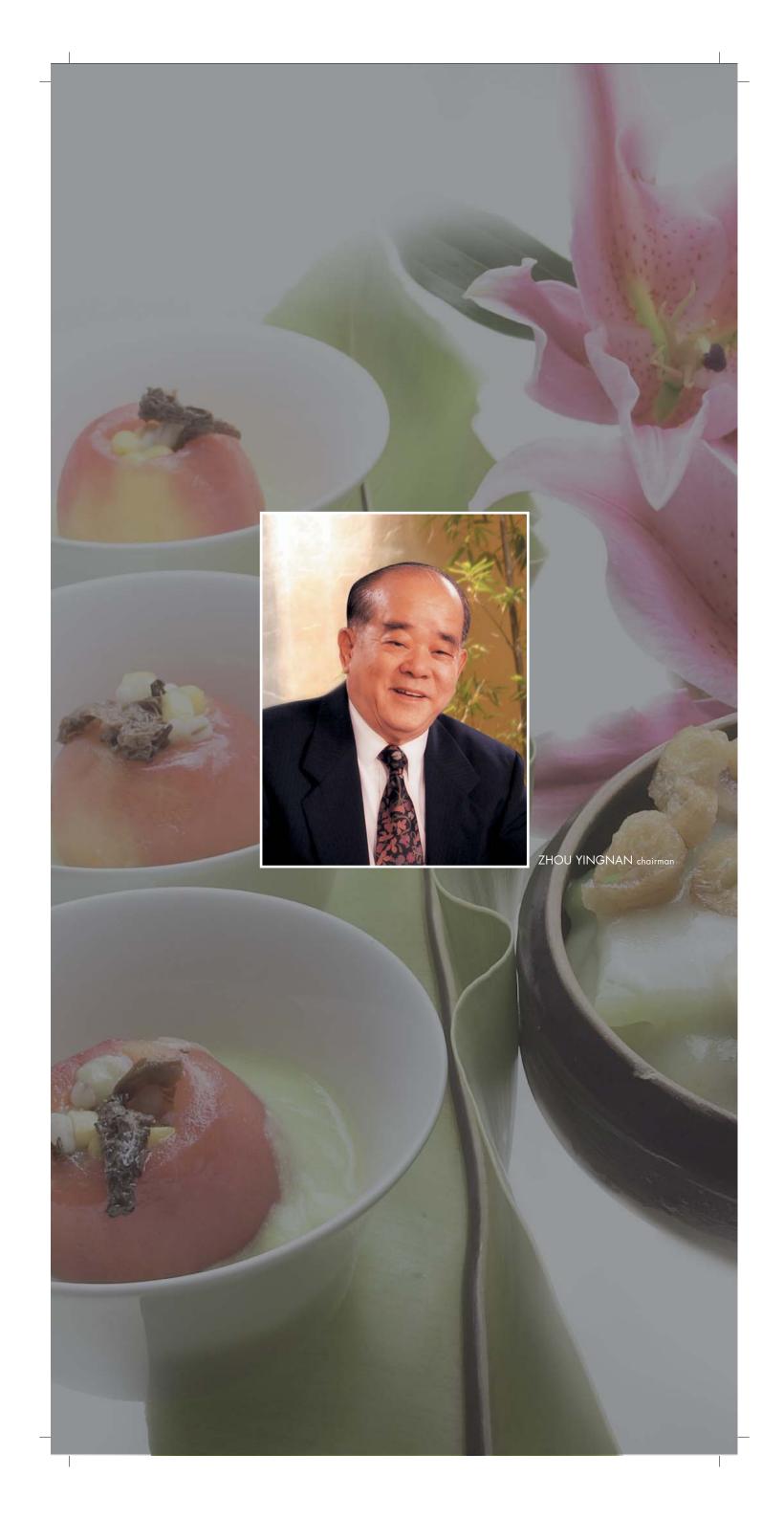


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I am pleased to present to you the Annual Report for Tung Lok Restaurants (2000) Limited for the 15 months ended 31 March 2005 ("15 months 2005").

The Group has changed its financial year end from 31 December to 31 March. Hence, this financial year covers 15 months from 1 January 2004 to 31 March 2005.

The turnover for 15 months 2005 was \$\$82.9 million, an increase of 36% compared to \$\$60.9 million in the previous 12 months ended 31 December 2003 ("12 months 2003"). The increase in revenue was due mainly to the additional three months of revenue.

However, the Group's performance was affected by the increase in food and manpower costs and costs associated with the closure of Imperium restaurant in Singapore and the opening of three new outlets in China.

In May 2004, the Group announced the first of its joint-ventures in China, and took a 70%-stake in the joint-venture to open My Humble House Restaurant in Beijing.

In September 2004, the Group entered into a 50/50 joint venture to open Beijing Tung Lok Elite Restaurant.

In October 2004, the Group entered into another joint-venture to open a second My Humble House Restaurant in Chengdu.

The Group is expecting them to contribute positively to our financial performance for the financial year ending 31 March 2006.

The Group recorded a net loss after tax and minority interests for the 15 months 2005 of \$\$0.4 million, compared to a net profit of \$\$0.9 million in the 12 months 2003. The closure of Imperium restaurant in March 2005 resulted in the Group incurring a substantial loss of \$\$2.9 million, and the start-up expenses for the joint-venture outlets in China amounted to \$\$0.8 million. Had it not been for the closure of Imperium, the Group would have made a net profit of \$\$2.5 million after tax and minority interests.

Accordingly, the Group recorded a loss per share of 0.31 cent for 15 months 2005 compared to earnings per share of 0.78 cent for 12 months 2003. However, net asset value per share rose to 4.42 cents as at 31 March 2005 from 3.31 cents as at 31 December 2003.

Corporate Development

In April 2004, the Group announced a placement of 20,000,000 new ordinary shares of par value \$\$0.025 each in the capital of the Group at the price of \$\$0.135 for each new share to Tee Yih Jia Food Manufacturing Pte Ltd ("Tee Yih Jia").

The money raised from the placement was used in financing China operations, investment in a joint venture with Maker Food manufacturing Pte Ltd, a wholly owned subsidiary of Tee Yih Jia, and working capital.

Business Outlook and Events Subsequent To the Year End

Subsequent to the financial year end, the Group announced on 4 April 2005, a joint-venture with Maker Food Manufacturing Pte Ltd, to manufacture food products for restaurants, hotels and supermarkets. Food items supplied by this joint-venture, TYJ Gourmet Cuisine Pte Ltd ("TYJ Gourmet"), will include frozen dim sum, mooncakes and Chinese New Year pastries.

TYJ Gourmet will also be offering catering services and may consider the possibility of franchising, at an appropriate time.

For Tung Lok, this partnership represents a critical third pillar of our growth strategy; the first being the owning and operation of our own restaurants and the second, the franchising and managing of third-party restaurants. By joining hands with an established food manufacturing company, we will be able to jump-start this third pillar of growth by leveraging on both Tung Lok's and Tee Yih Jia's strengths and brands in the food business.

Appreciation

I wish to express my appreciation to shareholders, customers and business partners for their continued support to Tung Lok. I also wish to thank the board, the management, and the staff for their commitments.

Thank you



Zhou Yingnan Chairman July 1, 2005



As announced on 13 August 2004, the Tung Lok Group changed its financial year end from 31 December to 31 March. At the end of the 15 months ended 31 March 2005 ("15 Months 2005"), Tung Lok Group owned and operated 20 restaurants and managed 5 third-party restaurants.

Our revenue for the 15-month period increased due mainly to the inclusion of revenue from the additional three months. However, our profit margin was affected by higher food and manpower costs as well as losses incurred from the closure of Imperium restaurant in Singapore in March 2005 and start-up expenses of new joint-venture restaurants in China.

Restaurants Owned and Operated By Tung Lok Group

The following notable development occurred during the year under review among the restaurants owned and operated by the Group:

Charming Garden

In April 2005, the Group announced the acquisition of 30% equity stake in Charming Garden (Asia Pacific) Pte Ltd ("Charming Garden"), which it does not already own, from Mr Meng Kai, making Charming Garden a wholly owned subsidiary of the Group.

The acquisition was for 270,000 ordinary shares of \$\$1 each, for the sum of \$\$200,000.

Management and Franchise Contracts

In May 2004, Tung Lok secured its fourth management contract in Indonesia with PT Cakrawala Citramega Multifinance ("PT Cakrawala") to manage a restaurant in Medan, Indonesia. PT Cakrawala operates a 300-seat restaurant and a banquet hall of a seating capacity of 600, offering traditional Chinese cuisine and seafood.

The Group also sealed its first franchise contract in Jakarta for its northern Chinese food restaurant brand Lao Beijing. The franchisee, PT Lao Beijing, which is owned by several Indonesian investors, opened a 7,500-square-feet Lao Beijing restaurant with a seating capacity of 250 in Mangga Dua District WTC in Jakarta.

The Group had also previously announced a management contract that it had entered into with The Mandarin Group in Mumbai, India, to operate a restaurant featuring modern Chinese cuisine.

However, the contracts have since been discontinued under mutual agreement.

Awards and Accolades won in 2004

During the year under review, the Group received numerous awards for its restaurants, and individual contributions to the food industry:

Andrew Tjioe

 Awarded the 'Lifetime Achievement Award' at the World Gourmet Summit Awards of Excellence 2005.



Sam Leong

 Voted 'Chef of the Year' and 'Executive Chef of the Year' at the World Gourmet Summit Awards of Excellence 2005.

Jade

- Voted 'Best Chinese Cuisine Restaurant' and 'Restaurant of the Year' at the Hospitality Asia Platinum Awards (HAPA) 2004-05.
- Awarded One Star (Great Establishment) by Wine & Dine Singapore's Top Restaurants Award 2004.
- Silver Medal for Best Dish Award in the 'Most Popular Chinese Cuisine Restaurant' category.

LingZhi Vegetarian Restaurant

 Gold Medal for Best Dish Award in the 'Most Popular Theme Restaurant' category.

Noble House

 Gold Medal for Best Dish Award in the 'Most Popular Chinese Cuisine Restaurant' category.

Club Chinois

- Awarded One Star (Great Establishment) by Wine & Dine Singapore's Top Restaurants Award 2004
- Silver Medal for Best Dish Award in the 'Most Popular Asian Food Restaurant' category.

Tung Lok Seafood Arena

 Silver Medal for Best Dish Award in the 'Most Popular Seafood Restaurant' category.

Tung Lok Restaurant

- Bronze Medal for Best Dish Award in the 'Most Popular Chinese Cuisine Restaurant' category.
- Voted 'Top Favourite Restaurant in Asia Pacific' in the Asian Legal Business Business Travel Survey 2004-05.

My Humble House, Singapore

 Awarded One Star (Great Establishment) by Wine & Dine Singapore's Top Restaurants Award 2004.

My Humble House, Beijing

 Awarded the Most Exciting and Innovative Restaurant in the Modern Weekly 2004 Best Restaurants Award (Beijing).

Tung Lok Group

 Received the 'Golden Brand Award' at the International Brand Summit, held in conjunction with the Global Entrepolis @ Singapore 2004.

*Note: Category refers to Singapore Gourmet Hunt Award 2004, organised by the Restaurant Association of Singapore and MediaCorp Radio.



OPERATING RESULTS FOR THE GROUP (1)

\$'000	FY2000	FY2001	FY2002	FY2003	FY2005 ⁽²⁾
Turnover	49,706	58,628	64,421	60,907	82,853
Profit/(Loss) before taxation	4,507	(600)	(1,761)	1,961	402
Share of Profit/(Loss) of Joint Ventures & Associate	-	(807)	(2,114)	(505)	210
Taxation	(1,227)	28	(410)	(500)	(963)
Profit/(Loss) after taxation but before minority interests	3,280	(1,379)	(4,285)	956	(351)
Profit/(Loss) attributable to the Group	3,104	(1,465)	(4,477)	932	(414)

FINANCIAL POSITION OF THE GROUP (1)

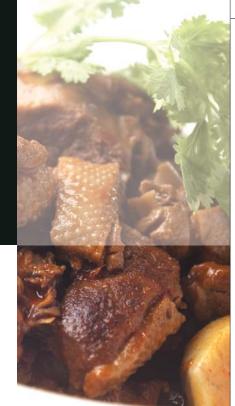
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\$'000	31 Dec 2000	31 Dec 2001	31 Dec 2002	31 Dec 2003	31 Mar 2005 ⁽²
Property, plant and equipment	3,620	9,529	10,727	9,121	7,842
Goodwill on consolidation	-	177	-	-	
Current assets	8,010	8,645	7,126	7,675	11,979
Non-current assets	1,078	1,505	1,808	2,604	3,806
Total Assets	12,708	19,856	19,661	19,400	23,627
Current liabilities	8,555	11,023	12,504	11,042	14,252
Non-current liabilities	897	3,027	3,558	3,865	2,442
Shareholders' equity	2,968	5,343	3,034	3,966	6,190
Minority Interests	288	463	565	527	743
Total liabilities and equity	12,708	19,856	19,661	19,400	23,627
(Net liabilities)/ NTA per share (3) (cents)	4.68	5.1 <i>7</i>	2.53	3.31	4.42

NOTE

- 1. The financial summary for the financial year ended 31 December 2000 presented above is extracted from the prospectus of the Company dated 10 March 2001. This was prepared on the assumption that the Group Structure arising from the restructuring exercise to facilitate the listing of the Company's shares on SGX-SESDAQ has been in place throughout the period above.
- In 2004, the Group had changed its financial year end from 31 December to 31
 March, hence the current reporting financial year FY2005 covered 15 months from
 1 January 2004 to 31 March 2005.
- 3. For comparative purposes, (net liabilities)/NTA per Share for 2000 has been computed based on the pre invitation share of 80,000,000 Shares. For 2001, it is based on the share capital of 100,000,000 shares. For 2002 & 2003, it is based on the share capital of 120,000,000 shares, and for FY2005 it is based on the share capital of 140,000,000 shares.

t t t information



BOARD DIRECTORS

Zhou Yingnan

Non-Executive Chairman

Tjioe Ka Men

Managing Director

Tjioe Ka In

Executive Director

Ker Sin Tze (Dr)

Independent Director

Tan Eng Liang (Dr)

Independent Director

Ch'ng Jit Koon

Independent Director

AUDIT COMMITTEE

Tan Eng Liang (Dr)

Ker Sin Tze (Dr)

Ch'ng Jit Koon

COMPANY SECRETARY

Michael Tay Kwang How

REGISTERED OFFICE

1 Sophia Road #05-03 Peace Centre

Singapore 228149 Tel: 6337 1712

Fax: 6337 4225

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

M & C Services Private Limited

138 Robinson Road #17-00 The Corporate Office Singapore 068906

AUDITORS

Deloitte & Touche

6 Shenton Way #32-00 DBS Building Tower Two Singapore 068809

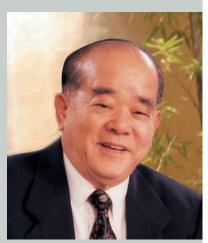
Partner in charge:

Cheng Ai Phing (Ms)

Date of appointment: 28 September 2000

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Ltd United Overseas Bank Ltd Bank Of East Asia Ltd



































from top left to right:
ANDREW TJIOE
managing director

WILLIAM TAN chief operating officer

TJIOE KA IN executive director and vice president (operations)

LIM QUEE TECK chief financial officer

JOCELYN TJIOE vice president, administration

VINCENT PHANG vice president, banquet and catering sales

LI YUE LING director of business development

SAM LEONG director of kitchens

CAROLYN TAN
director of marketing

WOODY ACHUTHAN director of training & customer services

<u>| | i | f | f | f | f | f | profile</u>



ZHOU YINGNAN (aged 76) was appointed to the Board on 28 September 2000 and was last re-appointed on 26 May 2003. He is the non-executive Chairman of our Company and founder of our Group. Due to his wealth of knowledge in the restaurant business, he also serves as our Group's Consultant. He is highly respected in both business and academic circles. Mr Zhou holds honorary professorships at institutions such as Yangzhou University and Xiamen University, China and serves as Advisor to the International Confucian Association and the World Association of Chinese Cuisine. He is also the Chairman and founder of Oceanic Textiles Pte Ltd, which he founded in 1976, and serves as Chairman to the Wuhan New Minzhong Leyuan Co Ltd since 1993 and is concurrently a Director of the Shanghai Overseas Chinese Commercial Centre Co Ltd.

Mr Zhou is also an accomplished calligrapher and noted aficionado of classical Chinese art, and is the Vice President and Executive Advisor of the China Social Welfare, Education, Science & Culture Centre - Institute of Chinese Paintings. He graduated from Xianyou Teachers' School (Fujian province, China) in 1948.

ANDREW TJIOE (aged 46) was appointed to the Board on 28 September 2000 and was last-elected on 28 May 2001. He is a Member of the Executive Committee, Nominating Committee and Remuneration Committee. He is the Managing Director of the Group, oversees the daily operations and is also responsible for the Group's overall direction. He started his career as a Corporate Planner in a listed company in 1981 for 2 years and subsequently moved to Oceanic Textiles Pte Ltd where he was appointed Deputy Managing Director from 1983 to 1986. He has been involved in the Group's operations since 1982, becoming Managing Director in 1984. Throughout his appointment as the Managing Director, he has established a chain of reputable restaurants in Singapore, Indonesia and China, and continues to lead the Group from strength to strength.

In 1997 and 2002, in recognition of his success, he was awarded the "Singapore Restaurateur of the Year" by Wine & Dine. He was the President for the Lions Club of Singapore Mandarin from 1987 to 1988. In November 2000, he was presented the "International Management Action Award" (IMAA) by Institute of Management and Spring Singapore jointly for Excellence in Management Action for his outstanding management of the Tung Lok Group. In 2001, he was awarded the "Tourism Entrepreneur of the Year" award by the Singapore Tourism Board. At the World Gourmet Summit Awards of Excellence 2005, he was awarded the "Lifetime Achievement Award", in recognition of his innovative contributions and tireless dedication to the restaurant industry in Singapore and abroad. Mr Tjioe is a graduate in Business Administration from Oklahoma State University, USA.

TJIOE KA IN (aged 40) was appointed to the Board on 1 March 2001 and was last re-elected on 29 May 2002, and she is also a Member of the Executive Committee. Currently, she holds the appointment of an Executive Director and Vice President (Operations) of the Group. She has been part of the Group since 1987 where she worked as a Management Trainee at Charming Garden for her internship. After graduating from her studies in 1988, she joined Charming Garden as Manager. In 1989, she joined Tung Lok Restaurant as General Manager. She worked there for two years before joining Noble House, and subsequently Taipan Restaurant and Ming Seafood Restaurant in Jakarta.

In 1997, she was officially appointed the Vice President of the Group. She was President of the Lions Club of Singapore Oriental for the term year 2000/2001. Ms Tjioe holds a Bachelor of Science Degree in Hotel and Restaurant Management from Oklahoma State University, USA.

DR TAN ENG LIANG (aged 67) was appointed as an independent and non-executive Director of our Company on 1 March 2001 and was last reelected on 28 May 2001. He is the Chairman of Audit Committee and Executive Committee and also a Member of the Nominating Committee and Remuneration Committee.

Dr Tan was a Member of Parliament from 1972 to 1980, the Senior Minister of State for National Development from 1975 to 1978 and Senior Minister of State for Finance from 1978 to 1979. He also served as the Chairman of the Urban Redevelopment Authority, Singapore Quality & Reliability Association and the Singapore Sports Council. Dr Tan has a Doctorate from Oxford University, England. Dr Tan has been awarded the Public Service Star (BBM), Public Service Star (BAR) and the Meritorious Service Medal by the Singapore Government. Dr Tan is also a director of the following public listed companies: IRE Corporation Limited, Manhattan Resource Ltd, Progen Holdings Ltd, Pokka Corporation (Singapore) Limited, and United Engineers Ltd.

DR KER SIN TZE (aged 60) was appointed as an Independent Director on 1 March 2001 and was last re-elected on 26 May 2003. He is the Chairman of the Nominating Committee, and also a Member of Audit Committee, Remuneration Committee and Executive Committee.

