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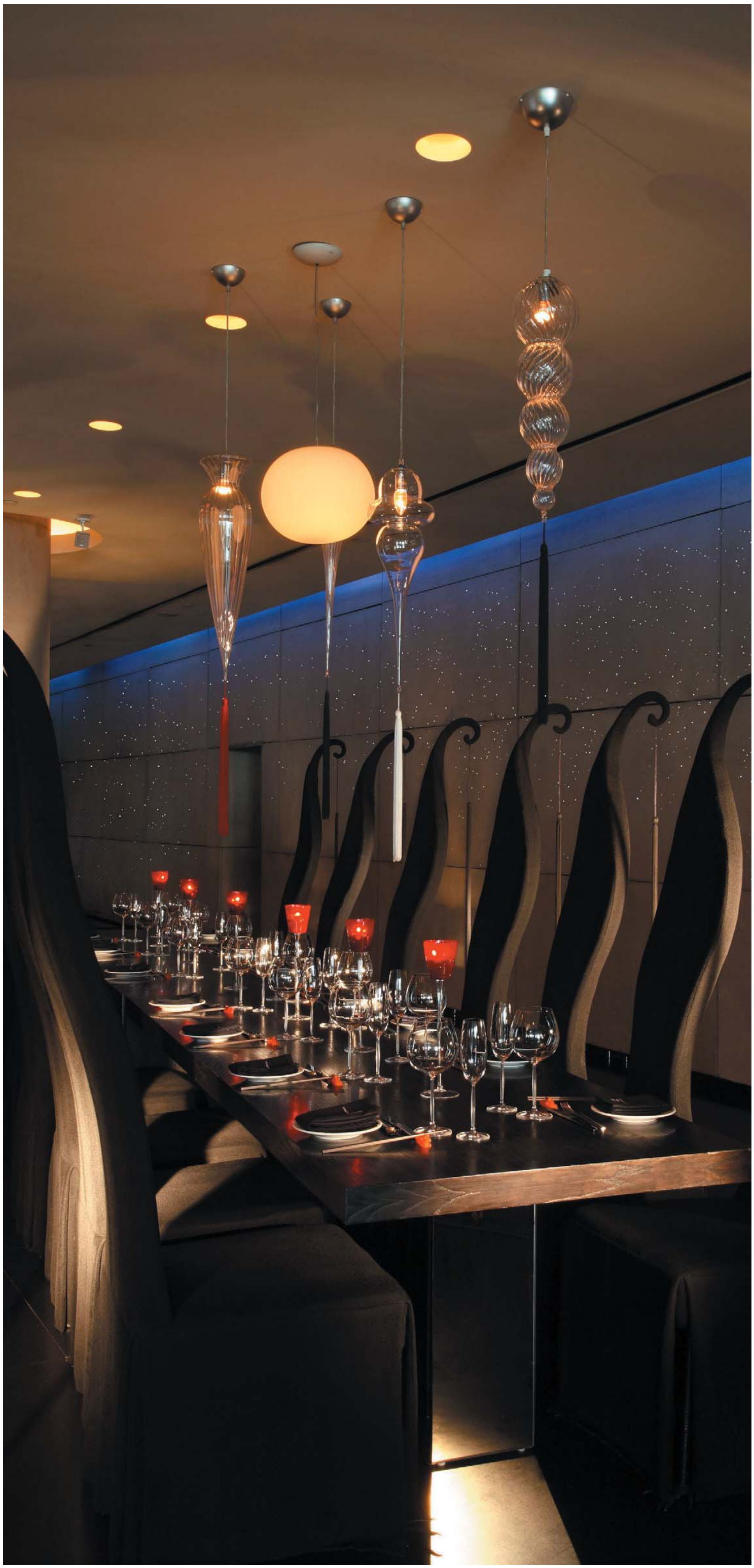


chairman's *statement*

On behalf of the Board of Directors, I am pleased to write my first Chairman's Message for Tung Lok Restaurants (2000) Limited ("Tung Lok") following my appointment as Executive Chairman in July 2006.

Performance

For the financial year ended 31 March 2007 ("FY07"), we achieved another strong set of performance from our local operations and embarked on new initiatives to strengthen our overseas operations, particularly in China.

It was a year in which we disposed our loss-making investments in China and established new outlets in partnership with a renowned partner in the country. While these initiatives may have affected the Group's FY07 performance, we believe that such measures will enable us to consolidate our position and eventually improve the performance of our China operations.

The Group recorded an increase in revenue to S$69.9 million for FY07, compared to S$64.9 million a year ago. Consequently, gross profit rose from S$43.6 million in FY06, to S$48.2 million.

However, net profit declined to S$1.1 million compared to S$1.4 million in FY06 due to higher operating expenses on manpower, advertising and promotions and rental, as well as start-up costs for two new restaurants in China. The Group was also affected by write-offs of loans to two companies which were divested in the year under review.

Reflecting an improved balance sheet, the Group's working capital reversed to a positive S$0.1 million as at 31 March 2007 from a negative S$0.6 million as at 31 March 2006.

Earnings per share declined to 0.75 cent compared to 0.98 cent in FY06, while net asset value per share rose to 6.12 cents from 5.39 cents, respectively.

To reward shareholders for their continued support, the Group intends to transfer tax credits available under Section 44A of the Income Tax Act (Cap 134) to shareholders, and has proposed a first and final dividend of 0.2813 cent per ordinary share.

Business outlook

The local food & beverage industry continues to be one of the fastest-growing sectors in Singapore. The changing lifestyles and growing affluence of consumers have led to an increased preference for dining out. Along with a wider market segment, competition has also increased with the entry of more restaurant operators. Consumers, faced with a multitude of choices, have begun to develop higher expectations in their quest for good food and unique dining experiences.

To maintain our competitive edge, Tung Lok will continue to develop innovative cuisines and concepts appealing to changing consumer tastes, while maintaining the same high quality of food and service. We are also constantly seeking to streamline our operating costs and internal efficiencies.

Singapore remains a key market for us and we are confident of maintaining the steady growth of our local operations by raising our brand awareness and identifying opportunites for new restaurants. In view of rising rents and manpower costs, we will also continue to closely monitor the performance of our existing outlets and may relocate, change concept or cease operations of affected restaurants.

For our food manufacturing business, we will continue to focus on export sales to the overseas market, where demand for Chinese frozen food products such as Dim Sum remains strong.

Strategic Partnerships

In FY07, we entered into a master franchise arrangement with one of Indonesia's largest Padang restaurant chains, Rumah Makan Garuda, to bring its renowned brand of padang cuisine to Singapore. This represented our first foray into the franchise management business and moving forward, we will continue to explore opportunities to collaborate with other regional brands through such arrangements.

For our overseas operations, we will focus on raising the awareness and profiles of our existing outlets in China through advertising and marketing efforts. We will also continue to forge stronger ties with our strategic partner in China, Shanghai Jinjiang International Food & Beverage Management Company Limited, and will open a restaurant in Wuhan through this partnership.

We also secured a management contract with an Indonesian partner to manage a third-party restaurant — Sun City – in Jakarta, Indonesia, which commenced operations in May 2007.

Once again, I would like to thank all our valued customers, business partners, directors, management and staff, and of course, our loyal shareholders for their trust and confidence as we work together to build a bigger and stronger Tung Lok.

Mr Andrew Tjioe
Executive Chairman

operations Review

While the Group recorded higher revenue compared to FY06, net profit was lower, due mainly to higher operating expenses and start-up costs for our new China outlets. The Group was also affected by write-off of loans to two companies, which it had divested off in FY07.

As at the end of FY07, Tung Lok Group owned and operated 22 restaurants and managed four third-party restaurants. The Group currently has operations in Singapore, Indonesia, China, Japan and India.

Expanding our Singapore operations

The Group opened two new fully-owned restaurants - Tung Lok Signatures and House of Hunan - in FY07. Subsequent to the year end, the Group opened another fully-owned restaurant – Lao Beijing – in Tiong Bahru Plaza in April 2007, making a total of three Lao Beijing in Singapore.

Due to commercial reasons, the Group has made a decision not to renew the lease for its Kippo restaurant, located in Keppel Club, when it expired in October 2006..

Master Franchise Agreement with Top Indonesian Restaurant Chain

The Group has secured a Master Franchise Agreement with one of Indonesia's largest Padang restaurant chains, Rumah Makan Garuda, to bring its brand of authentic Padang cuisine to Singapore.

To facilitate this agreement, the Group has entered into a 60/40 joint-venture with two Indonesian partners to establish a company, Garuda Padang Restaurant (Singapore) Pte Ltd ("Garuda Padang"), to set up Halal Indonesian restaurants in Singapore. The Group financed its 60% share of the joint-venture, amounting to S$360,000, through internal resources and bank borrowings.

The Group has since set up two Indonesian restaurants under the Garuda Padang Cuisine brand in Cairnhill Road and VivoCity in November 2006 and December 2006, respectively.

Consolidation of China operations

As announced in August 2006, the Group's wholly-owned subsidiary Tung Lok (China) Holdings Pte Ltd ("TLC") had divested its entire 50% stake in Beijing Tung Lok Elite (Restaurant) Company Ltd ("Elite") for RMB 2.5 million.

Elite has been making losses since its inception in 2005 and the Directors believe that it is unlikely to turn profitable in the short-term. Thus, it is in the Group's best interest to realise its investment at what is considered to be an attractive valuation under current circumstances and pursue other opportunities that will generate greater returns.

The Group recognised a net loss on disposal of S$222,272 after taking into account the excess of the sales proceeds over the book value of the sales share of S$304,266 and gains on fair value adjustment under financial reporting standard ("FRS") 39 of S$29,948, which were offset against waiver of loans and receivables due to Elite of S$556,486.

In 2006, the Group established a joint-venture company with Shanghai Jinjiang International Food & Beverage Management Company Limited – a leading hotel chain in China – to expand its presence in China.

The new company, Shanghai Jinjiang Tung Lok Catering Management Inc ("Shanghai Jinjiang"), opened one restaurant in Shanghai in June 2006.

The Group currently owns 3 restaurants in China, which are located in Beijing (2) and Shanghai (1), and expects to open another in Wuhan with Shanghai Jinjiang.

AWARDS AND ACCOLADES WON IN 2006 AND 2007

While pursuing growth, the Group has not lost sight of the qualities that are synonymous with the "Tung Lok" brand. We continued to gain recognition from professional organisations for our commitment to service excellence and innovative ideas.

Tung Lok Group

- Awarded "World-Renowned Chinese Restaurant Group" at the World Association of Chinese Cuisine 2006 in China.

Andrew Tjioe, Executive Chairman

- Named "Hospitality Entrepreneur of the Year" at the Hospitality Asia Platinum Awards (HAPA) 2006-2007
- Named "Renowned International Chinese Restaurant Entrepreneur" at the World Association of Chinese Cuisine 2006 in China

Sam Leong, Corporate Chef/Director of Kitchens

- Named "Chef of the Year" at the Hospitality Asia Platinum Awards (HAPA) 2006-2007
- Named "International Great Masterchef of Chinese Cuisine" at the World Association of Chinese Cuisine 2006 in China

Club Chinois

- Awarded "Most Innovative F&B Concept" at the Hospitality Asia Platinum Awards (HAPA) 2006-2007
- Voted Public's Favourite Restaurant in the "Most Popular Asian Restaurant" category *
- Bronze Medal for Best Dish Award in the "Most Popular Asian Food Restaurant' category *
- Awarded One Star (Great Establishment) by Wine & Dine Singapore's Top Restaurants Award 2007

Jade

- Awarded Singapore's Best Restaurants Service Awards 2007 by Singapore Tatler
- Voted Public's Favourite Restaurant in the "Most Popular Chinese Cuisine Restaurant" category *
- Silver Medal for Best Dish Award in the "Most Popular Chinese Cuisine Restaurant' category *
- Awarded Two Stars (Excellent Establishment) by Wine & Dine Singapore's Top Restaurants Award 2007

My Humble House, Singapore

- Ranked No. 94 in the Annual World's Top 100 Restaurants list by prestigious UK publication, Restaurant Magazine
- Silver Medal for Best Dish Award in the "Most Popular Asian Food Restaurant' category *
- Awarded One Star (Great Establishment) by Wine & Dine Singapore's Top Restaurants Award 2007

Lao Beijing

- Awarded One Star (Great Establishment) by Wine & Dine Singapore's Top Restaurants Award 2007

LingZhi Vegetarian Restaurant

- Awarded "Best for Veggie Lovers" at the Singapore Women's Weekly Gold Plate Awards 2007
- Voted Public's Favourite Restaurant in the 'Most Popular Theme Restaurant" category *

Noble House

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

Tung Lok Restaurant

- Bronze Medal for Best Dish Award in the "Most Popular Chinese Cuisine Restaurant' category *

My Humble House, Beijing

- Voted "Most Favourite Restaurant in Beijing and Shanghai 2006" by VOGUE magazine
- Voted "Top Restaurant for Business Lunch 2006" by TIMEOUT magazine
- Awarded "Beijing's Most Popular Dining Venue 2006" by China Welcomes You magazine
- Voted "Best Restaurant for a Luxurious Dining Experience" by Economist Cities Guide
- Listed in Gafencu Magazine's Best of the Best 2007 as one of the best restaurants in Beijing

House By The Park, Beijing

- Awarded "Most Innovative Cuisine" in the 2006 Modern Weekly Best Restaurants in Beijing award ceremony
- Awarded "Best Designed Restaurant in Beijing, Shanghai and Hong Kong" by Modern Weekly magazine
- Listed in Gafencu Magazine's Best of the Best 2007 as one of the best restaurants in Beijing

Jin Lu – The Chinoise Story, Shanghai

- Selected as "Top 50 Restaurants 2006" by Food & Wine magazine. Also among the "Top 30 New & Creative Restaurants", as well as awarded the "Best Uniform Design".
- Awarded the "Best Restaurant Design" by Modern Weekly 2006 Best Restaurants in the Creative Cuisine restaurant category
- Amongst the Top 45 restaurants to be included in the 'Eat & Drink Your Way Through Town' Guide 2006 by TIMEOUT Magazine – voted as one of the most prominent new restaurants of the year.
- Listed in Shanghai Tatler's 2007 Best Restaurants Guide as one of the Top 100 restaurants in Shanghai.

