Tung Lok Restaurants (2000) Ltd

Annual Report 2010

TUNGLOK

Annual Report 2010

ended 31 march 2010

Tung Lok Restaurants (2000) Ltd

Contents

This annual report has been reviewed by the Company's sponsor, KW Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The details of the contact person for the Sponsor is:
Name: Mr Hoon Tai Meng (Registered Professional, KW Capital Pte. Ltd.) Address: 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624
Tel: 6238 3377

Chairman's Statement

Dear Shareholders,

On behalf of the board of Directors, I am pleased to present you the annual report for Tung Lok Restaurants (2000) Ltd ("Tung Lok" or the "Group") for the financial year ended 31 March 2010 ("FY10").

Performance

The tail-end of the global financial and economic crisis impacted the performance of the first half of the year under review. The subsequent recovery in economic and consumer confidence in the second half coincided with improvement in the performance of our associates in China. These factors, along with ongoing cost and operational improvements, helped the Group to record a net profit attributable to shareholders of S$650,000, reversing from a loss of S$2.7 million in FY09.

Our revenue increased 11% to S$81.3 million in FY10 from S$73.4 million in FY09, mainly due to higher sales volume resulting from the improved consumer sentiment as well as contributions from five new outlets opened in FY10. As shareholders will recall, we had embarked on aggressive marketing promotions a year earlier, the benefits of which kicked in with the economic recovery. In line with the higher revenue, gross profit increased by S$4.9 million to S$56.3 million compared to S$51.4 million in FY09.

We recorded a share of loss in our joint-venture of S$300,000 in FY10, an improvement of S$1.2 million compared to a loss of S$1.6 million in FY09 (that year we closed a loss-making China outlet). We recorded a share of profit of associates of S$200,000 in FY10, an improvement of S$1.1 million compared to a loss of S$900,000 in FY09, due to better performance from our China operations.

Other operating income increased 76% to S$2.3 million in FY10 from S$1.3 million in FY09 mainly due to receipts from the Singapore Government Jobs Credit Scheme of S$1.0 million in FY10.

The Group recorded earnings per share ("EPS") of 0.46 cents for FY10 compared to a loss of 1.92 cents for FY09; and net asset value per share of 4.08 cents at the end of FY10 compared to 3.47 cents at the end of FY09.

Operations

Following the onset of the global financial crisis, the Group had embarked on cost and operational improvements as well as stepped-up marketing and promotion activities. Both strategies bore fruit in the year under review as the economic climate improved.

Our efforts at efficiency included introducing more automation at our central kitchen and at several outlets, helping to reduce manpower costs even as we continued to increase the number of outlets. The marketing activities helped to increase customer loyalty and awareness, and contributed to higher revenue when the economy recovered.

As with previous economic crisis, Tung Lok believes that these periods of slowdown are opportunities to train staff, improve service and quality, and introduce innovative cuisine and concepts.

The Group opened five new outlets in Singapore in the year under review, including two at the newly opened Resorts World Sentosa, which is one of two integrated resorts opened recently amidst much publicity to position Singapore as a major tourist destination and a global city.

In China, certain outlets there have shown improvement. Also, the economic recovery is taking place at a time when China is preparing for an influx of visitors to the Shanghai Expo which started in May 2010. These factors are expected to contribute positively to our China operations.

Outlook

Although the economy has recovered from a severe global crisis, the operating environment in Singapore for the Food & Beverage business remains competitive and challenging. However, the economic growth is taking place against a backdrop of major changes impacting the tourism market in Singapore. The opening of the two integrated resorts positions Singapore as a global city and will contribute to the economy in general and the tourism sector in particular. Underscoring this and based on the key statistics provided by the Singapore Tourism Board, the tourist arrivals have been increasing consecutively this year. It was recently announced that tourist arrivals in April 2010 registered a 20.4% growth.

With the proposed progressive increase in foreign workers' levy and CPF contributions, the Group will continue to streamline its operations and improve its productivity by adopting new technology to reduce manpower at its central kitchen, as well as individual restaurant outlets.

Our strategy going forward is to grow our mid-range restaurant concepts which we have developed and nurtured over the years. Following a re-branding exercise several years ago, we recently unveiled a new logo which now graces the cover of this annual report. It is a fresh image which conveys the clear message that Tung Lok cuisine is for everyone to enjoy.

We are exploring how to replicate proven restaurant concepts either directly owned or as franchised outlets so that we can grow without heavy capital investments.

In addition, as announced in January 2010, we will be entering into a joint-venture with some leading Singapore seafood restaurant owners to open a seafood restaurant in Resorts World of Sentosa. This will enable us to pamper customers, local and foreign, with the best of seafood cuisine developed by each partner of the joint-venture.

Acknowledgements

It has been an exciting year for all of us, as we navigated out of the dark clouds of the global financial crisis to a recovery at a time of major changes impacting Singapore's food and beverage sector. I want to thank the directors, management and staff for their hard work and sacrifices during this challenging period. I also wish to thank our shareholders, business partners and our valued customers for their continued support.

Andrew Tjioe
Executive Chairman
23 June, 2010

Corporate Information

BOARD OF DIRECTORS

Mr Tjioe Ka Men
Executive Chairman

Ms Tjioe Ka In
Executive Director

Ker Sin Tze (Dr)
Independent Director

Tan Eng Liang (Dr)
Independent Director

Mr Ch'ng Jit Koon
Independent Director

Ms Juliette Lee Hwee Khoon
Non-Executive Director

EXECUTIVE COMMITTEE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

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

AUDIT COMMITTEE

Tan Eng Liang (Dr) (Chairman)
Ker Sin Tze (Dr)
Mr Ch'ng Jit Koon
Ms Juliette Lee Hwee Khoon

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 LLP
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

United Overseas Bank Ltd
Standard Chartered Bank

Historical Financial Summary

OPERATING RESULTS FOR THE GROUP

$'000	FY2006	FY2007	FY2008	FY2009	**FY2010**
	← Restated* →				
Turnover	64,918	69,871	75,902	73,428	**81,343**
Profit / (Loss) before tax and share of Profit (Loss) of Joint Ventures & Associates	1,778	2,659	2,768	228	**1,415**
Share of Profit / (Loss) of Joint Ventures & Associate	(39)	(1,139)	(1,481)	(2,481)	**(136)**
Taxation	(405)	(600)	(882)	(323)	**(555)**
Profit / (Loss) after taxation but before minority interests	1,333	920	405	(2,576)	**724**
Profit / (Loss) attributable to the owners of the company	1,105	779	88	(2,686)	**650**

FINANCIAL POSITION FOR THE GROUP

As at

$'000	31 Mar 2006	31 Mar 2007	31 Mar 2008	31 Mar 2009	**31 Mar 2010**
	← Restated* →				
Property, plant and equipment	6,837	8,538	10,547	11,194	**13,639**
Intangible asset	-	92	72	52	**32**
Goodwill on consolidation	204	204	204	204	**-**
Current assets	13,633	15,930	17,162	13,808	**20,247**
Other non-current assets	4,619	2,771	2,452	1,976	**2,167**
Total assets	**25,293**	**27,535**	**30,437**	**27,234**	**36,085**
Current liabilities	14,598	16,559	19,688	18,608	**23,421**
Non-current liabilities	2,853	2,364	1,961	2,634	**5,916**
Shareholders' equity	7,266	8,022	7,812	4,855	**5,714**
Minority interests	576	590	976	1,137	**1,034**
Total liabilities and equity	**25,293**	**27,535**	**30,437**	**27,234**	**36,085**
NTA per share cents	5.04	5.52	5.38	3.29	**4.06**

* NOTE

1. The restated financials from 2006 to 2009 was due to the implementation of INT FRS 113 - Customer Loyalty Programmes in 2010

Board of Directors

ANDREW TJIOE was appointed to the Board since 28 September 2000, and is a Member of the Executive Committee and Nominating Committee. In July 2006, he was appointed as Executive Chairman, and continues to spearhead 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, China and India, 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 named 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. In November 2007, Andrew received the "Most Creative Entrepreneurial Leaders of Asia-Pacific Award" at the APCE (Asia-Pacific Chinese Entrepreneurial Leaders Forum) 2007. In February 2008, he was honoured with the "International Star Diamond Lifetime Achievement Award" from the New York-based American Academy of Hospitality Sciences. This is often referred to as the 'Oscars' of the service sector.

