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Old Chang Kee on track to exceed 80 outlets in 2008 with 11 new Singapore outlets opened in 1H2008

- **Healthy interim results with revenue up 19.9% to S\$22.8m and net operating cashflow surging 13.2% to S\$2.2m**

Singapore, August 14 2008 – Old Chang Kee, a Singaporean household name synonymous with the curry puff and a spread of other food products since 1956, registered a 19.9% growth in revenue to S\$22.8 million for the six months ended 30 June 2008 (1H2008). The increase in revenue was mainly attributed to higher same store sales and an addition of 11 outlets opened in Singapore alone, bringing a total of 69 outlets in Singapore as at 30 June 2008. The Group is on track to exceed 80 new outlets by 2008 across the region.

Financial Highlights (S\$'000)	1H2008	1H2007	% Change
Revenue	22,825	19,039	19.9
Gross Profit	13,599	11,121	22.3
Gross Profit Margin	59.6%	58.4%	1.2% points
Net Profit Attributable to shareholders	698	1,620	(56.9)
Net Operating Cashflow	2,240	1,979	13.2

With an improved product mix and pricing, gross profit climbed by 22.3% to S\$13.6 million, representing a higher gross margin of 59.6% versus 58.4% previously. Moderated by higher rentals, employee wages as well as an initial public offering expense of S\$0.6 million, the Group's net profit attributable to shareholders is lower at S\$698,000 in 1H2008 versus S\$1.6 million previously. Adjusted for this one-off item, operating profit stood at S\$1.8 million versus S\$2.0 million previously.

Mr Han Keen Juan, Executive Chairman of Old Chang Kee stated "Amid the challenging environment, the Group is pleased to deliver a satisfactory set of results. Being a pioneer in the Singapore-style convenience food retail business, we seek to continue to expand our business via a structured expansion of our retail network in Singapore as well as regionally and constantly come up with new product items with a strong emphasis on consistent food quality."

Reflecting the robust underlying business of the Group, net operating cashflow from operations surged 13.2% to S\$2.2 million. The Group also raised net proceeds of S\$4.3 million from its Group's initial public offering on 16 January 2008 of 25 million new shares at S\$0.20 per share. As a result, cash and cash equivalents at the end of 1H2008 were significantly higher at S\$8.2 million versus S\$3.0 million previously.

The home market, Singapore continues to be the key revenue driver and the Group intends to intensify its search for strategic locations at which to set up new retail outlets. The Group has already open 11 outlets in 1H2008.

To expand the Group's business overseas, Old Chang Kee have established brand presence in Jakarta, Indonesia, through its Indonesian franchisee and in Manila, the Philippines through its Philippines franchisee. Subsidiaries have also been incorporated in Australia and PRC. The Group expects to open at least three retail outlets in the PRC within the next 24 months.

The Group is in the process of selecting appropriate sites for production facilities and retail outlets for Old Chang Kee Australia, and expects to open at least two retail outlets in Australia within the next 24 months. Old Chang Kee Malaysia, a 40.0%-owned associate currently operates two retail outlets in Kuala Lumpur, Malaysia.

Due to the popularity of our food products, the Group has received encouraging feedback from non-Singaporean consumers. Some have requested that retail outlets be set up in their home countries and/or that franchising rights be granted to them. Other than direct investment and setting up of Old Chang Kee's own retail outlets in overseas countries, the Group may also take the "Old Chang Kee" brand abroad through strategic alliances, acquisitions, joint ventures and franchises.

Mr William Lim, CEO of Old Chang Kee stated, "We will continue to drive our revenue growth through an increasing retail network and the introduction of curry puff variants and complementary food products to provide variety for our consumers.

Volatility in raw material costs, higher labour and rental expenses will remain as constant challenges to us and the F&B industry on the whole. We are familiar with these challenges and will implement measures to manage such rising costs. We maintain a cautiously optimistic outlook for FY2008."

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About Old Chang Kee Ltd.

Listed on the SGX Catalist in January 2008, "Old Chang Kee" is one of Singapore's most recognised household brands, with a promise to provide convenient alternatives to fast food for its consumers. Its signature product is the well-known "Old Chang Kee" curry puff, which has over 52 years of history in Singapore.

The Group's product portfolio also consists of a wide variety of over 40 other products such as deep fried seafood items and other local delicacies. They have also diversified with dine-in services at the "Take 5" retail outlets and quality pies at "The Pie Kia Shop". The Group also provides delivery services to the central business district and other selected areas in Singapore.

The Group currently owns more than 70 outlets in Singapore, the People's Republic of China, Malaysia and franchised outlets in Indonesia and the Philippines.

Issued for and on behalf of Old Chang Kee Ltd.

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