** NOTE: Category refers to Singapore Gourmet Hunt Award 2006, organized by the Restaurant Association of Singapore and MediaCorp Radio.*

historical financial summary

OPERATING RESULTS FOR THE GROUP

$'000	FY2002	FY2003	FY2005[1]	FY2006	FY2007
Turnover	64,421	60,907	82,853	64,918	69,871
Profit/(Loss) before tax and share of Profit (Loss) of Joint Ventures & Associates	(1,761)	1,961	402	2,110	2,998
Share of Profit/(Loss) of Joint Ventures & Associate	(2,114)	(505)	210	(39)	(1,139)
Taxation	(410)	(500)	(963)	(466)	(665)
Profit/(Loss) after taxation but before minority interests	(4,285)	956	(351)	1,605	1,194
Profit/(Loss) attributable to the equity holders of the company	(4,477)	932	(414)	1,377	1,053

FINANCIAL POSITION OF THE GROUP

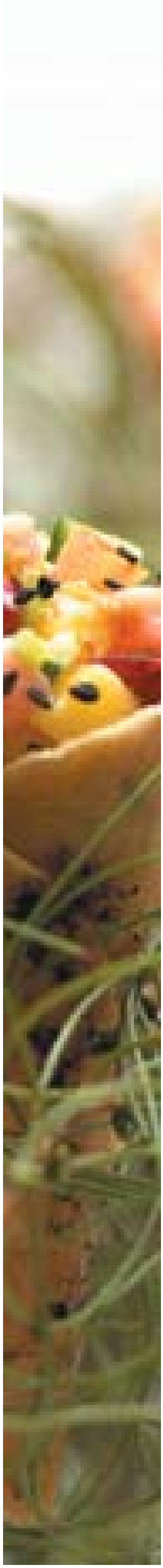
As at

$'000	31 Dec 2002	31 Dec 2003	31 Mar 2005[1]	31 Mar 2006	31 Mar 2007
Property, plant and equipment	10,727	9,121	7,842	6,837	8,538
Intangible asset	-	-	-	-	92
Goodwill on consolidation	-	-	-	204	204
Current assets	7,126	7,675	11,979	13,633	15,930
Other non-current assets	1,808	2,604	3,806	4,619	2,771
Total assets	19,661	19,400	23,6271	25,293	27,535
Current liabilities	12,504	11,042	14,252	14,233	15,822
Non-current liabilities	3,558	3,865	2,442	2,946	2,550
Shareholders' equity	3,034	3,966	6,190	7,538	8,573
Minority interests	565	527	743	576	590
Total liabilities and equity	19,661	19,400	23,627	25,293	27,535
NTA per share[2] (cents)	2.53	3.31	4.42	5.24	5.91

NOTE

1. In 2004, the Group had changed its financial year end from 31 December to 31 March, hence the reporting financial year FY2005 covered 15 months from 1 January 2004 to 31 March 2005.

2. For 2002 & 2003, it is based on the share capital of 120,000,000 shares, and for 2005, 2006 and 2007 it is based on the share capital of 140,000,000 shares.



corporate information

BOARD DIRECTORS

Tjioe Ka Men
Executive Chairman

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

Stella Chan

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:
Cheung Pui Yuen
Date of appointment: 22 July 2005

PRINCIPAL BANKERS

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

board of *directors*

ANDREW TJIOE executive chairman

TJIOE KA IN

DR KER SIN TZE

DR TAN ENG LIANG

CH'NG JIT KOON

management team












from top left to right:

ANDREW TJIOE
executive chairman

TJIOE KA IN
executive director

LIM QUEE TECK
chief financial officer

JOCELYN TJIOE
vice president, administration

VINCENT PHANG
vice president, banquet and catering sales

SAM LEONG
corporate chef / director of kitchens

CAROLYN TAN
vice president, marketing & corporate communications

WOODY ACHUTHAN
vice president, operations & customer services

CHUA POH YORK
vice president, operations

JONATHAN TOH
vice president, operations

RICKY NG
vice president, operations

CATALINA LI
vice president, corporate planning & development

directors' profile

ANDREW TJIOE (aged 48) was appointed to the Board since 28 September 2000, and is a Member of the Executive Committee and Nominating Committee. He is the Managing Director of the Group, spearheading its 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 restaurant operations since 1982, becoming Managing Director of Tung Lok Shark's Fin Restaurant Pte Ltd in 1984. He has since established a chain of reputable restaurants in Singapore, Indonesia, Japan 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 42) was appointed to the Board on 1 March 2001 and was last re-elected on 22 July 2005, and she is also a Member of the Executive Committee. She joined Tung Lok Group in 1988 and currently holds the appointment of Executive Director of the Group. Her primary responsibilities include strategic planning and ensuring smooth operations of Tung Lok's restaurants in Singapore and Indonesia.

Currently, Ms Tjioe heads the operation of T&T Gourmet Cuisine Pte Ltd, a joint venture set up by Tung Lok Group and frozen food manufacturer Tee Yih Jia Group. Its primary business is in production of gourmet dim sum and snacks for both local and export markets, premium mooncakes and festive goodies such as nian gao and Chinese pastries. Her responsibilities include recipe and product development, and planning.

Ms Tjioe holds a Bachelor of Science Degree in Hotel and Restaurant Management from Oklahoma State University, USA. She was President of the Lions Club of Singapore Oriental for the term year 2000/2001, and is presently a member of the Ulu Pandan Community Club Management Committee.

DR TAN ENG LIANG (aged 70) was appointed as an independent Director of our Company on 1 March 2001 and was last re-elected on 26 April 2004. He is the Chairman of the 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 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 was 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: Ezra Holdings Limited, FHTK Holdings Ltd, Pokka Corporation (Singapore) Limited, Progen Holdings Ltd, Sapphire Corporation Limited and United Engineers Ltd.

DR KER SIN TZE (aged 62) was appointed as an Independent Director on 1 March 2001 and was last re-elected on 28 July 2006. He is the Chairman of the Nominating Committee, and also a Member of the 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 Multi-Packaging Limited (formerly known as 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 Multi-Packaging 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 in September 1994. He served as a Member of Parliament during the period 1991 to 2001.

CH'NG JIT KOON (aged 73) was appointed as an Independent Director on 20 December 2002 and was re-appointed on 28 July 2006. 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 holding the post of 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 also serves in several community organizations.

key executives' profile

ANDREW TJIOE
Executive Chairman
Mr Tjioe was appointed to the Board since 28 September 2000. He is a Member of the Executive Committee and Nominating Committee. In July 2006, he was appointed as Executive Chairman, and continues to spear 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 restaurant operations since 1982, becoming Managing Director of Tung Lok Shark's Fin Restaurant Pte Ltd in 1984. He has since established a chain of reputable restaurants in Singapore, Indonesia, Japan and China, and continues to lead the Group from strength to strength.

In 1997 and 2002, in recognition of his success, Mr Tjioe 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. In November 2006, he was awarded the "*Hospitality Entrepreneur of the Year*" in the Hospitality Asia Platinum Awards Singapore Series 2006-07, conceptualised to recognise the dedication and commitment of industry-related players beyond the call of duty.

Mr Tjioe is a graduate in Business Administration from Oklahoma State University, USA.

TJIOE KA IN
Executive Director
Ms Tjioe was appointed to the Board on 1 March 2001 and was last re-elected on 22 July 2005, and she is also a Member of the Executive Committee. She joined Tung Lok Group in 1988 and currently holds the appointment of Executive Director of the Group. Her primary responsibilities include strategic planning and ensuring smooth operations of Tung Lok's restaurants in Singapore and Indonesia.

Currently, Ms Tjioe heads the operation of T&T Gourmet Cuisine Pte Ltd, a joint venture set up by Tung Lok Group and frozen food manufacturer Tee Yih Jia Group. Its primary business is in production of gourmet dim sum and snacks for both local and export markets, premium mooncakes and festive goodies such as *nian gao* and Chinese pastries. Her responsibilities include recipe and product development, and planning.

Ms Tjioe holds a Bachelor of Science Degree in Hotel and Restaurant Management from Oklahoma State University, USA. She was President of the Lions Club of Singapore Oriental for the term year 2000/2001, and is presently a member of the Ulu Pandan Community Club Management Committee.

LIM QUEE TECK
Chief Financial Officer
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.

WOODY ACHUTHAN
Vice President, Operations & 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 and service excellence.

CAROLYN TAN
Vice President, Marketing & Corporate Communications
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.

SAM LEONG
Corporate Chef / Director of Kitchens
Sam is the maestro behind the unique cuisine of Jade, My Humble House and Paddy Fields Thai Restaurant. Sam had the honour of serving up some of Jade's best to former US President Bill Clinton and Singapore's then Prime Minister Goh Chok Tong in May 2002; and to Queen Elizabeth II of England in March 2006. 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. From December 2005 to February 2006, MediaCorp TV (Channel U), Singapore's national broadcasting station, produced and aired a reality TV series "King of the Kitchens", which featured Sam as the leading character. In May 2007, he launched his second cookbook "Sensations".

CHUA POH YORK
Vice President, Operations
Poh York joined the Group in 1985 as Assistant Manager of Tung Lok Restaurant. Subsequently, in 1989, she became the Restaurant Manager of the then Grand Pavilion, and The Paramount Restaurant in 1993. In her current capacity as Vice President, Operations, she manages and oversees the daily operations of restaurants such as The Paramount Restaurant, Tung Lok Seafood (East Coast & Upper Jurong), House of Hunan and Tung Lok Signatures (The Central).

JONATHAN TOH
Vice President, Operations
Jonathan is armed with more than 15 years of experience in the food and beverage industry. He joined the Group in 1993 as Manager of Noble House and was promoted to his current position in 2006. As Vice President, Operations, he is responsible for the day-to-day operations and functions of a group of restaurants which includes Noble House, Teahouse at China Square, LingZhi Vegetarian Restaurant (Liat Towers & Far East Square), and Tung Lok Signatures (VivoCity).

RICKY NG
Vice President, Operations
Prior to joining the Group, Ricky has had valuable experiences at well-known Australian and Hong Kong establishments such as Hayman Island Resort Hotel and Conrad International. Armed with formal training at the Australian School of Tourism and Hotel Management, he joined the Group as Restaurant Manager of Singapore's pioneer Modern Chinese restaurant, Club Chinois, in 1997.

In his current position, he oversees the daily operations of the Group's three Modern Chinese restaurants Club Chinois, Jade, and My Humble House, as well as Space @ My Humble House, and Lao Beijing (Plaza Singapura, Velocity @ Novena Square, and Tiong Bahru Plaza).

CATALINA LI
Vice President, Corporate Planning & Development
Catalina joined the Group in May 2007. As Vice President of Corporate Planning and Development, she is primarily responsible in the areas of strategic planning, business development, and corporate system operations. She also oversees the operations of the Group's restaurants in Beijing. Catalina holds a double degree – Bachelor of Science in Accounting, as well as Computer Information System. She also has a Law School Masters concentrating in International Business Taxation Law. As a Certified Public Accountant in Maryland, USA, she had previously held managerial positions in the Audit Group at Deloitte & Touche, and in International Business Planning Group at PricewaterhouseCoopers.

TUNG LOK RESTAURANTS (2000) LTD (the "Company") is committed to ensuring and maintaining a high standard of corporate governance within the Group. This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code of Corporate Governance introduced in April 2001 and revised in July 2005 (the "Code"). The Company will continue to improve its systems and corporate governance processes in compliance with the Code.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

The Board of Directors (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 year ended 31 March 2007 ("FY2007") is as follows:

	Board		Audit Committee		Executive Committee		Remuneration Committee		Nominating Committee	
Name	No. of Metting Held	No. of Metting Attended	No. of Metting Held	No. of Metting Attended	No. of Metting Held	No. of Metting Attended	No. of Metting Held	No. of Metting Attended	No. of Metting Held	No. of Metting Attended
Zhou Yingnan*	7	2	-	-	-	-	-	-	-	-
Tjioe Ka Men	7	7	-	-	7	7	-	-	1	1
Tjioe Ka In	7	7	-	-	7	7	-	-	-	-
Tan Eng Liang	7	7	6	6	7	7	2	2	1	1
Ker Sin Tze	7	7	6	6	7	7	2	2	1	1
Ch'ng Jit Koon	7	7	6	6	7	7	2	2	1	1

**retired on 28/07/2006*

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; and

(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.

These Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each Committee is also constantly reviewed by the Board.

The Executive Committee ("EXCO") was formed to assist the Board in the management of the Group. The EXCO comprises the following members: -

Dr Tan Eng Liang (Chairman & Independent Director)
Dr Ker Sin Tze (Independent Director)
Mr Ch'ng Jit Koon (Independent Director)
Mr Tjioe Ka Men (Chairman of the Board)
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 Chairman of the Board 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

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises five directors, of whom two are executive directors and three non-executive and independent directors. As at the date of this report, the Board comprises the following members:

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

The criterion for independence is based on the definition given in the Code. The Board considers an "independent" director as one who has no relationship with the Company, its related companies or officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent judgement of the conduct of the Group's affairs.

The Board is of the view that the current board size of five 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.

With majority of the Board comprising independent non-executive Directors, the Board is able to exercise objective judgement on corporate affairs independently, and no individual or small group of individuals dominate the Board's decision making.

Chairman and Managing Director

Principle 3: There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Mr Tjioe Ka Men was appointed as a Director on 28 September 2000 and as Managing Director on 1 March 2001. On 28 July 2006, the former Non-Executive Chairman, Mr Zhou Yingnan retired and handed over the chairmanship of the Group to Mr Tjioe Ka Men. Mr Tjioe Ka Men has been re-designated as Executive Chairman and has relinquished his title as Managing Director of the Company.

As Executive Chairman, Mr Tjioe Ka Men bears responsibility for the workings of the Board and, together with Audit Committee, ensures the integrity and effectiveness of the governance process of the Board.

Mr Tjioe Ka Men also continues his executive responsibility for the management of the Group.

The Board is of the view that, given the scope and nature of the operations of the Group and the strong element of independence of the Board, it is not necessary to separate the functions of Executive Chairman and Managing Director.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board.

Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

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

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.

3) determining the independence of directors in accordance with Guidance Note 2.1 of the Code.

The Articles of Association of the Company require one-third of the Board to retire from office at each Annual General Meeting ("AGM"). Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years.

The Company has in place policies and procedures for the appointment of new directors including the description on the search and nomination process.

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 FY2007 based on performance criteria set by the Board. Each individual director assessed the performance of the Board as a whole 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 criteria do not include the financial indicators set out in the Code as guides for the evaluation of the Board as the Board is of the view that the aforesaid indicators are more appropriate measures of Board's performance. 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 re-election of Ms Tjioe Ka In, pursuant to Article 91 of the Company's Articles of Association and the re-appointments of Mr Ch'ng Jit Koon and Dr Tan Eng Liang pursuant to Section 153(6) of the Companies Act at the forthcoming AGM.

Access to Information

Principle 6: In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

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 has separate and independent access to the Company Secretary and to other senior management executives of the Company and of the Group at all times in carrying out their duties. The Company Secretary attends important board meetings and audit committee meetings. The Company Secretary assists the Board to ensure that Board procedures are followed and that applicable rules and regulations are complied with.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

The Remuneration Committee ("RC") comprises three directors, who are non-executive and independent directors. The RC has adopted specific terms of reference.

The members of the RC are as follows:

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

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.

All aspects of remuneration, including but not limited to directors' fee, salaries, allowances, bonuses, and benefits-in-kind shall be reviewed by the RC.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

The details of the remuneration of directors of the Group disclosed in bands for services rendered during the financial year ended 31 March 2007 are as follows:

	Number of directors	
	2007	2006
$500,000 and above	-	-
$250,000 to $499,999	1	1
Below $249,999	5	5
Total	6	6

The summary compensation table for the Directors and top five key executives of the Group for the financial year ended 31 March 2007 is set out below:

Directors' Remuneration

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

Remuneration Band "A" = <S$150,000
Remuneration Band "B" = S$150,000 – S$250,000
Remuneration Band "C" = >S$250,000

The service contracts of the executive directors, key executives and employees related to our Directors are reviewed periodically 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.

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 FY2007 is as follows:

Name of Executive	Remuneration Band	Salary	Performance Based Bonuses	Other Benefits	Total
		%	%	%	%
William Tan Eng Sing*	B	100	-	-	100
Leong Siew Kay	B	100	-	-	100
Lim Quee Teck	A	100	-	-	100
Jocelyn Tjioe Ka Lie	A	100	-	-	100
Ricky Ng	A	90	10	-	100

*Resigned - last day on 31 March 2007

Immediate Family Member of Directors or Substantial Shareholders

Two employees of the Group are immediate family members of the Executive Chairman and the remuneration of each of these employees did not exceed $150,000/- for the financial year ended 31 March 2007.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will be announced or issued within legally prescribed periods.

Audit Committee

Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee ("AC") comprises the following three non-executive Directors, all of whom including the Chairman, are independent :

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

The AC 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;

3) reviews the co-operation given by our Group's officers to the external auditors;

4) 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; and

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 FY2007, 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 FY2007 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 effectiveness of the Company's material internal controls, including financial, operational and compliance controls. Material non-compliance and 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 in a joint effort 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.

The Company has in place a whistle-blowing framework where staff of the Company can access the Audit Committee Chairman and members or the Head of Human Resource to raise concerns about improprieties.

Internal Controls and Risk Management

Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

The Audit Committee will ensure that a review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management, is conducted annually. In this respect, the Audit Committee will review the audit plans, and the findings of the auditors and will ensure that the Company follows up on the auditors' recommendations raised, if any, during the audit process.

The Group has in place a system of internal control and risk management for ensuring proper accounting records and reliable financial information as well as management of business risks with a view to safeguarding shareholders' investments and the Company's assets. The risk management framework implemented provides for systematic and structured review and reporting of the assessment of the degree of risk, evaluation and effectiveness of controls in place and the requirements for further controls.

Internal Audit

Principle 13: The company should establish an internal audit function that is independent of the activities it audits.

An internal audit function has 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.

COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Principle 15: Companies should encourage greater shareholder participation at AGM's and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

In line with continuous obligations of the Company pursuant to the SGX-ST's Listing Rules, the Board's policy is that all shareholders be informed of all major developments that impact the Group.

Information is disseminated to shareholders on a timely basis through:

(a) SGXNET announcements and news release;
(b) Annual Report prepared and issued to all shareholders;
(c) Press releases on major developments of the Group;
(d) Notices of and explanatory memoranda for AGM and extraordinary general meetings ("EGM"); and
(e) Company's website at www.tunglok.com at which shareholders can access information on the Group.

The Company's AGMs are the principal forums for dialogue with shareholders. The Chairmen of the Audit, Remuneration and Nominating Committees are normally available at the meetings to answer any question relating to the work of these committees. The External Auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders.

Shareholders are encouraged to attend the AGM/EGM to ensure high level of accountability and to stay appraised of the Group's strategy and goals. Notice of the meeting will be advertised in newspapers and announced on SGXNET.

Dealing In Securities

The Company has in place a policy prohibiting share dealings by Directors and employees of the Company for the period of one month prior to the announcement of the Company's half yearly and yearly results as the case may be, and ending on the date of the announcement of the relevant results. Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

ADDITIONAL INFORMATION

1. Interested Person Transactions

The Company adopted an internal policy in respect of any transactions with interested person and has established procedures for review and approval of the interested person transactions entered into by the Group. The Audit Committee has reviewed the rationale and terms of the Group's interested person transactions and is of the view that the interested person transactions are on normal commercial terms and are not prejudicial to the interests of the shareholders.

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

		$
a)	Sale of food and beverages	520
b)	Management fee	96,000

2. Material Contracts

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.

our awards & *Accolades*

And the Award Goes to...

The past year was another bumper year of achievement for the Group as it saw its restaurants and key executives garner several awards and recognition, both local and international. These awards are, once again, testament to the Group's consistent commitment towards the industry, and its vision to be a world-class organization committed to producing excellent food & beverages, service and creating winning restaurant concepts.

World Association of Chinese Cuisine 2006

Held in China, the annual event recognizes establishments and individuals of the food & beverage industry across the world for their outstanding contribution and achievement towards the trade. TUNG LOK GROUP is proud to have been awarded the ***World-Renowned Chinese Restaurant Group***. Executive Chairman, ANDREW TJIOE, and Corporate Chef/Director of Kitchens SAM LEONG, were both honoured with the ***Renowned International Chinese Restaurant Entrepreneur*** and the ***International Great Masterchef of Chinese Cuisine*** respectively.

Hospitality Asia Platinum Awards (HAPA) 2006-2007

A biennial event organized and hosted by World Asia Publishing, publisher of the trade magazine Hospitality Asia, HAPA recognizes and honours various hospitality establishments and dedicated individuals for their outstanding contribution towards the growth of the hospitality industry. We are proud to have received the following awards: Executive Chairman, ANDREW TJIOE, for ***Hospitality Entrepreneur of the Year***; Corporate Chef/Director of Kitchens SAM LEONG for ***Chef of the Year***; and CLUB CHINOIS for ***Innovative F&B Concept***.

Restaurant Magazine's World's Top 100 Restaurants

A prestigious publication by UK's William Reed Publications, Restaurant Magazine releases an annual list of the top 100 dining establishments in the world. The list is put together by a distinguished, international panel of food connoisseurs. MY HUMBLE HOUSE, SINGAPORE, has been ranked one of the ***World's Top 100 Restaurants***, at No. 94. It is one of three restaurants in Singapore, and one of only two Chinese restaurants in the world, to make it into this notable list.

Singapore Gourmet Hunt 2006

Jointly organised by the Restaurant Association of Singapore and MediaCorp Radio, Singapore's national broadcasting station, this coveted annual competition pays tribute to the best of culinary creativity among the country's top chefs and restaurants. As in the past several years, Tung Lok Group is once again proud to have bagged the following awards conferred by a panel of well-respected food personalities and celebrities.

Most Popular Asian Food Restaurant

My Humble House
- Silver Award Winner in the Best Dish Competition

Club Chinois
- Bronze Award Winner in the Best Dish Competition
- Voted the public's favourite restaurant

Most Popular Chinese Cuisine Restaurant

Noble House
- Gold Award Winner in the Best Dish Competition

Jade
- Silver Award Winner in the Best Dish Competition
- Voted the public's favourite restaurant

Tung Lok Restaurant
- Bronze Award Winner in the Best Dish Competition

Most Popular Theme Restaurant

LingZhi Vegetarian Restaurant
- Voted the public's favourite restaurant

Singapore's Best Restaurants Awards 2006
'Singapore's Best Restaurants' is an annual food guide published by Singapore Tatler, a magazine targeted at the high-society and elite community. JADE is pleased to be conferred the ***Service Awards 2007*** for its consistency in its excellent service grading in the Guide.

Gafencu Magazine's Best of the Best 2007
This is a popular lifestyle magazine published in Hong Kong and distributed in both Hong Kong and China. The ***Best of the Best*** list consolidates the finest establishments in various lifestyle categories of both countries. MY HUMBLE HOUSE, as well as HOUSE BY THE PARK were listed amongst the best restaurants in China.

TimeOut Magazine Dining Guide 2006
Targetted largely at the expatriate community, this popular monthly publication is published in several cities worldwide. MY HUMBLE HOUSE, BEIJING, had been voted as the ***Top Restaurant for Business Lunch*** in the Beijing publication; while JIN LU - THE CHINOISE STORY has been voted as one of the ***Most Prominent New Restaurants of the Year*** in the Shanghai's 2006 year-end issue.

2006 ModernWeekly Best Restaurants
This annual award is organized by ModernWeekly International, one of the most influential fashion and lifestyle media in China. HOUSE BY THE PARK is proud to have won double awards, for the ***Most Innovative Cuisine,*** and also for the ***Best Restaurant Design (Beijing, Shanghai and Hong Kong)*** in the Creative Cuisine restaurant category.

Also in the same award event, JIN LU – THE CHINOISE STORY was awarded the ***Best Designed Restaurant*** in the special cuisine map, in which only 76 of the best restaurants in Shanghai were selected.

Food & Wine Magazine's Top 50 Restaurants 2006
Food & Wine is a highly popular and credible F&B publication whose articles and recommendations are highly regarded. JIN LU – THE CHINOISE STORY is proud to be selected as one of the ***Top 50 Restaurants***. It is also amongst the ***Top 30 New & Creative Restaurants***.

our restaurants

Decorated in the style of a typical Peranakan home, The Paramount continues to appeal to its discerning clientele in the Katong district. 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.

Location:
30 East Coast Road
#01-01/02/02A/03
Paramount Hotel
& Shopping Centre
Tel: 6440 3233

Restaurant:
The Paramount Restaurant
Always popular in the Katong area for great Cantonese cuisine and seafood

Year Established:
1990

靈芝 素食館 LingZhi vegetarian

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 continues to be popular for wedding banquets. It also serves vegetarian hotpot, with a notable variety of fresh vegetables, mushrooms and dim sum.

Restaurant:
LingZhi Vegetarian Restaurant
Vegetarian never tasted so good!

Year Established:
1991

Location:
541 Orchard Road
#05-01/02 Liat Towers
Tel: 6734 3788

7-13 Amoy Street #01-01
Far East Square
Tel: 6538 2992

金玉滿堂
Noble House

our restaurants

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.

