

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

---

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT  
 FOR THE YEAR ENDED 31 DECEMBER 2007**

---

**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

1(a)(i) **An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		
	Year Ended		Increase /
	31-12-2007	31-12-2006	(Decrease)
	S\$'000	S\$'000	%
<b>Revenue</b>	40,548	33,784	20.0
Cost of sales	(16,807)	(13,827)	21.6
<b>Gross profit</b>	23,741	19,957	19.0
Other operating income	632	299	111.4
Selling and distribution expenses	(14,325)	(11,061)	29.5
Administrative expenses	(4,885)	(4,128)	18.3
Other operating expenses			
Loss on disposal of subsidiary	(24)	-	NM
Other expenses	(1,266)	(848)	49.3
Finance costs	(67)	(42)	59.5
Share of results of associated companies	-	(27)	(100.0)
<b>Profit before taxation</b>	3,806	4,150	(8.3)
Taxation	(843)	(1,111)	(24.1)
<b>Net profit attributable to shareholders</b>	2,963	3,039	(2.5)

NM : Not Meaningful

**1(a)(ii) Notes to income statement**

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

	Group Year Ended		
	31-12-2007	31-12-2006	Increase / (Decrease)
	S\$'000	S\$'000	%
Amortisation of intangible assets	76	73	4.1
Bad debts written off			
- loan to a related party	-	77	(100.0)
- loan to an associated company	13	-	NM
Depreciation of property, plant and equipment	1,682	1,273	32.1
Impairment loss on investment in associated company	16	66	(75.8)
Interest income from short term deposits	(53)	(139)	(61.9)
Loss in foreign exchange	457	27	1592.6
Property, plant and equipment written off	30	-	NM
Provision for doubtful debts			
- amount due from associated company	116	-	NM
Provision for reimbursement of start-up costs for an associated company in Chengdu	-	76	(100.0)

NM : Not Meaningful

2. The major components of taxation comprise:-

	Group Year Ended		
	31-12-2007	31-12-2006	Increase / (Decrease)
	S\$'000	S\$'000	%
Current income tax			
- Current income taxation	710	859	(17.3)
- Under provision in respect of prior years	-	3	(100.0)
Deferred income tax			
- Movement in temporary differences	133	249	(46.6)
Taxation recognised in income statement	843	1,111	(24.1)

1(b)(i) **A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	As at		As at	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	9,361	5,881	-	-
Intangible assets	255	339	-	-
Investment in subsidiaries	-	-	5,700	-
Investment in associated companies	-	16	-	44
Amounts due from associated companies	-	57	-	47
Long term deposits	820	823	-	-
	10,436	7,116	5,700	91
<b>Current Assets</b>				
Inventories	534	446	-	-
Trade and other receivables	567	1,354	91	-
Deposits	780	570	-	-
Prepayments	896	149	-	-
Amounts due from associated companies	-	15	-	-
Cash and cash equivalents	4,893	6,565	11	13
	7,670	9,099	102	13
<b>Current Liabilities</b>				
Trade and other payables	4,048	5,881	504	234
Other liabilities	221	180	-	-
Bank overdrafts	-	173	-	-
Amount due to a related party	-	2	-	-
Bank loans	693	-	-	-
Finance lease liabilities	234	344	-	-
Club membership payable - current	15	15	-	-
Provision for taxation	820	900	-	-
	6,031	7,495	504	234
<b>Net Current Assets/(Liabilities)</b>	1,639	1,604	(402)	(221)
<b>Non-Current Liabilities</b>				
Bank loans	1,063	-	-	-
Finance lease liabilities	501	485	-	-
Club membership payable - long term	5	20	-	-
Deferred tax liabilities	697	576	-	-
Other liabilities	22	-	-	-
	2,288	1,081	-	-
<b>Net Assets/(Liabilities)</b>	<b>9,787</b>	<b>7,639</b>	<b>5,298</b>	<b>(130)</b>
<b>Equity Attributable to Equity Holders</b>				
Share capital	5,700	700	5,700	-
Share application money	-	100	-	100
Reserves	4,087	6,839	(402)	(230)
<b>Total Equity</b>	<b>9,787</b>	<b>7,639</b>	<b>5,298</b>	<b>(130)</b>

**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 31-12-2007</b>		<b>As at 31-12-2006</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
927	-	344	173

**Amount repayable after one year**

<b>As at 31-12-2007</b>		<b>As at 31-12-2006</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
1,564	-	485	-

**Details of any collateral**

The Group's borrowings are secured as follows:-

1. Bank loans are secured by a first legal mortgage on the leasehold property owned by a company in the Group and personal guarantee by a director.
2. Finance lease obligations are secured by the lessors' title to the respective leased assets.