He is currently the Vice-President of the Restaurant Association of Singapore (RAS); the Vice-President of the Franchising and Licensing Association of Singapore; as well as a member of the Board of Directors of the SHATEC Institute, which is the educational institute of the Singapore Hotel Association (SHA).

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

TJIOE KA IN was appointed to the Board on 1 March 2001 and was last re-elected on 27 July 2009, 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 was appointed as an Independent Director of our Company on 1 March 2001 and was last re-elected on 27 July 2009. 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 of State for National Development from 1975 to 1978 and Senior Minister of State for Finance from 1978 to 1979. He also served as the Chairman of the Urban Redevelopment Authority, Singapore Quality & Reliability Association and the Singapore Sports Council. Dr Tan has a Doctorate from Oxford University, England. Dr Tan 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: Sunmoon Food Company Ltd, Progen Holdings Ltd, Sapphire Corporation Limited, United Engineers Ltd, Jackspeed Corporation Limited, Hartawan Holdings Limited and HG Metal Manufacturing Limited.

DR KER SIN TZE was appointed as an Independent Director on 1 March 2001 and was last re-elected on 28 July 2008. 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 Consul-General of Singapore Consulate in Hong Kong. He holds a Bachelor of Commerce degree from Nanyang University, M.A.(Economics) and Ph.D(Economics) degree 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 was appointed as an Independent Director on 20 December 2002 and was last re-appointed on 27 July 2009. 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 publiclisted and private companies in Singapore, he also serves in several community organizations.

JULIETTE LEE HWEE KHOON was appointed to the Board as a Non Executive Director on 23 August 2007. She will seek re-election at the forthcoming Annual General Meeting. She is a member of the Audit Committee and is a veteran in the food and beverage industry with more than 26 years of experience in managing different areas of the business. Currently she serves as Executive Director of Tee Yih Jia ('TYJ') Food Manufacturing Pte Ltd and Alternate Director of Super Coffeemix Manufacturing Ltd. She has been with TJY since 1980 and among her many achievements she was instrumental in turning around TYJ's subsidiary, TYJ Fujian Brewery, to profitability in 2000. She also served as Director on the Board of Her Sea Palace Restaurant Pte Ltd from 1987 to 1989. Ms Lee holds a Masters in Business Administration BA (Strategic Management) from the Maastricht School of Management.

Management Team

ANDREW TJIOE

Executive Chairman

Mr Tjioe was appointed to the Board since 28 September 2000, and is a Member of the Executive Committee and Nominating Committee. In July 2006, he was appointed as Executive Chairman, and continues to spearhead 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, China and India, 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 named 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. In November 2007, Andrew received the "Most Creative Entrepreneurial Leaders of Asia-Pacific Award" at the APCE (Asia-Pacific Chinese Entrepreneurial Leaders Forum) 2007. In February 2008, he was honoured with the "International Star Diamond Lifetime Achievement Award" from the New York-based American Academy of Hospitality Sciences. This is often referred to as the 'Oscars' of the service sector.

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

TJIOE KA IN

Executive Director

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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.

RICKY NG

Chief Operating Officer

Ricky began his career with Tung Lok Group in 1999 at the then Club Chinois, as Deputy General Manager. In 2001, he was promoted to Senior General Manager, where he continued to lead the team and steered it to be recognized as one of the most well-known Chinese restaurants in Singapore.

In 2006, he was promoted to Vice President – Operations, and in 2008, became Executive Vice President, overseeing the operations of the Group's stable of restaurants while assisting the Executive Chairman in new business development.

In his recent appointment as Chief Operating Officer, Ricky's primary responsibility is to manage the Group's restaurant operations and food services, improving productivity and efficiency, and business development.

Ricky was formally trained at the Australian School of Tourism and Hotel Management. Prior to joining Tung Lok Group, he had gained a wealth of experience in the F&B trade in the last two decades, having worked at well-known establishments such as Hayman Island Resort Hotel, Queensland; Conrad International, Hong Kong; and Stamford Hotels & Resorts, Sydney.

JOCELYN TJIOE

Senior Vice President, Administration

A diploma graduate in Business Studies from Ngee Ann Technical College, Jocelyn is armed with several years of experience in purchasing, administration and human resources, having worked previously at You Hong Lee Pte Ltd (a subsidiary company of Oceanic Textiles). In her current capacity as Senior Vice President, Jocelyn ensures the constant and prompt supply of quality products and materials crucial to the operations of the restaurants – from essential cutleries and kitchen equipment, to ingredients and uniforms. She also oversees the Human Resources and Administrative functions of the Group, and works closely with tertiary education centres and recruitment agencies to identify and hire talents.

VINCENT PHANG

Vice President, Banquet and Catering Sales

Vincent joined the Group in 1998. With a career spanning of 15 years, he had worked in various hotels from Boulevard Hotel to Le Meridien Singapore, as well as Fort Canning Country Club. In his current capacity, Vincent is overall responsible for the entire banquet and catering operations of all restaurants within the Group. A graduate from SHATEC, he also holds various certificates from the American Hotels & Motels Association, Premier Sales & Marketing for hospitality professionals from Asia Connect & HSMAI Asia Pacific and 'More Sales Thru Service Excellence' from the Marketing Institute of Singapore. At the Singapore Excellent Service Award 2004 organised by Spring Singapore and Singapore Tourism Board, Vincent was presented with the Star Award for his outstanding contribution and commitment to providing top quality service.

WOODY ACHUTHAN

Vice President, Operations, Training & Customer Services

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

CAROLYN TAN

Senior Vice President, Marketing & Corporate Communications

Carolyn joined the Group in 2002 as Marketing Communications Manager. Armed with years of experience in the marketing communications field, mainly from the hotel industry, her past employments include top hotel chains such as Westin, Hyatt, Holiday Inn, Raffles and Millennium & Copthorne International. In 2003, she was promoted to Director of Marketing, and in 2007, was appointed Vice President – Marketing & Corporate Communications. In her current capacity as Senior Vice President, she is in charge of the Marketing, Loyalty Programme, and Graphics Design teams, spearheading the marketing, promotional, public relations, and membership activities of the Group's restaurants. She is also responsible for strategising plans to maintain the corporate and brand identity of the Group, as well as handling Special Projects. Carolyn holds a Bachelor of Arts in Mass Communications from the Royal Melbourne Institute of Technology.

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, and Zhou's Kitchen.

SAM LEONG

Corporate Chef / Director of Kitchens

Sam is the maestro behind the unique Modern Chinese Cuisine that the Group is known for. He has had the honour of serving up some of his best to highly respected local political leaders such as Minister Mentor Lee Kuan Yew, Senior Minister Goh Chok Tong and Prime Minister Lee Hsien Loong; as well as foreign dignitaries such as former U.S. Presidents George Bush and Bill Clinton, former Indonesian President Megawati Sukarnoputri, and Queen Elizabeth II of England.

Honoured with several awards and accolades, some of Sam's achievements include the prestigious World Gourmet Summit (WGS) Award of Excellence for "Best Asian Ethnic Chef" in 2001, 2002 and 2004; "Chef of the Year" and "Executive Chef of the Year" in 2005; "Asian Cuisine Chef of the Year (Regional)" in 2009; and "Asian Cuisine Chef of the Year (Regional Category)", and "Executive Chef of the Year" in 2010. He was also inducted into the WGS Awards of Excellence "Hall of Fame". In February 2008, he received the coveted "International Star Diamond Chef Award" from the American Academy of Hospitality Sciences.

Sam has also participated in several international culinary events such as the Wolfgang-Lazaroff American Wine & Food Festival, the "Meals on Wheels" charity event in Los Angeles, and the St. Moritz Gourmet Festival in Switzerland. In April 2005, Singapore Airlines announced Sam as its latest member, and the only Singapore representative, on its International Culinary Panel (ICP) of world-renowned chefs. Besides publishing two personal cookbooks, "A Wok Through Time" in 2004 and "Sensations" in 2007, he is also a regular personality and host of culinary programmes on Singapore's national television, MediaCorp Television.