Location:
5 Shenton Way #06 -13
UIC Building
Tel: 6227 0933

Restaurant:
Noble House
The grand palace of fine Chinese cuisine, in the heart of Shenton Way!

Year Established:
1991

老北京食堂 Lao Beijing

Juicy dumplings, flavourful noodles, and Peking Duck are some of the authentic Northern Chinese fare found on the tantalising menu at Lao Beijing's three outlets. The beautifully decorated restaurants, each reflecting a different theme – from a traditional Chinese courtyard, to modern chic interiors – never fail to attract diners.

Restaurant:
Lao Beijing
Northern Chinese favourites with character

Year Established:
1996

Location:
68 Orchard Road #03-01 Plaza Singapura
Tel: 6738 7207

238 Thomson Road #02-11/12
Velocity@Novena Square Tel: 6358 4466

302 Tiong Bahru Road #02-12
Tiong Bahru Plaza Tel: 6376 4466

our restaurants

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

Location:
1 Tanglin Road #02-18
Orchard Parade Hotel
Tel: 6834 0660

Restaurant:
Club Chinois
Modern Chinese masterpieces served in style

Year Established:
1997

同乐海鲜
TUNG LOK
SEAFOOD

Serving diners on the East and West Coast of Singapore, Tung Lok Seafood continues to charm seafood lovers with its fresh ocean catch and innovative culinary creations. Its succulent crustacean dishes are as satisfying to the adults' palates as the live fish tanks are a treat to the children's eyes. For diners who enjoy seafood in its freshest form, the sashimi bar proves to be a welcome treat.

Restaurant:
Tung Lok Seafood
The freshest ideas in seafood

Year Established:
2000

Location:
Blk B 1000
East Coast Parkway Level 2 Marine Cove
Tel: 6246 0555

The Arena Country Club
511 Upper Jurong Road (Opposite SAFTI)
Tel: 6262 6996

JAD
玉樓

our restaurants

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.

Location:
1 Fullerton Square #01-02
The Fullerton Hotel
Tel: 6877 8188

Restaurant:
Jade
For award-winning Modern Chinese cuisine

Year Established:
2000

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 nostalgic ambience, make Teahouse the perfect place for an enjoyable traditional meal.

Restaurant:
Teahouse at China Square
Simply delicious Cantonese cuisine and dim sum

Year Established:
2001

Location:
China Square Food Centre
51 Telok Ayer Street
Level 3
Tel: 6533 0660

our restaurants

Paddy Fields is uniquely housed on the second level of a heritage building known as "The Copperdome" outside Anchorpoint along Alexandra Road. 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.

Location:
368 Alexandra Road
The Copperdome Anchorpoint
Tel: 6472 3833

Restaurant:
Paddy Fields Thai Restaurant
Authentic Thai cuisine

Year Established:
2001

MY HUMBLE HOUSE

My Humble House is a milestone in Tung Lok's unique dining concepts, and elevates the 'art of dining' beyond the realm of the exceptional. The traditional Chinese and artistic modern elements in the restaurant's design blend perfectly, creating an extremely fresh appeal.

Contemporary Chinese cuisine is artistically presented here. Located in Singapore's landmark venue, The Esplanade – Theatres on the Bay, My Humble House has received overwhelming positive reviews from the media and diners, both local and international. It has also hosted many successful corporate events.

Restaurant:
My Humble House
Singapore
A unique contemporary Chinese dining experience in an exceptional setting

Year Established:
2002

Location:
8 Raffles Avenue
#02-27/29
Esplanade Mall
Tel: 6423 1881

SPACE 舍一隅 @ MY HUMBLE HOUSE

our restaurants

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 gourmet one-dish meals of Singapore's favourite fare with a twist.

Location:
8 Raffles Avenue #02-25
Esplanade Mall
Tel: 6423 1881

Restaurant:
Space @ My Humble House
Singapore's favourite fare with a twist.

Year Established:
2004

House of Hunan
湖南人家

Located at Velocity@Novena Square, House of Hunan is set to tingle tastebuds with its truly authentic cuisine. Guests are treated to the robust and spicy flavours enhanced by the freshest ingredients and spices. The beautiful modern interior also features three elegant and intricately-designed dining booths which provide a nice, semi-private space for a business dinner.

Restaurant:
House of Hunan
For a true taste of authentic Hunan cuisine

Year Established:
2006

Location:
238 Thomson Road
#03-09/10
Velocity@Novena Square
Tel: 6733 7667

同乐经典
TUNG LOK
SIGNATURES

our restaurants

One of Tung Lok Group's latest restaurants, Tung Lok Signatures opened in November 2006 at VivoCity. By the Waterfront facing Sentosa, it features private dining rooms and semi-private dining tables with interesting shell-like couches. Its design and décor complement the theme of VivoCity with wave-like cornices and alternating hues of lighting that fills up the entire restaurant. The classy white interiors, custom-made furniture, and unique mirror panel set it on a class of its own. "The Best-Under-One-Roof" menu features a combination of signature dishes from the various Tung Lok restaurants as well as new creations. The second outlet opened in June 2007 at The Central. It faces the Singapore River and Clarke Quay.

Location:
1 Harbourfront Walk
#01-57 VivoCity
Tel: 6376 9555

6 Eu Tong Sen Street
#02-88 The Central
Tel: 6336 6022

Restaurant:
Tung Lok Signatures
The Best of Tung Lok Under One Roof

Year Established:
2006

garuda
padang cuisine

Garuda, established in 1976, is one of Indonesia's largest restaurant chains offering authentic Padang Cuisine. In a partnership with Tung Lok Group, Garuda's first two restaurants outside Indonesia is set to spice up meals with its distinct taste of high quality Padang fare in modern chic interiors. Located at Cairnhill Place and VivoCity, Garuda is set to capture the discerning tastebuds of Singaporeans as it has the Indonesians.

Restaurant:
Garuda Padang Cuisine
This could be the best authentic Padang cuisine

Year Established:
2006

Location:
15 Cairnhill Road
#02-01 Cairnhill Place
Tel: 6735 4111

1 Harbourfront Walk
#B2-28 VivoCity
Tel: 6376 9595

寒室

MY HUMBLE HOUSE

our restaurants

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.

Location:
Beijing Oriental Plaza, Podium Level,
W3 (Office Towers)
Unit 01-07
No. 1 East Chang An Avenue
People's Republic of China
Tel: +86-10-8518 8811

Restaurant:
My Humble House
Beijing

Year Established:
2004

House by the Park is located in the heart of one of Beijing's newest developments, China Central Place. Designed by MYU Planning, Tokyo, the restaurant exudes a feeling of homeliness. It also boasts designer lightings by leading international lighting designer Ingo Maurer of Germany, and BELUX of Italy, both renowned for transforming lighting into art forms. At House By The Park, diners enjoy a unique dining experience encompassing quality and exquisite Modern Chinese cuisine, a stylish and elegant ambience, and impeccable service.

Restaurant:
House By The Park

Year Established:
2006

Location:
Beijing
89 Jianguo Road, Chaoyang District,
China Central Place, Block 19
Club House, Level 2,
People's Republic of China
Tel: +86-10-6530 7770

our restaurants

Located within the 5-star Jin Jiang Hotel in Shanghai, Jin Lu - The Chinoise Story features an exquisite selection of Creative Chinese specialities, and a variety of traditional Shanghainese cuisine, recreated and given a unique twist. The culinary team in Shanghai is headed by the young and talented Chief Chef Jacky Shaw. Interior-wise, Designer Mr Junpei Yamagiwa from MYU Planning, Tokyo, has successfully captured the essence of the original building's beautiful art deco and combined it with modern elements. The contemporary Chinese dining concept of the restaurant is highly elaborate and aims to touch and impress the six senses of all diners.

Location:
No. 59 Mao Ming South Road
Jin Jiang Hotel
Shanghai 200020
People's Republic of China
Tel: +86-21-6445 1717

Restaurant:
Jin Lu – The Chinoise Story

Year Established:
2006

MY HUMBLE HOUSE

Licensing Contract

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.

Restaurant:
My Humble House
Tokyo

Year Established:
2005

Location:
B1F ZOE Ginza 3-3-1
Ginza Chuo-ku Tokyo
Japan
Tel: +81-3-5524 6166

JAKARTA

Managed by Tung Lok

our restaurants

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 a complete dining and entertainment experience.

Location:
WTC Mangga Dua 6th Floor
Jl. Mangga Dua Raya No. 8
Jakarta 14430
Indonesia
Tel: +62-21-3001 8877

Restaurant:
Taipan
Jakarta

Year Established:
1992

明園

Ming

KUNINGAN

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 all sorts, from business dinners and corporate functions, to family gatherings and personal dining.

Restaurant:
Ming
at Kuningan

Year Established:
1993

Location:
Setiabudi Building 1
Lantai Block B1-8
Jl. H.R. Rasuna Said Kav.62
Kuningan Jakarta Selatan
Indonesia
Tel: +62-21-521 0505

MEDAN

Managed by Tung Lok

our restaurants

Opened in February 2005, Taipan is 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.

Location:
Capital Building, Lt 1
Jl. Putri Hijau No.1A
Medan, 20111
Indonesia
Tel: +62-61-455 6333

Restaurant:
Taipan
Medan

Year Established:
2005

MY HUMBLE HOUSE

NEW DELHI, INDIA

Licensing Contract

Opened recently in June and located within the luxurious ITC Maurya Hotel & Towers, My Humble House promises an exquisite experience of fine Modern Chinese cuisine, fine wine selection, stylish ambience and impeccable service. Designed by one of Japan's leading interior design firms, MYU Planning, the restaurant on the 18th floor of the hotel overlooks a scenic view and boasts a sense of elegance and modernity that sets the stage for a unique dining journey.

Restaurant:
My Humble House
New Delhi

Year Established:
2007

Location:
ITC Maurya Hotel & Towers
Diplomatic Enclave
New Delhi 110 021
India
Tel: +91-11-2611 2233

financial reports

report of the *directors*

The directors present their report together with the audited consolidated financial statements of the group and balance sheet and statement of changes in equity of the company for the financial year ended March 31, 2007.

1 DIRECTORS

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

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 THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year 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 year had no interests in the share capital and debentures 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:

	Shareholdings registered in name of director		Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
The company		Ordinary shares		
Tjioe Ka Men	82,000	141,000	53,200,000	53,200,000
Tjioe Ka In	30,000	40,000	53,200,000	53,200,000

By virtue of Section 7 of the Singapore Companies Act, Mr Tjioe Ka Men and Ms Tjioe Ka In are deemed to have an interest in the company and all the related corporations of the company.

The directors' interests in the shares of the company at April 21, 2007 were the same at March 31, 2007.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, 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 for salaries, bonuses and other benefits 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.

5 SHARE OPTIONS

(a) Option to take up unissued shares
During the financial year, no option to take up unissued shares of the company or any corporation in the group was granted.

(b) Option exercised
During the financial year, 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.

(c) Unissued shares under option
At the end of the financial year, there were no unissued shares of the company or any corporation in the group under option.

6 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 has met 5 times since the last Annual General Meeting and has performed the following where relevant, with executive directors and external and internal auditors of the company:

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 management to the external auditors;

d) reviews the financial statements of the group before their submission to the Board of Directors and external auditors' report on those financial statements;

e) reviews the half-yearly and annual announcements as well as the related press releases on the results and financial position of the company and the group;

f) nominates external auditors for re-appointment and reviews their independence;

g) reviews interested person transactions; and

h) reviews internal audit findings and adequacy of the internal audit function.

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 and executive officer to attend its meetings. The external and internal 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 of the company.

7 AUDITORS

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

ON BEHALF OF THE DIRECTORS

Tjioe Ka Men

Tjioe Ka In

Singapore
June 8, 2007

independent auditors' report

to the members of Tung Lok Restaurants (2000) Ltd

同乐

We have audited the accompanying financial statements of Tung Lok Restaurants (2000) Ltd (the company) and its subsidiaries (the group) which comprise the balance sheets of the group and the company as at March 31, 2007, the profit and loss statement, statement of changes in equity and cash flow statement of the group and the statement of changes in equity of the company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 52 to 90.

Directors' Responsibility

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards and the Singapore Companies Act, Cap. 50, (the "Act"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The matters described below were highlighted in our auditors' report on the financial statements for the year ended March 31, 2006:

For the year ended March 31, 2006, the group had equity accounted for the results and post-acquisition reserves of its 30%-owned associate, Xiang-E Qing - My Humble House in Chengdu (Restaurant) Company Ltd, based on its unaudited management accounts as at March 31, 2006. The group was not able to obtain the audited financial statements of this associate as the group had entered into an agreement to dispose of its interest in this associate. Consequently, we were unable to satisfy ourselves as to whether further adjustments may be required in respect of the group's share of profit for this associate amounting to approximately $324,000 for the year ended March 31, 2006.

Accordingly, we are not able to determine whether the opening balances for investment in associate are correctly brought forward into year ended March 31, 2007, and whether the consequential gain on disposal of associate for the current financial year is correctly stated.

Qualified Opinion

Except for the effects, if any, on the opening balances of the investment in associate brought forward into the year ended March 31, 2007 and the consequential gain on disposal of associate for the year as mentioned in the preceding paragraph, in our opinion, 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 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, 2007 and of the results, changes in equity and cash flows of the group and changes in equity of the company for the year ended on that date.

