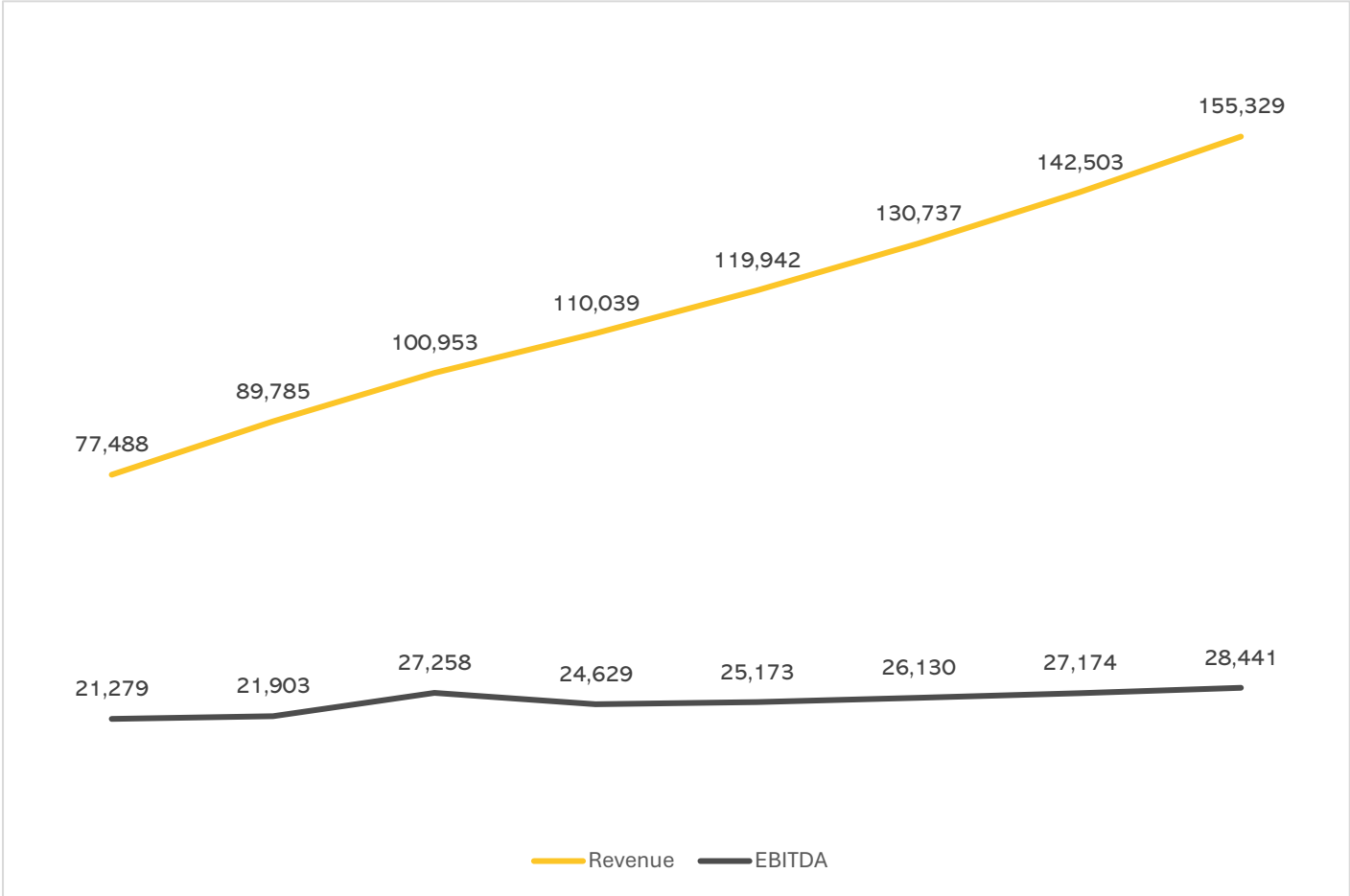
- Capex supports maintenance and expansion where needed
- FCF remains structurally aligned with operating performance
- Ending cash changes due to CFO, CFI, and CFF movement