Dr Ker is currently the Trade Representative of the Singapore Trade office in Taipei. He holds a Bachelor of Commerce from the Nanyang University, M.A.(Economics) and Ph.D(Economics) from the University of Manitoba, Canada. He lectured at the then University of Singapore from 1974 to 1980. He joined Liang Court Pte Ltd as Managing Director in 1980 until September 1991. In September 1990, he was appointed as the Executive Chairman of Superior Metal Printing Limited, a public listed company. In August 1991, Dr Ker was elected to Parliament. He resigned from Liang Court Pte Ltd and Superior Metal Printing Limited at the end of 1991 to take up his appointment as Minister of State for Information and the Arts and Minister of State for Education in January 1992. He resigned from his government posts and returned to the private sector.

CH'NG JIT KOON (aged 71) was appointed as an Independent Director on 20 December 2002 and was re-elected on 26 April 2004. He is the Chairman of the Remuneration Committee and is also a Member of the Audit Committee, Nominating Committee and Executive Committee.

Mr Ch'ng, a Justice of the Peace, was a Member of Parliament from 1968 to 1996. He was Senior Minister of State when he retired in January 1997. In addition to holding directorships in several other public-listed and private companies in Singapore, he is also serving in several community organisations such as Chairman, Oral History Advisory Committee; Chairman, Traditional Chinese Medicine Practitioners Board; Member, Board of Trustees, Chinese Development Assistance Council; Member, Board of Advisors, NTU 21st Century Fund, and Trustee, Building Construction & Timber Industries Employees Union.

Mr Ch'ng graduated with a Bachelor of Arts (Economics and Political Science) degree from the former Nanyang University, Singapore

K f J f X f C I f i V f f ' profile



ANDREW TJIOE

Managing Director

Mr Tjioe was appointed to the Board on 28 September 2000 and was last-elected on 28 May 2001. He is a Member of the Executive Committee, Nominating Committee and Remuneration Committee. He is the Managing Director of the Group, oversees the daily operations and is also responsible for the Group's overall direction. He started his career as a Corporate Planner in a listed company in 1981 for 2 years and subsequently moved to Oceanic Textiles Pte Ltd where he was appointed Deputy Managing Director from 1983 to 1986. He has been involved in the Group's operations since 1982, becoming Managing Director in 1984. Throughout his appointment as the Managing Director, he has established a chain of reputable restaurants in Singapore, Indonesia and China, and continues to lead the Group from strength to strength.

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TJIOE KA IN

Executive Director / Vice President, Operations

Ms Tjioe was appointed to the Board on 1 March 2001 and was last re-elected on 29 May 2002, and she is also a Member of the Executive Committee. Currently, she holds the appointment of an Executive Director and Vice President (Operations) of the Group. She has been part of the Group since 1987 where she worked as a Management Trainee at Charming Garden for her internship. After graduating from her studies in 1988, she joined Charming Garden as Manager. In 1989, she joined Tung Lok Restaurant as General Manager. She worked there for two years before joining Noble House, and subsequently Taipan Restaurant and Ming Seafood Restaurant in Jakarta.

In 1997, she was officially appointed the Vice President of the Group. She was President of the Lions Club of Singapore Oriental for the term year 2000/2001. Ms Tjioe holds a Bachelor of Science Degree in Hotel and Restaurant Management from Oklahoma State University, USA.

WILLIAM TAN

Chief Operating Officer

William started his career in 1980 in the publishing business, marketing travel industry and special interest magazines from bases in Hong Kong and Singapore. In the mid-80s, William joined the hotel business, and spent sixteen years working with top hotel chains like Mandarin, Sheraton and ANA Hotel as Director of Sales & Marketing. The runner-up in the prestigious Young Hotel Executive Award 1992, William's last position with ANA Hotel Singapore was Executive Assistant Manager. He was Managing Director of the Singapore Tatler Group of Publications, prior to joining the Group in April 2001. William is also a member of the Chartered Institute of Marketing (UK).

LIM QUEE TECK

Chief Financial Office

Prior to joining the Group in 2001, Lim Quee Teck was responsible for the finance and accounting functions of Natsteel Electronics Ltd and its subsidiaries. Armed with many years of financial and business experience in both local and international companies, his portfolio includes heading the Finance & MIS department at Olivetti Singapore before moving to Singapore Technologies. Lim Quee Teck is a Certified Public Accountant.

JOCELYN TJIOE

Vice President, Administration

A diploma graduate in Business Studies from Ngee Ann Technical College, Jocelyn is armed with several years of experience in purchasing and administration, having worked previously at You Hong Lee Pte Ltd (a subsidiary of Oceanic Textiles). In her current capacity, Jocelyn is overall responsible for the purchasing and administration functions of the Group, ensuring constant and prompt supply of materials and equipment necessary for the operations of the restaurants.



VINCENT PHANG

Vice President, Banquet and Catering Sales

Prior to joining the Group in 1998, Vincent was Banquet Manager for Le Meridien Hotel. In his current capacity, he is overall responsible for the entire banquet and catering operations of all restaurants within the Group. Vincent is also the holder of certificates for supervisory housekeeping, front office procedures, hotel sales and promotions and convention management services, all awarded by the American Hotel & Motel Association. At the Excellent Service Award 2004 organised by Spring Singapore and Singapore Tourism Board, he was presented with the Star Award for his outstanding contribution and commitment to providing top quality service.

CAROLYN TAN

Director of Marketing

Carolyn joined the Group in 2002. Armed with several years of experience in the marketing communications field, mainly from the hotel industry, her past employments included top hotel chains such as Westin, Hyatt, Holiday Inn, Raffles and Millennium & Copthorne International. In her current capacity, she is in charge of a team of Managers and Graphic Designer, and spearheads the marketing, promotional, media and public relations activities of the Group's restaurants. She is also responsible for strategizing plans to maintain the corporate and brand identity of the Group. Carolyn holds a Bachelor of Arts in Mass Communications from The Royal Melbourne Institute of Technology.

WOODY ACHUTHAN

Director of Training & Customer Services

Prior to joining the Group in 2001, Woody was with United Airlines as its Onboard Services-Chief Purser and Instructor based in Singapore. During his fifteen years' service with United Airlines, he taught trainees on customer service excellence, food and beverage presentation skills, onboard marketing, and product offering, amongst other training programmes. His personal achievements included the Five Star Diamond Award, Most Valuable Player Corporate Award, as well as Employee of the Year 1998. In his current role, Woody is responsible for the Group's training in areas such as customer relationship management, service excellence and complaint handling.

SAM LEONG

Director of Kitchens

As Director of Kitchens, Sam is the maestro behind the unique cuisine of Jade, My Humble House and Paddy Fields Thai Restaurant. In May 2002, Sam had the honour of serving up some of Jade's best to former US President Bill Clinton and Singapore's Prime Minister Goh Chok Tong. He has won numerous accolades, including the prestigious World Gourmet Summit Awards of Excellence for 'Best Asian Ethnic Chef' in 2001, 2002 & 2004; and 'Chef of the Year' and 'Executive Chef of the Year' in 2005. He also participated at the Wolfgang – Lazaroff American Wine & Food Festival as guest chef. 2001 marked Sam's fourth year cooking at the "Meals on Wheels" charity event in Los Angeles. In early 2002, Sam represented Singapore as Celebrity Chef, in Switzerland for the 9th St. Moritz Gourmet Festival. In August 2004, he published his personal cookbook, "A Wok Through Time". In early 2005, Singapore Airlines announced him as its latest member, and the only Singaporean, on its International Culinary Panel (ICP) of world-renowned chefs.

LI YUE LING

Director of Business Development

Yue Ling joined the Group in 2004. In her capacity, she is part of the team responsible for the setting up of the food manufacturing business of the Group, and also franchising and catering supply. Prior to joining the Group, she ran a personal business which includes a diverse portfolio of activities such as worldwide import and export trading; distribution of Intelligent Building System from Singapore Technologies to the Chinese market; property & hotel management in China; and frozen food industry in Singapore. She holds a Master of Science in Computer Science from The University of Essex, UK.

The Company endorses the Code of Corporate Governance ("the Code") issued by the Singapore Exchange Securities Trading Limited.

This Report describes the Company's corporate governance processes and activities with specific reference to the Code.

BOARD OF DIRECTORS

Board's Conduct of its Affairs

The Board conducts at least three meetings a year and as warranted by circumstances. The Company's Articles of Association allow a board meeting to be conducted by way of a telephone conference or by means of a similar communication equipment whereby all persons participating in the meeting are able to hear each other. The attendance of the directors at meetings of the Board and Board committees during the financial period ended 31 March 2005 ("FY2005") is as follows:

	Во	ard		Audit Executive Committee		Remuneration Committee		Nominating Committee		
Name	No. of Metting Held	No. of Metting Attended								
Zhou Yingnan	8	7	-	-	-	-	-	-	-	-
Tjioe Ka Men	8	8	-	-	4	4	1	1	2	2
Tjioe Ka In	8	7	-	-	4	3	-	-	-	-
Tan Eng Liang	8	8	7	7	4	4	1	1	2	2
Ker Sin Tze	8	8	7	7	4	4	1	1	2	2
Ch'ng Jit Khoon	8	8	7	7	4	4	1	1	2	2

The Board is responsible for :

- (1) reviewing and adopting a strategic plan for the Company;
- (2) overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- (3) establishing a framework for proper internal controls and risk management;

Matters which are specifically reserved to the full Board for decision are those involving material acquisitions and disposals of assets, corporate or financial restructuring and share issuances. Specific Board approval is required for any investments or expenditure exceeding \$200,000/- in total. Additionally, the Board delegates certain of its functions to the Executive, Audit, Nominating and Remuneration Committees.

The Executive Committee ("EXCO") was formed to assist the Board in the management of the Group. The EXCO comprises the following members: - $\frac{1}{2} \frac{1}{2} \frac{1}{2}$

Dr Tan Eng Liang (Chairman & Independent Director)
Dr Ker Sin Tze (Independent Director)
Mr Ch'ng Jit Koon (Independent Director)
Mr Tjioe Ka Men (Managing Director & CEO)
Ms Tjioe Ka In (Executive Director)



The EXCO evaluates and recommends to the Board policies on matters covering financial control and risk management of the Group, monitors the effectiveness of the policies set down by the Board and make recommendations or changes to the policies with the Group's financial objectives in mind. In addition, the EXCO recommends to the Board investments, acquisitions or disposals and monitors the funding needs of the Group. It also reviews the financial performance of the Group and initiates actions as are appropriate for the management of the Group.

On appointment, the Managing Director will brief new Directors on the Group's business and policies. Directors and senior executives are encouraged to undergo relevant training to enhance their skills and knowledge, particularly on new laws and regulations affecting the Group's operations.

Board Composition and Balance

The Board comprises six directors, of whom two are executive directors, one non-executive and non-independent director, and three non-executive and independent directors.

The Chairman of the Board is Mr Zhou Yingnan who is non-executive and non-independent. The other three non-executive and independent directors are Dr Tan Eng Liang, Dr Ker Sin Tze and Mr Ch'ng Jit Koon.

The executive directors are Mr Tjioe Ka Men (Managing Director & CEO) and Ms Tjioe Ka In.

The composition of the Board and independence of each director is reviewed annually by the Nominating Committee.

The Board is of the view that the current board size of six directors is appropriate, taking into account the nature and scope of the Group's operations and the Board as a whole, possesses core competencies required for the effective conduct of the Group's affairs. Profiles of the Directors are found on page 10 &11 of this Annual Report.

Role of Chairman and Chief Executive Officer ("CEO")

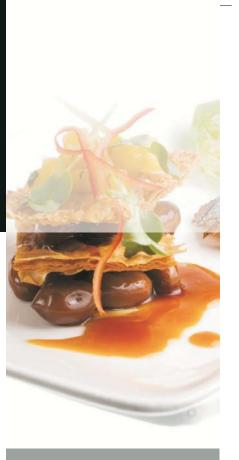
The Company has a separate Chairman and CEO. The Chairman is the father of our directors, Mr Tjioe Ka Men and Ms Tjioe Ka In. The CEO is the most senior executive in the Company who bears executive responsibility for the management of the Group. Both the Chairman and CEO are responsible for the workings of the Board and the conformity by management to Corporate Governance policies as laid down by the Board.

BOARD COMMITTEES

Nominating Committee

The Nominating Committee ("NC") comprises four directors of whom three are independent directors and one is executive director as follows: - \cdot

Dr Ker Sin Tze (Chairman) Dr Tan Eng Liang Mr Ch'ng Jit Koon Mr Tjioe Ka Men





The NC has adopted specific written terms of reference and its role is to establish a formal and transparent process for

- 1) the appointment or re-appointment of members of the Board.
- 2) evaluating and assessing the effectiveness of the Board as a whole, and the contribution by each individual director to the effectiveness of the Board.
- determining the independence of directors in accordance with Guidance Note 2.1 of the Code.

New directors are appointed by way of a board resolution, after the Nominating Committee has approved their nomination. Such new directors submit themselves for re-election at the next Annual General Meeting ("AGM") of the Company. Article 91 of the Company's Articles of Association requires one third of the Board (except the Managing Director) to retire by rotation at every AGM. The Articles of Association would be amended to require one third of all Directors to retire by rotation at every AGM together with consequential amendments from the implementation of all the recommendations of the Company Legislation and Regulatory Framework Committee by the relevant authorities. Director over 70 years of age is also required to be re-appointed every year at the AGM under Section 153(6) of the Companies Act.

Although the independent directors hold directorships in other companies which are not in the Group, the Board is of the view that such multiple board representations do not hinder them from carrying out their duties as directors. These directors would widen the experience of the Board and give it a broader perspective.

The NC evaluated the Board's performance as a whole in FY2005 based on performance criteria set by the Board. Each individual director assessed the performance of the Board and himself. The NC Chairman would then assess each director, and the Board's performance as a whole. The assessment parameters include attendance record at the meetings of the Board and the relevant committees, intensity of participation at meetings, quality of discussions and any special contributions. The performance measurements ensure that the mix of skills and experience of the directors continue to meet the needs of the Group. The NC is of the view that each individual director has contributed to the effectiveness of the Board as a whole and has recommended the reelection of Ms Tjioe Ka In, pursuant to Article 91 of the Company's Articles of Association and the re-appointment of Mr Zhou Yingnan and Mr Ch'ng Jit Koon pursuant to Section 153(6) of the Companies Act at the forthcoming annual general meeting.

The performance criteria do not include the financial indicators set out in the Code as guides for the evaluation of directors, as the Board is of the view that the aforesaid indicators are more appropriate measures of management's performance.

Audit Committee

The Audit Committee ("AC") comprises three non-executive directors who are independent directors as follows: -

Dr Tan Eng Liang (Chairman) Dr Ker Sin Tze Mr Ch'ng Jit Koon The Committee has adopted specific terms of reference.

The AC meets at least three times a year to perform the following functions:

- 1) reviews the audit plans of our Group's external auditors;
- 2) reviews with the external auditors the scope and results of the audit;
- reviews the co-operation given by our Group's officers to the external auditors;
- reviews the financial statements of our Group before submission to the Board of Directors;
- 5) nominates external auditors for re-appointment and reviews their independence;
- 6) reviews interested person transactions;
- 7) reviews internal audit findings and adequacy of the internal audit function.

The Board considers that the members of the AC are appropriately qualified to discharge their responsibilities.

The external auditors have full access to the AC and the AC has full access to the management. The AC has the power to commission investigations into any matters, which has or is likely to have material impact on the Group's operating results or financial results.

For FY2005, the AC met once with the external auditors without the presence of the management. The AC reviewed the findings of the auditors and the assistance given to them by management.

The AC has undertaken a review of all non-audit services provided by the external auditors for FY2005 and is satisfied that such services would not in the AC's opinion, affect the independence of the external auditors.

The external auditors carry out in the course of their statutory audit, a review of the Company's material internal controls. Material internal control weaknesses noted during their audit are reported to the AC together with their recommendations. The internal auditors follow up on the external auditors' recommendations to strengthen the Group's internal control systems.

The AC has reviewed and, based on the audit reports and management controls in place, is satisfied that there are adequate internal controls in the Group.

An internal audit function had been set up. The internal auditor reports to the Chairman of the AC and also to the Chief Financial Officer for administrative purpose. The internal audit plan is approved by the AC. The results of the audit findings are submitted to the AC for its review in its meeting. The scope of the internal audit covers the audits of all operations.

The AC is satisfied that the internal audit function is adequately resourced and has appropriate standing within the Company in view of the current scale of operations.





Remuneration Matters

The Remuneration Committee ("RC") comprises four directors, of whom three are non-executive and independent directors and one executive director. The RC has adopted specific terms of reference. The RC has access to independent professional advice, if necessary.

The members of the RC are as follows:

Mr Ch'ng Jit Koon (Chairman) Dr Tan Eng Liang Dr Ker Sin Tze Mr Tjioe Ka Men

The RC's main duties are:

- (a) to review and recommend to the Board in consultation with management and the Chairman of the Board a framework of remuneration and to determine the specific remuneration packages and terms of employment for each of the executive directors of the Group key executives, including those employees related to the executive directors and controlling shareholders of the Group.
- (b) to recommend to the Board, in consultation with management and the Chairman of the Board, the Executives' Share Option Schemes or any long term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith.
- (c) to carry out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time.

As part of its review, the RC shall ensure that:

- (a) all aspects of remuneration, including director's fees, salaries, allowances, bonuses, options and benefits-in-kinds should be covered.
- (b) the remuneration packages should be comparable within the industry and comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual executive directors' performances.
- (c) the remuneration package or employees related to executive directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

No director is involved in deciding his own remuneration.

The non-executive and independent directors do not have any service contracts. They are paid a basic fee and additional fees for serving on any of the Committees. The Board recommends payment of such fees to be approved by shareholders as a lump sum payment at the Annual General Meeting of the Company. Executive directors do not receive directors' fees. The Chairman, Mr Zhou Yingnan is paid a fee pursuant to a contract for serving as the Group's consultant. A breakdown, showing the level and mix of each individual director's remuneration payable for FY2005 is as follows:



Directors' Remuneration

	Remuneration Band	Salary & Fees	Performance Based Bonuses	Other Benefits	Total Remuneration
	S\$	%	%	%	%
Executive Direct	ctors				
Tjioe Ka Men	С	100	-	-	100
Tjioe Ka In	В	100	-	-	100
Non-Executive	Directors				
Zhou Yingnan	Α	100	-	-	100
Tan Eng Liang	Α	100	-	-	100
Ker Sin Tze	Α	100	-	-	100
Ch'ng Jit Koon	Α	100	-	-	100

Remuneration Band "A" = <\$\$150,000

Remeneration Band "B" = \$\$150,000 - \$\$250,000

Remeneration Band "C" = >\$\\$250,000

The service contracts of the executive directors, key executives and employees related to our Directors have been reviewed by the RC. According to the respective contracts:

- a) the remuneration include a fixed salary, a bonus and a variable performance bonus which is linked to the Group and individual performance.
- b) there are no onerous compensation commitments on the part of the Company in the event of a termination of the service of the executive director.
- c) except for the CEO's appointment which is fixed for 5 years (renewable thereafter), there is no fixed appointment period for the other executive director and employees.

The Company does not have any employee share option schemes or other long-term incentive scheme for directors at the moment.

The overall wage policies for the employees are linked to performance of the Group as well as individual and determined by the Board and its Remuneration Committee. The Board will respond to any queries raised at AGMs pertaining to such policies. Accordingly, it is the opinion of the Board that there is no necessity for such policies to be approved by the shareholders.

Disclosure of the top five executives' remuneration (executives who are not directors of the Company) in the following bands for FY2005 is as follows:

Disclosure of the top five executives' remuneration (executives who are not directors of the Company) in bands of S\$250,000 for FY2003 is as follows:-

Name of	Remuneration		Performance Based	Other	
Executive	Band	Salary	Bonuses	Benefits	Total
	S\$	%	%	%	%
William Tan Eng Sing	С	100	-	-	100
Leong Siew Kay	С	100	-	-	100
Lim Quee Teck	В	100	-	-	100
Jocelyn Tjioe Ka Lie	Α	100	-	-	100
Vincent Phang	Α	100	-	-	100

Two employees of the Group are immediate family members of the Chairman and the remuneration of each of these employees did not exceed \$150,000/for the financial period ended 31 March 2005.

Access to Information

In order to ensure that the Board is able to fulfill its responsibilities, management provides the Board members with half-yearly management accounts and the EXCO Committee with quarterly management accounts and all relevant information. In addition, all relevant information on material events and transactions are circulated to directors as and when they arise. Whenever necessary, senior management staff will be invited to attend the Board meetings and Audit Committee meetings to answer queries and provide detailed insights into their areas of operations. A quarterly report of the Group's activities is also provided to the EXCO Committee.