Opinion on Accounting and Other Records

In our opinion, 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.

Deloitte & Touche
Certified Public Accountants

Cheung Pui Yuen
Partner
Appointed on July 22, 2005

Singapore
June 8, 2007

balance sheets

March 31, 2007

	Note	Group 2007	Group 2006	Company 2007	Company 2006
		$	$	$	$
ASSETS					
Current assets					
Cash and bank balances	6	11,754,378	9,718,166	104,350	42,069
Trade receivables	7	1,312,008	1,059,824	-	-
Other receivables and prepayments	8	970,173	1,099,865	2,033,555	3,076,447
Inventories	9	1,893,436	1,754,759	-	-
Total current assets		15,929,995	13,632,614	2,137,905	3,118,516
Non-current assets					
Trade receivables - non-current	7	213,992	227,626	-	-
Long-term security deposits	10	1,474,343	1,535,619	-	-
Advances to a subsidiary	11	-	-	2,480,000	-
Advances to joint ventures	12	279,710	375,157	-	-
Subsidiaries	13	-	-	2,640,717	2,996,716
Joint ventures	14	340,411	1,120,575	-	-
Associates	15	462,551	1,219,557	-	-
Other investment	16	-	140,604	-	140,604
Other intangible asset	17	92,494	-	-	-
Goodwill	18	204,158	204,158	-	-
Property, plant and equipment	19	8,537,703	6,836,935	-	-
Total non-current assets		11,605,362	11,660,231	5,120,717	3,137,320
Total assets		27,535,357	25,292,845	7,258,622	6,255,836
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	20	6,297,132	6,219,421	-	-
Other payables	21	7,713,074	6,605,836	3,350,734	2,932,647
Current portion of finance leases	22	292,790	15,003	-	-
Bank loans - current portion	23	476,368	477,838	-	-
Income tax payable		1,043,348	915,118	-	-
Total current liabilities		15,822,712	14,233,216	3,350,734	2,932,647
Non-current liabilities					
Finance leases	22	310,112	13,747	-	-
Long-term loans	23	1,889,128	2,361,309	-	-
Deferred tax liabilities	24	350,579	570,579	-	-
Total non-current liabilities		2,549,819	2,945,635	-	-
Capital, reserves and minority interests					
Share capital	25	10,269,503	10,269,503	10,269,503	10,269,503
Currency translation deficit		(83,600)	(65,123)	-	-
Retained losses		(1,613,054)	(2,665,892)	(6,361,615)	(6,946,314)
Equity attributable to equity holders of the company		8,572,849	7,538,488	3,907,888	3,323,189
Minority interests		589,977	575,506	-	-
Total equity		9,162,826	8,113,994	3,907,888	3,323,189
Total liabilities and equity		27,535,357	25,292,845	7,258,622	6,255,836

See accompanying notes to financial statements.

consolidated profit and loss statement

Year ended March 31, 2007

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	Note	Group 2007	2006
		$	$
Revenue	27	69,871,037	64,918,352
Cost of sales		(21,628,711)	(21,271,710)
Gross profit		48,242,326	43,646,642
Other operating income	28	1,231,344	1,033,552
Operating expenses		(19,114,339)	(17,648,252)
Administrative expenses		(3,092,269)	(3,174,879)
Other operating expenses	29	(24,110,694)	(21,569,031)
Share of loss of joint ventures	14	(637,431)	(363,025)
Share of (loss) profit of associate	15	(501,658)	323,597
Finance costs	30	(158,143)	(177,952)
Profit before tax		1,859,136	2,070,652
Income tax expense	31	(665,063)	(465,613)
Profit for the year	32	1,194,073	1,605,039
Attributable to:			
Equity holders of the company		1,052,838	1,376,974
Minority interests		141,235	228,065
		1,194,073	1,605,039
Earnings per share (cents)			
Basic	33	0.75	0.98
Diluted	33	0.75	0.98

See accompanying notes to financial statements.

statements of changes in equity

Year ended March 31, 2007

	Share capital	Share premium	Currency translation deficit	Retained losses	Attributable to equity holders of the company	Minority interests	Total
	$	$	$	$	$	$	$
Group							
Balance at April 1, 2005	3,500,000	6,769,503	(36,496)	(4,042,866)	6,190,141	743,301	6,933,442
Exchange differences arising on translation of foreign operations	-	-	(28,627)	-	(28,627)	-	(28,627)
Profit for the year	-	-	-	1,376,974	1,376,974	228,065	1,605,039
Total recognised income and expense for the year	-	-	(28,627)	1,376,974	1,348,347	228,065	1,576,412
Dividends paid to minority interests	-	-	-	-	-	(186,000)	(186,000)
Acquisition of additional interests in subsidiary	-	-	-	-	-	(209,911)	(209,911)
Arising from incorporation of subsidiary	-	-	-	-	-	51	51
Transfer from share premium account	6,769,503	(6,769,503)	-	-	-	-	-
Balance at April 1, 2006	10,269,503	-	(65,123)	(2,665,892)	7,538,488	575,506	8,113,994
Exchange differences arising on translation of foreign operations	-	-	(18,477)	-	(18,477)	-	(18,477)
Profit for the year	-	-	-	1,052,838	1,052,838	141,235	1,194,073
Total recognised income and expense for the year	-	-	(18,477)	1,052,838	1,034,361	141,235	1,175,596
Arising from incorporation of subsidiary	-	-	-	-	-	240,000	240,000
Dividends paid to minority interests	-	-	-	-	-	(231,764)	(231,764)
Dividends payable to minority interests	-	-	-	-	-	(135,000)	(135,000)
Balance at March 31, 2007	10,269,503	-	(83,600)	(1,613,054)	8,572,849	589,977	9,162,826
Company							
Balance at April 1, 2005	3,500,000	6,769,503	-	(9,101,514)	-	-	1,167,989
Transfer from share premium account	6,769,503	(6,769,503)	-	-	-	-	-
Profit for the year	-	-	-	2,155,200	-	-	2,155,200
Balance at April 1, 2006	10,269,503	-	-	(6,946,314)	-	-	3,323,189
Profit for the year	-	-	-	584,699	-	-	584,699
Balance at March 31, 2007	10,269,503	-	-	(6,361,615)	-	-	3,907,888

See accompanying notes to financial statements.

consolidated cash flow statement

Year ended March 31, 2007

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	Note	2007	2006
		$	$
Operating activities			
Profit before tax		1,859,136	2,070,652
Adjustments for:			
Share of loss of joint ventures		637,431	363,025
Share of loss (profit) of associates		501,658	(323,597)
Depreciation of property, plant and equipment		2,116,050	2,203,303
Amortisation of other intangible asset		7,506	-
Impairment loss on property, plant and equipment		36,524	32,365
Impairment loss on other investment		140,604	-
Trade receivables written off		-	162,142
Other receivables written off		151,381	-
Advances to a joint venture written off		375,157	-
Interest income		(95,998)	(45,177)
Interest expense		158,143	177,952
Negative goodwill released to profit and loss statement		-	(9,911)
Gain on disposal of joint venture		(304,266)	-
Gain on disposal of associate		(96,694)	-
Loss on disposal of property, plant and equipment		16,444	62,748
Operating cash flows before movements in working capital		5,503,076	4,693,502
Trade receivables		(232,928)	(33,266)
Other receivables and prepayments		(21,689)	(318,112)
Inventories		(138,677)	179,029
Long-term security deposits		61,276	45,236
Advances to joint ventures		(327,694)	-
Advances to an associate		-	355,294
Trade payables		77,711	(750,375)
Other payables		1,086,990	(133,465)
Cash generated from operations		6,008,065	4,037,843
Interest paid		(158,143)	(106,500)
Income tax paid		(756,833)	(943,945)
Net cash from operating activities		5,093,089	2,987,398
Investing activities			
Interest received		79,541	21,167
Proceeds from disposal of property, plant and equipment		3,224	113,066
Purchase of property, plant and equipment	A	(3,231,380)	(444,057)
Acquisition of subsidiary	36	-	(156,307)
Acquisition of additional equity interest in a subsidiary		-	(200,000)
Acquisition of investment in joint ventures		-	(732,674)
Acquisition of investment in an associate		-	(594,939)
Acquisition of additional equity interest in an associate		(393,521)	-
Advances to investment company		-	(127,554)
Proceeds from disposal of joint venture		492,694	-
Proceeds from disposal of associate		719,885	-
Purchase of intangible asset		(100,000)	-
Net cash used in investing activities		(2,429,557)	(2,121,298)

consolidated cash flow statement

Year ended March 31, 2007

	Note	2007	2006
		$	$
Financing activities			
Receipt from (Payment to) minority shareholders of subsidiaries - net		8,236	(186,000)
(Repayment of) Proceeds from bank loans - net		(473,651)	1,110,922
Repayment of obligations under finance leases		(205,607)	(30,459)
Net cash (used in) from financing activities		(671,022)	894,463
Net increase in cash and cash equivalents		1,992,510	1,760,563
Cash and cash equivalents at the beginning of the year		9,718,166	7,943,362
Effect of foreign exchange rate changes		43,702	14,241
Cash and cash equivalents at the end of the year	B	11,754,378	9,718,166

A. During the financial year, the group acquired property, plant and equipment with an aggregate cost of $3,896,387 (2006 : $444,057) of which $665,007 (2006 : $Nil) was acquired under finance lease arrangements. Cash payments of $3,231,380 (2006 : $444,057) were made to purchase property, plant and equipment.

B. Cash and cash equivalents consist of:

	Group	
	2007	2006
	$	$
Cash and bank balances	5,259,603	4,353,843
Short-term deposits	6,494,775	5,364,323
Total	11,754,378	9,718,166

See accompanying notes to financial statements.

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 activity of the company is that of investment holding, while those of the subsidiaries are described in Note 13 to the financial statements.

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, 2007, the company's current liabilities exceeded its current assets by $1,212,829. As at March 31, 2006, the group's current liabilities exceeded its current assets by $600,602.

The company is dependent on 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 unqualified financial support by Zhou Holdings Pte Ltd, the company will be able to meet its obligations as and when they fall due.

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

The consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company for the financial year ended March 31, 2007 were authorised for issue by the Board of Directors on June 8, 2007.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

In the current financial year, the group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") issued by the Council on Corporate Disclosure and Governance that are relevant to its operations and effective for annual periods beginning on or after April 1, 2006. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the group's and company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below and in the notes to the financial statements.

Amendments to FRS 39 relating to financial guarantee contracts

The amendments require certain financial guarantee contracts to be recognised in accordance with FRS 39 and measured initially at fair values, and subsequently at the higher of the amount recognised

as a provision and the amount initially recognised less cumulative amortisation in accordance with the revenue recognition policy of the company and the group, which is to recognise such income from providing financial guarantee in profit and loss over the guarantee period on a straight line basis. The changes introduced by these amendments are applied by the company and the group with effect from the beginning of the comparative reporting period presented in the financial statements (ie. with effect from April 1, 2005). Tung Lok Restaurants (2000) Ltd (the company) provides financial guarantees to banks in respect of banking facilities utilised by certain subsidiaries.

The application of these amendments results in such financial guarantee contracts now being recognised and measured at the higher of the best estimate of the expenditure required to settle the obligation and the amount initially recognised less, where appropriate, cumulative amortisation.

No material adjustment is required as a result of this change in accounting policy to the financial statements of the group and company at the beginning of the comparative period. Profit of the company for the year ended March 31, 2007 is $68,000 higher under the new accounting policy. The company also recorded an implicit investment in subsidiaries of $144,000 and a liability of $76,000 as a result of the new accounting policy.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRSs were issued but not effective:

FRS 40	-	Investment Property
FRS 107	-	Financial Instruments: Disclosures
FRS 108	-	Operating Segments
INT FRS 107	-	Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economies
INT FRS 108	-	Scope of FRS 102
INT FRS 109	-	Reassessment of Embedded Derivatives
INT FRS 110	-	Interim Financial Reporting and Impairment
INT FRS 111	-	FRS 102 - Group and Treasury Share Transactions
INT FRS 112	-	Service Concession Arrangements

Amendments to FRS 1 Presentation of Financial Statements on Capital Disclosures

Consequential amendments were also made to various standards as a result of these new/revised standards.

The application of FRS 107 and the consequential amendments to other FRSs will not affect any of the amounts recognised in the financial statements, but will change the disclosures presently made in relation to the company's and group's financial instruments and the objectives, policies and processes for managing capital.

Other than FRS 107, the directors anticipate that the adoption of the above FRSs, INT FRSs and amendments to FRSs in future periods will have no material impact on the financial statements of the company and of the group in the period of their initial adoption.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year 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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of those losses.

In the company's financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement.

BUSINESS COMBINATIONS - The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the consolidated profit and loss statement.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the group's balance sheet when the group becomes a party to the contractual provisions of the instrument.

Financial assets

Investments are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Other investment

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.

Cash and bank balances

Cash and bank balances comprise cash on hand and demand deposits and are subject to an insignificant risk of changes in value.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously

recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount recognised as a provision and the amount initially recognised less cumulative amortisation in accordance with the revenue recognition policies described above.

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 at the inception of the lease or, if lower, at the present value of the minimum lease payments. 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 to profit or loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVENTORIES - Inventories comprising mainly food and beverages are stated at the lower of cost and net realisable value. Cost includes all costs of purchase and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

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%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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 or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit and loss statement.