### Balance Sheet Evolution

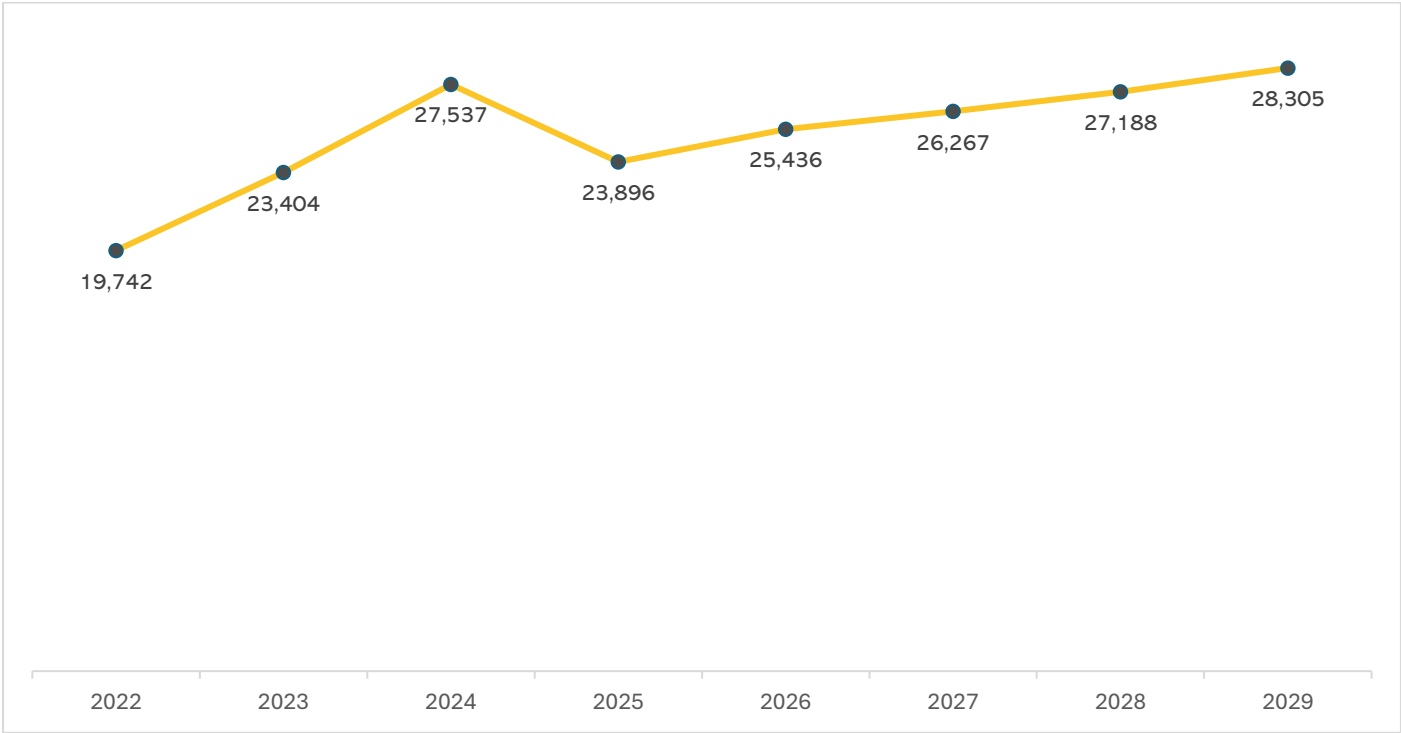
Working capital scales in line with revenue, with receivables, inventories, and payables remaining proportionate to operating needs. PPE and ROU assets decline through depreciation, with maintenance capex replenishing the asset base where required. Lease liabilities reduce steadily each year as scheduled repayments are made, resulting in a predictable and stable balance sheet trajectory.

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Revenue & EBITDA Chart for Fiscal Years 2022-2029



Free Cash Flow Chart for Fiscal Years 2022-2029

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## Model Structure & Logic

The Income Statement flows from revenue to net income through gross margin, operating costs, depreciation, financing items, and tax. The Balance Sheet ties together working capital schedules, PPE and ROU roll-forwards, and long-term items. The Cash Flow Statement reconciles net income with non-cash adjustments, capex, and financing flows.

### Key linkage logic:

- Depreciation ties PPE & ROU schedules to the IS
- Working capital changes link BS ↔ CFS
- Lease interest and principal tie CFS ↔ BS ↔ IS
- Ending cash flows directly into the BS

The entire model is structured for clarity, traceability, and easy scenario extension.

## Checks & Integrity

The model passes all balance, linkage, and circularity checks. Cash reconciles across all projected periods, schedules agree with the main statements, and no projected-year values are hardcoded.

Total Non-Current Assets	40,829	38,986	40,924	38,879	37,406	36,270	35,373	34,654
Total Current Assets	33,698	40,382	51,138	58,086	66,993	76,994	88,210	100,866
Total Liabilities & Shareholders' Equity	74,527	79,368	92,062	96,965	104,399	113,264	123,582	135,520
Balance Check ✓	0	0	0	0	0	0	0	0

## Conclusion

The 3-statement model gives a clear view of Old Chang Kee's historical results and forward projections. Revenue, margins, and cash flow remain stable, supported by consistent operations and disciplined capex. All schedules integrate smoothly, the balance sheet balances throughout, and cash flows reconcile cleanly.