1(c)

**A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group</b>	
	<b>Year Ended</b>	
	<b>31-12-2007</b>	<b>31-12-2006</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	3,806	4,150
Adjustments for:		
Amortisation of intangible assets	76	73
Bad debt written off		
- loan to a related party	-	77
- loan to an associated company	13	-
Currency realignment	4	1
Depreciation of property, plant and equipment	1,682	1,273
Gain on disposal of property, plant and equipment	(212)	(9)
Gain on disposal of quoted investment	-	(7)
Impairment loss on investment in associated company	16	66
Interest expense	68	42
Interest income	(53)	(139)
Loss on disposal of subsidiary	24	-
Property, plant and equipment written off	30	-
Provision for doubtful debts		
- amount due from associated company	116	-
Provision for reimbursement of start-up costs for an associated company in Chengdu	-	76
Share of results of associated companies	-	27
<b>Operating profit before working capital changes</b>	<b>5,570</b>	<b>5,630</b>
Increase in trade and other receivables	(220)	(1,778)
Increase in inventories	(108)	(96)
(Decrease)/Increase in trade and other payables	(1,608)	3,049
Decrease in amount due from a Director-related company	-	10
Increase in amount due from associated companies	(7)	(15)
(Decrease)/Increase in amount due to a related party	(2)	2
<b>Cash generated from operations</b>	<b>3,625</b>	<b>6,802</b>
Tax paid	(790)	(903)
<b>Net cash generated from operating activities</b>	<b>2,835</b>	<b>5,899</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,239)	(1,348)
Purchase of intangible asset	(19)	(57)
Net cash inflow on disposal of subsidiary	153	-
Investment in associated companies	-	(110)
Proceeds from disposal of quoted investment	-	107
Proceeds from disposal of property, plant and equipment	393	12
Interest received	54	137
Payment for club membership	(15)	(16)
Advances to associated companies	(50)	(57)
Increase in share application money	-	100
<b>Net cash used in investing activities</b>	<b>(4,723)</b>	<b>(1,232)</b>

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)**

**Cash flows from financing activities**

Repayment of finance lease liabilities	(599)	(338)
Interest paid	(68)	(42)
Drawdown of bank loans	1,900	-
Repayment of bank loans	(144)	-
Dividends paid on ordinary shares	(700)	(2,495)
<b>Net cash from/(used in) financing activities</b>	<b>389</b>	<b>(2,875)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,499)</b>	<b>1,792</b>
Cash and cash equivalents at the beginning of the financial year	6,392	4,600
<b>Cash and cash equivalents at the end of the financial year</b>	<b>4,893</b>	<b>6,392</b>

Notes to Cash Flow Statement

(1) Summary of the net assets effect resulting from the sale of 1901 Singapore Pte Ltd:-

The values of the net assets and liabilities of 1901 Singapore Pte Ltd recorded in the consolidated financial statements as at the date of the sale were:

	S\$'000
Property, plant and equipment	274
Intangible assets	27
Inventories	20
Trade and other receivables	52
Cash and cash equivalents	27
Trade and other payables	(184)
Deferred tax liabilities	(12)
Carrying value of net assets	<u>204</u>
Loss on sale of 100% interest	(24)
Sales consideration	<u>180</u>
Less: cash and cash equivalents of subsidiary disposed	<u>(27)</u>
	<u>153</u>

(2) Cash and cash equivalents comprised the following:-

	<u>Group</u>	
	Year Ended	
	31-12-2007	31-12-2006
	S\$'000	S\$'000
Cash and bank balances	3,328	1,987
Short term deposits	1,565	4,578
Bank overdraft	-	(173)
	<u>4,893</u>	<u>6,392</u>

- 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.