GOODWILL - Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at

the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

The group's policy for goodwill arising on the acquisition of associate is described under "Associates" below.

INTANGIBLE ASSETS - Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a 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 (or 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. An impairment loss is recognised immediately in the profit and loss statement.

Where 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 so 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 immediately in the profit and loss statement.

ASSOCIATES - An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate) are not recognised, unless the group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated profit and loss statement.

Where a group entity transacts with an associate of the group, profits and losses are eliminated to the extent of the group's interest in the relevant associate.

INTERESTS IN JOINT VENTURES - A joint venture is a contractual arrangement whereby the group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in joint ventures are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the group's share of the net assets of the joint ventures, less any impairment in the value of individual investments. Losses of a joint venture in excess of the group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the group's net investment in the joint venture) are not recognised, unless the group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated profit and loss statement.

Where the group transacts with its joint ventures, profits and losses are eliminated to the extent of the group's interest in the relevant joint venture.

PROVISIONS - Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Sale of food and beverages

Revenue from the sale of food and beverages is recognised when all the following conditions are satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the food and beverages i.e. when the food and beverages are delivered;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service charges

Revenue from service charges that are of short duration is recognised when the services are rendered.

Management fees

Revenue from management contracts is recognised over the management period on a straight-line basis.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

BORROWING COSTS - All borrowing costs are recognised in the profit and loss statement in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and its subsidiaries operate by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity , or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company are presented in Singapore dollars, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities) are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the entity's accounting policies

In the application of the group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the entity's accounting policies, the directors have not made any judgement that have significant effects on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

a) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. This calculation requires the use of judgement and estimates. The carrying amount of goodwill at the balance sheet date was $204,158. No impairment has been recognised in the current financial year. Details of the impairment loss provided for the year ended March 31, 2006 are stated in Note 18 to the financial statements.

b) Impairment of investment in subsidiaries, joint ventures and associates

Determining whether investments in subsidiaries, joint ventures and associates are impaired requires an estimation of the value in use of these subsidiaries, joint ventures and associates. The value in use calculation requires the entity to estimate the future cash flow expected from the cash-generating unit and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recovery amount of those investments based on such estimates and is confident that the allowance for impairment, where necessary, is adequate. The carrying amounts of these investments at the balance sheet date are stated in Notes 13, 14 and 15 to the financial statements.

c) Income tax

Significant assumptions are required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of income tax payable and deferred tax liabilities is disclosed in the balance sheets and in Note 24 to the financial statements.

4 FINANCIAL RISKS AND MANAGEMENT

The main financial risks faced by the group and the company are credit risk, interest rate risk, foreign exchange 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 shareholder 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. 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 sheets represents the group's maximum exposure to credit risks.

b) Interest rate risk

The group's exposure to interest rate risks relate to its long-term loans of $2,365,496 (2006 : $2,839,147). The interest rates are determined at the banks' 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.

	Within 1 year	Within 2 to 5 years	Non-interest bearing	Average interest rate during the year	Total
	$	$	$	%	$
March 31, 2007					
Financial assets					
Cash and cash equivalents	6,494,775	-	5,259,603	2.15	11,754,378
Trade and other receivables	-	-	2,496,173	-	2,496,173
Long-term security deposits	-	-	1,474,343	-	1,474,343
Advances to joint ventures	-	-	279,710	-	279,710
Financial liabilities					
Trade and other payables	-	-	14,010,206	-	14,010,206
Income tax payable	-	-	1,043,348	-	1,043,348
Obligations under finance leases	292,790	310,112	-	3.28	602,902
Bank loans	2,365,496	-	-	5.65	2,365,496
March 31, 2006					
Financial assets					
Cash and cash equivalents	5,364,323	-	4,353,843	2.97	9,718,166
Trade and other receivables	-	-	2,387,315	-	2,387,315
Long-term security deposits	-	-	1,535,619	-	1,535,619
Advances to joint ventures	-	-	375,157	-	375,157
Financial liabilities					
Trade and other payables	-	-	12,825,257	-	12,825,257
Income tax payable	-	-	915,118	-	915,118
Obligations under finance leases	15,003	13,747	-	2.90	28,750
Bank loans	2,839,147	-	-	5.50	2,839,147

c) Foreign exchange risk

The group operates in Singapore and the People's Republic of China, giving rise to exposures to market risk from changes in foreign exchange rates primarily with respect to the Renminbi.

The group has a number of investments in foreign entities whose net assets are denominated in Renminbi.

The group does not enter into any derivative contracts to hedge its foreign exchange 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, 2007, the group's total finance lease obligations and long-term loans amounted to approximately $3.0 million (2006 : $2.9 million). The profiles of the finance lease obligations and long-term loans are shown in Notes 22 and 23 to the financial statements respectively.

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 period for these financial instruments.

The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

5 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 exercise 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 repayable upon demand unless otherwise stated.

Transactions between the company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the group and related parties are disclosed below.

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

	Group	
	2007	2006
	$	$
With joint ventures		
Sale of food and beverages	(18,605)	(59,533)
Purchase of food and beverages	1,996,991	1,685,467
Proceeds from the sale of property, plant and equipment	-	(112,863)
Purchase of property, plant and equipment	-	150,612
With companies where certain directors have interests		
Sale of food and beverages	(520)	(7,260)
Management fee income	(96,000)	(96,000)
With corporate shareholders of certain subsidiaries		
Sale of food and beverages	(42,297)	(53,566)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2007	2006
	$	$
Short-term benefits	1,446,072	1,366,620
Post-employment benefits	59,338	54,442
Total	1,505,410	1,421,062

The remuneration of directors and key management is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

6 CASH AND BANK BALANCES

	Group		Company	
	2007	2006	2007	2006
	$	$	$	$
Cash at bank	5,069,287	4,199,914	99,259	36,997
Cash on hand	190,316	153,929	2	2
Short-term deposits	6,494,775	5,364,323	5,089	5,070
Total	11,754,378	9,718,166	104,350	42,069

Bank balances and cash comprise cash held by the group and short-term bank deposits with an original maturity of three months or less.

The short-term deposits with banks bear interest at rates ranging from 0.33% to 2.85% (2006 : 0.33% to 3.22%) per annum and for a tenure of approximately 7 days (2006 : 7 days).

7 TRADE RECEIVABLES

	Group	
	2007	2006
	$	$
Related parties (Note 5)	402,949	351,670
Outside parties	1,123,051	935,780
	1,526,000	1,287,450
Non-current portion of amount due from related parties (Note 5)	(213,992)	(227,626)
Current portion	1,312,008	1,059,824

An allowance has been made for estimated irrecoverable amounts due from outside parties of $4,009 (2006 : $3,929). This allowance has been determined by reference to past default experience.

A substantial shareholder of the company has undertaken to reimburse the group for an amount of $213,992 (2006 : $242,518) if this is not recoverable from the related parties.

The non-current portion of amount due from related parties of $213,992 (2006 : $227,626) is repayable over 8 years.

The carrying amount of the non-current portion of amount due from related parties approximates its fair value.

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2007	2006	2007	2006
	$	$	$	$
Advances to:				
Subsidiaries (Note 13)	-	-	573,660	2,857,500
Joint ventures (Note 14)	196,067	491,853	-	-
An associate (Note 15)	107,168	73,306	-	-
Prepayments	152,081	206,578	3,201	12,744
Income tax recoverable	190,154	206,203	190,154	206,203
Dividends receivable from subsidiaries (Note 13)	-	-	1,265,000	-
Refundable security deposits	212,585	121,925	-	-
Other receivables	112,118	-	1,540	-
Total	970,173	1,099,865	2,033,555	3,076,447

The advances to subsidiaries, joint ventures and an associate are unsecured, interest-free and repayable on demand.

9 INVENTORIES

	Group	
	2007	2006
	$	$
Food and beverages	1,773,284	1,624,205
Cook books	120,152	130,554
Total	1,893,436	1,754,759

10 LONG-TERM SECURITY DEPOSITS

	Group	
	2007	2006
	$	$
Refundable security deposits	1,474,343	1,535,619

These are mainly deposits placed with the landlords.

The carrying amounts of the above deposits approximate their fair values.

11 ADVANCES TO A SUBSIDIARY

	Company	
	2007	2006
	$	$
Advances to a subsidiary	2,480,000	-

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

The carrying amounts of the above advances approximate their fair values.

12 ADVANCES TO JOINT VENTURES

	Group	
	2007	2006
	$	$
Advances to joint ventures (Note 14)	279,710	375,157

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

The carrying amounts of the above advances approximate their fair values.

The group's advances to joint ventures are denominated in United States dollars.

13 SUBSIDIARIES

	Company	
	2007	2006
	$	$
Unquoted equity shares, at cost	2,996,717	2,996,716
Impairment loss	(500,000)	-
Benefit provided to subsidiaries in relation to financial guarantee contracts (Note 2)	144,000	-
Total	2,640,717	2,996,716

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

Details of the company's significant subsidiaries are set out below:

Name of subsidiary	Country of incorporation/ operation	Principal activities	Cost		Proportion of ownership interest and voting power held	
			2007	2006	2007	2006
			$	$	%	%
i) Held by the company						
Club Chinois Pte Ltd [1]	Singapore	Restaurateur	27,392	27,392	75	75
Olde Peking Dining Hall Pte Ltd [1]	Singapore	Restaurateur	191,100	191,100	60	60
Tung Lok Central Restaurant Pte Ltd [1] [formerly known as Sunshine Wellness Pte. Ltd.]	Singapore	Investment holding	2	2	100	100
TLG Asia Pte Ltd [1] [2]	Singapore	Investment holding	1	-	100	-
Tung Lok Arena Pte Ltd [1]	Singapore	Restaurateur	210,000	210,000	70	70
Tung Lok (China) Holdings Pte Ltd [1]	Singapore	Investment holding	1,200,000	1,200,000	100	100
Tung Lok Millennium Pte Ltd [1]	Singapore	Restaurateur	1,368,222	1,368,222	100	100
ii) Held by Tung Lok Millennium Pte Ltd						
Charming Garden (Asia Pacific) Pte Ltd [1]	Singapore	Dormant	-	-	100	100
Tung Lok India Ltd [3]	British Virgin Islands	Providing consultancy and management services	-	-	70	70
Tung Lok Signatures Pte Ltd [1] [2]	Singapore	Restaurateur	-	-	100	-
iii) Held by Tung Lok (China) Holdings Pte Ltd						
My Humble House in Beijing (Restaurant) Company Ltd [4]	People's Republic of China	Restaurateur	-	-	100	100
iv) Held by TLG Asia Pte Ltd						
Garuda Padang Restaurant (Singapore) Pte Ltd [1] [2]	Singapore	Restaurateur	-	-	60	-
Total			2,996,717	2,996,716		

(1) Audited by Deloitte & Touche, Singapore.

(2) Incorporated during the current financial year.

(3) Not audited as its operations are not significant to the group.

(4) Audited by Beijing Shi Lun Pan CPA Management Co, Ltd (formerly known as Zhong Tian Hua Zheng CPA Co., Ltd).

14 JOINT VENTURES

	Group		Company	
	2007	2006	2007	2006
	$	$	$	$
Unquoted equity shares, at cost	2,131,201	2,747,947	1,000,000	1,000,000
Share of post-acquisition reserves	(849,609)	(681,329)	-	-
Impairment loss	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Net	281,592	1,066,618	-	-
Excess of nominal value over fair value of advances to joint ventures	58,819	53,957	-	-
Total	340,411	1,120,575	-	-

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:

Name of joint venture	Country of incorporation/ operation	Principal activities	Cost		Percentage of equity held by the group	
			2007	2006	2007	2006
			$	$	%	%
i) Held by the company						
Imperium Fine Dining and Entertainment Pte Ltd [1]	Singapore	Dormant	1,000,000	1,000,000	50	50
ii) Held by Tung Lok (China) Holdings Pte Ltd						
Beijing Tung Lok Elite (Restaurant) Company Ltd [2]	People's Republic of China	Restaurateur	-	616,746	-	50
My Humble Place in Beijing Company Ltd [3] [4]	People's Republic of China	Restaurateur	631,201	631,201	60	60
iii) Held by Tung Lok Millennium Pte Ltd						
T & T Gourmet Cuisine Pte Ltd [1]	Singapore	Food products manufacturer	500,000	500,000	50	50
Total			2,131,201	2,747,947		

(1) Audited by Deloitte & Touche, Singapore.

(2) Disposed during the financial year.

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

(4) Audited by Beijing Shi Lun Pan CPA Management Co., Ltd (formerly known as Zhong Tian Hua Zheng CPA Co., Ltd) for equity accounting purposes.

