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HONG KONG CATERING MANAGEMENT LIMITED

香港飲食管理有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 668)

Website: <http://www.hkcatering.com>

VOLUNTARY ANNOUNCEMENT

This announcement is made by Hong Kong Catering Management Limited pursuant to rule 13.09(1) of the Listing Rules.

The Board would like to inform the shareholders and potential investors of the Company that the Group is expected to record a loss for the 6 months ended 30 September 2008 as a result of increased operating costs as well as a loss of approximately HK\$4.2 million suffered from investments in financial products. As the global financial turmoil continues to worsen and weaken the local economy, performance of the Group is unlikely to be turned around in the second half of the fiscal year and the Group is expected to record a loss for the full year ending 31 March 2009.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Hong Kong Catering Management Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to rule 13.09(1) of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited .

The board of the Company (the “Board”) would like to inform the shareholders and potential investors of the Company that the Group is expected to record a loss for the 6 months ended 30 September 2008. As already noted in the Company's annual report for the year ended 31 March 2008 (the “Annual Report”), it is undergoing a transformation into new dining concepts which is in the early development stage. The operating results of its principal business in the operation and management of restaurants had been adversely affected by high staff and high rentals which have led management to adopt a slower pace of restaurant openings. In addition, the Group has incurred a net loss of approximately HK\$4.2 million from further write down of its investment in financial

products. As disclosed in the Annual Report, the Group held certain listed equity securities, derivative financial instruments and unlisted debt securities with a total amount of approximately HK\$48.6 million. The Group has since reduced its holdings in these financial products and the book value of these investments when marked to market as at 30 September 2008 was approximately HK\$34.7 million. The unaudited interim result for the Company is expected to be published in December 2008.

The global financial turmoil has continued to worsen since September 2008 and the economy of Hong Kong is expected to weaken, the Board does not foresee a significant turn-around in the business performance of the Group and further loss is required to be provided on its investment in financial products. The Group is expected to record a loss for the full year ending 31 March 2009.

The losses from the financial instruments will not have a material adverse impact on the Group's ongoing operations or capital commitments. As of 28 October 2008, the Group had cash and cash equivalents of approximately HK\$205.6 million with zero gearing.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Hong Kong Catering Management Limited
Wong Tsui Yue, Lucy
Company Secretary

Hong Kong, 29 October 2008

As at the date of this announcement, the Board comprises Mr. Chan Wai Cheung, Glenn, Mr. Chan Ka Lai, Joseph, Mr. Chan Ka Shun, Raymond, Mrs. Chan King Catherine, Mr. Chiu Wai, Mr. Lopez Moulet, Carmelo and Ms. Wong Tsui Yue, Lucy as executive directors and Dr. Cheung Wai Lam, William, Mrs. Fung Yeh Yi Hao, Yvette, Mr. Chan Ip Sing, Evans (as alternate to Mrs. Fung Yeh Yi Hao, Yvette), Mr. Gooljarry, Cassam Soliman, Dr. Ho Sai Wah, David and Dr. Kwok Lok Wai, William as independent non-executive directors.