Statement of Corporate Governance

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 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 2010 ("FY2010") is as follows :

Name	BOARD MEETING		AUDIT COMMITTEE		EXECUTIVE COMMITTEE		REMUNERATION COMMITTEE		NOMINATING COMMITTEE	
	NO. OF MEETINGS		NO. OF MEETINGS		NO. OF MEETINGS		NO. OF MEETINGS		NO. OF MEETINGS	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Tjioe Ka Men	4	4	-	-	4	4	-	-	1	1
Tjioe Ka In	4	4	-	-	4	4	-	-	-	-
Tan Eng Liang	4	4	4	4	4	4	1	1	1	1
Ker Sin Tze	4	4	4	4	4	4	1	1	1	1
Ch'ng Jit Koon	4	4	4	4	4	4	1	1	1	1
Juliette Lee Hwee Khoon	4	4	4	4	-	-	-	-	-	-

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.

Statement of Corporate Governance

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 six (6) directors, of whom two (2) are executive directors, three (3) non-executive and independent directors and one (1) non-executive director. 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 (Non-Executive and Independent Director)
Dr Ker Sin Tze (Non-Executive and Independent Director)
Ch'ng Jit Koon (Non-Executive and Independent Director)
Juliette Lee Hwee Khoon (Non-Executive 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 six directors is appropriate, taking into account the nature and scope of the Group's operations and the Board as a whole, possesses core competencies required for the effective conduct of the Group's affairs.

Profiles of the Directors are found on pages 6-7 of this Annual Report.

With half 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.

Statement of Corporate Governance

Chairman and Chief Executive Officer

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 is the Executive Chairman 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 bears 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 Chief Executive Officer.

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.

Statement of Corporate Governance

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 FY2010 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 Juliette Lee Hwee Khoon pursuant to Article 91 of the Company's Articles of Association and the re-appointment 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, 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 is represented at all 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.

Statement of Corporate Governance

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.

Statement of Corporate Governance

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 2010 are as follows:

	Number of directors	
	2010	**2009**
$500,000 and above	-	-
$250,000 to $499,999	1	1
Below $249,999	5	5
Total	6	6

The details of the remuneration of directors of the Group disclosed in bands for services rendered during the financial year ended 31 March 2010 are as follows:

Directors' Remuneration

	Remuneration Band	**Salary & Fees %**	**Performance Based Bonuses %**	**Other Benefits %**	**Total Remuneration %**
Executive Directors					
Tjioe Ka Men	**C**	**100**	**-**	**-**	**100**
Tjioe Ka In	**B**	**100**	**-**	**-**	**100**
Non-Executive Directors					
Tan Eng Liang	**A**	**100**	**-**	**-**	**100**
Ker Sin Tze	**A**	**100**	**-**	**-**	**100**
Ch'ng Jit Koon	**A**	**100**	**-**	**-**	**100**
Juliette Lee Hwee Khoon	**A**	**100**	**-**	**-**	**100**

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

Statement of Corporate Governance

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 FY2010 is as follows :-

Name of Executive	Remuneration Band	Salary %	Performance Based Bonuses %	Other Benefits %	Total %
Sam Leong Siew Kay	**B**	**100**	**-**	**-**	**100**
Phang Chwee Kin	**A**	**68**	**32**	**-**	**100**
Ricky Ng Chi Hung	**A**	**95**	**5**	**-**	**100**
Lim Quee Teck	**A**	**100**	**-**	**-**	**100**
Tjioe Ka Lie*	**A**	**100**	**-**	**-**	**100**

*** Immediate Family Member of Directors or Substantial Shareholders**

One employee of the Group is an immediate family member of the Executive Chairman and the remuneration of this employee did not exceed $150,000/- for the financial year ended 31 March 2010.

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.

Statement of Corporate Governance

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 four non-executive Directors, majority of whom including the Chairman, are independent :

Dr Tan Eng Liang (Chairman)
Dr Ker Sin Tze
Mr Ch'ng Jit Koon
Ms Juliette Lee Hwee Khoon

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 and internal 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 FY2010, 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 FY2010 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.

Statement of Corporate Governance

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 AC 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 AC 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.

The Group's risk factors and management are set out in the notes to the financial statements in this Annual Report.

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.

Statement of Corporate Governance

The Company's AGMs/EGMs 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 AGMs/EGMs to ensure high level of accountability and to stay appraised of the Group's strategy and goals. Notices of the meetings are 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.

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	NIL
b)	Management fee	NIL

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.

SPONSORSHIP

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is KW Capital Pte. Ltd. There was no non-sponsor fee paid to the Sponsor or any of its affiliates for the financial year ended 31 March 2010.

Financial Content

Report of the Directors

The directors present their report together with the audited consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the financial year ended March 31, 2010.

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
Juliette Lee Hwee Khoon

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	226,000	226,000	53,200,000	53,889,000
Tjioe Ka In	54,000	54,000	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, 2010 were the same at March 31, 2010.

Report of the Directors

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 other than Juliette Lee Hwee Khoon:

Tan Eng Liang (Dr) (Chairman)
Ker Sin Tze (Dr)
Ch'ng Jit Koon
Juliette Lee Hwee Khoon

The Audit Committee has met 4 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 and internal 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;

6 AUDIT COMMITTEE (cont'd)

d) reviews the financial statements of the company and the consolidated 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 LLP for re-appointment as external auditors of the group at the forthcoming Annual General Meeting of the company.

7 AUDITORS

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

ON BEHALF OF THE DIRECTORS

Tjioe Ka Men

Tjioe Ka In

Singapore
Date: June 23, 2010

Statement of Directors

In the opinion of the directors, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company as set out on pages 26 to 83 are drawn up 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, 2010 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 when they fall due.

ON BEHALF OF THE DIRECTORS

Tjioe Ka Men

Tjioe Ka In

Singapore
Date: June 23, 2010

Independent Auditors' Report

to the Members of Tung Lok Restaurants (2000) Ltd

We have audited the accompanying financial statements of Tung Lok Restaurants (2000) Ltd (the company) and its subsidiaries (the group) which comprise the statement of financial position of the group and the company as at March 31, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 26 to 83.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheets and to maintain accountability of assets; 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 judgement, 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

Opinion

In our opinion,

(a) the consolidated financial statements of the group and the statement of financial position 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, 2010 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; and

(b) the accounting and other records required by the Act to be kept by the company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
Date: June 23, 2010

Statements of Financial Position

March 31, 2010

		Group			Company		
	Note	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**
		$	**$**	**$**	**$**	**$**	**$**
			(Restated)	**(Restated)**		**(Restated)**	**(Restated)**
ASSETS							
Current assets							
Cash and bank balances	6	16,173,890	10,438,629	12,461,079	164,722	59,459	101,958
Trade receivables	7	1,398,334	823,013	1,033,532	-	-	-
Other receivables and prepayments	8	684,850	617,600	1,662,513	20,810	33,301	786,694
Inventories	9	1,989,086	1,928,380	2,004,725	-	-	-
Total current assets		20,246,160	13,807,622	17,161,849	185,532	92,760	888,652
Non-current assets							
Trade receivables - non-current	7	124,579	153,033	181,487	-	-	-
Long-term security deposits	10	1,807,470	1,723,288	1,493,643	-	-	-
Advances to subsidiaries	11	-	-	-	1,678,180	2,809,413	2,430,000
Advances to joint ventures	12	-	-	217,327	-	-	-
Advances to associate	13	-	-	356,221	-	-	-
Subsidiaries	14	-	-	-	2,756,059	2,462,190	2,054,565
Joint ventures	15	-	-	203,047	60,000	45,000	30,000
Associate	16	110,329	-	-	-	-	-
Available-for-sale investments	17	125,000	100,000	-	-	-	-
Other intangible asset	18	32,446	52,462	72,478	-	-	-
Goodwill	19	-	204,158	204,158	-	-	-
Property, plant and equipment	20	13,638,536	11,193,866	10,547,052	-	-	-
Total non-current assets		15,838,360	13,426,807	13,275,413	4,494,239	5,316,603	4,514,565
Total assets		36,084,520	27,234,429	30,437,262	4,679,771	5,409,363	5,403,217

See accompanying notes to financial statements.