	Attributable to equity holders of the Company						Total Equity
	Share Capital	Share Application Money	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total Reserves	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Group</b>							
At 1-1-2006	700	-	263	-	6,032	6,295	6,995
Net profit for the year, representing total recognised income for the year	-	-	-	-	3,039	3,039	3,039
Application for increase of ordinary shares	-	100	-	-	-	-	100
Dividends on ordinary shares	-	-	-	-	(2,495)	(2,495)	(2,495)
<b>At 31-12-2006 and 1-1-2007 <sup>(1)</sup></b>	<b>700</b>	<b>100</b>	<b>263</b>	<b>-</b>	<b>6,576</b>	<b>6,839</b>	<b>7,639</b>
Issue of ordinary shares for cash	100	(100)	-	-	-	-	-
Revaluation of building	-	-	(119)	-	-	(119)	(119)
Capitalisation of reserve	4,900	-	-	-	(4,900)	(4,900)	-
Exchange difference	-	-	-	4	-	4	4
Net profit for the year, representing total recognised income for the year	-	-	-	-	2,963	2,963	2,963
Dividends on ordinary shares	-	-	-	-	(700)	(700)	(700)
<b>At 31-12-2007</b>	<b>5,700</b>	<b>-</b>	<b>144</b>	<b>4</b>	<b>3,939</b>	<b>4,087</b>	<b>9,787</b>

	Share Capital	Share Application Money	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
	<b>Company</b>			
At 1-1-2006	-	-	(4)	(4)
Net loss for the year, representing total recognised expense for the year	-	-	(226)	(226)
Application for increase of ordinary shares	-	100	-	100
<b>At 31-12-2006 and 1-1-2007 <sup>(1)</sup></b>	<b>-</b>	<b>100</b>	<b>(230)</b>	<b>(130)</b>
Issue of ordinary shares for cash	100	(100)	-	-
Shares issued for acquisition of a subsidiary	5,600	-	-	5,600
Net loss for the year, representing total recognised expense for the year	-	-	(172)	(172)
Dividends on ordinary shares	-	-	-	-
<b>At 31-12-2007</b>	<b>5,700</b>	<b>-</b>	<b>(402)</b>	<b>5,298</b>

Note:

(1) Please refer to item no. 7 on page 9 for more details.

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

On 3 April 2007, the Company issued 99,998 new ordinary shares in the capital of the Company. On 12 November 2007, the Company issued 5,600,000 new ordinary shares to acquire Ten & Han Trading Pte Ltd. The issued and paid-up capital of S\$5,700,000 in the capital of the Company was sub-divided into 68,400,000 ordinary shares from one ordinary share into 12 ordinary shares on 13 November 2007.

Subsequent to the financial year on 14 January 2008, the Company issued 25,000,000 new ordinary shares in the capital of the Company at an issue price of S\$0.20 for each new ordinary share. The total 93,400,000 ordinary shares were admitted to the official list of the Catalist on 16 January 2008 under the Singapore Exchange Securities Trading Limited Dealing and Automated Quotation System ("SGX-SESDAQ") rules, the Company have a two year transition period to comply with the Catalist rules including the engagement of an approved sponsor.

There were no unissued ordinary shares that may be issued on conversion of outstanding convertibles as at 31 December 2007 (31 December 2006 : Nil). There were no treasury shares held as at 31 December 2007 (31 December 2006 : Nil).

- 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.**

	Group	
	31-12-2007	31-12-2006
Total number of issued shares (excluding treasury shares)	68,400,000	700,002

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 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 auditors.

- 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.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements for the financial year ended 31 December 2006, except for the adoption of certain revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that became mandatory from 1 January 2007 and certain comparative figures have been reclassified to conform with the presentation for the year under review.



- 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.**

Not applicable.

- 6 **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share of the Group after deducting any provision for preference dividends:-	Group Year Ended	
	31-12-2007	31-12-2006
(a) Based on weighted average number of ordinary shares in issue;	4.33 cts	434.14 cts
(b) On a fully diluted basis; and	4.33 cts	434.14 cts
(c) Based on Pre-invitation share capital	4.33 cts	4.44 cts

Basic earnings per ordinary share is computed based on the followings weighted average number of ordinary shares in issue during the respective financial year:-

	Group Year Ended	
	31-12-2007	31-12-2006
(a) Based on weighted average number of ordinary shares in issue;	68,400,000	700,002
(b) On a fully diluted basis; and	68,400,000	700,002
(c) Based on Pre-invitation share capital	68,400,000	68,400,000

Fully diluted earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue after adjusting for the dilutive effect on the exercise of all outstanding convertibles. As there were no outstanding convertibles during the financial periods reported on, fully diluted earnings per share was the same as the basic earnings per share.