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

Summarised financial information in respect of the group's joint ventures are set out below:

	2007	2006
	$	$
Group's share of net assets		
Current assets	707,263	1,113,085
Non-current assets	1,370,139	2,342,206
Current liabilities	(1,689,179)	(2,388,673)
Non-current liabilities	(106,631)	-
Net assets	281,592	1,066,618
Group's share of net results		
Revenue	2,528,939	3,667,439
Expenses	(3,166,370)	(4,030,464)
Loss for the year	(637,431)	(363,025)

15 ASSOCIATES

	Group	
	2007	2006
	$	$
Unquoted equity shares, at cost	988,460	959,201
Share of post-acquisition reserves	(525,909)	260,356
Net	462,551	1,219,557

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

Name of associate	Country of incorporation/ operation	Principal activities	Cost		Percentage of equity held by the group	
			2007	2006	2007	2006
			$	$	%	%
Held by Tung Lok (China) Holdings Pte Ltd						
Shanghai Jinjiang Tung Lok Catering Management Inc [1]	People's Republic of China	Restaurateur	988,460	594,939	49	49
Xiang-E Qing – My Humble House in Chengdu (Restaurant) Company Ltd [2]	People's Republic of China	Restaurateur	-	364,262	-	30
Total			988,460	959,201		

(1) Audited by Beijing Shi Lun Pan CPA Management Co., Ltd (formerly known as Zhong Tian Hua Zheng CPA Co., Ltd) in 2007. This associate was not audited in 2006 as it was dormant.

(2) Disposed during the current financial year. For 2006, the group had equity accounted for this associate based on its unaudited management accounts as at March 31, 2006.

Summarised financial information in respect of the group's associates are set out below:

	2007	2006
	$	$
Group's share of net assets		
Current assets	219,974	913,974
Non-current assets	603,366	447,540
Current liabilities	(360,789)	(275,583)
Net assets	462,551	1,085,931
Goodwill	-	133,626
Net investment	462,551	1,219,557
Group's share of net results		
Revenue	483,641	1,713,322
Expenses	(985,299)	(1,389,725)
(Loss) Profit for the year	(501,658)	323,597

16 OTHER INVESTMENT

	Group and Company	
	2007	2006
	$	$
Unquoted equity shares, at cost	13,050	13,050
Advances to investment company	127,554	127,554
Impairment loss	(140,604)	-
Total	-	140,604

The group's and company's other investment is denominated in Indonesia Rupiah.

The investment in unquoted equity shares represents investment in a company that is engaged in the restaurateur activity.

The advances to investment company constitutes part of the group's net investment in the investment company and are repayable only at the discretion of the investment company or upon its liquidation.

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

17 OTHER INTANGIBLE ASSET

	Group
	$
Cost:	
Additions for 2007 and balance as at March 31, 2007	100,000
Amortisation:	
Amortisation for 2007 and balance as at March 31, 2007	7,506
Carrying value:	
At March 31, 2007	92,494

The intangible assets which pertains to franchise fees included above have finite useful lives, over which the assets are amortised. The amortisation period is five years.

18 GOODWILL

	Group
	$
Cost:	
At April 1, 2005	212,619
Elimination of amortisation accumulated prior to the adoption of FRS 103	(106,309)
Arising on acquisition of a subsidiary (Note 36)	204,158
At April 1, 2006 and balance at March 31, 2007	310,468
Amortisation:	
At April 1, 2005	106,309
Elimination of amortisation accumulated prior to the adoption of FRS 103	(106,309)
At April 1, 2006 and balance at March 31, 2007	-
Impairment:	
At April 1, 2006 and balance at March 31, 2007	106,310
Carrying value:	
At March 31, 2007 and balance at March 31, 2006	204,158

The group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Other than the goodwill impaired of $106,310, management of the group determined that there is no impairment of its goodwill arising from the acquisition of a subsidiary in 2006, based on the recoverable amount of the cash-generating unit ("CGU").

The recoverable amount of the CGU is determined based on a value in use calculation. The calculation uses cash flow projection based on a financial budget approved by management covering a 3 year period, and discount rate of 6.5%.

19 PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and equipment	Kitchen equipment	Leasehold property	Motor vehicles	Total
	$	$	$	$	$
Group					
Cost:					
At April 1, 2005	11,691,009	3,897,756	3,555,867	184,206	19,328,838
Additions	281,998	18,619	-	143,440	444,057
Acquired on acquisition of a subsidiary (Note 36)	933,243	369,130	-	-	1,302,373
Disposals	(180,039)	(598,364)	-	-	(778,403)
Exchange differences	(33,150)	(13,118)	-	-	(46,268)
At April 1, 2006	12,693,061	3,674,023	3,555,867	327,646	20,250,597
Additions	2,984,427	843,790	-	68,170	3,896,387
Disposals	(203,819)	(82,673)	-	(68,200)	(354,692)
Exchange differences	(25,150)	(9,914)	-	-	(35,064)
At March 31, 2007	15,448,519	4,425,226	3,555,867	327,616	23,757,228
Accumulated depreciation:					
At April 1, 2005	7,704,267	2,832,078	250,890	135,598	10,922,833
Depreciation	1,621,702	500,486	71,119	9,996	2,203,303
Acquired on acquisition of a subsidiary (Note 36)	222,746	82,374	-	-	305,120
Eliminated on disposal	(163,104)	(439,485)	-	-	(602,589)
Exchange differences	(8,422)	(3,124)	-	-	(11,546)
At April 1, 2006	9,377,189	2,972,329	322,009	145,594	12,817,121
Depreciation	1,617,039	384,839	71,119	43,053	2,116,050
Disposals	(135,981)	(60,169)	-	(68,200)	(264,350)
Exchange differences	(8,508)	(3,179)	-	-	(11,687)
At March 31, 2007	10,849,739	3,293,820	393,128	120,447	14,657,134
Impairment:					
At April 1, 2005	518,174	46,002	-	-	564,176
Impairment loss	27,692	4,673	-	-	32,365
At April 1, 2006	545,866	50,675	-	-	596,541
Impairment loss	35,100	1,424	-	-	36,524
Eliminated on disposal	(53,851)	(16,823)	-	-	(70,674)
At March 31,2007	527,115	35,276	-	-	562,391
Carrying amount:					
At March 31, 2007	4,071,665	1,096,130	3,162,739	207,169	8,537,703
At March 31, 2006	2,770,006	651,019	3,233,858	182,052	6,836,935

An impairment loss amounting to $36,524 (2006 : $32,365) has been recognised in the profit and loss statement as a restaurant will cease operations in June 2007. The recoverable amount of the relevant assets of the restaurant has been determined on the basis of their fair value less costs to sell.

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

	Group	
	2007	2006
	$	$
Kitchen equipment	69,825	-
Furniture, fixtures and equipment	539,203	-
Motor vehicles	187,469	38,615
Total	796,497	38,615

Leasehold property with carrying amount of $3,162,739 (2006 : $3,233,858) has been pledged to secure bank loans (Note 23).

Details of the leasehold property as at March 31, 2007 are as follows:

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

20 TRADE PAYABLES

	Group	
	2007	2006
	$	$
Outside parties	6,045,036	5,957,344
Related parties (Note 5)	252,096	262,077
Total	6,297,132	6,219,421

21 OTHER PAYABLES

	Group		Company	
	2007	2006	2007	2006
	$	$	$	$
Advances from subsidiaries (Note 13)	-	-	2,958,951	2,534,702
Dividends payable to corporate shareholders of subsidiaries	135,000	-	-	-
Advances from corporate shareholders of a subsidiary	140,000	-	-	-
Other payables due to related parties (Note 5)	-	150,612	-	-
Refundable security deposits	840,552	668,707	-	-
Accrued expenses	4,250,873	3,466,772	222,368	242,055
Financial guarantee contracts	-	-	76,000	-
Others	2,346,649	2,319,745	93,415	155,890
Total	7,713,074	6,605,836	3,350,734	2,932,647

Advances from subsidiaries at the company level are unsecured, interest-free and repayable on demand except that in 2006, an advance amounting to $185,750 bore interest at 5.5% per annum.

The advances from corporate shareholders of a subsidiary are unsecured, interest-free and repayable on demand.

Included in others at the company level:

(a) is an amount of $25,457 (2006 : $25,457) relating to the net liabilities of a former subsidiary, Club Asiana Pte Ltd, which was disposed of in 2003. The company agreed to assume the net liabilities after the former subsidiary ceased operations in January 2003; and

(b) is an amount of $60,594 (2006 : $120,495) 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 2005.

The company is a party to certain financial guarantee contracts as it has provided financial guarantees to banks in respect of credit facilities utilised by certain subsidiaries.

Included in others at the group level, other than those highlighted above, are mainly payables to non-trade creditors for other operating expenses (2006 : acquisition of plant and equipment and other operating expenses).

22 FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2007	2006	2007	2006
	$	$	$	$
Group				
Amounts payable under finance leases:				
Within one year	320,697	16,308	292,790	15,003
In the second to fifth year inclusive	341,663	14,943	310,112	13,747
	662,360	31,251	602,902	28,750
Less: Future finance charges	(59,458)	(2,501)	N/A	N/A
Present value of lease obligations	602,902	28,750	602,902	28,750
Less: Amount due for settlement within 12 months (shown under current liabilities)			(292,790)	(15,003)
Amount due for settlement after 12 months			310,112	13,747

It is the group's policy to lease certain of its property, plant and equipment under finance leases. The average lease term is 3 years. For the year ended March 31, 2007, the average borrowing rate was 3.28% (2006 : 2.90%) per annum. Interest rates are fixed at the contract date, and thus expose the group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the group's lease obligations approximates their carrying amount.

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

23 LONG-TERM BANK LOANS

	Group	
	2007	2006
	$	$
Long-term bank loans	2,365,496	2,839,147
The borrowings are repayable as follows:		
On demand or within one year	476,368	477,838
In the second year	458,486	477,822
In the third year	75,978	459,954
In the fourth year	75,978	77,438
In the fifth year	75,978	77,438
After five years	1,202,708	1,268,657
	2,365,496	2,839,147
Less: Amount due for settlement within 12 months (shown under current liabilities)	(476,368)	(477,838)
Amount due for settlement after 12 months	1,889,128	2,361,309

The group has four principal bank loans:

a) a loan of $387,333 (2006 : $415,334). The loan was raised in June 2001. Repayments commenced in June 2001 and will continue until May 2021. The loan carries interest at 5.75% (2006 : 5.75%) per annum;

b) a loan of $1,195,255 (2006 : $1,240,513). The loan was raised in November 2004. Repayments commenced in January 2006 and will continue until December 2024. The loan carries interest at 4.00% (2006 : 4.00%) per annum;

c) a loan of $400,008 (2006 : $600,000). The loan was raised in March 2006. Repayments commenced in April 2007 and will continue until July 2009. The loan carries interest at 6.5% (2006 : 6.5%) per annum; and

d) a loan of $382,900 (2006 : $583,300). The loan was raised in February 2006. Repayments commenced in March 2007 and will continue until February 2009. The loan carries interest at 5.75% (2006 : 5.75%) per annum.

The bank loans are secured by way of:

a) a charge over the leasehold property of the subsidiary as disclosed in Note 19 to the financial statements; and

b) a corporate guarantee issued by the company.

The directors estimate the fair value of the above loans to approximate their carrying amount.

24 DEFERRED TAX LIABILITIES

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

	Accelerated tax depreciation
	$
Group	
At beginning of year	570,579
Credit to profit and loss (Note 31)	(220,000)
At end of year	350,579

25 SHARE CAPITAL

	2007	2006	2007	2006
	Number of ordinary shares		$	$
Group and company				
Issued and paid up:				
Balance at beginning of year	140,000,000	140,000,000	10,269,503	3,500,000
Transfer from share premium account	-	-	-	6,769,503
Balance at end of year	140,000,000	140,000,000	10,269,503	10,269,503

The company has one class of ordinary shares which carry no right to fixed income.

As a result of the Companies (Amendment) Act 2005 which came into effect on January 30, 2006, the concept of authorised share capital and par value has been abolished. Any amount standing to the credit of the share premium account has been transferred to the company's share capital account on the effective date.