The Board, either individually or as a group, in the furtherance of their duties, has access to independent professional advice, if necessary, at the Company's expense.

The Board members have separate and independent access to the company secretary. The company secretary attends important board meetings and audit committee meetings. The company secretary assists the Board to ensure that Board procedures and rules and regulations are complied with.

COMMUNICATION WITH SHAREHOLDERS

The Company recognises the need to communicate with shareholders on all material matters affecting the Group and does not practise selective disclosure. Price sensitive announcements, including interim and full-year results, are released through SGXNET and subsequently posted on the Company's website. All press releases are announced through SGXNET before they are published. The Company may also hold media meeting on significant event. All shareholders of the Company receive the Annual Report and notice of AGM. At AGMs, shareholders are given the opportunity to air their views and ask questions regarding the Group and its businesses. Separate resolutions on each distinct issue are proposed at general meetings for approval. The external auditors and legal advisors (if necessary) are present to assist the Directors in addressing any queries by shareholders.



The Articles of Association of the Company allow a member of the Company to appoint one or two proxies to attend and vote instead of the member.

DEALINGS IN SECURITIES

The Company has adopted the Best Practices Guide introduced by the Singapore Exchange with regard to securities transactions by its employees. The employees have been informed not to deal in the Company's securities whilst in possession of price sensitive information and during the period commencing one month before the announcement of the Company's results and ending on the date of the announcement.



Tung Lok Group's <u>22</u>

It was multiple joys for the Group when it received a slew of awards in 2004! These accolades are testament to the Group's continuous commitment to establishing itself as a leading innovative and creative restaurant group, with groundbreaking dining concepts.

World Gourmet Summit Awards of Excellence 2005 Mr Andrew Tjioe

The Group's President and CEO was awarded the **'Lifetime Achievement Award'** in recognition of his innovative contributions and tireless dedication to the restaurant industry in Singapore and abroad. This Award honours an individual who has contributed significantly to the Food & Beverage industry over a minimum span of 15 years.

Sam Leong

In an unprecedented event, the Group's Director of Kitchens bagged an award duo of 'Chef of the Year' and 'Executive Chef of the Year'. The 'Chef of the Year' award recognises an individual who has excelled in the arenas of culinary arts and restaurant operations, while the 'Executive Chef of the Year' award acknowledges the achievements of an individual who is responsible for at least two outlets and banquet facilities in a hotel environment in Singapore.

Singapore Gourmet Hunt 2004

Jointly organized by the Restaurant Association of Singapore and MediaCorp Radio Singapore, this coveted annual competition celebrates the best of culinary creativity and flair among the country's top chefs and restaurants. Tung Lok Group is proud to be the recipient of the following awards conferred by a panel of distinguished food personalities and celebrities.

Most Popular Theme Restaurant category LingZhi Vegetarian Restaurant

- Gold Award Winner in the Best Dish Competition

Most Popular Chinese Cuisine Restaurant category Noble House

- Gold Award Winner in the Best Dish Competition

Most Popular Chinese Cuisine Restaurant category Jade

- Silver Award Winner in the Best Dish Competition

Most Popular Asian Food Restaurant category Club Chinois

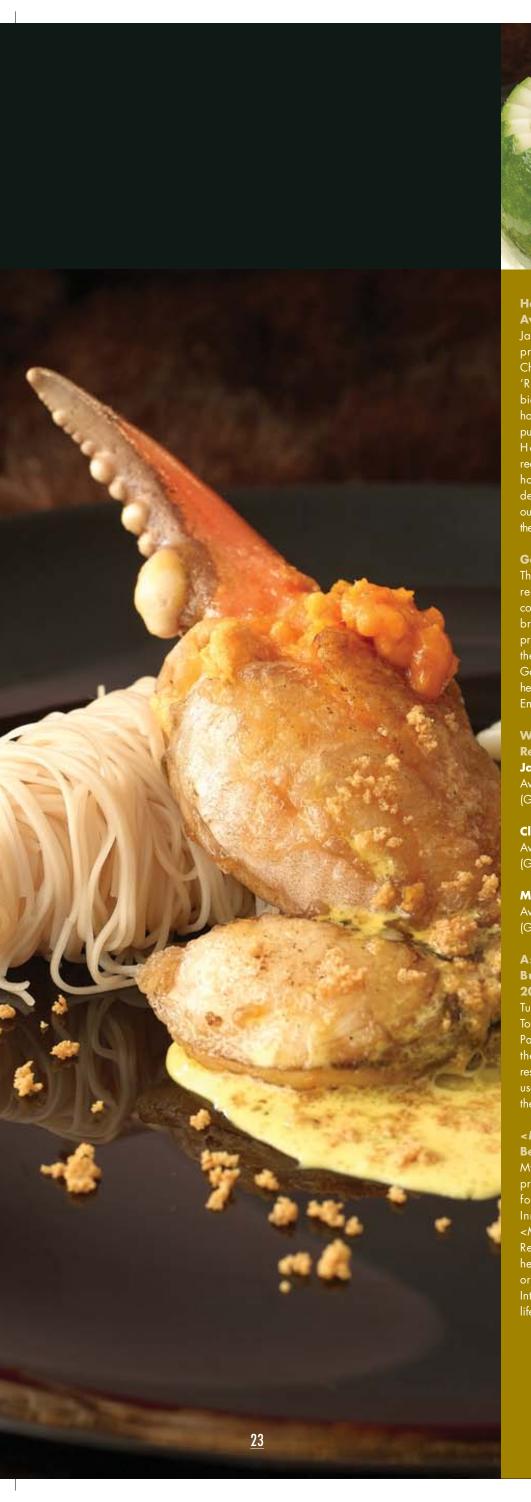
- Silver Award Winner in the Best Dish Competition

Most Popular Seafood Restaurant category Tung Lok Seafood Arena

- Silver Award Winner in the Best Dish Competition

Most Popular Chinese Cuisine Restaurant category Tung Lok Restaurant

- Bronze Medal in the Best Dish Competition



Hospitality Asia Platinum Awards (HAPA) 2004/05

Jade was presented with two prestigious awards of 'Best Chinese Cuisine Restaurant' and 'Restaurant of the Year'. A biennial event organized and hosted by World Asia Publishing, publisher of the trade publication Hospitality Asia, HAPA recognizes and honours various hospitality establishments and dedicated individuals for their outstanding contributions towards the growth of the hospitality industry.

Golden Brand Award

The Golden Brand Award, which recognizes Tung Lok Group's commitment to innovation, strong branding and reliability, was presented to the Group during the International Brand Summit Gala Dinner. The Summit was held in conjunction with the Global Entrepolis @ Singapore 2004.

Wine & Dine Singapore's Top Restaurants Award 2004 Jade

Awarded One Star (Great Establishment)

Club Chinois

Awarded One Star (Great Establishment)

My Humble House

Awarded One Star (Great Establishment)

Asian Legal Business -Business Travel Survey 2004/05

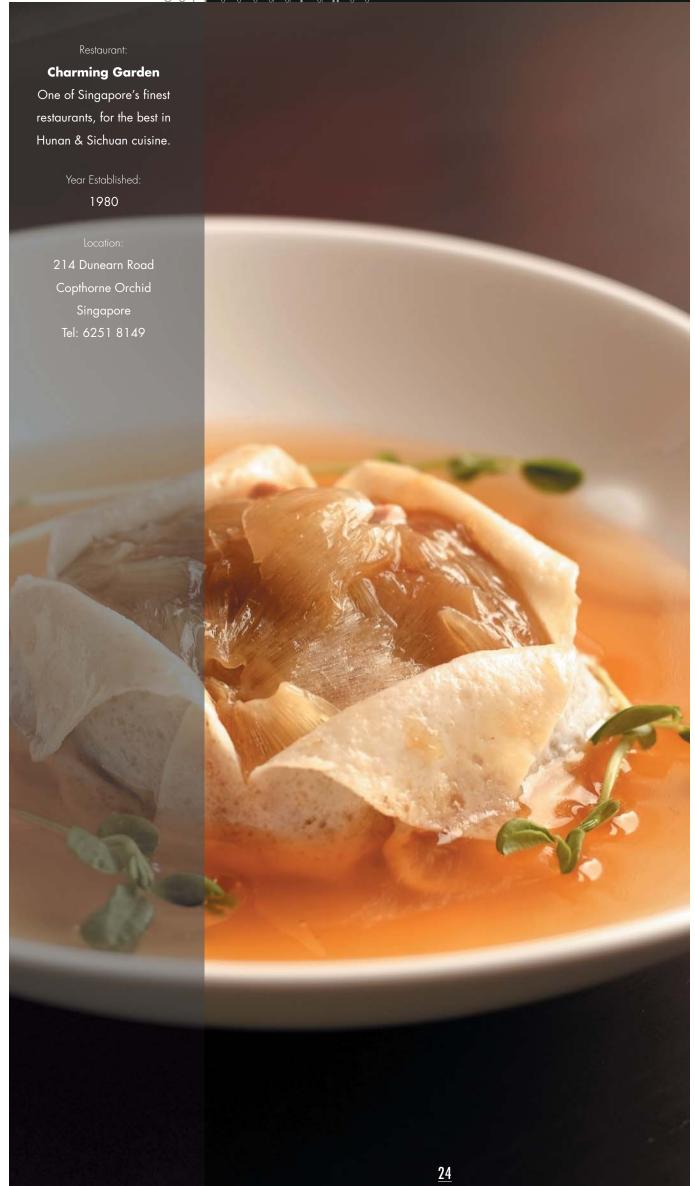
Tung Lok Restaurant was voted Top Favourite Restaurant in Asia Pacific. This Award recognises the best hotels, top favourite restaurants and airlines frequently used by the legal professions in the Asia Pacific region.

<ModernWeekly> 2004 Best Restaurants Award

My Humble House, Beijing, is proud to have won the award for the Most Exciting and Innovative Restaurant in the <ModernWeekly> 2004 Best Restaurants award ceremony held in Beijing. The award is organized by ModernWeekly International, a highly popular lifestyle publication in Beijing.

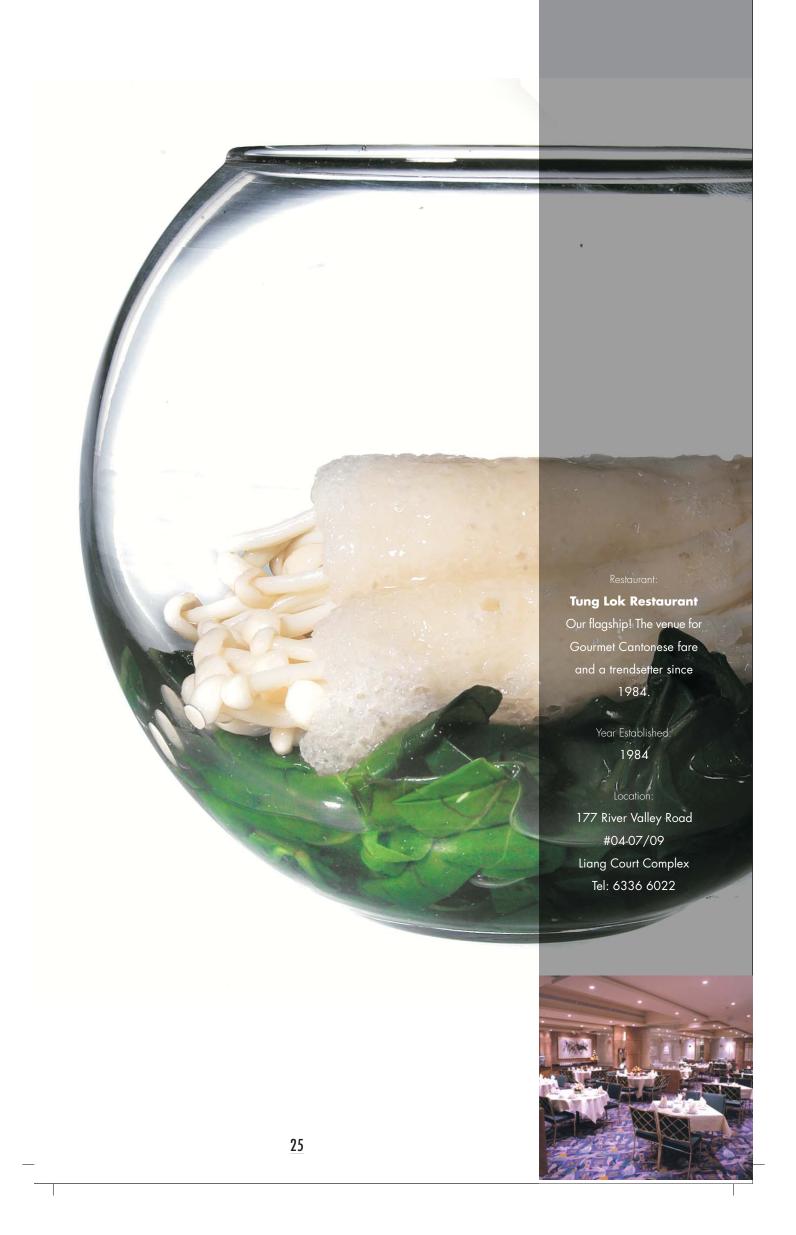


Established in 1980, this grand dame of the Group is the first restaurant in Singapore to serve authentic Hunan cuisine. With its Hunan and Sichuan delicacies, and freshly made Dim Sum, served within a cosy and familiar surroundings, Charming Garden maintains its popularity among a large and loyal following.



Undisputedly one of the best Chinese restaurants in Singapore, Tung Lok Restaurant is the city's first haute cuisine restaurant offering quality Cantonese cuisine and Hong Kong-style dim sum. Known for its outstanding preparation of traditional Cantonese delicacies, this restaurant has been inducted into the Asian Fine Dining Hall of Fame by America's leading B-to-B magazine, Nation's Restaurant News, USA, and has also been featured on the popular American TV Programme - Runaway with the Rich & Famous.

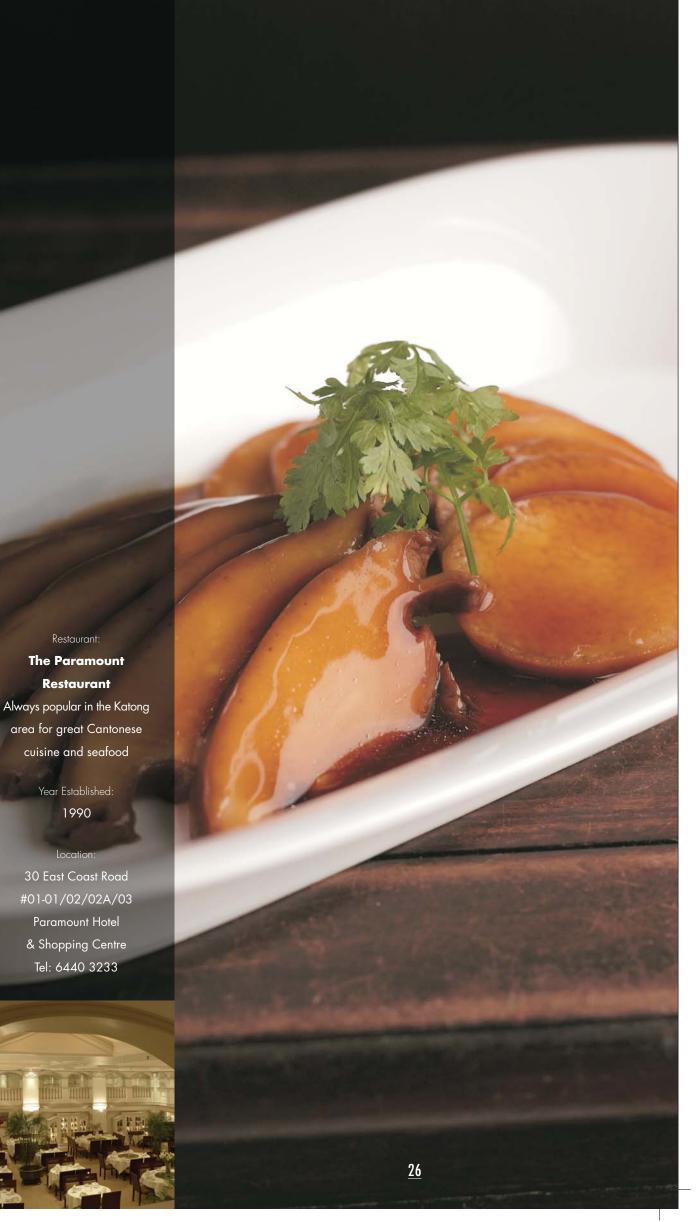






Decorated in the style of a typical Peranakan home, The Paramount continues to appeal to its discerning clientele in the Katong district. Newly refurbished, it has a setting ideal for all occasions, from wedding banquets and corporate events, to private parties and family gatherings. It is an extremely popular venue for tucking into the best Yu Sheng during Chinese New Year! The restaurant is also equipped with KTV rooms.

our festaurants



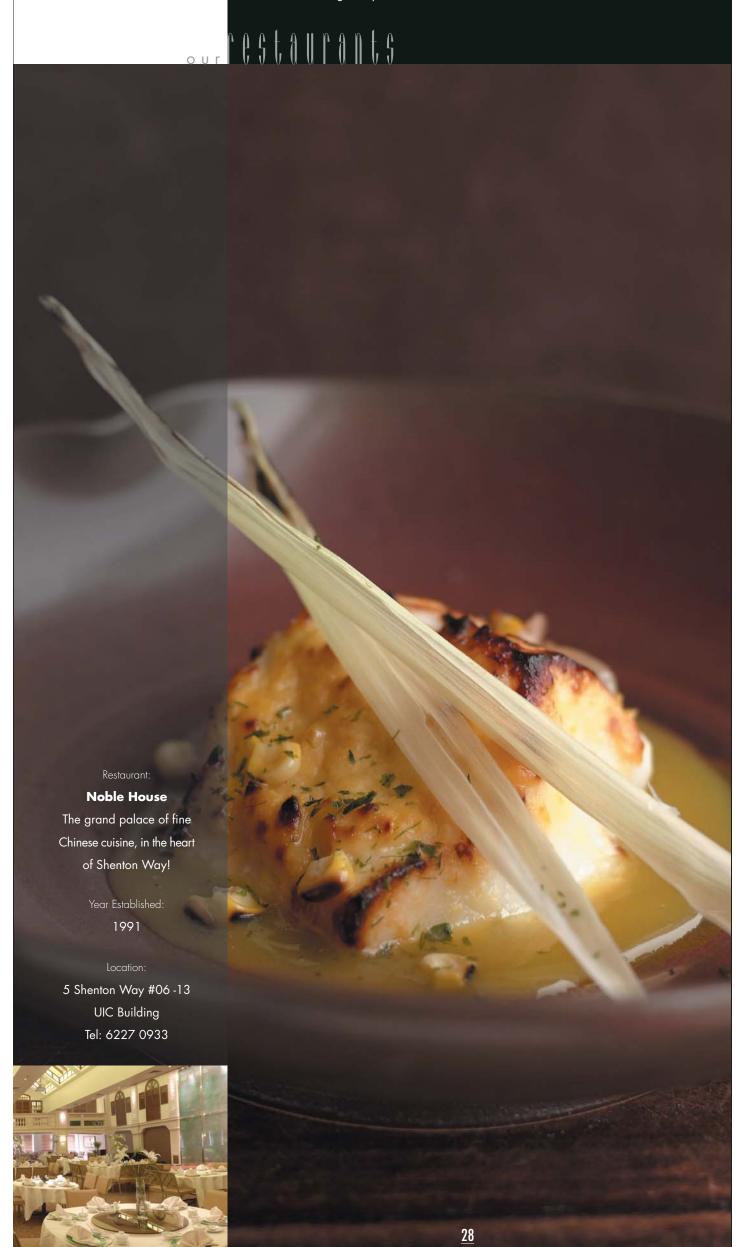
LingZhi Vegetarian Restaurant provides a welcome choice for diners seeking a quality alternative to mainstream cuisine. With exceptional cooking styles and creative use of ingredients, LingZhi manages to lure even the staunchest meat-lover. The Far East Square outlet expanded in 2003, and has gained increasing popularity for wedding banquets. It also serves vegetarian hotpot, with a notable variety of fresh vegetables, mushrooms and dim sum.