- 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.**

	Group		Company	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006
Net asset value per ordinary share based on issued share capital as at the end of the financial period reported on	S\$0.14	S\$10.91	S\$0.08	NM
Net asset value per ordinary share based on Pre-invitation share capital	S\$0.14	S\$0.11	S\$0.08	NM
Issue share capital excluding treasury shares (1)	68,400,000	700,002	68,400,000	2
Pre-invitation share capital excluding treasury shares	68,400,000	68,400,000	68,400,000	68,400,000

NM : Not Meaningful

Note:

- (1) Issue share capital excluding treasury shares as at 31 December 2006 for the Group and Company was 700,002 and 2 shares respectively. This is because prior to the restructuring of the Group and acquisition of its wholly owned subsidiary, Ten & Han Trading Pte Ltd in FY2007, consolidation of FY2006 group results for comparison purpose includes Ten & Han Trading Pte Ltd as the pro-forma group, therefore the issue share capital as at 31 December 2006 for the Group comprise the share capital of the enlarged group.

**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**

Our revenue increased by approximately S\$6.8 million (or 20.0%) from S\$33.8 million in FY2006 to S\$40.6 million in FY2007. The increase in revenue was mainly attributed to the addition of 13 outlets in Singapore. During the last quarter of the year we closed 1 Old Chang Kee outlet in Macpherson due to the sale of the unit by the landlord and we sold our wholly owned subsidiary, 1901 Singapore Pte Ltd which operates five 1901 Hot Dogs outlets in Singapore. Revenue from 1901 Hotdogs contributed approximately 2.6% of our total revenue in FY2007. We operate a total of 58 outlets as at 31 December 2007 as compared to 51 outlets (including five 1901 outlets) as at 31 December 2006. Our signature curry puffs remained the major contributor to our revenue and accounted for 33.3% of our revenue in FY2007.

**Cost of sales and gross profit margin**

Our cost of sales increased by approximately S\$3.0 million (or 21.6%) from S\$13.8 million in FY2006 to S\$16.8 million in FY2007. The increase was attributable mainly to an increase in cost of raw materials (including contract manufacturing costs) to meet the increase in sales. However, the overall rate of increase in our cost of sales was 21.6% as compared to the rate of increase in our revenue of 20.0%. This was mainly due to increasing costs of raw materials. Consequently, although our gross profit increased by approximately S\$3.8 million (or 19.0%) from S\$20.0 million in FY2006 to S\$23.8 million in FY2007, our gross profit margin decreased from 59.1% in FY2006 to 58.6% in FY2007.

**Other operating income**

Other operating income increased by approximately S\$333,000 (or 111.4%) from S\$299,000 in FY2006 to S\$632,000 in FY2007. This was mainly due to a gain of approximately S\$212,000 from the disposal of plant and equipment including three motor vehicles in FY2007. In addition, we started to sell our used oil as scrap in FY2007. Income from sale of used oil amounted to S\$170,000 in FY2007. We also had lower interest income of S\$53,000 in FY2007 as compared to S\$139,000 in FY2006.

**Operating expenses**

Our total operating expenses increased by approximately S\$4.5 million (or 27.8%) from S\$16.0 million in FY2006 to S\$20.5 million in FY2007.

Increase in selling and distribution expenses accounted for 73.1% of the increase in our total operating expenses for FY2007. Selling and distribution expenses increased by approximately S\$3.3 million (or 29.5%) from S\$11.1 million in FY2006 to S\$14.4 million in FY2007. The increase was mainly due to the increase in rental expenses for our outlets (for some existing outlets and the full twelve-months rental of the eight additional outlets opened in FY2006) of approximately S\$1.3 million and employee benefits expense of approximately S\$1.0 million. Increase in other selling and distribution expenses such as electricity, depreciation, packing materials, cleaning expenses and marketing expenses accounted for approximately S\$883,000 in FY2007 due to higher sales, in line with the increase in number of outlets.