26 SHARE PREMIUM

	Group and Company	
	2007	2006
	$	$
Balance at beginning of year	-	6,769,503
Transfer to share capital account (Note 25)	-	(6,769,503)
Balance at end of year	-	-

27 REVENUE

	Group	
	2007	2006
	$	$
Food and beverages	63,998,822	59,420,016
Service charges	5,375,026	5,065,841
Management fee	497,189	432,495
Total	69,871,037	64,918,352

28 OTHER OPERATING INCOME

	Group	
	2007	2006
	$	$
Interest income from:		
Non-related companies	79,541	21,167
Related parties	16,457	24,010
Waiver of payables to corporate shareholder of a joint venture company	-	255,000
Membership fees income	503,250	275,775
Release of negative goodwill	-	9,911
Gain on disposal of joint venture	304,266	-
Gain on disposal of associate	96,694	-
Others	231,136	447,689
Total	1,231,344	1,033,552

29 OTHER OPERATING EXPENSES

	Group	
	2007	2006
	$	$
Rental charges	8,572,729	7,795,674
Utilities charges	3,823,074	3,424,671
Repair and maintenance	2,727,926	2,504,968
Depreciation	2,116,050	2,203,303
Commission expense	1,776,435	1,561,964
Advertising and promotions	1,326,643	882,522
Decorations	331,858	296,280
Trade receivables written off	-	162,142
Other receivables written off	151,381	-
Advances to a joint venture written off	375,157	-
Impairment loss on other investment	140,604	-
Impairment loss on property, plant and equipment	36,524	32,365
Others	2,732,313	2,705,142
Total	24,110,694	21,569,031

30 FINANCE COSTS

	Group	
	2007	2006
	$	$
Interest on:		
Bank loans	138,468	101,478
Obligations under finance leases	19,450	2,929
Bank overdraft	225	2,093
Implicit interest on long-term trade receivables due from related parties	-	71,452
Total	158,143	177,952

31 INCOME TAX EXPENSE

This comprises:

	Group	
	2007	2006
	$	$
Current tax	751,918	719,137
Under (Over) provision of current tax in prior years	102,127	(89,050)
Deferred tax	(114,531)	(187,306)
Overprovision of deferred tax in prior years	(105,469)	-
Withholding tax	31,018	22,832
Net income tax expense for the year	665,063	465,613

Domestic income tax is calculated at 18% (2006 : 20%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2007	2006
	$	$
Tax at the domestic income tax rate of 18% (2006 : 20%)	334,644	414,130
Tax effect of share of results of joint ventures	114,738	72,605
Tax effect of share of results of associate	90,298	(64,719)
Under (Over) provision of current tax in prior years	102,127	(89,050)
Overprovision of deferred tax in prior years	(105,469)	-
Tax effect of expenses that are not deductible in determining taxable profit	48,065	278,174
Tax effect of changes in tax rates	(46,511)	-
Tax effect of deferred tax benefits not recognised	87,352	-
Tax effect of utilisation of deferred tax benefits not previously recognised	-	(56,478)
Losses not available for carryforward	87,351	22,401
Effect of different tax rate of subsidiaries operating in other jurisdictions	(9,350)	-
Tax exemption	(129,587)	(40,327)
Withholding tax	31,018	22,832
Others	60,387	(93,955)
Tax expense for the year	665,063	465,613

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

	Group	
	2007	2006
	$	$
a) Tax loss carryforwards		
At beginning of year	609,372	-
Adjustment to prior year	-	178,521
Arising from acquisition of subsidiary	-	682,966
Amount utilised in current year	-	(252,115)
Amount in current year	378,572	-
At end of year	987,944	609,372
Deferred tax benefit not recorded	177,830	121,874
b) Capital allowances		
At beginning of year	-	-
Adjustment in prior year	-	25,047
Amount utilised in current year	-	(25,047)
At end of year	-	-
Deferred tax benefit not recorded	-	-
c) Other temporary differences		
At beginning of year	-	194,463
Adjustment to prior year	-	(189,237)
Amount utilised in current year	-	(5,226)
Amount in current year	106,716	-
At end of year	106,716	-
Deferred tax benefit not recorded	19,209	-

The realisation of the future income tax benefits from tax loss carryforwards 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 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Group	
	2007	2006
	$	$
Staff costs	19,114,339	17,648,252
Cost of defined contribution plans (included in staff costs)	1,252,014	1,217,785
Trade receivables written off	-	162,142
Other receivables written off	151,381	-
Advances to a joint venture written off	375,157	-
Release of negative goodwill to income (included in other operating income)	-	(9,911)
Cost of inventories recognised as expense	21,628,711	21,271,710
Depreciation of property, plant and equipment	2,116,050	2,203,303
Impairment loss on other investment	140,604	-
Impairment loss on property, plant and equipment	36,524	32,365
Loss on disposal of property, plant and equipment	16,444	62,748
Non-audit services fees:		
Auditors of the company	4,000	4,000
Audit fees:		
Auditors of the company	186,000	182,000
Other auditors	30,500	8,275
Directors' remuneration:		
Directors of the company	456,670	504,695
Directors of the subsidiaries	80,100	-
Directors' fees	130,000	150,000

33 EARNINGS PER SHARE

Earnings per share is based on the group's profit for the year attributable to equity holders of $1,052,838 (2006 : $1,376,974) divided by 140,000,000 (2006 : 140,000,000) being the number of ordinary shares outstanding during the financial year.

34 SEGMENTAL INFORMATION

The group operates in one main line of business, being that of restaurant business.

The group operates in Singapore and the People's Republic of China. However, segmental revenue and result for geographical segments are not presented as the operations in the People's Republic of China are not significant.

35 DIVIDENDS

In respect of the current year, the directors propose that a dividend of 0.2813 cents per ordinary share less tax at 18% will be paid to shareholders on August 20, 2007. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all shareholders on the Register of Members on August 7, 2007. The total estimated dividend to be paid is $322,925.

36 ACQUISITION OF SUBSIDIARY

In 2006, the group acquired the remaining 30% equity interest in My Humble House in Beijing (Restaurant) Company Ltd for a cash consideration of $313,875. This transaction had been accounted for by the purchase method of accounting.

The net assets acquired in the transaction, and the goodwill arising, were as follows:

	Acquiree's carrying amount and fair value before combination	
	2007	2006
	$	$
Net assets acquired:		
Property, plant and equipment	-	997,253
Refundable security deposits	-	220,259
Trade receivables	-	13,284
Other receivables and prepayments	-	6,328
Inventories	-	148,172
Cash and bank balances	-	157,568
Trade payables	-	(503,534)
Other payables	-	(673,606)
	-	365,724
Original interest	-	(256,007)
	-	109,717
Goodwill	-	204,158
Total consideration, satisfied by cash	-	313,875
Net cash outflow arising on acquisition:		
Cash consideration paid	-	(313,875)
Cash and bank balances acquired	-	157,568
	-	(156,307)

The goodwill arising on the acquisition of My Humble House in Beijing (Restaurant) Company Ltd is attributable to the anticipated profitability of the group's products in the new market and the anticipated future operating synergies from the combination.

My Humble House in Beijing (Restaurant) Company Ltd contributed $760,436 in revenue and $5,042 to the group's profit before tax for the period between the date of acquisition and March 31, 2006.

If the acquisition had been completed on April 1, 2005, total group revenue for the year ended March 31, 2006 would have been $66,717,922, and profit for the year ended March 31, 2006 would have been $1,603,798.

37 CONTINGENT LIABILITIES

	Group		Company	
	2007	2006	2007	2006
	$	$	$	$
Corporate guarantees issued for bank facilities, finance lease facilities and corporate loans granted to:				
- Subsidiary companies (unsecured)	-	-	2,968,405	2,839,147
- Joint venture companies (unsecured)	1,039,163	784,157	1,039,163	784,157
Total	1,039,163	784,157	4,007,568	3,623,304

38 OPERATING LEASE ARRANGEMENTS

	Group	
	2007	2006
	$	$
Minimum lease payments under operating leases recognised as an expense in the year	8,572,729	7,795,674

Included in the minimum lease payments is an amount of $531,694 (2006 : $316,219) which pertains to contingent rental incurred during the year.

At the balance sheet date, the group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2007	2006
	$	$
Within one year	8,447,003	6,303,022
In the second to fifth year inclusive	9,743,889	6,049,100
Total	18,190,892	12,352,122

Operating lease payments represent rentals payable by the group for its restaurant premises and office lease. Leases are negotiated and rentals are fixed for an average of 3 years (2006 : 3 years).

According to the terms of the contracts entered into by certain operating subsidiaries at the balance sheet date, contingent rental would be payable by the group based on a percentage of monthly turnover in excess of a specified amount.

statement of *directors*

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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 52 to 90 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, 2007 and of the results, changes in equity and cash flows of the group and changes in equity of the company for the financial year then ended and at the date of this statement, with the continued 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 DIRECTORS

Tjioe Ka Men

Tjioe Ka In

Singapore
June 8, 2007

statistics of shareholdings

As at 15 June 2007

Issued and Fully Paid Capital : $10,269,503/-
Class of Shares : Ordinary shares
Voting Rights : One vote per share

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1 to 999	2	0.23	700	0.00
1,000 to 10,000	565	65.93	2,063,300	1.47
10,001 to 1,000,000	277	32.32	17,159,000	12.26
1,000,001 AND ABOVE	13	1.52	120,777,000	86.27
TOTAL	857	100.00	140,000,000	100.00

Shareholdings in the hands of public as at 15 June 2007

The percentage of shareholdings in the hands of the public was approximately 26.62% 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	% of Issued Share Capital
1	ZHOU HOLDINGS PTE LTD	49,200,000	35.14
2	NOVENA HOLDINGS LIMITED	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	4,024,000	2.87
7	UOB KAY HIAN PTE LTD	3,413,000	2.44
8	TAY KWANG THIAM	2,716,000	1.94
9	LO TAK MENG	2,342,000	1.67
10	SIM BENG HUAT HENRY	2,113,000	1.51
11	YEOW SENG (SHARK'S FIN) PTE LTD	1,350,000	0.96
12	DBS VICKERS SECURITIES (S) PTE LTD	1,101,000	0.79
13	KIM ENG SECURITIES PTE LTD	1,066,000	0.76
14	HL BANK NOMINEES (S) PTE LTD	724,000	0.52
15	DBS NOMINEES PTE LTD	703,000	0.50
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	640,000	0.46
17	YIO KANG LENG	600,000	0.43
18	HUANG JOONG ENG ANGELINE	599,000	0.43
19	SIM SENG JIN	494,000	0.35
20	OCBC SECURITIES PRIVATE LTD	477,000	0.34
TOTAL		**125,014,000**	**89.30**

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	141,000	0.10	53,200,000*	38.00
Tjioe Ka In	40,000	0.02	53,200,000*	38.00
Novena Holdings Limited	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 the shares held by Tee Yih Jia Food Manufacturing Pte Ltd by virtue of Section 7 of the Companies Act, Cap 50

notice of *annual general meeting*

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NOTICE IS HEREBY GIVEN THAT the 7th Annual General Meeting of **TUNG LOK RESTAURANTS (2000) LTD** will be held at Orchard Parade Hotel, 1 Tanglin Road, Level 2, Antica Ballroom, Singapore 247905 on Friday, 27 July 2007 at 4.00 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive the audited accounts for the financial year ended 31 March 2007 and the Reports of the Directors and Auditors. (Resolution 1)

2. To declare a first and final dividend of 0.2813 cents per ordinary share less 18% tax for the financial year ended 31 March 2007. (Resolution 2)

3. To approve Directors' fees of $130,000/- for the financial year ended 31 March 2007. (2006 : $150,000/-) (Resolution 3)

4. To re-elect Ms Tjoe Ka In as a Director, who retires in accordance with Article 91 of the Company's Articles of Association. (Resolution 4)

5. To pass the following Ordinary Resolutions :-
   (a) "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."

   Mr Ch'ng Jit Koon will, upon re-appointment as a Director of the Company, remain as a member of the Audit Committee, Nominating Committee and Chairman of the Remuneration Committee and will be considered independent. (Resolution 5)

   (b) "That pursuant to Section 153(6) of the Companies Act, Cap 50, Dr Tan Eng Liang be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting."

   Dr Tan Eng Liang will, upon re-appointment as a Director of the Company, remain as Chairman of the Audit Committee, a member of Nominating Committee and Remuneration Committee and will be considered independent. (Resolution 6)

6. To re-appoint Messrs Deloitte & Touche as Auditors and to authorise the Directors to fix their remuneration. (Resolution 7)

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

   "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." (Resolution 8)

8. To transact any other ordinary business of an Annual General Meeting of which due notice shall have been given.

By Order of the Board

STELLA CHAN
Secretary

Singapore, 11 July 2007

EXPLANATORY NOTE ON SPECIAL BUSINESS TO BE TRANSACTED :
Resolution 8
The effect of the Ordinary Resolution 8 in item 7 above 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.

NOTES:
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.

2) 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.

NOTICE OF BOOKS CLOSURE
NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 8 August 2007 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited, 138 Robinson Road #17-00 The Corporate Office Singapore 068906 up to 5.00 p.m. on 7 August 2007 will be registered to determine shareholders' entitlements to the proposed first and final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 7 August 2007 will be entitled to the proposed dividend.

Payment of the dividend, if approved by shareholders at the Annual General Meeting to be held on 27 July 2007 will be paid on 20 August 2007.

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TUNG LOK RESTAURANTS (2000) LTD
(Incorporated in the Republic of Singapore)
Registration No.200005703N

proxy form
for annual general meeting

(Please see notes overleaf before completing this Form)

IMPORTANT

1. For investors who have used their CPF monies to buy the Company's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the timeframe specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the timeframe specified to enable them to vote on their behalf.

I/We, _____ (Name)

of _____ (Address)

being a member/members of Tung Lok Restaurants (2000) Ltd (the "Company"), hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy/proxies to vote for me/us and on my/our behalf and, if necessary, to demand a poll, at the **7th Annual General Meeting** of the Company to be held at Orchard Parade Hotel, 1 Tanglin Road, Level 2, Antica Ballroom, Singapore 247905 on **Friday, 27 July 2007 at 4.00 p.m.** and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions to be proposed at the Meeting as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Meeting).

No.	Resolutions relating to	For	Against
1.	Receive of Reports and Accounts		
2.	Declaration of a First & Final Dividend		
3.	Approval of Directors' Fees		
4.	Re-election of Ms Tjoe Ka In as a Director		
5.	Re-appointment of Mr Ch'ng Jit Koon as a Director		
6.	Re-appointment of Dr Tan Eng Liang as a Director		
7.	Re-appointment of Auditors		
8.	Authority to Issue Shares (General)		

Dated this _____ day of _____ 2007

Total number of shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

_____
Signature(s) of Member(s) or Common Seal

IMPORTANT: Please read notes overleaf

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. A proxy need not be a member of the Company

3. Where a member appoints more than one proxy, the appointments 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.

6. 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.