The masterchefs from Hong Kong and their superb culinary skills continue to be the winning recipe behind the success of Noble House. It remains a favourite haunt for Singapore's well-heeled, business tycoons, as well as corporate groups and families. It is also an extremely popular venue for wedding banquets.



This is where business talk combines best with Japanese, Hunan, Sichuan and Cantonese house favourites. Kippo is one of the rare Chinese restaurants that serves Sino-Japanese cuisine. Diners can enjoy typically Chinese dishes alongside Japanese delicacies like sashimi and sushi. Housed in the exclusive Keppel Club, Kippo offers diners the perfect setting for a lively meal.







Juicy dumplings, flavourful noodles, and Peking Duck are some of the authentic Northern Chinese fare found on the tantalising menu at Lao Beijing's two outlets. The beautifully decorated restaurants, themed after a traditional Chinese courtyard and an old Chinese teahouse, never fail to attract diners.



Club Chinois, Singapore's leading Modern Chinese restaurant which opened in 1997, is the epitome of trendy dining. Its last major renovation in May 2004 revealed a swanky interior complete with sleek design and avant garde soft furnishings that blend to evoke a seductive feel. The restaurant boasts a wine cellar with a variety unparalleled by most Chinese restaurants in Singapore. Its creative cuisine and excellent service continue to attract a keen following, and some of its signature dishes are favourites among several luminaries.



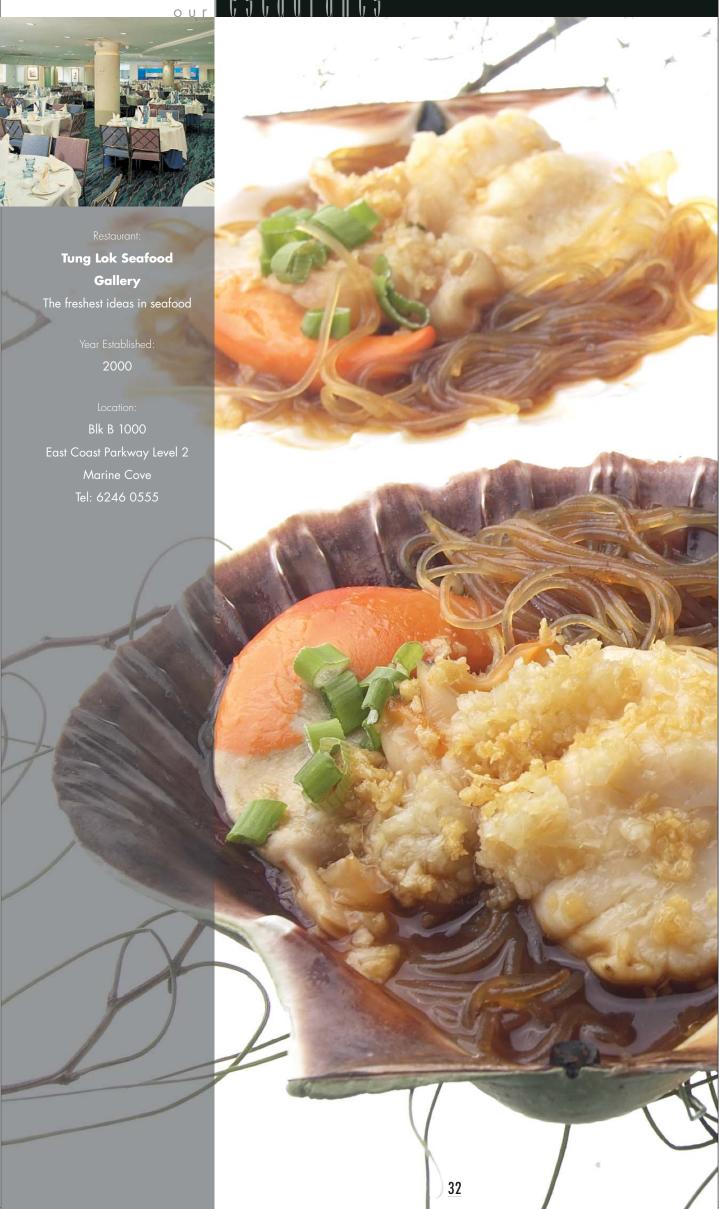




同乐海鲜廊 TUNG LOK SEAFJOD GALLERY

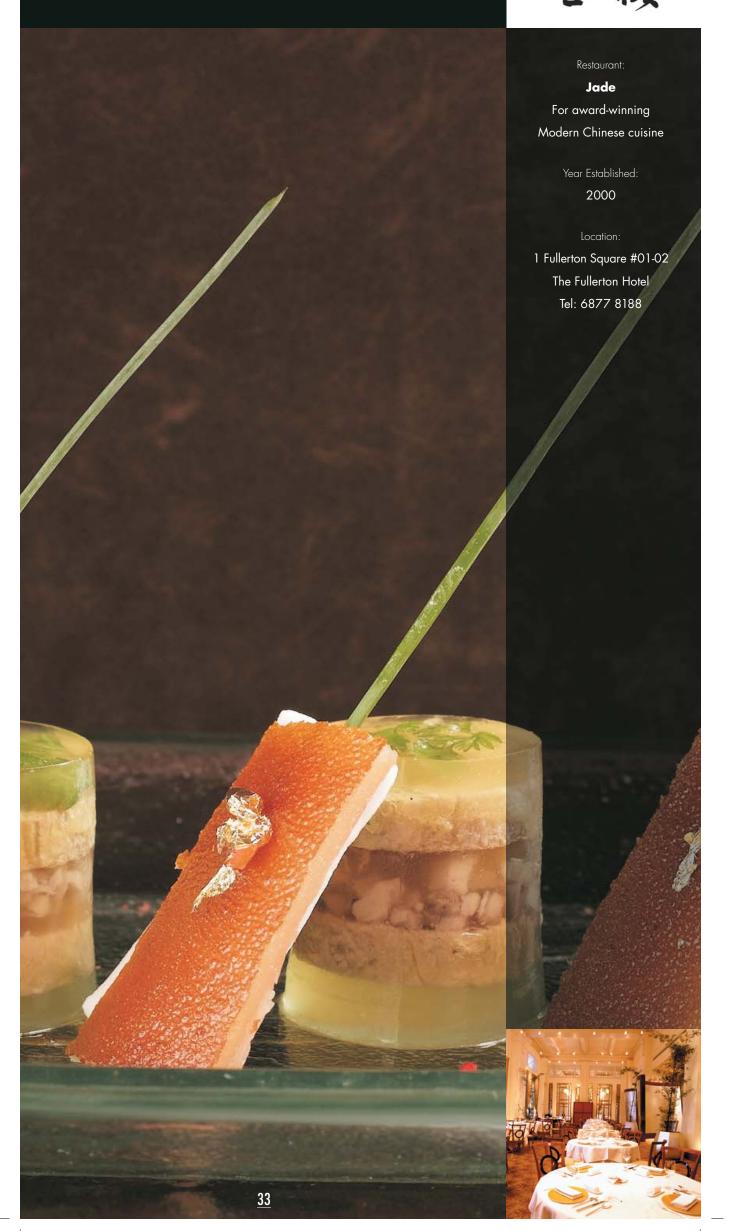
Tung Lok Seafood Gallery continues to charm seafood lovers in the East with its fresh ocean catch and innovative culinary creations. The raw seafood bar is a welcome treat for diners who enjoy seafood in its freshest form. With the East Coast beach only a stone's throw away, it's the ideal venue for a relaxing, quality meal.





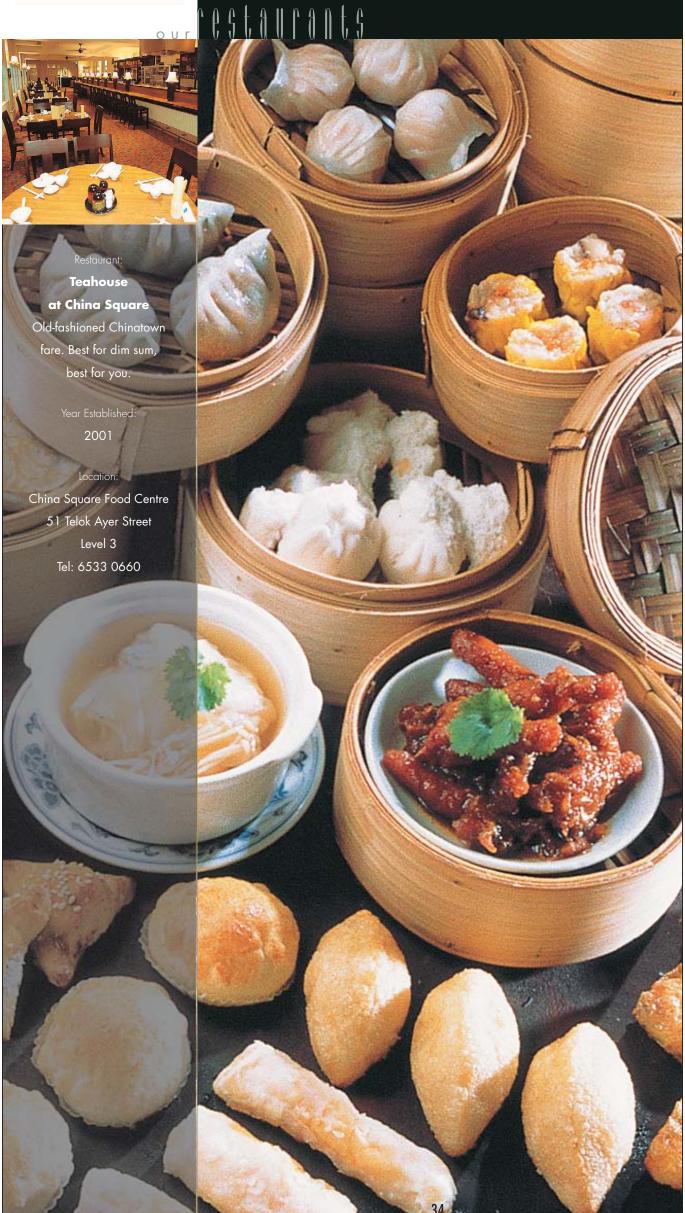
Located within the prestigious Fullerton Hotel, this award-winning restaurant boasts an elegant designer interior and a setting for an exquisite dining experience. Known for its superior Modern Chinese cuisine, Jade has established itself as the preferred venue for high-powered business lunches and important dinners attended by local and foreign dignitaries.

J A D み・建





Occupying the entire third level of the China Square Food Centre, Teahouse immediately puts diners at ease with its relaxed setting that is thoughtfully designed to resemble that of Shanghai teahouses in the good old days. Sumptuous old Chinatown delicacies, together with a distinctively nolstalgic ambience, make Teahouse the perfect place for an enjoyable traditional meal.



Paddy Fields is uniquely housed on the second level of a heritage building known as "The Copperdome" outside Anchorpoint along Alexandra Road. The only restaurant in the Group to serve non-Chinese cuisine, it offers an authentic Thai menu that is successfully transformed into fine, modern fare without losing its traditional flavours. Its interior boasts the use of rich Thai fabric and soothing water features to create an awakening of the senses in an intimate dining environment. Diners can also enjoy the same ambience in the alfresco area.

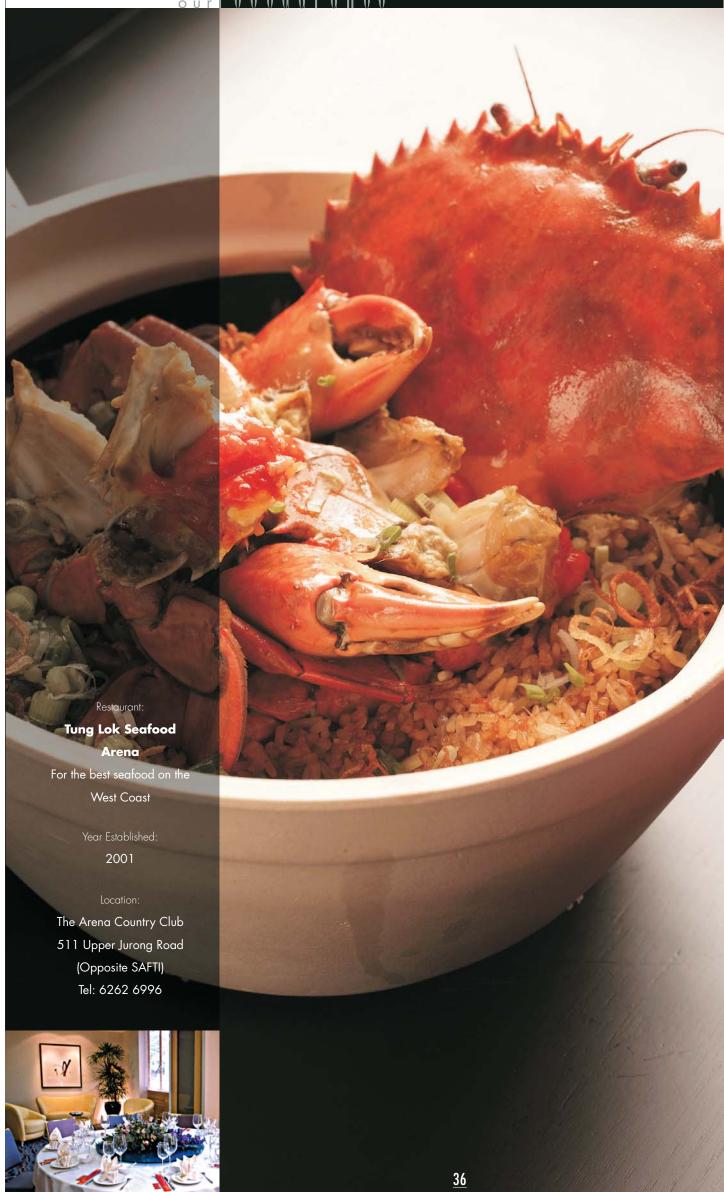






ARENA

Serving diners on the West Coast of Singapore, Tung Lok Seafood Arena offers the same delectable fare as its sister restaurant, Tung Lok Seafood Gallery, in the East. It is located within the beautiful Arena Country Club, and its succulent crustacean dishes are as satisfying to the adults' palates, as the live fish tanks are a treat for the children's eyes.



My Humble House is a milestone in Tung Lok's unique dining concepts, and elevates the 'art of dining' beyond the realm of the exception. The traditional Chinese and artistic modern elements in the restaurant's design, which was conceptualized together with renowned artist-musician Zhang Jin Jie of Beijing's Green T. House, blend perfectly, creating an extremely fresh appeal.





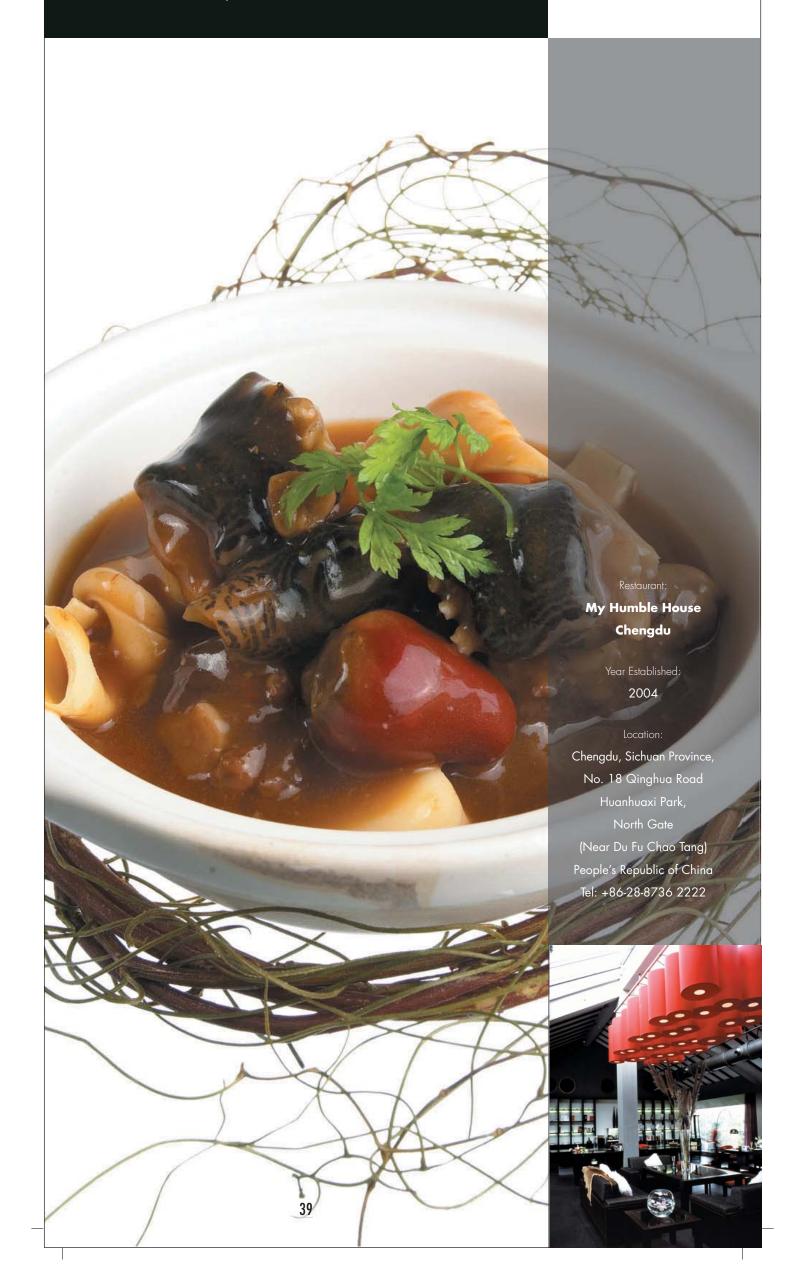


Driven by popular demand for a more casual dining place at The Esplanade, Space @ My Humble House was opened in August 2004. Designed by internationally renowned design guru Mr Junpei Yamagiwa and his team from Myu Planning, Tokyo, this casual-chic 34-seater restaurant sits next to My Humble House. Dark wood complements white furnishings, while the centrepiece of the eatery is a specially designed table with a soothing water feature in the middle. The menu features one-dish meals of gourmet Singapore's favourite fare with a twist.



My Humble House, Chengdu is located in a beautiful and scenic area known as Huanhuaxi Park within a busy cultural district. The park, together with Du Fu Chao Tang, a vast land of flora and fauna, form a well-known leisure arena for the residents in Chengdu. Embracing a cutting-edge interior design, it is built to emulate a grand mansion. This mansion houses the trendy and chic My Humble House, as well as Jade, an exclusive private-rooms-only restaurant. Guests can expect nothing short of the most attentive service at My Humble House.