Statements of Financial Position

March 31, 2010

	Note	Group 2010	Group 2009	Group 2008	Company 2010	Company 2009	Company 2008
		$	$ (Restated)	$ (Restated)	$	$ (Restated)	$ (Restated)
LIABILITIES AND EQUITY							
Current liabilities							
Trade payables	21	7,568,547	5,883,921	6,015,916	-	-	-
Other payables	22	13,191,518	10,099,757	11,202,392	3,995,775	4,389,901	3,466,198
Current portion of finance leases	23	271,222	331,702	352,162	-	-	-
Bank loans - current portion	24	2,173,288	2,028,855	895,621	-	-	-
Income tax payable		216,474	265,246	1,221,940	-	-	-
Total current liabilities		23,421,049	18,609,481	19,688,031	3,995,775	4,389,901	3,466,198
Non-current liabilities							
Other payables – non-current	22	287,879	269,798	-	-	-	-
Finance leases	23	380,869	653,075	297,934	-	-	-
Long-term loans	24	4,558,267	1,388,110	1,577,236	-	-	-
Deferred tax liabilities	25	688,528	323,306	86,341	-	-	-
Total non-current liabilities		5,915,543	2,634,289	1,961,511	-	-	-
Capital, reserves and minority interests							
Share capital	26	10,269,503	10,269,503	10,269,503	10,269,503	10,269,503	10,269,503
Currency translation deficit		(122,023)	(332,244)	(60,057)	-	-	-
Accumulated losses		(4,433,633)	(5,083,203)	(2,397,912)	(9,585,507)	(9,250,041)	(8,332,484)
Equity attributable to owners of the company		5,713,847	4,854,056	7,811,534	683,996	1,019,462	1,937,019
Minority interests		1,034,081	1,136,603	976,186	-	-	-
Total equity		6,747,928	5,990,659	8,787,720	683,996	1,019,462	1,937,019
Total liabilities and equity		36,084,520	27,234,429	30,437,262	4,679,771	5,409,363	5,403,217

See accompanying notes to financial statements.

Consolidated Statement of Comprehensive Income

year ended March 31, 2010

	Note	2010	2009
		$	$ (Restated)
Revenue	27	81,343,213	73,427,812
Cost of sales		(25,086,463)	(22,071,300)
Gross profit		56,256,750	51,356,512
Other operating income	28	2,278,635	1,293,840
Administrative expenses		(27,523,170)	(24,110,894)
Other operating expenses	29	(29,306,568)	(28,076,718)
Share of loss of joint ventures	15	(320,763)	(1,550,238)
Share of profit (loss) of associate	16	184,742	(930,241)
Finance costs	30	(289,905)	(234,561)
Profit (Loss) before tax		1,279,721	(2,252,300)
Income tax expense	31	(555,343)	(323,472)
Profit (Loss) for the year	32	724,378	(2,575,772)
Other comprehensive income:			
Exchange differences on translation of foreign operations representing total other comprehensive income for the year		206,464	(272,187)
Total comprehensive income for the year, net of tax		930,842	(2,847,959)
Profit (Loss) attributable to:			
Owners of the company		649,570	(2,685,291)
Minority interests		74,808	109,519
		724,378	(2,575,772)
Total comprehensive income attributable to:			
Owners of the company		859,791	(2,957,478)
Minority interests		71,051	109,519
		930,842	(2,847,959)
Earnings (Loss) per share (cents)			
Basic	33	0.46	(1.92)
Diluted	33	0.46	(1.92)

See accompanying notes to financial statements.

Statements of Changes In Equity

year ended March 31, 2010

	Share capital	Currency translation deficit	Accumulated losses	Attributable to owners of the company	Minority interests	Total
	$	$	$	$	$	$
Group						
Balance at April 1, 2008 as previously reported	10,269,503	(60,057)	(1,568,853)	8,640,593	976,186	9,616,779
Effect of adjustment arising from adoption of INT FRS 113	-	-	(829,059)	(829,059)	-	(829,059)
Balance at April 1, 2008, as restated	10,269,503	(60,057)	(2,397,912)	7,811,534	976,186	8,787,720
Total comprehensive income for the year as previously reported	-	(272,187)	(2,929,543)	(3,201,730)	109,519	(3,092,211)
Effect of adjustment arising from adoption of INT FRS 113	-	-	244,252	244,252	-	244,252
Total comprehensive income for the year, as restated	-	(272,187)	(2,685,291)	(2,957,478)	109,519	(2,847,959)
Dividends paid to minority shareholders of subsidiaries	-	-	-	-	(363,345)	(363,345)
Issue of shares to minority shareholders of a subsidiary	-	-	-	-	360,000	360,000
Fair value adjustment on interest-free loan due to a minority shareholder	-	-	-	-	54,243	54,243
Balance at March 31, 2009	10,269,503	(332,244)	(5,083,203)	4,854,056	1,136,603	5,990,659
Total comprehensive income for the year	-	210,221	649,570	859,791	71,051	930,842
Dividends paid to minority shareholders of subsidiaries	-	-	-	-	(233,573)	(233,573)
Issue of shares to minority shareholders of a subsidiary	-	-	-	-	60,000	60,000
Balance at March 31, 2010	10,269,503	(122,023)	(4,433,633)	5,713,847	1,034,081	6,747,928

See accompanying notes to financial statements.

Statement of Change In Equity

year ended March 31, 2010

	Share capital	Accumulated losses	Total
	$	$	$
Company			
Balance at April 1, 2008	10,269,503	(8,332,484)	1,937,019
Total comprehensive income for the year	-	(917,557)	(917,557)
Balance at March 31, 2009	10,269,503	(9,250,041)	1,019,462
Total comprehensive income for the year	-	(335,466)	(335,466)
Balance at March 31, 2010	10,269,503	(9,585,507)	683,996

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

year ended March 31, 2010

	Note	2010	2009
		$	$ (Restated)
Operating activities			
Profit (Loss) before tax		1,279,721	(2,252,300)
Adjustments for:			
Other receivable written off		30,935	29,393
Share of loss of joint ventures		320,763	1,550,238
Share of (profit) loss of associate		(184,742)	930,241
Depreciation of property, plant and equipment		3,028,683	2,777,985
Amortisation of other intangible asset		20,016	20,016
Impairment of goodwill from joint venture		204,158	205,948
Impairment loss on property, plant and equipment		100,172	212,000
Allowance for merchandise written down		70,659	-
Interest income		(57,305)	(32,912)
Interest expense		289,905	234,562
Loss on disposal of property, plant and equipment		270,223	5,457
Operating cash flows before movements in working capital		5,373,188	3,680,628
Trade receivables		(568,870)	251,833
Other receivables and prepayments	A	160,400	(115,361)
Inventories		(131,365)	76,345
Long-term security deposits		(84,182)	(229,645)
Trade payables		1,684,626	(131,995)
Other payables		2,119,771	(1,025,365)
Cash generated from operations		8,553,568	2,506,440
Interest paid		(271,824)	(225,521)
Income tax paid		(238,893)	(1,043,200)
Net cash from operating activities		8,042,851	1,237,719

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

year ended March 31, 2010

	Note	2010	2009
		$	$
			(Restated)
Investing activities			
Interest received		48,373	23,981
Proceeds from disposal of property, plant and equipment		5,251	-
Purchase of property, plant and equipment	B	(4,581,957)	(3,175,248)
Advances to joint venture		(309,734)	(211,306)
Acquisition of additional equity interest in an associate		-	(543,885)
Acquisition of additional equity interest in joint venture	A	(300,000)	-
Acquisition of available-for-sale investment		(25,000)	(100,000)
Net cash used in investing activities		(5,163,067)	(4,006,458)
Financing activities			
Loan from a minority shareholder		-	315,000
Payment to minority shareholders of subsidiaries		(233,573)	(363,345)
Receipt from minority shareholders of subsidiaries		60,000	360,000
Proceeds from bank loans		4,782,680	2,200,000
Repayment of bank loans		(1,468,090)	(1,255,892)
Repayment of obligations under finance leases		(332,686)	(405,568)
Net cash from financing activities		2,808,331	850,195
Net increase (decrease) in cash and cash equivalents		5,688,115	(1,918,544)
Cash and cash equivalents at the beginning of the year		10,438,629	12,461,079
Effect of foreign exchange rate changes		47,146	(103,906)
Cash and cash equivalents at the end of the year	C	16,173,890	10,438,629

A. During the financial year, the group acquired additional equity interest in a joint venture company amounting to $300,000 (2009 : $344,777). The additional investment was satisfied by advances to the joint venture of $Nil (2009 : $245,705) and the deposits of $Nil (2009 : $99,072) paid in prior year.