Increase in administrative expenses accounted for 17.0% of the increase in our total operating expenses for FY2007. Administrative expenses increased by approximately S\$757,000 (or 18.3%) from S\$4.1 million in FY2006 to S\$4.9 million in FY2007. The increase was attributable to an approximate S\$181,000 increase in professional fees as we engaged consultants for services to improve our financial, operating and administrative systems and for trademark registrations. There was also an increase in

repairs and maintenance costs of approximately S\$289,000 which includes computer maintenance costs for the eight additional outlets opened in FY2006 and other general maintenance of machinery and equipment. Increase in expenses such as insurance, upkeep of vehicles and donations accounted for approximately S\$213,000. There was also an increase in administration employee benefits expense and recruitment expenses by approximately S\$103,000 from S\$1.1 million in FY2006 to S\$1.2 million in FY2007.

Other operating expenses increased by approximately S\$442,000 (or 52.1%) from S\$848,000 in FY2006 to S\$1.3 million in FY2007 which accounted for 9.9% of the increase in our total operating expenses. The increase was due mainly to exchange losses of approximately S\$457,000 arising as a result of increased cost of buying in THB (as THB appreciated against S\$) and a provision of doubtful debts of \$116,000 made for amount due by an associated company. There was also increased depreciation of approximately S\$30,000 due to additions of office equipment in FY2007, an amount of approximately S\$30,000 arising from property, plant and equipment written off, an amount due by an associated company written off of S\$13,000 and S\$24,000 loss from the disposal of a wholly owned subsidiary in FY2007. This compare to a provision for reimbursement of start-up costs for an associated company to be set up in Chengdu, a bad debt written off relating to a loan due from a related party (an employee of the other shareholder) and investment written off in FY2006 of S\$219,000.

### **Finance costs**

Finance costs increased by approximately S\$25,000 (or 59.5%) from S\$42,000 in FY2006 to S\$67,000 in FY2007. The increase was mainly due to interest expenses incurred on bank loans taken up to finance renovation costs. We had also taken up additional finance lease in FY2006 to finance the purchase of computer equipment.

### **Profit before taxation**

Our profit before taxation decreased by approximately S\$344,000 (or 8.3%) from S\$4.2 million in FY2006 to S\$3.8 million in FY2007. Profit before taxation margin decreased from 12.3% in FY2006 to 9.4% in FY2007. The decrease was mainly due to higher raw material costs and higher operating expenses in FY2007. During the year, we also recognised a loss of \$24,000 from the disposal of a wholly owned subsidiary, 1901 Singapore Pte Ltd.

### **Cash flow**

In FY2007, we generated an operating profit before working capital changes of approximately S\$5.6 million. Together with net cash outflow of S\$2.0 million from working capital changes and tax paid of S\$790,000, we registered net cash generated from operating activities of S\$2.8 million in FY2007. The net cash outflow of S\$2.0 million from working capital changes arose mainly from cash outflow from a decrease of S\$1.6 million in trade payables and accruals of operating expenses. The decrease in trade payables and accruals was mainly because we repaid advances of S\$2.5 million due to our Directors in FY2007, offset by an increase of S\$889,000 in trade payables and accruals in FY2007. There was also cash outflow from an increase of approximately S\$220,000 in trade and other receivables, deposits and prepayments and increase in inventories of approximately S\$108,000.

In FY2007, net cash used in investing activities amounted to approximately S\$4.7 million. This was mainly attributed to a cash outflow of S\$5.2 million relating to the acquisition of property, plant and equipment for our new outlets and for improvement made to our production facilities and office. We also made advances of approximately S\$50,000 to an associated company. These were offset by cash inflow of sales proceeds of approximately S\$393,000 from the disposal of motor vehicles and computers, S\$153,000 net cash inflow from the disposal of a subsidiary as well as interest income of S\$54,000 from interest-bearing deposits.

Net cash from financing activities amounted to approximately S\$389,000 in FY2007. This comprised mainly net cash inflow of approximately S\$1.8 million from drawdown of bank loans to finance renovation costs and offset by cash outflow due to repayment of finance lease liabilities of approximately S\$599,000, interest paid of approximately S\$68,000 and dividend paid on ordinary shares amounting to S\$700,000.