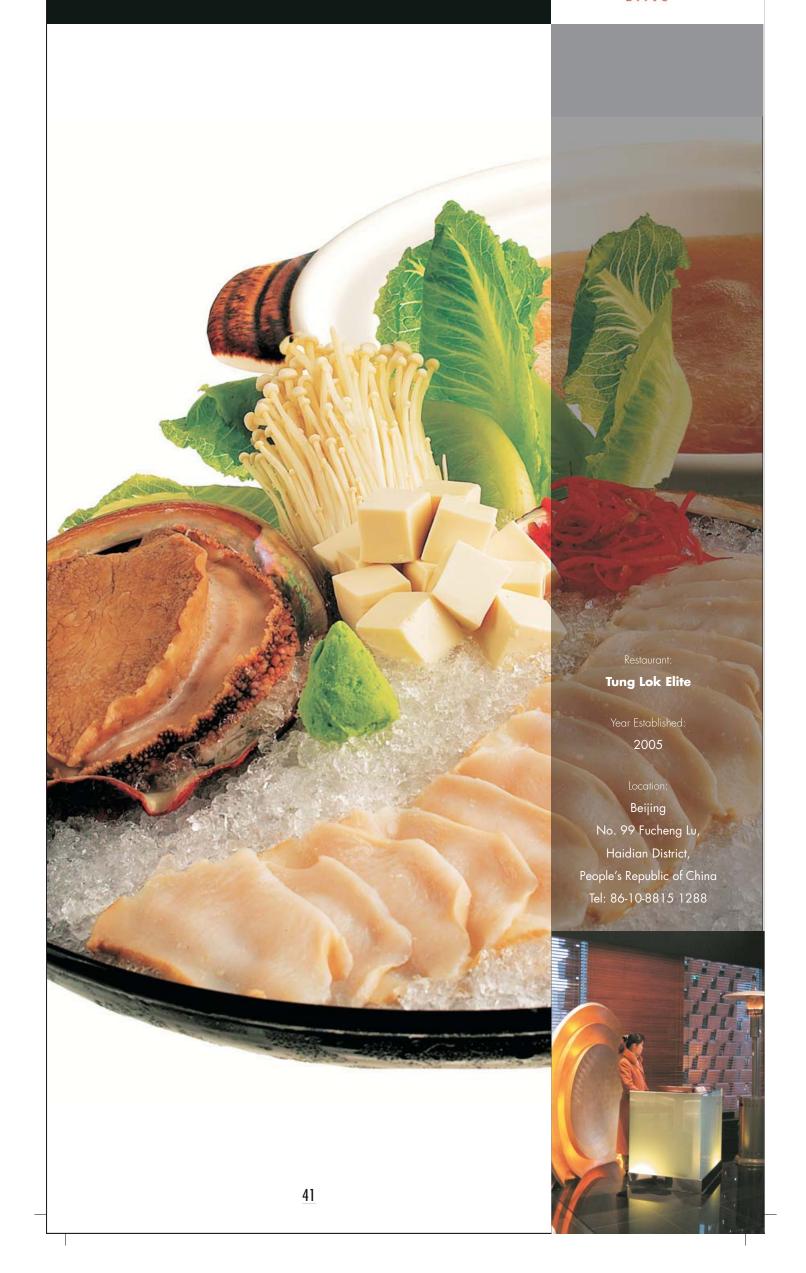
Ideally sited in a lively upmarket tourist hub, this Modern Chinese restaurant is within the famous Beijing Oriental Plaza – the single largest new development near the Forbidden City. An ultra-minimalist design sets the stage for an unforgettable dining experience, while provocative use of whimsical artefacts and soft furnishings engage the diner. Cutlery, chinaware and artefacts were meticulously chosen to set the mood, and guests will find their meal presented on exclusive tableware handpicked and custom-made from all over the world. The restaurant seats 170 in a spacious arena.



A private-rooms-only restaurant, Tung Lok Elite is located in Beijing's Haidian district. Specialising in premium delicacies such as shark's fin and abalone, with a stylish twist in taste and presentation, the restaurant offers gourmands of Beijing a sampling of culinary finesse that the Group is internationally renowned for. The restaurant opened on 8 January 2005, exactly 21 years after Tung Lok Group opened its first restaurant, Tung Lok Restaurant, in Singapore.



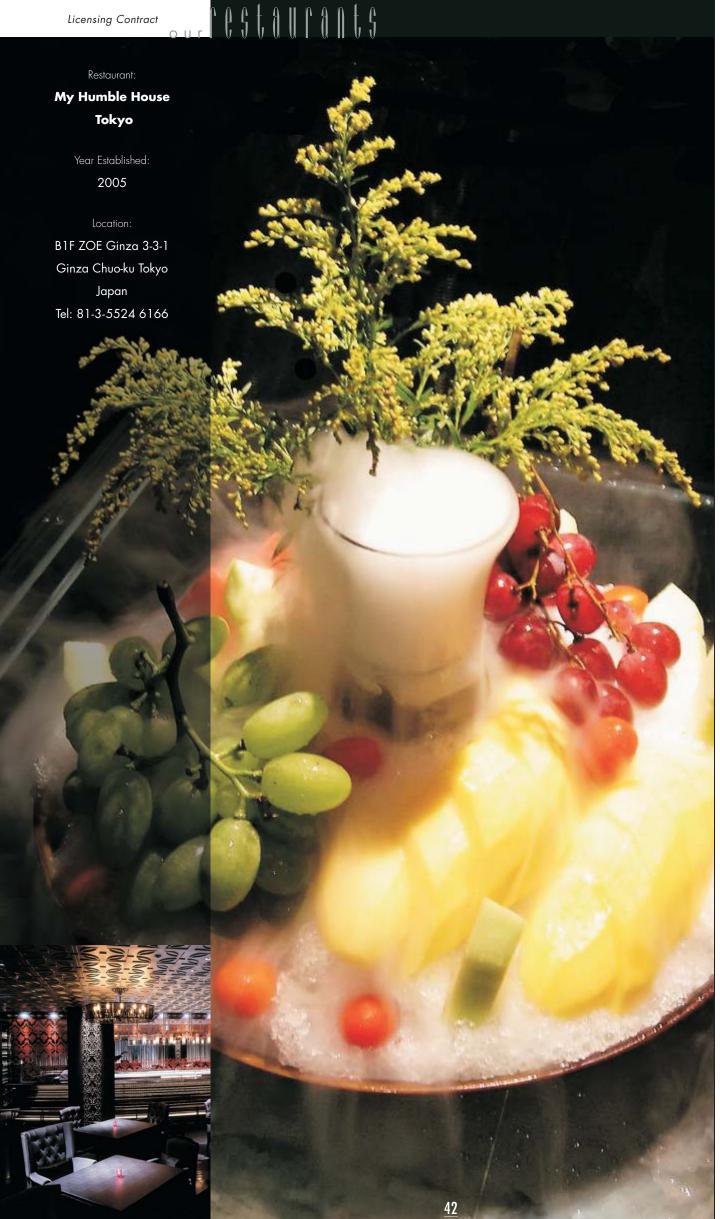
TUNG LOK Elite





Opened on 9 March 2005, My Humble House, Tokyo offers diners a taste of the Modern Chinese Cuisine that Tung Lok Group is renown for. The restaurant, with its chic interiors and unique design, exudes an elegant ambience that aptly complements the exquisite cuisine. Located at the basement of the prestigious ZOE Ginza complex, it is opened only for dinner, where diners also have the pleasure of enjoying classy live jazz and world music entertainment.

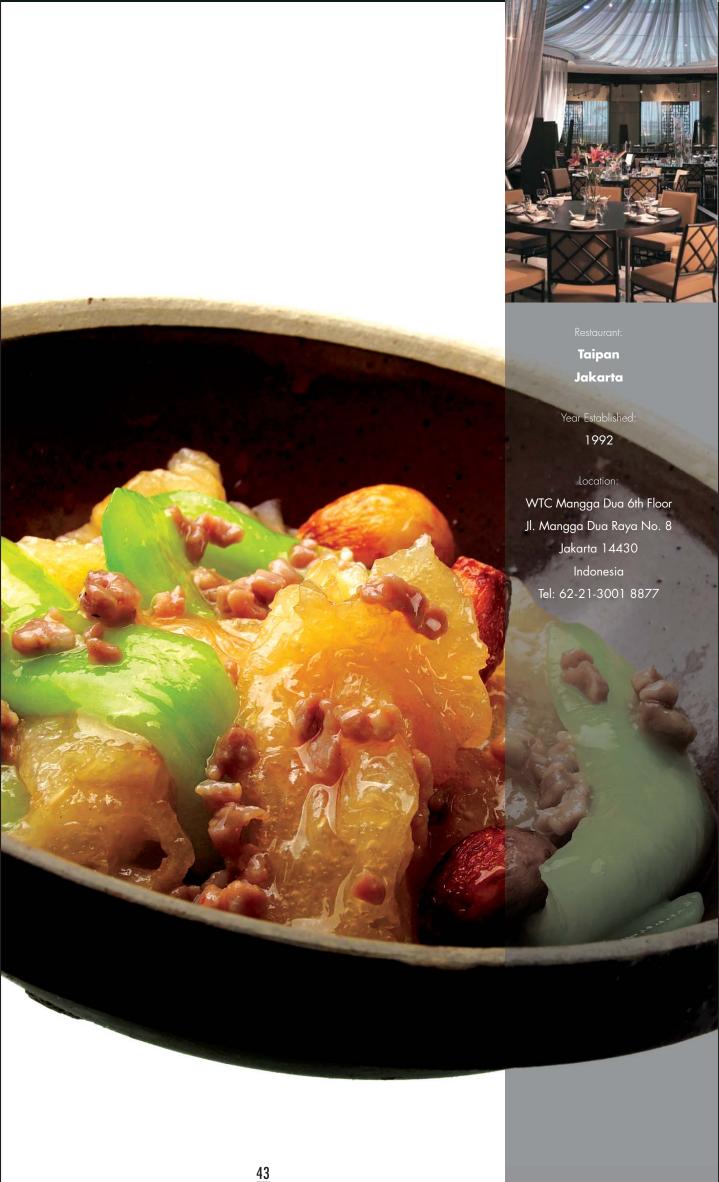
Licensing Contract



Established in 1992, Taipan is the first restaurant set up by Tung Lok Group in Jakarta. As a flagship, Taipan's consistent commitment to provide the best dining experience, and quality Chinese cuisine, has contributed to the success it enjoys today. Located at WTC Mangga Dua, it continues to attract a loyal clientele and is the preferred venue for weddings, family reunions, anniversary celebrations, as well as corporate events. The VIP rooms are also well-equipped with sophisticated KTV systems to enable $\boldsymbol{\alpha}$ complete dining and entertainment experience.



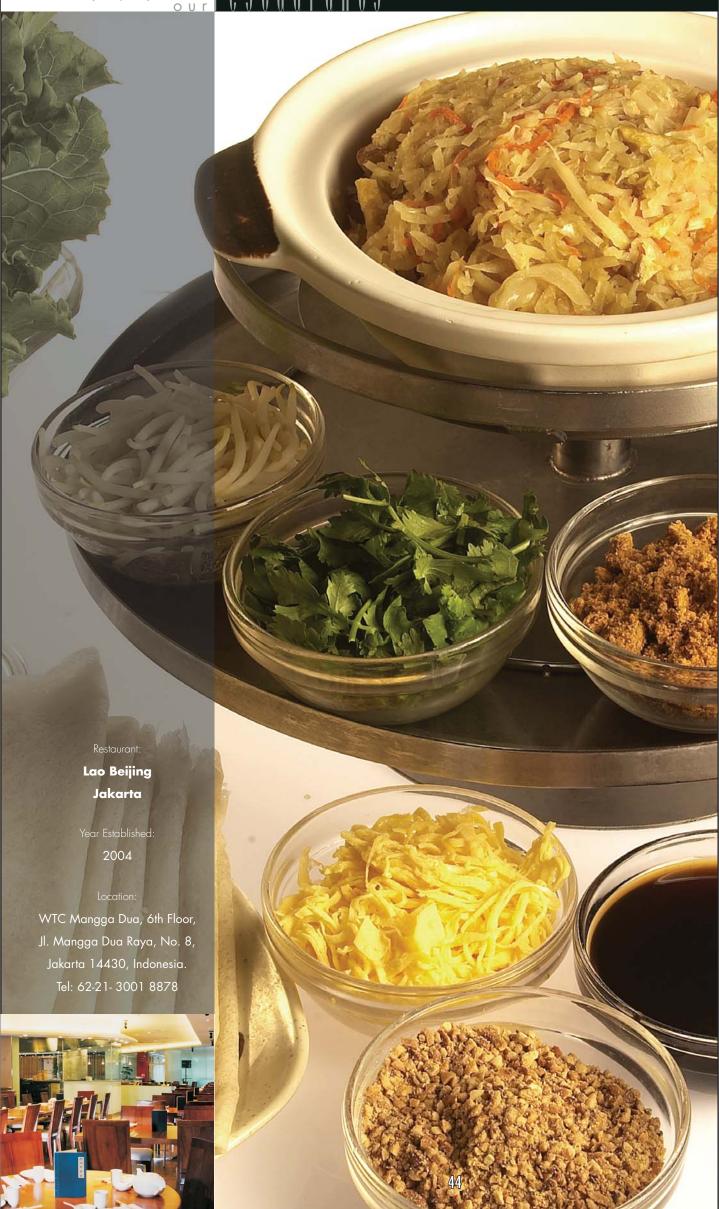
Managed by Tung Lok





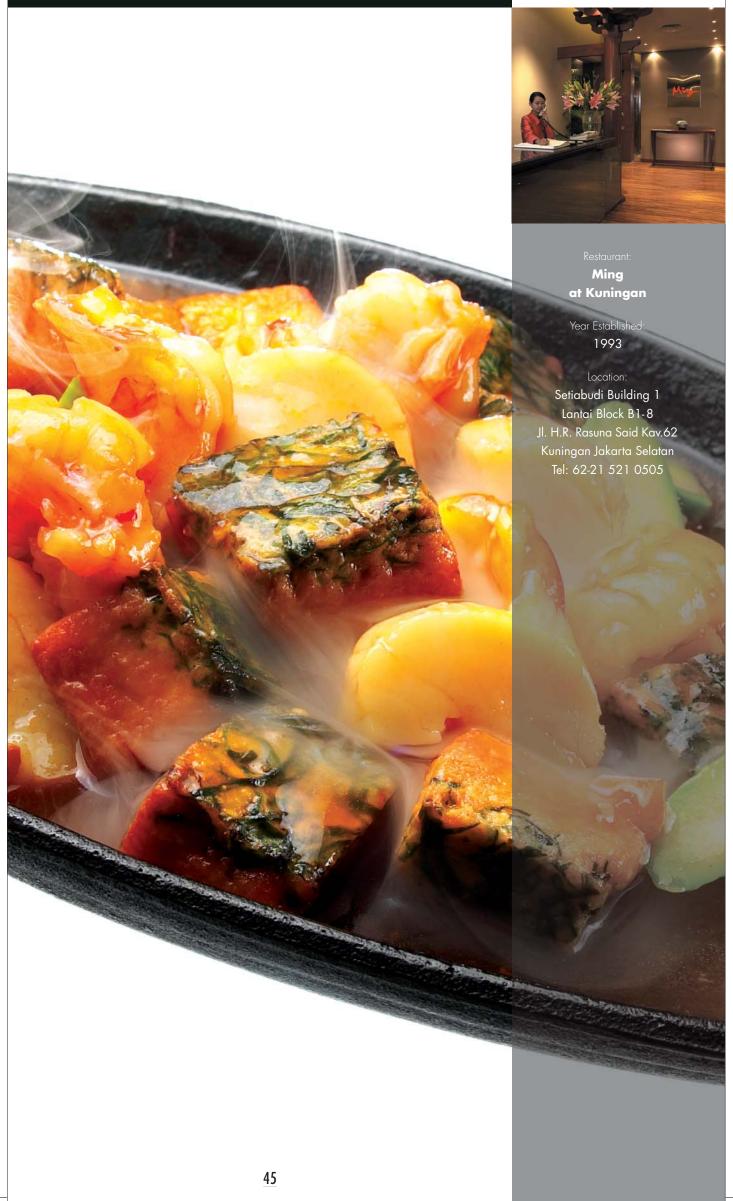
Located next to Taipan, this is the first Lao Beijing in Indonesia. It offers diners the best of Northern Chinese favourites in a nostalgic ambience. Juicy dumplings, flavourful noodles and Peking Duck are some of the authentic Northern Chinese fare found on the tantalizing menu. The restaurant is an extremely popular venue for family dining.

Managed by Tung Lok



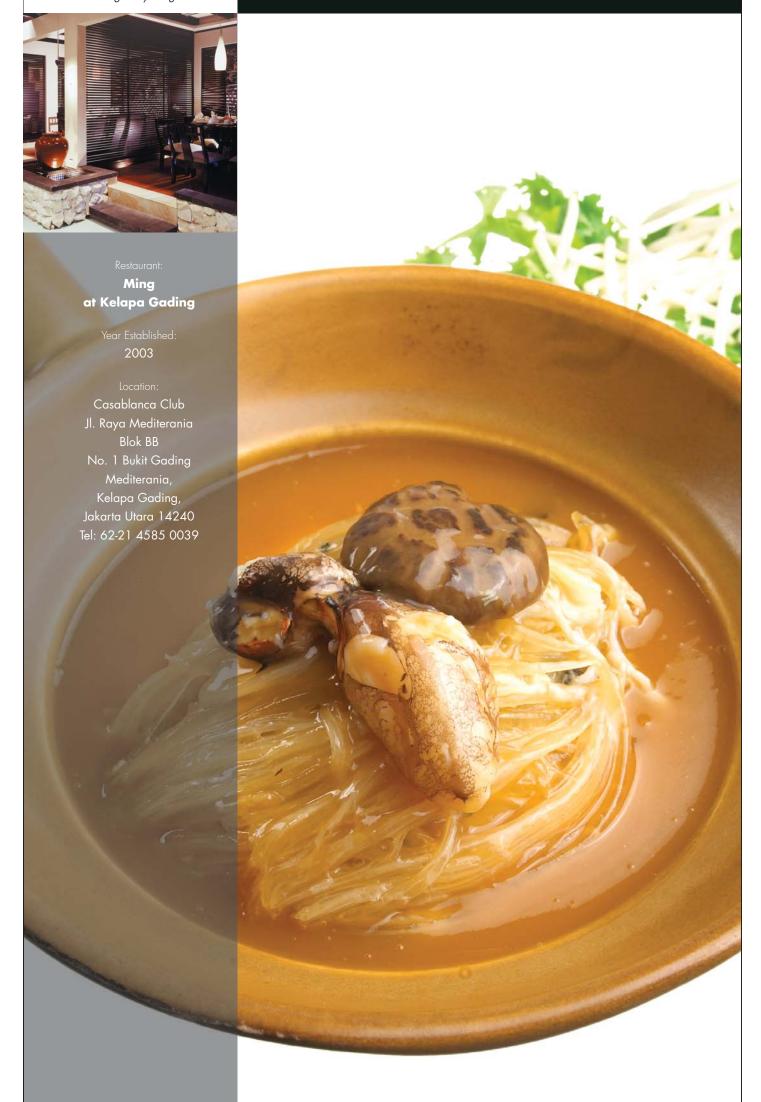
Opened in 1993 and located in the central business district on "Embassy Road", Ming at Kuningan is known for its fine Chinese cuisine and is a favoured dining venue amongst business clients. Oriental yet modern is the look you can expect the moment you enter the restaurant. It serves Hong Kong dim sum and Tung Lok's signature Chinese cuisine. With a seating capacity of 280, Ming at Kuningan caters to celebrations of sorts, from business dinners and corporate functions, to family gatherings and personal dining.







KELAPA GADING Managed by Tung Lok Opened in 2003, Ming is set to change the dining landscape in the affluent Kelapa Gading district in Jakarta. It serves Tung Lok's signature Chinese cuisine, the freshest seafood and exquisite dim sum. The restaurant is set in the beautiful surrounds of the exclusive Casablanca Club and is decorated in sunny Mediterranean accents.



Opened in February 2005, Taipan is the newest restaurant in Medan located on the first floor of Capital Building, and offers traditional Cantonese cuisine, seafood delicacies and speciality dim sum. The modern and minimalist interior exudes an elegant feel. With a capacity of 350 persons, this expansive restaurant with ten private rooms caters to a wide-ranging clientele of business executives and families. Taipan is able to cater for up to 700 persons for banquets and functions in the newly renovated ballroom on the eighth level of Capital Building. With a state-of-the-art sound and lighting system and a grand stage, the ballroom is a versatile arena for special events.



Managed by Tung Lok





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The directors present their report together with the audited consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company for the financial period from January 1, 2004 to March 31, 2005.

During the financial period, the company changed its financial year end from December 31 to March 31.

1 DIRECTORS

The directors of the company in office at the date of this report are:

Zhou Yingnan Tjioe Ka Men Tjioe Ka In Ker Sin Tze (Dr) Tan Eng Liang (Dr) Ch'ng Jit Koon

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial period nor at any time during the financial period did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial period had no interests in the share capital of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act except as follows:

		ding in which			
	Sharehol	ding registere	d the direc	tor is deemed	
	in the name	e of the directo	<u>or</u> <u>to have</u>	an interest	
	At	At	At At		
	beginning	end	beginning	end	
	of period	of period	of period	of period	
The company	<u>C</u>	Ordinary shares	of \$0.025 each		
Zhou Yingnan	-	-	53,200,000	53,200,000	
Tjioe Ka Men	30,000	30,000	53,200,000	53,200,000	
Tjioe Ka In	30,000	30,000	53,200,000	53,200,000	

By virtue of Section 7 of the Singapore Companies Act, the above directors with shareholdings are deemed to have an interest in the company and in all the related companies of the company.

There were no changes in the above mentioned equity interests of the directors between the end of the financial period and April 21, 2005.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial period, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

There were certain transactions (as shown in the financial statements) with corporations in which certain directors have an interest.