B. During the financial year, the group acquired property, plant and equipment with an aggregate cost of $5,866,767 (2009 : $3,602,428) of which $Nil (2009 : $690,250) was acquired under finance lease arrangements and $2,059,782 (2009 : $774,972) remains unpaid at the end of the reporting period. Cash payments of $4,581,957 (2009 : $3,175,248) were made to purchase property, plant and equipment.

C. Cash and cash equivalents consist of:

	2010	2009
	$	$
Cash at bank	8,127,434	4,938,384
Cash on hand	246,817	201,757
Short-term deposits	7,799,639	5,298,488
Total	16,173,890	10,438,629

See accompanying notes to financial statements.

Notes to Financial Statements

March 31, 2010

1 GENERAL

The company (Registration No. 200005703N) is incorporated in 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 14 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 the normal course of business. As at March 31, 2010, the group's and company's current liabilities exceeded their current assets by $3,174,889 and $3,810,243 (2009 : $4,801,859 and $4,297,141, 2008 : $2,526,182 and $2,577,546) respectively.

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

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

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

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

The consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company for the financial year ended March 31, 2010 were authorised for issue by the Board of Directors on June 23, 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, 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").

ADOPTION OF NEW AND REVISED STANDARDS – In the current financial year, the group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2009. 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:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FRS 1 – *Presentation of Financial Statements (Revised)*

FRS 1 (2008) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

Amendments to FRS 107 *Financial Instruments : Disclosures - Improving Disclosures about Financial Instruments*

The amendments to FRS 107 expand the disclosures required in respect of fair value measurements and liquidity risk. The group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

FRS 108 – *Operating Segments*

The group adopted FRS 108 with effect from April, 1 2009. FRS 108 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (FRS 14 *Segment Reporting*) requires an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. Following the adoption of FRS 108, the identification of the group's reportable segments remained unchanged.

INT FRS 113 – *Customer Loyalty Programmes*

The adoption of INT FRS 113 has resulted in a change to the group's accounting policy for its customer loyalty programme. The group's Tung Lok First Card Scheme, operated for the benefit of its members, falls within the scope of the Interpretation. Under the Tung Lok First Card Scheme, card members dining at the group's restaurants are entitled to receive loyalty points dependent on their level of spending, which can be used to offset subsequent spending.

In the past, the group had accounted for the Tung Lok First Card Scheme by recognising the full consideration received as revenue, with a separate liability for the estimated cost of the subsequent sales. However, INT FRS 113 requires that such transactions to be accounted for as 'multiple element revenue transactions' and that the consideration received in the initial sales transaction be allocated between the restaurant sale and dollar value entitlements earned by the customers in that sale transaction.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

This change in accounting policy has been applied retrospectively, in accordance with the transitional provisions of INT FRS 113. The impact of the change in accounting policy at the beginning of the comparative period has been to reduce accrued expenses by $534,384, to increase deferred revenue by $1,526,812 and to decrease deferred tax liabilities by $259,558, with a corresponding adjustment for the net effect of $829,059 against opening accumulated losses as disclosed in Note 37 to the financial statements. At March 31, 2010, revenue deferred in relation to the scheme amounts to $839,621.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendment to FRS that are relevant to the group and the company were issued but not effective:

- FRS 24 Related Party Disclosures (Revised)
- FRS 27 (Revised) Consolidated and Separate Financial Statements; and FRS 103 (Revised) Business Combination
- FRS 28 (Revised) Investments in Associates
- Amendments to FRS 7 Statement of Cash Flows
- Improvements to Financial Reporting Standards (issued in June 2009)

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

The management anticipates that the adoption of the above FRSs, INT FRS and amendments to FRSs in future periods will not have a material impact on the financial statements of the group and of the company in the period of their initial adoption, except the following:

FRS 27 *(Revised) Consolidated and Separate Financial Statements; and* FRS 103 *(Revised) Business Combinations*

FRS 27 (Revised) is effective for annual periods beginning on or after July 1, 2009. FRS 103 (Revised) is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1, 2009.

Apart from matters of presentation, the principal amendments to FRS 27 that will impact the group concern the accounting treatment for transactions that result in changes in a parent's interest in a subsidiary. It is likely that these amendments will significantly affect the accounting for such transactions in future accounting periods, but the extent of such impact will depend on the detail of the transactions, which cannot be anticipated. The changes will be adopted prospectively for transactions after the date of adoption of the revised Standards and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

Similarly, FRS 103 is concerned with accounting for business combination transactions. The changes to the Standard are significant, but their impact can only be determined once the detail of future business combination transactions is known. The amendments to FRS 103 will be adopted prospectively for transactions after the date of adoption of the revised Standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FRS 28 *(Revised) Investments in Associates*

In FRS 28 (Revised), the principal adopted under FRS 27 (Revised) (see above) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendment to FRS 28 (Revised); therefore, when significant influence is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss.

FRS 28 (Revised) will be adopted for periods beginning on or after July 1, 2009 and will be applied prospectively in accordance with the relevant transitional provisions and, therefore, no restatements will be required in respect of transactions prior to the date of 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 statement of comprehensive income 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, associates and joint ventures are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss .

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 profit or loss.

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 INSTRUMENT - Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

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 and expense is recognised on an effective interest basis for debt instruments.

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 plus transaction costs.

Loans and receivables

Trade receivables, loans 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 method, except for short-term receivables when the recognition of interest would be immaterial.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Available-for-sale financial assets

Certain shares and debt securities held by the group are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in Note 4, gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the group's right to receive payments is established.

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 the end of each reporting period. 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 available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in economic conditions that correlate with default on receivables.

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 against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

With the exception of available-for-sale equity instruments, 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.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

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 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS *37 Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

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.

The group as lessee

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 statement of financial position 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, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs (see below). 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 comprises 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 of completion and costs to be incurred in marketing, selling and distribution.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 basis 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 profit or loss.

GOODWILL - Goodwill arising on the acquisition of a subsidiary 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 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, 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 joint venture and associate is described under "Interests in Joint Ventures" and "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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, 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 profit or loss.

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 profit or loss.

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 statement of financial position 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 profit or loss.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 statement of financial position 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 profit or loss.

Where the group transacts with its jointly controlled entities, unrealised profit and losses are eliminated to the extent of the group's interest in the 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 end of the reporting period, 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.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 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.

Dividend income

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

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

All other borrowing costs are recognised in profit or loss 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 end of the reporting period.

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 statement of comprehensive income 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 rate (and tax laws) that have been enacted or substantively enacted in countries where the company and subsidiaries operate by the end of the reporting period.

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 on 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 assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Current and deferred tax are recognised as an expense or income in the profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly to equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively) 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 measured and 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 statement of financial position 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 the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. 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 in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

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 end of the reporting period. 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 recognised in other comprehensive income and accumulated in a separate component of equity. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation accumulated in a separate component of equity, shall be reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

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 recognised in other comprehensive income and accumulated in the foreign currency translation reserve (attributed to minority interest, as appropriate).

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

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.

Critical judgements in applying the group's accounting policies

Apart from those involving estimates (see below), management is of the opinion that any instances of application of judgements are not expected to have a significant effects on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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 an appropriate discount rate in order to calculate the present value of the future cash flows. This calculation requires the use of judgement and estimates. The carrying amount of goodwill is disclosed in Note 19 to the financial statements.

b) Impairment of investments in subsidiaries, joint ventures and associate

Determining whether investments in subsidiaries, joint ventures and associate are impaired requires an estimation of the value in use of these subsidiaries, joint ventures and associate. The value in use calculation requires the entity to estimate the future cash flows 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 end of the reporting period are stated in Notes 14, 15 and 16 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 amounts of income tax payable and deferred tax liabilities are disclosed in the statements of financial position and in Note 25 to the financial statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

d) Impairment of property, plant and equipment

Determining whether property, plant and equipment is impaired requires an estimation of the value in use. The value in use calculation requires the group to estimate future cash flows expected to arise and a suitable discount rate in order to calculate present value. The carrying amount of property, plant and equipment at the end of the reporting period was $13,638,536 (2009 : $11,193,866) after an impairment loss of $100,172 (2009 : $212,000) was recognised during the financial year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group			Company		
	2010	2009	2008	2010	2009	2008
	$	$ (Restated)	$ (Restated)	$	$ (Restated)	$ (Restated)
Financial assets						
Loans and receivables (including cash and bank balances)	19,924,023	13,590,867	16,902,329	1,845,748	2,881,533	3,284,944
Available-for-sale investments	125,000	100,000	-	-	-	-
Financial liabilities						
At amortised cost	27,591,969	19,581,144	18,814,449	3,782,493	4,267,075	3,381,348
Financial guarantee contracts	-	-	-	213,282	122,826	84,850

(b) Financial risk management policies and objectives

The group has documented financial risk management policies. These policies set out the group's overall business strategies and its risk management philosophy. The group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the group. Management provides principles for overall financial risk management and policies covering specific areas, such as market risk (including interest rate risk, foreign exchange risk), credit risk, liquidity risk, cash flow interest rate risk and investing excess cash.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

The group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

i) Foreign exchange risk management

The group operates principally 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 relies on the natural hedges between such transactions.