Overall, the model provides a reliable base for further analysis, including valuation and scenario work.

# Financial Analysis & Forecast Report

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Income Statement	2022	2023	2024	2025	2026	2027	2028	2029
Revenue	77,488	89,785	100,953	110,039	119,942	130,737	142,503	155,329
Cost of Goods Sold	(27,687)	(31,515)	(32,722)	(37,870)	(41,278)	(44,993)	(49,042)	(53,456)
<b>Gross Profit</b>	<b>49,801</b>	<b>58,270</b>	<b>68,231</b>	<b>72,169</b>	<b>78,664</b>	<b>85,744</b>	<b>93,461</b>	<b>101,873</b>
Interest Income	42	414	1,080	559	642	746	863	994
Other Income	6,126	1,712	2,203	2,250	2,452	2,673	2,913	3,176
SG&A	(47,311)	(49,800)	(56,138)	(63,137)	(68,819)	(75,012)	(81,764)	(89,122)
Other Expenses	(1,804)	(2,236)	(1,786)	(1,942)	(1,988)	(1,905)	(1,945)	(1,946)
<b>Operating Profit (EBIT)</b>	<b>6,854</b>	<b>8,360</b>	<b>13,590</b>	<b>9,900</b>	<b>10,952</b>	<b>12,246</b>	<b>13,529</b>	<b>14,974</b>
Finance Costs	(597)	(705)	(1,088)	(1,227)	(1,212)	(1,197)	(1,184)	(1,172)
<b>Profit Before Tax (EBT)</b>	<b>6,257</b>	<b>7,655</b>	<b>12,502</b>	<b>8,673</b>	<b>9,741</b>	<b>11,048</b>	<b>12,345</b>	<b>13,803</b>
Income Tax Expense	(581)	(1,505)	(2,834)	(1,492)	(1,676)	(1,901)	(2,124)	(2,375)
<b>Net Income</b>	<b>5,676</b>	<b>6,150</b>	<b>9,668</b>	<b>7,181</b>	<b>8,065</b>	<b>9,147</b>	<b>10,221</b>	<b>11,428</b>

Balance Sheet	2022	2023	2024	2025	2026	2027	2028	2029
Property, Plant & Equipment	18,799	17,414	15,981	14,420	13,144	12,100	11,246	10,547
Right-of-use Assets	19,318	19,005	22,178	21,757	21,561	21,469	21,426	21,406
Intangible Assets	229	194	241	241	241	241	241	241
Deferred tax assets	11	12	12	12	12	12	12	12
Long Term Deposits	2,472	2,361	2,512	2,448	2,448	2,448	2,448	2,448
<b>Total Non-Current Assets</b>	<b>40,829</b>	<b>38,986</b>	<b>40,924</b>	<b>38,879</b>	<b>37,406</b>	<b>36,270</b>	<b>35,373</b>	<b>34,654</b>
Cash & Cash Equivalents	27,581	33,927	44,098	51,025	59,694	69,437	80,370	92,719
Inventories	1,176	1,003	1,624	1,556	1,696	1,849	2,015	2,197
Accounts Receivable	259	483	991	1,080	1,177	1,283	1,399	1,525
Deposits	1,307	1,236	1,022	1,022	1,022	1,022	1,022	1,022
Prepayments	875	1,233	903	903	903	903	903	903
Restricted Cash	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
<b>Total Current Assets</b>	<b>33,698</b>	<b>40,382</b>	<b>51,138</b>	<b>58,086</b>	<b>66,993</b>	<b>76,994</b>	<b>88,210</b>	<b>100,866</b>
Bank loans	4,099	2,910	1,657	1,326	994	663	331	0
Finance lease liabilities	417	891	723	578	434	289	145	0
Lease Liabilities	10,227	10,693	13,019	13,270	13,533	13,807	14,093	14,393
Deferred Tax Liabilities	695	341	282	282	282	282	282	282
<b>Total Non-Current Liabilities</b>	<b>15,438</b>	<b>14,835</b>	<b>15,681</b>	<b>15,456</b>	<b>15,243</b>	<b>15,041</b>	<b>14,851</b>	<b>14,675</b>
Accounts Payable	7,148	8,494	11,148	10,894	11,874	12,943	14,108	15,378
Other Liabilities	142	141	145	178	193	211	230	251
Provisions	2,389	2,222	2,246	1,900	1,732	1,594	1,481	1,389
Bank Loans	1,287	1,191	1,253	1,002	752	501	251	0
Finance Lease Liabilities	218	288	298	238	179	119	60	0
Lease Liabilities	10,130	9,372	10,309	10,507	10,715	10,932	11,159	11,396
Provision for Taxation	797	1,869	2,774	1,492	1,676	1,901	2,124	2,375
<b>Total Current Liabilities</b>	<b>22,111</b>	<b>23,577</b>	<b>28,173</b>	<b>26,212</b>	<b>27,121</b>	<b>28,201</b>	<b>29,413</b>	<b>30,788</b>
Share capital	13,964	13,964	13,964	13,964	13,964	13,964	13,964	13,964
Retained earnings	22,983	26,705	33,945	41,034	47,772	55,759	65,056	75,794
Foreign currency translation reserve	31	287	299	299	299	299	299	299
<b>Shareholders' Equity</b>	<b>36,978</b>	<b>40,956</b>	<b>48,208</b>	<b>55,297</b>	<b>62,035</b>	<b>70,022</b>	<b>79,319</b>	<b>90,057</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>74,527</b>	<b>79,368</b>	<b>92,062</b>	<b>96,965</b>	<b>104,399</b>	<b>113,264</b>	<b>123,582</b>	<b>135,520</b>
Balance Check ✓	0	0	0	0	0	0	0	0