5 OPTION TO TAKE UP UNISSUED SHARES

During the financial period, no option to take up unissued shares of the company or any corporation in the group was granted.

6 OPTION EXERCISED

During the financial period, there were no shares of the company or any corporation in the group issued by virtue of the exercise of an option to take up unissued shares.

7 UNISSUED SHARES UNDER OPTION

At the end of the financial period, there were no unissued shares of the company or any corporation in the group under option.

8 AUDIT COMMITTEE

At the date of this report, the Audit Committee comprises the following members, all of whom are independent directors:

Tan Eng Liang (Dr) (Chairman) Ker Sin Tze (Dr) Ch'ng Jit Koon

The Audit Committee meets periodically with the management and external auditors to perform the following functions:

- a) reviews the audit plans of the external auditors;
- b) reviews with the external auditors the scope and results of the audit;
- c) reviews the co-operation given by the officers to the external auditors;
- d) reviews the financial statements of the group before submission to the Board of Directors;



- e) nominates external auditors for re-appointment and reviews their independence;
- f) reviews interested person transactions; and
- g) reviews internal audit findings and adequacy of the internal audit function.

The Audit Committee met 6 times since the last Annual General Meeting.

The Audit Committee has full access to and has the co-operation of the management. It has been given the resources required for it to discharge its functions properly. The Audit Committee also has full discretion to invite any director or executive officer to attend its meetings. The external auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of Deloitte & Touche for re-appointment as external auditors of the group at the forthcoming Annual General Meeting.

9 AUDITORS

The auditors, Deloitte & Touche, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Zhou Yingnan

Tjioe Ka Men

Singapore May 16, 2005



We have audited the consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company for the financial period from January 1, 2004 to March 31, 2005 set out on pages 54 to 81. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- a) the consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at March 31, 2005 and of the results, changes in equity and cash flows of the group and changes in equity of the company for the financial period from January 1, 2004 to March 31, 2005; and
- b) the accounting and other records required by the Act to be kept by the company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Certified Public Accountants

Cheng Ai Phing

Partner

May 16, 2005



		Gro	oup		npany	
	Note	March 31,	December 31,	March 31,	December 31,	
		2005	2003	2005	2003	
ASSETS		\$	\$	\$	\$	
Current assets:						
Cash and bank balances	5	7,943,362	4,137,073	462,851	22,631	
Trade receivables	6	1,474,494	1,988,115	.02,00	/	
Other receivables		.,,	.,,,			
and prepayments	7	775,425	449,447	260,638	387,435	
Inventories	8	1,785,616	1,100,501	-	-	
Total current assets		11,978,897	7,675,136	723,489	410,066	
Non-current assets:						
Long-term security deposits	9	1,360,596	1,353,719		-	
Advances to a subsidiary	10	-	-	2,160,000	-	
Advances to joint ventures	11	815,404	1,250,415	-	1,250,415	
Advances to an associate	12	355,294	,	_	-	
Investment in subsidiaries	13	-		2,996,716	1,796,714	
Investment in joint ventures	14	961,070	-	-	-	
Investment in an associate	15	301,022		_		
Other investment	16	13,050		13,050		
Goodwill	17	-				
Property, plant and						
equipment	18	7,841,829	9,120,458	-	-	
Total non-current assets Total assets		11,648,265 23,627,162	11,724,592 19,399,728	5,169,766 5,893,255	3,047,129 3,457,195	
Current liabilities: Bank overdraft	5	_	72,072			
Trade payables	19	6,466,262	5,012,196		-	
Other payables	20	6,475,995	4,977,220	1,867,520	1,120,601	
Current portion of finance	20	0,473,773	4,777,220	1,007,320	1,120,001	
leases	21	31,767	209,939	-	-	
Term loans – current portion	22	71,984	379,677	-	-	
Income tax payable		1,206,144	390,727	-	17,064	
Total current liabilities		14,252,152	11,041,831	1,867,520	1,137,665	
Non-current liabilities:		07.440				
Finance leases	21	27,442	55,730	0.057.744	-	
Other payables – non-current		1 /5/ 0/5	1 0 40 ====	2,857,746	-	
Long-term loans	22	1,656,241	1,948,777		-	
Deferred tax liabilities	23	757,885	840,723	-	-	
Investment in joint venture	14	0.441.540	1,019,749	0.057.744	-	
Total non-current liabilities		2,441,568	3,864,979	2,857,746	-	
Minority interests		743,301	526,626	-	_	
Capital and reserves:	•	0.500.005	0.000.000	0.500.000	0.000.000	
Issued capital	24	3,500,000	3,000,000	3,500,000	3,000,000	
Share premium	25	6,769,503	4,595,341	6,769,503	4,595,341	
Currency translation reserve		(36,496)	-			
Accumulated losses		(4,042,866)	(3,629,049)	(9,101,514)	(5,275,811	
Net equity		6,190,141	3,966,292	1,167,989	2,319,530	
Total liabilities and equit	у	23,627,162	19,399,728	5,893,255	3,457,195	

See accompanying notes to financial statements.

Period from January 1, 2004 to March 31, 2005

		Group			
		January 1,	January 1,		
		2004 to	2003 to		
		March 31,	December 31,		
		2005	2003		
	Note	(15 months)	(12 months)		
		\$	\$		
Revenue	26	82,852,753	60,907,027		
Cost of sales		(25,083,667)	(17,911,528)		
Gross profit		57,769,086	42,995,499		
Other operating income	27	470,577	222,673		
Operating expenses		(22,457,269)	(17,559,346)		
Administrative expenses		(4,731,286)	(3,019,239)		
Other operating expenses	28	(30,499,254)	(20,467,410)		
Profit from operations	29	551,854	2,172,177		
Finance costs	30	(149,823)	(211,744)		
Profit before income tax and sha	re of				
profit (loss) in joint ventures and		402,031	1,960,433		
Share of profit (loss) in joint ventures	14	273,455	(504,963)		
Share of loss in associate		(63,240)	-		
Profit before income tax		612,246	1,455,470		
Income tax expense	31	(962,939)	(499,625)		
(Loss) Profit after income tax		(350,693)	955,845		
Minority interests		(63,124)	(23,922)		
Net (loss) profit for the year		(413,817)	931,923		
(Loss) Earnings per share (cents)	32	(0.31)	0.78		

	Issued capital	Share premium	Currency translation reserve	Accumulated losses	Net
	\$	\$	\$	\$	\$
Group					
Balance at January 1, 2003	3,000,000	4,595,341	-	(4,560,972)	3,034,369
Net profit for the year	-	-	-	931,923	931,923
Balance at December 31, 2003	3,000,000	4,595,341		(3,629,049)	3,966,292
Issue of shares pursuant to the Placement Agreement	500,000	2,200,000	-	-	2,700,000
Share issue expenses		(25,838)		-	(25,838)
Currency translation differences		-	(36,496)	-	(36,496)
Net loss for the period	-	-	-	(413,817)	(413,817)
Balance at March 31, 2005	3,500,000	6,769,503	(36,496)	(4,042,866)	6,190,141
Company					
Balance at January 1, 2003	3,000,000	4,595,341	-	(4,086,602)	3,508,739
Net loss for the year	-	-	-	(1,189,209)	(1,189,209)
Balance at December 31, 2003	3,000,000	4,595,341	-	(5,275,811)	2,319,530
Issue of shares pursuant to the Placement	500,000	2,200,000		-	2,700,000
Share issue expenses	-	(25,838)	-	-	(25,838)
Net loss for the period	-	-	-	(3,825,703)	(3,825,703)
Balance at March 31, 2005	3,500,000	6,769,503	-	(9,101,514)	1,167,989

See accompanying notes to financial statements.

Period from January 1, 2004 to March 31, 2005

Cash flows from operating activities: Profit before income tax and	uary 1, 004 to rch 31, 2005 months)	January 1, 2003 to December 31, 2003 (12 months)
Cash flows from operating activities: Profit before income tax and share of profit (loss) in joint ventures and associate 40	2005 months)	2003
Cash flows from operating activities: Profit before income tax and share of profit (loss) in joint ventures and associate 40	months)	2003
Cash flows from operating activities: Profit before income tax and share of profit (loss) in joint ventures and associate 40		(12 months)
Cash flows from operating activities: Profit before income tax and share of profit (loss) in joint ventures and associate 40		\$
Profit before income tax and share of profit (loss) in joint ventures and associate 40		
Profit before income tax and share of profit (loss) in joint ventures and associate 40		
share of profit (loss) in joint ventures and associate		
1 1 1		
Adjustments for:	02,031	1,960,433
Depreciation expense 2,77	78,731	2,216,802
Trade receivables written off	37,251	-
Allowances on advances to a joint venture company 2,60	03,648	-
Interest income	(9,856)	(959)
Interest expense	19,823	211,744
Loss on disposal of a subsidiary		23,249
Loss on disposal of property, plant and equipment	8,038	1 <i>7</i> ,316
Operating profit before working capital changes 6,06	59,666	4,428,585
Trade receivables 37	76,370	(335,844)
Other receivables and prepayments (30	08,042)	(115,588)
Inventories (68	35,115)	155,000
Long-term security deposits	(6,877)	(49,748)
Advances to joint ventures (2,16	58,637)	(745,948)
Advances to an associate (35	55,294)	-
Trade payables 1,45	54,066	1,451,368
Other payables 1,49	8,775	2,738,495
Cash generated from operations 5,87	74,912	7,526,320
Interest paid (12	19,823)	(211,744)
Interest received	9,856	959
	18,296)	(23,834)
Net cash from operating activities 5,48	36,649	7,291,701
Cash flows used in investing activities:		
	58,743	16,582
Government grants received	-	48,900
Disposal of a subsidiary, net of cash disposed (Note A)	-	(4,403,020)
	16,883)	(693,323)
, , , , ,	3,551	(62,400)
	13,860)	-
·	54,262)	-
	3,050)	-
Net cash used in investing activities (3,42		(5,093,261)



Period from January 1, 2004 to March 31, 2005

	January 1,	January 1,
	2004 to	2003 to
	March 31,	December 31,
	2005	2003
	(15 months)	(12 months)
	\$	\$
Cash flows from (used in) financing activities:		
Proceeds from issuance of shares	2,700,000	-
Share issue expenses	(25,838)	-
Repayment of term loans - net	(600,229)	(1,115,701)
Repayments of obligations under finance leases	(256,460)	(451,395)
Net cash from (used in) financing activities	1,817,473	(1,567,096)
Net increase in cash and cash equivalents	3,878,361	631,344
Cash and cash equivalents at beginning of		
period/year	4,065,001	3,433,657
Cash and cash equivalents at end of period/year 5	7,943,362	4,065,001
A. Summary of the effect of the disposal of a subsidiary:		
The community of the chief of the disposal of a constitution,	January 1,	January 1,
	2004 to	2003 to
	March 31,	December 31,
	2005	2003
	(15 months)	(12 months)
	\$	\$
Net assets disposed:		
Trade receivables	-	24,793
Other receivables and prepayments	-	1,770
Inventories	-	25,037
Cash		24,120

B. During the financial period/ year, the group acquired property, plant and equipment with an aggregate cost of \$1,766,883 (December 31, 2003 : \$693,323) of which \$50,000 (December 31, 2003 : \$Nil) was acquired under finance lease arrangements. Cash payments of \$1,716,883 (December 31, 2003 : \$693,323) were made to purchase property, plant and equipment.

(453,862)

(104,230) (152,674)

(3,720,605)

(4,355,651)

(4,378,900)

(4,403,020)

(23,249)

(24,120)

See accompanying notes to financial statements.

Trade payables

Other payables

Finance leases

Net liabilities disposed

Loss on disposal of a subsidiary

Less: Cash at bank of a subsidiary disposed off

Bank loan

Disposal

Total



1 GENERAL

The company (Registration number 200005703N) is incorporated in the Republic of Singapore with its principal place of business at 298, Tiong Bahru Road, #14-01/04, Central Plaza, Singapore 168730 and registered office at 1, Sophia Road, #05-03, Peace Centre, Singapore 228149. The financial statements are expressed in Singapore dollars.

The principal activities of the company are that of investment holding, while those of the subsidiaries relate mainly to investment holding and the operation of restaurants.

The financial statements of the group and the company have been prepared on a going concern basis which contemplates the realisation of assets and the satisfaction of liabilities in normal course of business. As at March 31, 2005, the group's and company's current liabilities exceeded their current assets by \$2,273,255 (December 31, 2003 : \$3,366,695) and \$1,144,031 (December 31, 2003 : \$727,599) respectively.

The group and the company are dependent on the credit facilities committed by banks, the availability of future cash flows from the group's restaurant operations and the continual financial support of one of its major shareholders, Zhou Holdings Pte Ltd.

The directors have taken steps to improve the group's and company's working capital position and cash inflow from their operating activities.

The directors are satisfied that with the group's revenue generated mainly from cash and credit card sales, availability of banks' committed lines and the unqualified financial support by Zhou Holdings Pte Ltd, the group and company will be able to meet their obligations as and when they fall due.

In the directors' opinion, it is appropriate for the financial statements of the group and company to be prepared on a going concern basis.

During the financial period, the group and the company changed their financial year end from December 31 to March 31 to better capture the full cycle of the restaurant business.

The consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company for the financial period from January 1, 2004 to March 31, 2005 were authorised for issue by the Board of Directors on May 16, 2005.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) BASIS OF ACCOUNTING The financial statements are prepared in accordance with the historical cost convention and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards.
- b) BASIS OF CONSOLIDATION The consolidated financial statements incorporate the financial statements of the company and enterprises controlled by the company ("its subsidiaries") made up to March 31 each year. Control is achieved when the company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities. On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.



The results of subsidiaries acquired or disposed of during the financial period are included in the consolidated profit and loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. All significant intercompany transactions and balances between group enterprises are fully eliminated on consolidation.

c) FINANCIAL ASSETS - The group's principal financial assets are cash and bank balances, trade and other receivables and advances to joint ventures and an associate. Trade and other receivables and advances to joint ventures and an associate are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Other investment, where the group is not in a position to exercise control or significant influence, is stated at cost less impairment losses recognised when the investment's carrying amount exceeds its estimated recoverable amount. Impairment losses are recognised in the profit and loss statement.

- d) FINANCIAL LIABILITIES AND EQUITY Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. The group's significant financial liabilities include bank overdraft, trade and other payables, finance leases obligations and interest-bearing bank loans. Trade and other payables are stated at their nominal value. The accounting policy adopted for finance lease obligations is outlined below. Interest-bearing bank loans are recorded at the proceeds received, net of direct costs. Finance charges are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Equity instruments are recorded at the fair value of the consideration received, net of direct issue costs.
- e) INVESTMENT IN SUBSIDIARIES In the company's financial statements, investment in subsidiaries is carried at cost less any impairment in the recoverable value that has been recognised in the profit and loss statement.
- f) INVESTMENT IN JOINT VENTURES A joint venture is a contractual arrangement whereby the group and the other parties undertake an economic activity which is subject to joint control.

The joint venture is accounted for by the group using the equity method of accounting

At balance sheet date, the group's investment in the joint venture companies is stated at cost plus the group's share of undistributed post-acquisition reserves. In the company's financial statements, investment in joint venture companies is stated at cost less any impairment in the recoverable value that has been recognised in the profit and loss statement.

Losses of joint venture companies in excess of the group's interest in those joint venture companies are not recognised unless the company undertakes to provide financial support to the joint venture companies.

g) INVESTMENT IN ASSOCIATE - An associate is an entity over which the group exercises significant influence, through participation in the financial and operating policy decisions of the investee. The associate is accounted for by the group using the equity method.

At the balance sheet date, the group's investment in an associate is stated at cost plus the group's share of the undistributed post acquisition reserves.

In the company's financial statements, investment in an associate is stated at cost less any impairment in the recoverable value that has been recognised in the profit and loss statement.

h) GOODWILL - Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of the subsidiary, jointly controlled entity or associate at the date of acquisition. Goodwill is recognised as an asset and amortised on a straight-line basis over its estimated useful life of 3 years.

Goodwill arising from acquisition of associate and joint venture is included within the carrying amount of the investment in associate and joint venture. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a subsidiary, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost, less
accumulated depreciation and any impairment loss where the recoverable amount of the asset
is estimated to be lower than its carrying amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as income.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method on the following bases:

Furniture, fixtures and equipment - 20% to 33 1/3% Kitchen equipment - 20% to 33 1/3%

Leasehold property - 2% Motor vehicles - 20%

Fully depreciated assets still in use are retained in the financial statements.

Assets held under finance leases are depreciated over their expected useful lives on the same bases as owned assets.

- i) INVENTORIES Inventories comprising mainly foodstuff are measured at the lower of cost (first in-first-out method) and net realisable value. Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.
- k) IMPAIRMENT OF ASSETS At each balance sheet date, the group and the company review the carrying amounts of their assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the group and the company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset/cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset/cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.



When an impairment loss subsequently reverses, the carrying amount of the asset/cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset/cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately.

- PROVISIONS Provisions are recognised when the group and the company have a present obligation as a result of a past event where it is probable that such obligation will result in an outflow of economic benefits that can be reasonably estimated.
- m) LEASES Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the group at their fair value or, if lower, at the present value of the minimum lease payments, determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

n) REVENUE RECOGNITION - Sales of food and beverages are recognised when food and beverages are delivered. Service charges and management fee are recognised when the services are completed.

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the interest rate applicable, on an effective yield basis.

Dividend income from investments is recognised when the right to receive payment has been established.

- o) GOVERNMENT GRANTS Government grants relating to the purchase of property, plant and equipment are included in the balance sheet by deducting the grant in arriving at the carrying amount of the assets. Government grants relating to expenditures which are not capitalised are credited to the profit and loss statement to match the related expenditure when incurred.
- p) RETIREMENT BENEFIT COSTS Payments to defined contribution retirement benefit plans (including state-managed retirement benefit schemes, such as the Singapore Central Provident Fund) are charged as an expense when incurred.
- q) EMPLOYEE LEAVE ENTITLEMENT Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.
- r) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION Transactions in foreign currencies are recorded using the rates ruling at the dates of the transactions. At each balance sheet date, recorded monetary balances and balances carried at fair value that are denominated in foreign currencies are reported at the rates ruling at the balance sheet date. All realised and unrealised exchange adjustment profits and losses are dealt with in the profit and loss statement.

For inclusion in the consolidated financial statements, assets and liabilities of the foreign entities are translated at the rates of exchange approximating those ruling at the balance sheet date. The profit and loss statements are translated at the average rates of exchange for the period/year, and the opening net investment in the foreign entities is translated at the historical rates. The resulting currency translation differences are taken to the currency translation reserve. On disposal of a foreign entity, the accumulated currency translation differences are recognised in the profit and loss statement as part of the profit or loss on disposal.

s) INCOME TAX - Tax expense is determined on the basis of tax effect accounting, using the liability method, and it is applied to all significant temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit except that the potential tax saving relating to a tax loss carryforward is not recognised as an asset unless there is a reasonable expectation of its realisation in the foreseeable future.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss statement.

3 FINANCIAL RISKS AND MANAGEMENT

The main financial risks faced by the group and the company are credit risk, interest rate risk, currency risk, liquidity and funding risk and commodity risk. The group and the company recognise that management of financial risks is an important aspect of its drive towards creating shareholders value. Risk management adds value by addressing the needs for greater predictability of future cash flows, to protect the group and the company from financial shocks and for long term resilience in the business.

a) Credit risk

The group's credit risk is primarily attributable to its cash and bank balances, trade and other receivables and advances to joint ventures and an associate. Liquid funds are placed with banks with high credit-ratings. The credit risk with respect to the trade receivables is limited as the group's revenue is generated mainly from cash and credit card sales. Where transactions are conducted other than on a cash basis, the group practises stringent credit review.

The group has no significant concentration of credit risk. Trade receivables are spread over a broad base of customers.

The amount captured in the balance sheet represents the group's maximum exposure to credit risks.

b) Interest rate risk

The group's exposure to interest rate risks relate to its bank overdraft of \$Nil (December 31, 2003 : \$72,072) and long-term loans of \$1,728,225 (December 31, 2003 : \$2,328,454). The interest rates are determined at the bank's prime rate plus an applicable margin. The group currently does not use any derivative financial instruments to manage its exposure to changes in interest rates.