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. The group's monetary assets and monetary liabilities are denominated in the respective group entities' functional currencies, except as indicated in the notes to the financial statements.

ii) Interest rate risk management

The group's exposure to interest rate risks relate mainly to its bank loans of $6,731,555 (2009 : $3,416,965; 2008: $2,472,857). 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.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the group's profit for the year ended March 31, 2010 would decrease/increase by $33,658 (2009 : loss would increase/decrease by $17,085; 2008: profit would decrease/increase by $12,364). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings. Interest rate movements have no impact on the group's equity.

The group's sensitivity to interest rates has not changed significantly from the prior year.

The company's profit and loss and equity are not affected by the changes in interest rates as its interest-bearing instruments carry fixed interest and are measured as amortise cost.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The group's credit risk is primarily attributable to its cash and bank balances, trade and other receivables and advances to joint venture and associate. Liquid funds are placed with banks with high credit ratings. The credit risk with respect to the trade receivables is limited as the group's revenue is generated mainly from cash and credit card sales. Where transactions are conducted other than on a cash basis, the group practises stringent credit review. Allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability.

The maximum amount the group and company could be forced to settle the corporate guarantee in Note 35, if the full guaranteed amount is claimed by the counterparty to the guarantee is $885,000 and $8,268,646 (2009 : $1,000,000 and $5,401,742) respectively. Based on the expectations at the end of the reporting period, the group and company consider that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, and the exposure to defaults from financial guarantees above, represents the group's and the company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Other than the related parties, the group has no significant concentration of credit risk. Trade receivables are spread over a broad base of customers.

Further details of credit risks on trade and other receivables, advances to joint ventures, associate and subsidiaries are disclosed in Notes 7, 8, 11, 12 and 13 respectively.

iv) Liquidity risk management

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.

There was a breach of one of the bank loan covenants in 2009 and waiver of the breach was not obtained as of the end of the reporting period. As a result of the breach of loan covenant, the non-current portion of the loan had been reclassified from non-current to current as of the end of the reporting period. Subsequently, on April 23, 2009, the group had refinanced the loan through another bank.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

iv) Liquidity risk management (cont'd)

The group has 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.

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 the normal course of business. As at March 31, 2010, the group's and company's current liabilities exceeded their current assets by $3,174,889 and $3,810,243 (2009 : $4,801,859 and $4,297,141; 2008 : $2,526,182 and $2,577,546) respectively.

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

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

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

The maximum amount the group and company could be forced to settle under the corporate guarantee in Note 35, if the full guaranteed amount is claimed by the counterparty to the guarantee is $885,000 and $8,268,646 (2009 : $1,000,000 and $5,401,742) respectively. The earliest period that the guarantee could be called is within 1 year (2009 : 1 year) from the reporting period. As mentioned in Note 4b (iii), the group and company consider that it is more likely than not that no amount will be payable under the arrangement.

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

Liquidity and interest risk analyses

Non-Derivative Financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date on which the group and the company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

iv) Liquidity risk management (cont'd)

	Weighted average effective interest rate %	On demand or within 1 year $ (Restated)	Within 2 to 5 years $ (Restated)	After 5 years $ (Restated)	Adjustment $ (Restated)	Total $ (Restated)
Group						
2010						
Non-interest bearing	-	19,920,444	287,879	-	-	20,208,323
Finance leases (fixed rate)	3.33	302,184	423,744	-	(73,837)	652,091
Variable interest rate instruments	4.59	2,430,060	3,956,488	955,815	(610,808)	6,731,555
Financial guarantee contracts	-	885,000	-	-	(885,000)	-
2009						
Non-interest bearing	-	14,909,604	269,798	-	-	15,179,402
Finance leases (fixed rate)	3.35	383,920	706,784	20,229	(126,156)	984,777
Variable interest rate instruments	5.02	2,184,618	1,277,274	214,392	(259,319)	3,416,965
Financial guarantee contracts	-	1,000,000	-	-	(1,000,000)	-
2008						
Non-interest bearing	-	15,691,496	-	-	-	15,691,496
Finance leases (fixed rate)	3.17	387,790	276,279	69,952	(83,925)	650,096
Variable interest rate instruments	5.75	1,010,243	743,858	1,447,064	(728,308)	2,472,857
Financial guarantee contracts	-	1,106,768	-	-	(1,106,768)	-
Company						
2010						
Non-interest bearing	-	3,782,493	-	-	-	3,782,493
Financial guarantee contracts	-	8,481,928	-	-	(8,268,646)	213,282
2009						
Non-interest bearing	-	4,267,075	-	-	-	4,267,075
Financial guarantee contracts	-	5,524,568	-	-	(5,401,742)	122,826
2008						
Non-interest bearing	-	3,381,348	-	-	-	3,381,348
Financial guarantee contracts	-	4,314,571	-	-	(4,229,721)	84,850

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

iv) Liquidity risk management (cont'd)

Non-Derivative Financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial asset is necessary in order to understand the group's liquidity risk management as the group's liquidity risk is managed on a net asset and liability basis. The tables below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the group and the company anticipate that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$	$	$	$	$
Group						
2010						
Non-interest bearing	-	10,192,335	1,907,133	149,916	-	12,249,384
Fixed interest rate instruments	0.23	7,799,639	-	-	-	7,799,639
2009						
Non-interest bearing	-	6,416,058	1,850,816	125,505	-	8,392,379
Fixed interest rate instruments	0.46	5,298,488	-	-	-	5,298,488
2008						
Non-interest bearing	-	9,261,221	1,840,604	51,853	-	11,153,678
Fixed interest rate instruments	1.84	5,392,430	379,625	-	(23,404)	5,748,651
Company						
2010						
Non-interest bearing	-	162,440	1,678,180	-	-	1,840,620
Fixed interest rate instruments	0.10	5,128	-	-	-	5,128
2009						
Non-interest bearing	-	66,998	2,809,413	-	-	2,876,411
Fixed interest rate instruments	0.33	5,122	-	-	-	5,122
2008						
Non-interest bearing	-	849,838	2,430,000	-	-	3,279,838
Fixed interest rate instruments	0.33	5,106	-	-	-	5,106

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

v) 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.

vi) Fair value of financial assets and financial liabilities

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

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

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

(c) Capital risk management policies and objectives

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the group consists of debt, which includes the borrowings disclosed in Notes 23 and 24, and equity attributable to owners of the company, comprising issued capital, reserves and accumulated losses.

The group reviews the capital structure on a regular basis. As part of this review, the group considers the cost of capital and the risks associated with each class of capital. Management also ensures that the group maintains gearing ratios within a set range to comply with the loan covenant imposed by the bank. The group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt. The group is in compliance with externally imposed capital requirements for the financial year ended March 31, 2010.

The group's overall strategy remains unchanged from 2009.

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 basis 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 statement of comprehensive income, are as follows:

	Group	
	2010	**2009**
	$	**$**
With joint ventures		
Sale of food and beverages	(14,035)	(28,406)
Purchase of food and beverages	1,871,730	1,939,927
With companies where certain directors have interests		
Interest income	(8,931)	(8,931)
Management fee income	-	(72,000)
With corporate shareholders of certain subsidiaries		
Sale of food and beverages	(29,782)	(28,104)

Compensation of directors and key management personnel

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

	Group	
	2010	**2009**
	$	**$**
Short-term benefits	1,587,740	1,778,088
Post-employment benefits	77,197	89,299
Total	1,664,937	1,867,387

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		
	2010	2009	2008	2010	2009	2008
	$	$	$	$	$	$
Cash at bank	8,127,434	4,938,384	6,902,177	159,592	54,335	96,850
Cash on hand	246,817	201,757	166,472	2	2	2
Short-term deposits	7,799,639	5,298,488	5,392,430	5,128	5,122	5,106
Total	16,173,890	10,438,629	12,461,079	164,722	59,459	101,958

Cash and bank balances comprise cash held by the group and short-term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximate their fair values.