### **Working capital**

As at 31 December 2007, we had a net working capital of approximately S\$1.6 million and our cash and cash equivalents stood at S\$4.9 million. As at 31 December 2007, we had total bank and finance lease facilities of S\$6.9 million of which S\$3.4 million were utilised and the balance S\$3.5 million remained unutilised. The finance lease liabilities incurred effective interest rates of 4.15% to 6.68% per annum, with a repayment period of between 6 and 79 months from 31 December 2007. The bank loans incurred effective interest rate of 5.5% per annum, with a repayment period of between 22 and 44 months from 31 December 2007.

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

The Group's results were in line with the statement made in the prospectus dated 4 January 2008, Management's Discussion and Analysis of Financial Condition and Results of Operations section and Trend Information in the Prospects and Future Plans section.

**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 food and beverage retail and manufacturing industry remain positive with upcoming events and projects such as Formula One in 2008, recent successful bid to host the Youth Olympics Games 2010 and the Integrated Resort Project. Amidst stiff competition in this industry, the industry as a whole is facing continued rising costs such as rentals, staff costs, oil prices and other raw materials costs.

We will continue to focus on curbing and managing such cost increase with higher revenue, increase in productivity and invest in research for new products and methods with higher margin.

**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?

None.

**(b) Corresponding period of the immediately preceding financial year.**

Whether an interim (final) ordinary dividend has been declared (recommended) for the previous corresponding period?

None.

**(c) Date payable.**

Not applicable.

**(d) Books closure date.**

Not applicable.

**12 If no dividend has been declared (recommended), a statement to that effect.**

No dividend for the year ended 31 December 2007 has been recommended.

## PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 13 **Segmented revenue and results for business or geographical 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.**

### Business Segments

The Group is principally engaged in the manufacture and distribution of food products. As such, the Group has not presented a breakdown of segment information by business segments.

### Geographical Segments

	Singapore		People's Republic of China		Total	
	Year Ended		Year Ended		Year Ended	
	31-12-2007	31-12-2006	31-12-2007	31-12-2006	31-12-2007	31-12-2006
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue:</b>						
Sales to external customers	40,491	33,784	57	-	40,548	33,784
<b>Results:</b>						
Segment results	3,885	4,219	(12)	-	3,873	4,219
Finance costs	(67)	(42)	-	-	(67)	(42)
Share of results of associated companies	-	(27)	-	-	-	(27)
Profit before taxation	3,818	4,150	(12)	-	3,806	4,150
Taxation					(843)	(1,111)
Profit after taxation					2,963	3,039
<b>Other segment information:</b>						
Segment assets	17,963	16,199	143	-	18,106	16,199
Investment in associated companies	-	16	-	-	-	16
Total assets					18,106	16,215
Capital expenditure						
- Tangible assets	5,761	1,417	7	-	5,768	1,417
- Intangible assets	20	57	-	-	20	57
Depreciation	1,682	1,273	-	-	1,682	1,273
Amortisation	76	73	-	-	76	73
Impairment loss on investment in associated company	16	66	-	-	16	66

- 14 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

15 **A breakdown of sales.**

	Group Year Ended		
	31-12-2007	31-12-2006	Increase / (Decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	19,039	16,074	18.4
Operating profit after tax before deducting minority interests reported for first half year	1,620	1,731	(6.4)
Sales reported for second half year	21,509	17,710	21.5
Operating profit after tax before deducting minority interests reported for second half year	1,343	1,308	2.7

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

	Company Year Ended	
	31-12-2007	31-12-2006
	S\$'000	S\$'000
Ordinary Preference	-	-
<b>Total</b>	-	-

17 **Interest person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual.**

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Not applicable	Not applicable	Not applicable

**BY ORDER OF THE BOARD**

**Chew Mei Li**  
Company Secretary

26 February 2008

Westcomb Capital Pte. Ltd. ("Westcomb") is the issue manager and the sponsor of Old Chang Kee Ltd.'s (the "Company") initial public offering. This announcement has been prepared and released by the Company. Westcomb has not been involved in the preparation or release of this announcement and has not verified the accuracy, completeness or adequacy of the information contained herein. Accordingly, Westcomb does not accept responsibility for, and disclaims any liability with respect to, the accuracy, completeness or adequacy of the information contained in this announcement or incorporated by reference herein.