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Cash Flow Statement	2022	2023	2024	2025	2026	2027	2028	2029
<b>Profit Before Tax (EBT)</b>	<b>6,257</b>	<b>7,655</b>	<b>12,502</b>	<b>8,673</b>	<b>9,741</b>	<b>11,048</b>	<b>12,345</b>	<b>13,803</b>
Depreciation & Amortization	14,425	13,543	13,668	14,729	14,221	13,884	13,645	13,467
Net Impairment Losses	612	606	551	0	0	0	0	0
Net Provisions	461	407	30	0	0	0	0	0
Gain / (Loss) on Disposal / Lease Modification	(114)	(150)	(14)	0	0	0	0	0
Net Finance Income	555	291	8	1,786	1,854	1,944	2,047	2,166
FX Gains / (Loss)	28	361	87	0	0	0	0	0
<b>Operating Profit Before WC Changes</b>	<b>22,224</b>	<b>22,713</b>	<b>26,832</b>	<b>25,188</b>	<b>25,815</b>	<b>26,876</b>	<b>28,037</b>	<b>29,435</b>
Change in Accounts Receivable	808	(318)	(567)	(89)	(97)	(106)	(116)	(126)
Change in Accounts Payable	(2,213)	1,346	2,654	(254)	980	1,069	1,165	1,270
Change in Inventory	(130)	173	(621)	68	(140)	(153)	(166)	(181)
Change in Other Liabilities	(611)	(592)	4	(314)	(152)	(120)	(94)	(71)
Change in Other Current Assets	(32)	(176)	393	0	0	0	0	0
Taxes Paid	(1,406)	(786)	(1,984)	(1,492)	(1,676)	(1,901)	(2,124)	(2,375)
<b>Net Cash from Operations</b>	<b>18,640</b>	<b>22,360</b>	<b>26,711</b>	<b>23,107</b>	<b>24,731</b>	<b>25,665</b>	<b>26,703</b>	<b>27,952</b>
Purchase of PP&E	(1,188)	(1,329)	(1,527)	(1,348)	(1,348)	(1,348)	(1,348)	(1,348)
Purchase of Intangible Assets	(110)	0	(97)	0	0	0	0	0
Proceeds from Disposal of PP&E	154	131	14	0	0	0	0	0
Other Investing Outflows	0	(155)	(268)	0	0	0	0	0
Interest Income Received	42	309	1,052	559	642	746	863	994
<b>Net Cash from Investing</b>	<b>(1,102)</b>	<b>(1,044)</b>	<b>(826)</b>	<b>(789)</b>	<b>(706)</b>	<b>(602)</b>	<b>(485)</b>	<b>(354)</b>
Repayment of lease liabilities / bank loans	(12,122)	(11,837)	(12,198)	(11,736)	(11,716)	(11,695)	(11,673)	(11,650)
Interest Paid	(597)	(705)	(1,088)	(1,227)	(1,212)	(1,197)	(1,184)	(1,172)
Dividends Paid	(2,428)	(2,428)	(2,428)	(2,428)	(2,428)	(2,428)	(2,428)	(2,428)
<b>Net Cash from Financing</b>	<b>(15,147)</b>	<b>(14,970)</b>	<b>(15,714)</b>	<b>(15,391)</b>	<b>(15,356)</b>	<b>(15,320)</b>	<b>(15,285)</b>	<b>(15,250)</b>
Net Increase in Cash	2,391	6,346	10,171	6,927	8,669	9,743	10,933	12,349
Opening Cash Balance	25,190	27,581	33,927	44,098	51,025	59,694	69,437	80,370
<b>Closing Cash Balance</b>	<b>27,581</b>	<b>33,927</b>	<b>44,098</b>	<b>51,025</b>	<b>59,694</b>	<b>69,437</b>	<b>80,370</b>	<b>92,719</b>

**Prepared by:** Briant Neo

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