The table summarises the group's main financial assets and financial liabilities, interest rates sensitive financial instruments, categorised by the earlier of repricing dates and maturity dates.

Averag intere	
Within Non- rat	е
Within 2 to 5 Beyond interest during th	е
1 year years 5 years bearing period/yea	
	% \$
March 31, 2005	
Financial assets	
Cash and bank balances 1,632,947 6,310,415 0.9	7 7,943,362
Trade receivables 1,474,494	1,474,494
Advances to joint ventures 815,404	815,404
Advances to an associate 355,294	355,294
Fr. 11. Library	
Financial liabilities Toda and other annual leading to the second secon	10 040 057
Trade and other payables 12,942,257 Obligations under finance	- 12,942,257
leases 31,767 27,442 - 3.4	2 59,209
Term loans 71,984 296,123 1,360,118 - 5.6	3 1,728,225
D 01 0000	
December 31, 2003	
Financial assets	
Cash and bank balances 112,443 4,024,630 0.4	4 4,137,073
Trade receivables 1,988,115	- 1,988,115
Advances to joint ventures 1,250,415	1,250,415
Financial liabilities	
	- 9,989,416
Bank overdraft 72,072 5.6	
Obligations under finance	72,072
leases 209,939 55,730 - 3.4	9 265,669
Term loans 379,677 636,782 1,116,995 195,000 6.2	5 2,328,454

c) Currency risk

The group's business is substantially transacted in Singapore dollars. Accordingly, foreign exchange rate fluctuation has no significant impact on the group.

The group's exposure in foreign currency risk is mainly from its investments in foreign entities whose net assets are denominated in Renminbi. The group does not enter into any derivative contracts to hedge its foreign currency risk.

d) Liquidity and funding risk

The group funds its operations through a mix of internal funds and bank borrowings. The group reviews regularly its liquidity reserves comprising free cash flows from its operations and undrawn credit facilities from banks.

The group is working towards a cash pooling system whereby excess liquidity is equalised internally through intercompany accounts. Depending on the specifics of the funding requirements, funding for its operating subsidiaries may be either sourced directly from the group's bankers or indirectly through the company.

At March 31, 2005, the group's total bank overdraft, finance lease obligations and long-term loans amounted to \$1.8 million (December 31, 2003 : \$2.7 million). The profile of the finance lease obligations and long-term loans are shown in Notes 21 and 22 to the financial statements.

e) Commodity price risk

Certain commodities, principally shark's fins, dried foodstuff, meat, fish and other seafood delicacies, are generally purchased based on market prices established with the suppliers. Although many of the products purchased are subject to changes in commodity prices, certain purchasing contracts or pricing arrangements contain risk management techniques designed to minimise price volatility. Typically, the group uses these types of purchasing techniques to control costs as an alternative to directly using financial instruments to hedge commodity prices. Where commodity cost increases significantly and appears to be long-term in nature, management addresses the risk by adjusting the menu pricing or changing the product delivery strategy.

f) Fair value of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other current receivables, trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The carrying amount of the long-term loans approximate their fair values because the interest rates are generally reset to prevailing market rates at regular intervals.

It is not practicable within the constraint of cost to reliably determine the fair value of amounts receivable from related parties, subsidiaries, joint ventures and an associate as these balances have no fixed repayment terms.

4 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operating decision.

Some of the group's transactions and arrangements are with related parties and the effects of these on the bases determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and without fixed repayment terms, unless otherwise stated.



Significant related party transactions other than those disclosed elsewhere in the notes to the profit and loss statement are as follows:

	Group		
	January 1,	January 1,	
	2004 to	2003 to	
	March 31,	December 31,	
	2005	2003	
	(15 months)	(12 months)	
	\$	\$	
Sales of food and beverages	(187,720)	(92,720)	
Management fee income	(128,000)	(97,000)	
Purchases of food and beverages	38,891	18,364	

5 CASH AND BANK BALANCES

Cash and cash equivalents in the cash flow statement consist of the following:

	Gro	Group		pany
	March 31,	December 31,	March 31,	December 31,
	2005	2003	2005	2003
	\$	\$	\$	\$
Cash and bank balances	6,310,415	4,024,630	41,924	1 <i>7,</i> 581
Short-term deposits	1,632,947	112,443	420,927	5,050
	7,943,362	4,137,073	462,851	22,631
Bank overdraft (Note 22)	-	(72,072)	-	-
Net	7,943,362	4,065,001	462,851	22,631

The short-term deposits with banks are usually for a period of one month. They bear interest at rates ranging from 0.18% to 1.80% (December 31, 2003 : 0.18% to 0.68%) per annum.

6 TRADE RECEIVABLES

	Gro	oup	<u>Company</u>	
	March 31,	December 31,	March 31,	December 31,
	2005	2003	2005	2003
	\$	\$	\$	\$
Related parties (Note 4)	474,404	825,167	-	-
Less: Allowance for				
doubtful debts	(7,240)	(7,240)	-	-
Net	467,164	817,927	-	-
Outside parties	1,007,330	1,170,188	-	-
Total	1,474,494	1,988,115	-	-

A controlling shareholder has undertaken to reimburse the group for an amount of \$321,438 (December 31, 2003 : \$426,549) if this is not recoverable from the related parties.

7 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Comp	oany
	March 31, December 31,		March 31,	December 31,
	2005	2003	2005	2003
	\$	\$	\$	\$
Advances to an associate (Note 15)	27,207	-	-	-
Advances to joint ventures (Note 14)	365,494	-	-	-
Prepayments	148,354	64,694	9,829	5,000
Income tax recoverable	249,311	231,375	249,311	231,375
Other receivables	14,885	183,204	1,498	151,060
	805,251	479,273	260,638	387,435
Less: Allowances for doubtful				
debts	(29,826)	(29,826)	-	_
Net	<i>775</i> ,425	449,447	260,638	387,435

The advances to joint ventures and an associate are unsecured and interest-free. They are expected to be repaid within the next twelve months.

8 INVENTORIES

	Group		Company	
	March 31,	December 31,	March 31,	December 31,
	2005	2003	2005	2003
	\$	\$	\$	\$
At cost:				
Food and beverages	1,645,483	896,309	-	-
Cook books	140,133	204,192	-	-
Total	1,785,616	1,100,501	-	-

9 LONG-TERM SECURITY DEPOSITS

	Gro	oup	Company		
	March 31,	December 31,	March 31,	December 31,	
	2005	2003	2005	2003	
	\$ \$		\$	\$	
	1 0 / 0 50 /	1 050 710			
Refundable security deposits	1,360,596	1,353,719	-	-	

These are mainly deposits placed with the landlords.



10 ADVANCES TO A SUBSIDIARY

	Gro	oup	Company		
	March 31,	December 31,	March 31,	December 31,	
	2005	2003	2005	2003	
	\$ \$		\$	\$	
Advances to a subsidiary	-	-	2,160,000	-	

The advances are unsecured, interest-free and not expected to be repaid within the next 12 months.

11 ADVANCES TO JOINT VENTURES

	Gre	oup	Company		
	March 31,	December 31,	March 31,	December 31,	
	2005	2003	2005	2003	
	\$	\$	\$	\$	
Advances to joint ventures (Note 14)	3,419,052	1,250,415	2,603,648	1,250,415	
Allowances made during the period/year (Note 29)	(2,603,648)	-	(2,603,648)	-	
Net	815,404	1,250,415	-	1,250,415	

In 2003, the advances to a joint venture were supported by a guarantee from a shareholder. During the financial period, the company was advised that there may be issues on the enforceability of the guarantee. In view of this, and due to the net capital deficiency position of the joint venture and cessation of its operations, the company made full allowances on the advances to this joint venture during the current financial period amounting to \$2,603,648 (2003: \$NIL).

In 2005, the advances to other joint ventures are unsecured, interest-free and not expected to be repaid within the next 12 months.

12 ADVANCES TO AN ASSOCIATE

	Gr	oup	Company		
	March 31,	December 31,	March 31,	December 31,	
	2005	2003	2005	2003	
	\$	\$	\$	\$	
Advances to an associate (Note 15)	355,294	-	-	-	

The advances are unsecured, interest-free and not expected to be repaid within the next 12 months.

13 INVESTMENT IN SUBSIDIARIES

	Company		
	March 31,	December 31,	
	2005	2003	
	\$	\$	
Unquoted equity shares, at cost	2,996,716	1,796,714	

Details of the significant subsidiaries of the group are set out below:

Ū		Ü			interes	e equity st held
	Country of		_	<u>ost</u>	by the Group	
	incorporation/	Principal	March 31,	December 31,	March 31,	December 31,
Name of subsidiary	operation	activities	2005	2003	2005	2003
			\$	\$	%	%
i) Held by the						
company						
Tung Lok Millennium Pte Ltd	Singapore	Restaurateur	1,368,222	1,368,222	100	100
Tung Lok (China) Holdings Pte Ltd	Singapore	Investment holding	1,200,000	-	100	-
Tung Lok (India) Holdings Pte. Ltd.	Singapore	Investment holding	2	-	100	-
Tung Lok Arena Pte Ltd	d Singapore	Restaurateur	210,000	210,000	70	70
Olde Peking Dining Hall Pte Ltd	Singapore	Restaurateur	191,100	191,100	60	60
Club Chinois Pte Ltd	Singapore	Restaurateur	27,392	27,392	75	75
ii) Held by Tung Lok <u>Millennium Pte Ltd</u>						
Charming Garden (Asia Pacific) Pte Ltd	Singapore	Restaurateur	-	-	70	-
Total			2,996,716	1,796,714		

Tung Lok (China) Holdings Pte Ltd and Tung Lok (India) Holdings Pte. Ltd. were both incorporated in Singapore on December 5, 2003 and became subsidiaries of the group during the financial period.

All the subsidiaries are audited by Deloitte & Touche, Singapore.



14 INVESTMENT IN JOINT VENTURES

	Gr	oup	Company		
	March 31, December 31,		March 31,	December 31,	
	2005	2003	2005	2003	
	\$	\$	\$	\$	
Unquoted equity shares, at cost	2,743,860	1,000,000	1,000,000	1,000,000	
Post acquisition reserves	(782,790)	(2,019,749)	-	-	
Impairment loss	(1,000,000)	-	(1,000,000)	(1,000,000)	
Net	961,070	(1,019,749)	-	-	

Impairment loss is provided on the investment of which the estimated recoverable amount is lower than its carrying amount.

Details of the significant joint ventures of the group are set out below:

-		- '	Percentage of equity			
	Country of			<u>ost</u>		he group
	incorporation/	Principal	March 31,	December 31,		December 31,
Name of joint venture	operation	activities	2005	2003	2005	2003
			\$	\$	%	%
i) Held by the company						
Imperium Fine Dining Restaurant and Entertainment Pte Ltd (1	Singapore	Restaurateur	1,000,000	1,000,000	50	50
ii) Held by Tung Lok (Chine Holdings Pte Ltd	a) 					
My Humble House in Beijing (Restaurant) Company Ltd ^{[3] [4]}	People's Republic of China	Restaurateur	728,587	-	70	-
Beijing Tung Lok Elite (Restaurant) Company Ltd ⁽³⁾	People's Republic of China	Restaurateur	515,273	-	50	-
iii) Held by Tung Lok <u>Millennium Pte Ltd</u>						
TYJ Gourmet Cuisine Pte Ltd ^[1]	Singapore	Food Products Manufacturer	500,000		50	
Total			2,743,860	1,000,000		

⁽¹⁾ Audited by Deloitte & Touche, Singapore.

⁽²⁾ Ceased operation towards the end of the financial period.

 $^{^{\}mbox{\tiny{(3)}}}$ Audited by Zhong Tian Hua Zheng CPA Co., Ltd for equity accounting purposes.

⁽⁴⁾ Although the group holds more than 50% equity interest in the entity, the shareholders' agreement provides for joint control by the shareholders.

Under the joint venture agreements, the joint venture parties agree to provide their proportional share of the funding requirement to the joint venture companies.

The group's proportionate share of the assets, liabilities and operating results of the joint venture companies are as follows:

·	March 31,	December 31,
	2005	2003
	\$	\$
Current assets	1,185,286	212,273
Non-current assets	1,526,856	1,130,880
Current liabilities	(4,329,768)	(1,251,962)
Non-current liabilities	-	(1,110,940)
	(1,617,626)	(1,019,749)
Reversal of share of net liabilities of a joint venture company	2,578,696	-
Net investment	961,070	(1,019,749)
Net results		
Revenue	3,699,399	2,764,848
Expenses	(6,004,640)	(3,269,811)
	(2,305,241)	(504,963)
Reversal of share of net liabilities of a joint venture company	2,578,696	-
Profit (Loss) after tax	273,455	(504,963)

Capital expenditure commitments

Estimated amounts committed for future capital expenditure but not provided for in the financial statements 68

685,093

During the previous financial years, the company undertook to provide financial support to one of the joint venture companies which was incurring losses exceeding its issued capital. Pursuant to this commitment, the group accounted for its shares of the net capital deficit of this joint venture company in the past. During the current financial period, the company decided not to continue to provide financial support to this joint venture company. Hence, the company did not issue any letter of financial support to this joint venture during the current financial period unlike in the past where the letter of financial support was issued to the joint venture company on a yearly basis. Accordingly, to the extent the company is liable to any undertaking extended to the creditors of this joint venture in the past which has been taken up in the group's and company's operating expenses during the current financial period totalling \$1,119,110, the group's share of the net liabilities of the joint venture previously accounted for in prior years of \$2,578,696, were written back to the group's profit and loss statement via the share of profit in joint ventures during the current financial period.

15 INVESTMENT IN AN ASSOCIATE

	Group		Company	
	March 31, December 31,		March 31,	December 31,
	2005	2003	2005	2003
	\$	\$	\$	\$
Unquoted equity shares, at cost	364,262	-	-	-
Share of post acquisition reserves	(63,240)	-	-	-
Net	301,022	-	-	-



Details of the associate of the group are set out below:

					Percentage of	of equity
	Country of		<u>C</u>	ost	held by the group	
i	ncorporation/	Principal	March 31,	December 31,	March 31,	December 31,
Name of associate	operation	activities	2005	2003	2005	2003
Held by Tung Lok (China) Holdings Pte Ltd			\$	\$	%	%
Xiang-E Qing - My	People's	Restaurateur	364,262	-	30	-
Humble House	Republic of					
in Chengdu	China					
(Restaurant) Company Ltd	}					

The associate is audited by Zhong Tian Hua Zheng CPA Co., Ltd for equity accounting purpose.

16 OTHER INVESTMENT

	Gro	up	Company	
	March 31, December 31,		March 31,	December 31,
	2005	2003	2005	2003
	\$	\$	\$	\$
Unquoted equity shares, at cost	13,050	-	13,050	-

17 GOODWILL

	Group		
	March 31,	December 31,	
	2005	2003	
	\$	\$	
Cost:			
At beginning of period/year	212,619	1,038,484	
Disposal of a subsidiary	-	(825,865)	
At end of period/year	212,619	212,619	
Accumulated amortisation:			
At beginning of period/year	106,309	243,953	
Disposal of a subsidiary	, -	(137,644)	
At end of period/year	106,309	106,309	
Amortisation for last year	-	208,517	
Accumulated impairment loss:			
At beginning of period/year	106,310	<i>7</i> 94,531	
Disposal of a subsidiary	, -	(688,221)	
At end of period/year	106,310	106,310	
Impairment for last year	-	794,531	
Carrying value:			
At beginning and end of period/year	-	-	

18 PROPERTY, PLANT AND EQUIPMENT

	Furniture,				
	fixtures and	Kitchen	Leasehold	Motor	
	equipment	equipment	property	vehicles	Total
	\$	\$	\$	\$	\$
Group					
Cost:					
At beginning of period	12,200,523	3,991,547	3,554,077	588,397	20,334,544
Additions	1,547,962	167,131	1,790	50,000	1,766,883
Disposals	(2,057,476)	(260,922)	-	(454,191)	(2,772,589)
At end of period	11,691,009	3,897,756	3,555,867	184,206	19,328,838
Accumulated depreciation:					
At beginning of period	7,632,535	2,398,680	161,912	456,783	10,649,910
Depreciation for the period	1,985,416	689,746	88,978	14,591	2,778,731
Disposals	(1,913,684)	(256,348)	-	(335,776)	(2,505,808)
At end of period	7,704,267	2,832,078	250,890	135,598	10,922,833
Depreciation for last year	1,505,975	542,086	76,604	92,137	2,216,802
Accumulated impairment loss: At beginning and end					
of period	518,174	46,002	-	-	564,176
Impairment for last year	-	-	-	-	-
Carrying amount:					
At end of period	3,468,568	1,019,676	3,304,977	48,608	7,841,829
At beginning of period	4,049,814	1,546,865	3,392,165	131,614	9,120,458

Plant and equipment with the following carrying amounts at period/year end are under finance leases:

	March 31,	December 31,
	2005	2003
	\$	\$
Kitchen equipment	67,246	283,414
Furniture, fixtures and equipment	-	173,545
Motor vehicles	48,611	131,617
Total	115,857	588,576

Leasehold property with carrying amount of 33,304,977 (December 31,2003:33,392,165) has been pledged to secure bank loans (Note 22).

Details of the leasehold property as at March 31, 2005 are as follows:

Location	Type of premises	Land area	Tenure
		(sq ft)	
20 Bukit Batok	Office cum factory	14,424	60 years commencing
Crescent	building		March 13, 1997
#11-05 to 09			
Enterprise Centre			
Singapore 658080			



19 TRADE PAYABLES

	Group		Compo	any	
	March 31,	December 31,	March 31,	December 31,	
	2005	2003	2005	2003	
	\$	\$	\$	\$	
Outside parties	6,458,124	4,960,250	-	-	
Related parties (Note 4)	8,138	51,946	-	<u>-</u>	
Total	6,466,262	5,012,196	-	-	

20 OTHER PAYABLES

	Group		Company	
	March 31,	December 31,	March 31,	December 31,
	2005	2003	2005	2003
	\$	\$	\$	\$
Advances from subsidiaries (Note 13)	-		3,326,325	858,513
Advances from a corporate shareholder				
of a joint venture company	255,000	-	-	-
Refundable security deposits	484,380	461,756	-	-
Accrued expenses	3,282,110	3,147,645	219,950	1 <i>77,</i> 733
Others	2,454,505	1,367,819	1,178,991	84,355
Total	6,475,995	4,977,220	4,725,266	1,120,601
Non-current portion of advances				
from subsidiaries (Note 13)	-	-	(2,857,746)	-
Net current portion	6,475,995	4,977,220	1,867,520	1,120,601

Advances from subsidiaries at the company level are unsecured, interest-free and without fixed repayment terms except for:

- (a) \$468,579 (December 31: 2003 : \$858,513) which bears interest at 5.5% per annum; and
- (b) \$2,857,746 (December 31, 2003 : Nil) which is not expected to be repaid within the next twelve months.

Included in others at the company level:

- (a) is an amount of \$51,405 (December 31, 2003 : \$56,844) relating to the net liabilities of a former subsidiary, Club Asiana Pte Ltd, which was disposed off in 2003. The company agreed to assume the net liabilities after the former subsidiary ceased operations in January 2003;
- (b) is an amount of \$1,119,110 (December 31, 2003 : Nil) relating to certain liabilities of a joint venture company, Imperium Fine Dining and Entertainment Pte Ltd. The company agreed to assume these liabilities after the joint venture ceased operations towards the end of the financial period.

At the group level:

- (a) included in others, other than those highlighted above, are mainly payables to non-trade creditors for acquisition of plant and equipment and for other operating expenses.
- (b) advances from a corporate shareholder of a joint venture company are unsecured, interest free and without fixed repayment terms.

21 OBLIGATIONS UNDER FINANCE LEASES

			Presen	t value
	Min	imum	of minimum	
	<u>lease</u> p	ayments	lease po	ayments
	March 31,	December 31,	March 31,	December 31,
	2005	2003	2005	2003
	\$	\$	\$	\$
Group				
Amounts payable under finance lease	s:			
Within one year	34,693	230,982	31,767	209,939
In the second to fifth year inclusive	29,943	63,041	27,442	55,730
	64,636	294,023	59,209	265,669
Less: Future finance charges	(5,427)	(28,354)	-	-
Present value of lease obligations	59,209	265,669	59,209	265,669

The effective borrowing rate is 3.42% (December 31, 2003 : 3.49%) per annum.