The short-term deposits with banks bear interest at rates ranging from 0.10% to 1.00% (2009 : 0.25% to 1.60%; 2008 : 0.33% to 2.72%) per annum and for a tenure of approximately 7 to 188 days (2009 : 7 days; 2008 : 7 days). The short-term deposits are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

7 TRADE RECEIVABLES

	Group		
	2010	2009	2008
	$	$	$
Related parties (Note 5)	217,414	269,485	382,889
Outside parties	1,305,499	706,561	832,130
Total	1,522,913	976,046	1,215,019
Non-current portion of amount due from related parties (Note 5)	(124,579)	(153,033)	(181,487)
Current portion	1,398,334	823,013	1,033,532

The average credit term on sale of goods is 30 days (2009 : 30 days; 2008 : 30 days). No interest is charged on the outstanding balance.

A substantial shareholder of the company has undertaken to reimburse the group for an amount of $124,579 (2009 : $153,033; 2008 : $181,487) if this is not recoverable from the related parties.

The non-current portion of amount due from related parties of $124,579 (2009 : $153,033; 2008 : $181,487) is repayable over 7 years from 2007.

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

7 TRADE RECEIVABLES (cont'd)

Analysis of trade receivables

	Group		
	2010	2009	2008
	$	$	$
Not past due and not impaired	1,143,168	541,203	873,048
Past due but not impaired (i)	379,745	434,843	341,971
Total	1,522,913	976,046	1,215,019

(i) Aging of receivables that are past due but not impaired

< 3 months	255,352	225,281	172,958
3 months to 6 months	23,959	106,283	139,262
6 months to 12 months	20,056	61,362	27,642
> 12 months	80,378	41,917	2,109
	379,745	434,843	341,971

Before accepting any new customer, the group obtained customers' general profile to assess the potential customer's credit worthiness and defines credit limits to customer. Credit limits attributed to customers are reviewed periodically. Most of the trade receivables that are neither past due nor impaired relate to customers that the company has assessed to be creditworthy, based on the credit evaluation process performed by management.

Included in the group's trade receivables are debtors with a carrying amount of $379,745 (2009 : $434,843; 2008 : $341,971) which are past due at the end of the reporting period for which the group has not provided for impairment as there has not been a significant change in credit quality and the amounts are still considered recoverable. The group does not hold any collateral over these balances.

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group			Company		
	2010	2009	2008	2010	2009	2008
	$	$	$	$	$	$
Advances to:						
Subsidiaries (Note 14)	-	-	-	1,498	9,976	750,000
Joint ventures (Note 15)	-	-	326,472	-	-	-
An associate (Note 16)	246,462	249,206	186,265	-	-	-
Prepayments	249,585	146,504	482,864	2,449	2,449	13,099
Income tax recoverable	15,515	18,191	20,609	15,515	18,191	20,609
Refundable security deposits	-	35,845	408,188	-	-	-
Other receivables	173,288	167,854	238,115	1,348	2,685	2,986
Total	684,850	617,600	1,662,513	20,810	33,301	786,694

8 OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

Analysis of other receivables

	Group			Company		
	2010	2009	2008	2010	2009	2008
	$	$	$	$	$	$
Not past due and not impaired	173,288	203,699	722,662	2,846	12,661	752,986
Past due but not impaired (i)	246,462	249,206	436,378	-	-	-
Total	419,750	452,905	1,159,040	2,846	12,661	752,986
Impaired receivables – collectively assessed (ii)	-	1,504,576	426,779	-	-	-
Less: Written off	-	(1,504,576)	(426,779)	-	-	-
	-	-	-	-	-	-
Total other receivables, net	419,750	452,905	1,159,040	2,846	12,661	752,986

(i) Aging of receivables that are past due but not impaired

	2010	2009	2008	2010	2009	2008
< 3 months	-	13,527	11,504	-	-	-
3 months to 6 months	-	12,410	119,434	-	-	-
6 months to 12 months	-	40,711	255,015	-	-	-
> 12 months	246,462	182,558	50,425	-	-	-
	246,462	249,206	436,378	-	-	-

Receivables with a carrying amount of $246,462 (2009 : $249,206; 2008 : $436,378) are past due for which the group has not impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable.

(ii) These amounts are stated before any deduction for impairment losses.

In 2009, $1,504,576 (2008 : $426,779), which related to advances to a joint venture, had been written off based on management's best estimate of the difference between the carrying amount of these receivables and present value of expected future repayments.

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

9 INVENTORIES

	Group		
	2010	2009	2008
	$	$	$
Food and beverages	1,950,473	1,829,477	1,908,142
Cook books	38,613	98,903	96,583
Total	1,989,086	1,928,380	2,004,725

The cost of inventories recognised as an expense includes $70,659 (2009 : $NIL; 2008 : $NIL) in respect of write-downs of inventory to net realisable value.

10 LONG-TERM SECURITY DEPOSITS

	Group		
	2010	2009	2008
	$	$	$
Refundable security deposits	1,807,470	1,723,288	1,493,643

These are mainly deposits placed with the landlords. Management is of the opinion that these deposits have been placed with counterparties who are creditworthy and accordingly, no provision is required.

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

11 ADVANCES TO SUBSIDIARIES

	Company		
	2010	2009	2008
	$	$	$
Advances to subsidiaries (Note 14)	7,660,180	6,669,413	3,790,000
Allowance for impairment	(5,982,000)	(3,860,000)	(1,360,000)
	1,678,180	2,809,413	2,430,000

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

Management is of the opinion that the carrying amounts of the above advances approximate their fair values as determined by discounting future cash flows at market rates.

12 ADVANCES TO JOINT VENTURES

	Group		
	2010	2009	2008
	$	$	$
Advances to joint ventures (Note 15)	-	-	217,327

12 ADVANCES TO JOINT VENTURES (cont'd)

In 2008, the advances to joint venture were unsecured, interest-free and not expected to be repaid within the next 12 months and subsequently in 2009, the amount had been capitalised.

In 2009, advances amounting to $211,306 (2008 : $98,642) had been written off based on management's best estimate of the difference between the carrying amount of these advances and present value of expected future repayments and the effect was included in the share of loss of joint ventures.

Management is of the opinion that the carrying amounts of the above advances approximate their fair values as determined by discounting future cash flows at market rates.

The advances to joint ventures, which were not denominated in the functional currencies of the respective entities, were denominated in United States dollars.

13 ADVANCES TO ASSOCIATE

		Group	
	2010	**2009**	**2008**
	$	**$**	**$**
Advances to associate (Note 16)	-	-	356,221

In 2008, the advances to associate were unsecured, bore interest at 6.57% per annum and were not expected to be repaid within the next 12 months. Management believed then that no provision was required based on its best estimate of expected future repayments. In 2009, advances amounting to $392,237 had been written off based on management's best estimate of the difference between the carrying amount of these advances and present value of expected future repayments.

Management is of the opinion that the carrying amounts of the above advances approximate their fair values as determined by discounting future cash flows at market rates.

The advances to associate, which were not denominated in the functional currencies of the respective entities, were denominated in United States dollars.

14 SUBSIDIARIES

	Company		
	2010	**2009**	**2008**
	$	**$** (Restated)	**$** (Restated)
Unquoted equity shares, at cost	2,996,715	2,996,715	2,996,715
Impairment loss	(1,200,000)	(1,200,000)	(1,200,000)
Fair value adjustment on interest-free loan to subsidiary	305,148	230,865	-
Fair value of financial guarantees issued on behalf of subsidiaries at free of consideration	654,196	434,610	257,850
Total	2,756,059	2,462,190	2,054,565

Impairment loss is provided on the investment of which the value in use is lower than its carrying amount. The value in use is based on the available data, and the estimated future cash flows discounted to its present value by using a pre-tax discount rate of 9.4% (2009 : 9.4%; 2008 : 6.5%) that reflects current market assessment of the time value of money and the risks specific to the subsidiary. The management has assessed that growth rate of its subsidiaries ranged from 2% to 15% (2009 : 2% to 10%; 2008 : 2% to 20%).