The obligations under finance leases are secured by way of corporate guarantees issued by the company.

22 BANK OVERDRAFT AND LONG-TERM LOANS

	Group		Com	oany
	March 31, December 31,		March 31,	December 31,
	2005	2003	2005	2003
	\$	\$	\$	\$
Long-term loans from:				
Banks	1,728,225	2,133,454	-	-
Corporate shareholder				
of a joint venture company	-	195,000	-	-
	1,728,225	2,328,454	-	-
Current portion	(71,984)	(379,677)	-	-
Non-current portion	1,656,241	1,948,777	-	-

The bank loans of the subsidiaries are repayable in 240 monthly instalments commencing June 2001. Interest is charged on the loans at rates ranging from 4.00% to 7.75% (December 31, 2003: 5.00% to 7.83%) per annum.

The bank overdraft and bank loans are secured by way of:

- a) a charge over the leasehold property of the subsidiary as disclosed in Note 18; and
- b) a corporate guarantee issued by the company.

In 2003, the loan from the corporate shareholder of a joint-venture company was unsecured, interest-free and repayable in monthly instalments of \$5,000 commencing 2003. There was no repayment during the financial period and accordingly, the entire amount of the loan has been classified as current liabilities in other payables.



23 DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised by the group and the movement thereon during the period:

	Accelerated tax
	depreciation
	\$
Group	
At beginning of period	840,723
Reversal to profit and loss (Note 31)	(82,838)
At end of period	757,885

24 ISSUED CAPITAL

	March 31,	December 31,	March 31,	December 31,
	2005	2003	2005	2003
	Numbe	r of ordinary	\$	\$
	shares of	\$0.025 each		
Group and Company				
Authorised:	400,000,000	400,000,000	10,000,000	10,000,000
Issued and paid up: Balance at beginning of period/ year Issue of shares	120,000,000	120,000,000	3,000,000	3,000,000
Balance at end of period/ year	140,000,000	120,000,000	3,500,000	3,000,000

During the financial period, the company issued an additional 20,000,000 ordinary shares of \$0.025 each at \$0.135 per share pursuant to the Placement Agreement with Tee Yih Jia Food Manufacturing Pte Ltd. The new shares issued during the period rank pari passu in all respects with the existing shares.

25 SHARE PREMIUM

	Group and Company	
	March 31,	December 31,
	2005	2003
	\$	\$
Balance at beginning of period/year	4,595,341	4,595,341
Arising from Placement Agreement – share issue	2,200,000	-
Share issue expenses	(25,838)	-
Balance at end of period/year	6,769,503	4,595,341

The share premium could only be used for purposes allowed under the Singapore Companies $\mathsf{Act}.$

26 REVENUE

	Group		
	January 1,	January 1,	
	2004 to	2003 to	
	March 31,	December 31,	
	2005	2003	
	(15 months)	(12 months)	
	\$	\$	
Food and beverages	75,765,506	55,978,698	
Service charges	6,491,480	4,759,662	
Management fee	595,767	168,667	
Total	82,852,753	60,907,027	

27 OTHER OPERATING INCOME

	Group	
	January 1,	January 1,
	2004 to	2003 to
	March 31,	December 31,
	2005	2003
	(15 months)	(12 months)
	\$	\$
Interest income from non-related companies	9,856	959
Rental of equipment	-	40,000
Others	460,721	181,714
Total	470,577	222,673

28 OTHER OPERATING EXPENSES

	Group	
	January 1,	January 1,
	2004 to	2003 to
	March 31,	December 31,
	2005	2003
	(15 months)	(12 months)
	\$	\$
Rental charges	9,994,192	8,202,401
Utilities charges	3,933,068	3,085,243
Repair and maintenance	3,034,470	2,306,357
Depreciation	2,778,731	2,216,802
Allowances on advances to a joint venture company	2,603,648	-
Commission expense	1,802,557	1,417,916
Advertising and promotions	1,172,715	726,718
Assumption of certain liabilities of a joint venture company	1,119,110	-
Decorations	450,026	296,376
Trade receivables written off	137,251	-
Others	3,473,486	2,215,597
Total	30,499,254	20,467,410



29 PROFIT FROM OPERATIONS

	Group	
	March 31,	December 31,
	2005	2003
Number of employees at end of period/ year	656	669

The number of directors of the company in remuneration bands are as follows:

		ber of directors		r of non- directorss	Total no	
	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
	2005	2003	2005	2003	2005	2003
\$500,000 and above	-	-	-	-	-	-
\$250,000 to \$499,999	1	-	-	-	1	-
Below \$250,000	1	2	4	4	5	6
Total	2	2	4	4	6	6

	Group		
	January 1,	January 1,	
	2004 to	2003 to	
	March 31,	December 31,	
	2005	2003	
	(15 months)	(12 months)	
	\$	\$	
Staff costs	22,457,269	17,559,346	
Cost of defined contribution plans (included in staff costs)	1,593,516	1,410,658	
Allowances on advances to a joint venture company	2,603,648	-	
Trade receivables written off	137,251	-	
Loss on disposal of property, plant and equipment	8,038	1 <i>7,</i> 316	
Loss on disposal of a subsidiary	-	23,249	
Non-audit services fees:			
Auditors of the company	-	5,000	
Audit fees:			
Auditors of the company	193,000	143,000	
Directors' remuneration:			
Directors of the company	652,612	410,408	
Directors of the subsidiaries	-	-	
Directors' fees	90,000	90,000	

30 FINANCE COSTS

	Group	
	January 1,	January 1,
	2004 to	2003 to
	March 31,	December 31,
	2005	2003
	(15 months)	(12 months)
	\$	\$
Interest expense from:		
Bank loans	118,784	153,675
Finance leases	24,342	39,510
Bank overdraft	6,697	18,559
Total	149,823	211,744

31 INCOME TAX EXPENSE

This comprises:

	Group		
	January 1,	January 1,	
	2004 to	2003 to	
	March 31,	December 31,	
	2005	2003	
	(15 months)	(12 months)	
	\$	\$	
Current	1,045,777	143,625	
Deferred (Note 23)	(82,838)	356,000	
Net/Total	962,939	499,625	

The income tax expense varied from the amount of income tax expense determined by applying the Singapore statutory tax rate of 20% (December 31, 2003 : 22%) to profit before income tax as a result of the following differences:

		<u>Group</u>	
J	January 1,	January 1,	
	2004 to	2003 to	
1	March 31,	December 31,	
	2005	2003	
	(15 months)	(12 months)	
	\$	\$	
Income tax expense at statutory rate	122,449	320,204	
Non-allowable items	964,743	150,652	
Effect of changes in tax rates	(76,429)	-	
Deferred tax benefits not recognised	32,458	-	
Utilisation of deferred tax benefits not recognised previously	(77,133)	(39,296)	
Tax exempt	(66,000)	(34,650)	
Others	62,851	102,715	
Net	962,939	499,625	

As at the balance sheet date, the group has the following which are available for offsetting against future taxable income as follows:

	Gre	oup
	March 31,	December 31,
	2005	2003
	\$	\$
a) Tax loss carryforwards		
· · · · · · · · · · · · · · · · · · ·		
At beginning of period/ year	298,900	3,547,055
Adjustment to prior year	20,111	-
Amount utilised in current period/year	(319,011)	(178,619)
Disposal of a subsidiary	-	(3,069,536)
Amount at end of period/ year	-	298,900
Deferred tax benefit not recorded	-	65,758



		Gr	oup
		March 31,	December 31,
		2005	2003
		\$	\$
b)	Capital allowances		
	At beginning of period/ year		114,452
	, ,	-	·
	Disposal of a subsidiary	-	(114,452)
	Amount at end of period/ year	-	-
	Deferred tax benefit not recorded	-	<u>-</u>
c)	Other temporary differences		
	At beginning of period/year	98,828	54,304
	Adjustment to prior year	-	(120)
	Amount utilised in current period	(66,656)	(.=0)
	Amount in current period/ year	162,291	44,644
	At end of period/ year	194,463	98,828
	Deferred tax benefit not recorded	38,893	21,742

The realisation of the future income tax benefits from tax loss carryforwards, capital allowances and other temporary differences are available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined. The above deferred tax benefit of the group has not been recognised in the financial statements due to the unpredictability of future income stream.

32 (LOSS) EARNINGS PER SHARE

(Loss) Earnings per share is based on the group's net loss for the financial period of \$413,817 (December 31, 2003 : profit of \$931,923) divided by 134,666,667 (December 31, 2003 : 120,000,000) being the weighted average number of ordinary shares outstanding during the financial period/year.

33 SEGMENTAL INFORMATION

The group currently operates substantially in Singapore and in one main line of business, that being the restaurant business. Therefore the requirement on the disclosure of information relating to the industrial and geographical segments of the operations is not applicable.

34 CONTINGENT LIABILITIES

	<u>Gr</u>	oup	Comp	oany
	March 31,	December 31,	March 31,	December 31,
	2005	2003	2005	2003
	\$	\$	\$	\$
Corporate guarantees issued for bank				
facilities, finance lease facilities and				
corporate loans granted to:				
- Subsidiary companies (unsecured)	-	-	4,542,861	2,499,549
- Joint venture companies				
(unsecured)	1,000,000	500,972	1,000,000	500,972
Financial support to the following				
entities which have negative				
shareholders' equity at the balance				
date of the amount disclosed:				
- Subsidiary companies	-	-	-	111,629
- Joint venture company	-	264,079	-	264,079
Total	1,000,000	<i>7</i> 65,051	5,542,861	3,376,229

35 OPERATING LEASE COMMITMENTS

	<u>G</u> r	oup	Comp	pany
	March 31,	December 31,	March 31,	December 31,
	2005	2003	2005	2003
	\$	\$	\$	\$
Minimum lease payments				
under operating leases included				
in the profit and loss statement	9,994,192	8,202,401	-	-

At the balance sheet date, commitments in respect of non-cancellable operating leases for rental of restaurant premises with a term of more than one year were as follows:

	Gı	roup	Comp	pany
	March 31,	December 31,	March 31,	December 31,
	2005	2003	2005	2003
	\$	\$	\$	\$
Future minimum lease payments payable:				
Within one year In the second to fifth year	6,647,129	7,106,198	-	-
inclusive	4,329,913	8,381,560		-
After fifth year	-	-	-	-
Total	10,977,042	15,487,758	-	-

36 SUBSEQUENT EVENTS

Subsequent to the period end, the company's wholly-owned subsidiary, Tung Lok Millennium Pte Ltd, acquired 270,000 ordinary shares of Charming Garden (Asia Pacific) Pte Ltd from the minority shareholder for a consideration of \$200,000. Following this acquisition, Charming Garden (Asia Pacific) Pte Ltd became a wholly-owned subsidiary of the group.

37 COMPARATIVE FIGURES

The financial statements for 2003 covered the twelve months ended December 31, 2003.

The financial statements for 2005 cover the fifteen months' period from January 1, 2004 to March 31, 2005.



In the opinion of the directors, the consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company set out on pages 54 to 81 are drawn up so as to give a true and fair view of the state of affairs of the company and of the group as at March 31, 2005 and of the results, changes in equity and cash flows of the group and changes in equity of the company for the financial period from January 1, 2004 to March 31, 2005 and at the date of this statement with the unqualified financial support by one of its major shareholders there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTO	RS	
Zhou Yingnan		
Tjioe Ka Men		
Singapore		

May 16, 2005



Authorised Share Capital : \$10,000,000/-Issued and Fully Paid Capital : \$3,500,000/-

Class of Shares : Ordinary shares of \$0.025 each

Voting Rights : One vote per share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 to 999	0	0.00	0	0.00
1,000 to 10,000	629	63.92	2,425,000	1.73
10,001 to 1,000,000	343	34.86	20,906,000	14.93
1,000,001 and above	12	1.22	116,669,000	83.34
Total	984	100.00	140,000,000	100.00

Shareholdings in the hands of public as at 15 June 2005

The percentage of shareholdings in the hands of the public was approximately 26.7% and hence the company has complied with Rule 723 of the Listing Manual which states that an issuer must ensure that at least 10% of its ordinary shares is at all time held by the public.

Top 20 shareholders

No.	Name of Shareholders	No. of Shares	%
1	Zhou Holdings Pte Ltd	49,200,000	35.14
2	Chip Lian Investments Pte Ltd	20,000,000	14.29
3	Tee Yih Jia Food Manufacturing Pte Ltd	20,000,000	14.29
4	Goh Cheng Liang	9,348,000	6.68
5	Sim Lai Hee	4,104,000	2.93
6	Hong Leong Finance Nominees Pte Ltd	4,000,000	2.86
7	Tay Kwang Thiam	2,716,000	1.94
8	Lo Tak Meng	2,090,000	1.49
9	Sim Seng Jin	1,746,000	1.25
10	Yeow Seng (Shark's Fin) Pte Ltd	1,350,000	0.96
11	DBS Nominees Pte Ltd	1,064,000	0.76
12	Kim Eng Securities Pte Ltd	1,051,000	0.75
13	United Overseas Bank Nominees Pte Ltd	725,000	0.52
14	OCBC Securities Private Ltd	703,000	0.50
15	Yio Kang Leng	600,000	0.43
16	Philip Securities Pte Ltd	552,000	0.39
17	Wong Hock Tick Tony or Goh Ban Hong Elai	ne 517,000	0.37
18	Lee Chye Chuan	500,000	0.36
19	Khoo Poh Koon	470,000	0.33
20	Chan Sen Meng	411,000	0.29
Tota	<u> </u>	121,147,000	86.53

Substantial Shareholders

Name of Shareholders	Direct Interest	%	Deemed Interest	%
Zhou Holdings Pte Ltd	53,200,000	38.00	-	-
Goh Cheng Liang	9,348,000	6.68	-	-
Zhou Yingnan	-	-	53,200,000*	38.00
Tjioe Ka Men	30,000	0.021	53,200,000*	38.00
Tjioe Ka In	30,000	0.021	53,200,000*	38.00
Chip Lian Investments Pte Ltd	20,000,000	14.29	-	-
Chip Lian Private Limited	-	-	20,000,000**	14.29
Oei Hong Leong	-		20,000,000**	14.29
Tee Yih Jia Food Manufacturing Pte Ltd	20,000,000	14.29	-	-
Goi Seng Hui	-	-	20,000,000***	14.29

^{*}Deemed to be interested in these shares held by Zhou Holdings Pte Ltd by virtue of Section 7 of the Companies Act, Cap 50

^{**}Deemed to be interested in these shares held by Chip Lian Investments Pte Ltd by virtue of Section 7 of the Companies Act, Cap 50

^{***}Deemed to be interested in the shares held by Tee Yih Jia Food Manufacturing Pte Ltd by virtue of Section 7 of the Companies Act, Cap 50



1. INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year by the Group are as follows:-

\$

a) Sale of food and beverages 42,028/b) Management fee 104,000/-

2. MATERIAL CONTRACTS PURSUANT TO RULE 1207(8) OF THE LISTING MANUAL

No material contracts to which the Company or its subsidiary is a party and which involve interests of directors or controlling shareholders subsisted at the end of the financial year or have been entered into since the end of the previous financial year.

NOTICE IS HEREBY GIVEN THAT the 5th Annual General Meeting of TUNG LOK RESTAURANTS (2000) LTD will be held at Copthorne Orchid Singapore, Aerides Ballroom, 214 Dunearn Road, Singapore 299526 on Friday, 22 July 2005 at 11.00 a.m. for the following purposes: -

ORDINARY BUSINESS

- To receive and adopt the audited accounts for the financial period ended 31 March 2005
 and the Reports of the Directors and Auditors.
- 2. To approve Directors' fees of \$90,000/- for the financial period ended 31 March 2005. (Resolution 2) (2003: \$90,000/-)
- 3. To re-elect Ms Tjioe Ka In, who retires in accordance with Article 91 of the Company's (Resolution 3) Articles of Association.
- 4a) To pass the following resolution: (Resolution 4a)
- "That pursuant to Section 153(6) of the Companies Act, Cap 50, Mr Zhou Yingnan be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting."
- 4b) To pass the following resolution: (Resolution 4b)
 - "That pursuant to Section 153(6) of the Companies Act, Cap 50, Mr Ch'ng Jit Koon be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting."
- 5. To re-appoint Messrs Deloitte & Touche as Auditors and to authorise the Directors to fix their (Resolution 5)
- 6. To transact any other ordinary business of an Annual General Meeting of which due notice shall have been given. (Resolution 6)

SPECIAL BUSINESS

7. To consider and, if thought fit, pass the following as Ordinary Resolution, with or without modification:

(Resolution 7)

"That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities trading Limited, authority be and is hereby given to the directors of the Company to issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time to such persons and upon such terms and conditions and for such purposes as the directors may in their absolute discretion deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to this resolution does not exceed 50% of the issued share capital of the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company. For the purposes of this resolution, the percentage of the issued share capital of the Company shall be based on the issued share capital of the Company at the time this resolution approving the mandate is passed (after adjusting for any new shares arising from conversion or exercise of convertible securities; or new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the option or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual and any subsequent consolidation or subdivision of shares in the Company), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

By Order of the Board

MICHAEL TAY KWANG HOW

Secretary

Singapore, 5 July 2005

NOTE :

- 1) A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Company's Registered Office, 1 Sophia Road #05-03, Peace Centre, Singapore 228149, not less than 48 hours before the time fixed for holding the Meeting.
- 2) Mr Ch'ng Jit Koon, Independent Director, if re-elected, will remain as chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee.

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED:

This is to empower the Directors to issue shares and convertible securities in the Company up to 50% of the issued share capital of the Company at the time of the passing of the resolution (in the case of issuance other than on a pro rata basis to existing shareholders, such aggregate number of shares not to exceed 20% of the Company's issued share capital at the time of the passing of the resolution), for such purposes as they consider to be in the interests of the Company. Such authorisation commences from the passing of the resolution and ends on the conclusion of the next Annual General Meeting of the Company or the expiration of the time period within which the next Annual General Meeting is required by law to be held, whichever is earlier.



___ (Address)



	Name	Address		/Passport umber	Proportion of Shareholdings (%)
(a)					
and/	or (delete as appropria	te)	'		
(b)					
lease ago spe	e indicate with an "X" i	and at any adjournment the in the spaces provided we be proposed at the Meeti xy/proxies will vote or ab	nether you w	ted hereund	er. In the absen
	Tany oner maner ansm	g at the Meeting).		1	
	Resolutions Relat			For	Against
No		ing To		For	Against
No	Resolutions Relat	ing To and Accounts		For	Against
No 1 2	Resolutions Relat	ing To and Accounts s' fees		For	Against
No 1 2 3	Resolutions Relate Adoption of Reports Approval of Director Re-election of Director	ing To and Accounts s' fees	Director	For	Against
No 1 2 3	Adoption of Reports Approval of Director Re-election of Director a) Re-appointment of	ing To and Accounts s' fees or – Ms Tjioe Ka In		For	Against
No 1 2 3 4	Adoption of Reports Approval of Director Re-election of Director a) Re-appointment of	ing To and Accounts s' fees or – Ms Tjioe Ka In Mr Zhou Yingnan as a		For	Against
No	Resolutions Relate Adoption of Reports Approval of Director Re-election of Director a) Re-appointment of	ing To and Accounts s' fees or – Ms Tjioe Ka In Mr Zhou Yingnan as a		For	Against
No 1 2 3 4	Resolutions Relate Adoption of Reports Approval of Director Re-election of Director a) Re-appointment of b) Re-appointment of Re-appointment of A	ing To and Accounts s' fees or – Ms Tjioe Ka In Mr Zhou Yingnan as a Mr Ch'ng Jit Koon as a E		For	Against

 $Signature \textit{(s)} of \ Member \textit{(s)} or \ Common \ Seal$

 $\ensuremath{\mathsf{IMPORTANT}}$ - $\ensuremath{\mathsf{Please}}$ read Notes on the reverse.

I/We,_____(Name)

NOTES:

- 1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Singapore Companies Act, Chapter 50), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
- 2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.
- Where a member appoints more than one proxy, the appointment shall be invalid unless he
 specifies the proportion of his shareholding (expressed as a percentage of the whole) to be
 represented by each proxy.
- 4. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 1 Sophia Road #05-03, Peace Centre, Singapore 228149, not less than 48 hours before the time appointed for the Annual General Meeting.
- 5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
- A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Singapore Companies Act, Chapter 50.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.