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

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest and voting power held		
			2010	**2009**	**2008**
			%	%	%
i) Held by the company					
Club Chinois Pte Ltd (1)	Singapore	Restaurateur	75	75	75
Olde Peking Dining Hall Pte Ltd (1)	Singapore	Restaurateur	60	60	60
TLG Asia Pte Ltd (1)	Singapore	Investment holding	100	100	100
Tung Lok Arena Pte Ltd (1)	Singapore	Restaurateur	70	70	70
Tung Lok (China) Holdings Pte Ltd (1)	Singapore	Investment holding	100	100	100
Tung Lok Millennium Pte Ltd (1)	Singapore	Restaurateur	100	100	100

Notes to Financial Statements

March 31, 2010

14 SUBSIDIARIES (cont'd)

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest and voting power held		
			2010	**2009**	**2008**
			%	%	%
ii) Held by Tung Lok Millennium Pte Ltd					
Charming Garden (Asia Pacific) Pte Ltd [(1)]	Singapore	Dormant	100	100	100
Tung Lok Central Restaurant Pte Ltd [(1)]	Singapore	Restaurateur	100	100	100
Tung Lok India Ltd [(2)]	British Virgin Islands	Providing consultancy and management services	70	70	70
Tung Lok Signatures Pte Ltd [(1)]	Singapore	Restaurateur	100	100	100
iii) Held by Tung Lok (China) Holdings Pte Ltd					
My Humble House in Beijing (Restaurant) Company Ltd [(3)]	People's Republic of China	Restaurateur	100	100	100
iv) Held by TLG Asia Pte Ltd					
Garuda Padang Restaurant (Singapore) Pte Ltd [(1)]	Singapore	Restaurateur	65	60	60
Shin Yeh Restaurant Pte Ltd [(1)] [(4)]	Singapore	Restaurateur	55	55	-

(1) Audited by Deloitte & Touche LLP, Singapore.
(2) Not audited as its operations are not significant to the group.
(3) Audited by BDO China Lixin Dahua CPA Co., Ltd
(4) Incorporated on June 3, 2008.

15 JOINT VENTURES

	Group			Company		
	2010	2009	2008	2010	2009	2008
	$	$	$	$	$ (Restated)	$ (Restated)
Unquoted equity shares, at cost	2,775,978	2,475,978	2,131,201	1,000,000	1,000,000	1,000,000
Share of post-acquisition reserves	(2,521,321)	(2,423,901)	(1,807,606)	-	-	-
Impairment loss	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Net	(745,343)	(947,923)	(676,405)	-	-	-
Excess of nominal value over fair value of advances to joint venture	-	-	58,819	-	-	-
Fair value of financial guarantees issued on behalf of joint venture at free of consideration	-	-	-	60,000	45,000	30,000
Total	(745,343)	(947,923)	(617,586)	60,000	45,000	30,000
Classified as:						
Non-current assets	-	-	203,047	60,000	45,000	30,000
Current liabilities (Note 22)	(745,343)	(947,923)	(820,633)	-	-	-
	(745,343)	(947,923)	(617,586)	60,000	45,000	30,000

Impairment loss is provided on the investment of which the estimated recoverable amount is lower than its carrying amount. An impairment loss of $1,000,000 (2009 : $1,000,000), representing the entire cost of investment in the joint venture of the company, has been provided as the joint venture ceased operations in the past.

Notes to Financial Statements

March 31, 2010

15 JOINT VENTURES (cont'd)

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

Name of joint venture	Country of incorporation/ operation	Principal activities	Percentage of equity held by the group		
			2010	2009	2008
			%	%	%
i) Held by the company					
Imperium Fine Dining and Entertainment Pte Ltd [1] & [2]	Singapore	Dormant	50	50	50
ii) Held by Tung Lok (China) Holdings Pte Ltd					
My Humble Place in Beijing Company Ltd [3]	People's Republic of China	Restaurateur	70	70	60
iii) Held by Tung Lok Millennium Pte Ltd					
T & T Gourmet Cuisine Pte Ltd [1]	Singapore	Food products manufacturer	50	50	50

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Struck off on April 15, 2009.

(3) Audited by BDO China Lixin Dahua CPA Co., Ltd for equity accounting purposes. Although the group holds more than 50% equity interest in the entity, the shareholders' agreement provides for joint control by the shareholders. The entity has ceased operations towards the end of the financial year 2009. In view of this entity's capital deficiency, the group has provided financial support to this entity. The effect of this is disclosed in Note 22 to the financial statements.

Notes to Financial Statements

March 31, 2010

15 JOINT VENTURES (cont'd)

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

	Group		
	2010	2009	2008
	$	$	$
Group's share of net assets			
Current assets	623,819	795,704	1,356,517
Non-current assets	236,728	359,845	1,093,836
Current liabilities	(1,605,890)	(2,103,472)	(3,111,227)
Non-current liabilities	-	-	(15,531)
Net liabilities	(745,343)	(947,923)	(676,405)
Group's share of net results			
Revenue	1,629,987	2,451,928	2,847,595
Expenses	(1,950,750)	(4,002,166)	(3,810,140)
Loss for the year	(320,763)	(1,550,238)	(962,545)

16 ASSOCIATE

	Group		
	2010	2009	2008
	$	$	$
Unquoted equity shares, at cost	1,532,345	1,532,345	988,460
Share of post-acquisition reserves	(1,422,016)	(1,642,584)	(1,040,191)
Net	110,329	(110,239)	(51,731)
Classified as:			
Non-current assets	110,329	-	-
Current liabilities (Note 22)	-	(110,239)	(51,731)
Net assets (liabilities)	110,329	(110,239)	(51,731)

16 ASSOCIATE (cont'd)

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

Name of associate	Country of incorporation/ operation	Principal activities	Percentage of equity held by the group		
			2010	2009	2008
			%	%	%
Held by Tung Lok (China) Holdings Pte Ltd					
Shanghai Jinjiang Tung Lok Catering Management Inc [1]	People's Republic of China	Restaurateur	49	49	49

[1] Audited by BDO China Lixin Dahua CPA Co., Ltd. for equity accounting purposes. In view of the entity's capital deficiency, the group has provided financial support to this entity. The effect of this is disclosed in Note 22 to the financial statements.

Summarised financial information in respect of the group's associate is set out below:

	Group		
	2010	2009	2008
	$	$	$
Group's share of net assets			
Current assets	757,772	780,660	286,203
Non-current assets	51,087	85,058	748,812
Current liabilities	(698,530)	(975,957)	(1,086,746)
Net assets (liabilities)	110,329	(110,239)	(51,731)
Group's share of net results			
Revenue	1,233,749	1,638,955	1,355,434
Expenses	(1,049,007)	(2,569,196)	(1,873,930)
Profit (loss) for the year	184,742	(930,241)	(518,496)

17 AVAILABLE-FOR-SALE INVESTMENTS

	Group			Company		
	2010	2009	2008	2010	2009	2008
	$	$	$	$	$	$
Unquoted equity shares, at cost	138,050	113,050	13,050	13,050	13,050	13,050
Advances to investment company	-	127,554	127,554	-	127,554	127,554
Impairment loss	(13,050)	(140,604)	(140,604)	(13,050)	(140,604)	(140,604)
Total	125,000	100,000	-	-	-	-

The available-for-sale investments consist of unquoted equity investments in Singapore Seafood Republic Pte Ltd, Singapore Culinary Institute Pte Ltd incorporated in Singapore and PT Taipan Indonesia, incorporated in Indonesia. These companies are engaged in the restaurateur activity.

The advances to investment company constituted part of the group's net investment in the investment company and were repayable only at the discretion of the investment company or upon its liquidation. The amount, which was fully impaired in previous years, has been written-off during the year.

The unquoted equity shares are stated at cost less any impairment loss at the end of reporting period because the fair value of the unquoted equity shares cannot be reliably measured. No impairment loss has been recognised in profit or loss during the year.

Impairment loss is provided on one of the investments of which the estimated recoverable amount is lower than its carrying amount. An impairment loss of $13,050 (2009 : $140,604; 2008 : $140,604) has been provided.

18 OTHER INTANGIBLE ASSET

	Group
	$
Cost:	
Balance as at April 1, 2007, March 31, 2008, March 31, 2009 and March 31, 2010	100,000
Amortisation:	
Balance as at April 1, 2007	7,506
Amortisation for the year	20,016
Balance as at March 31, 2008	27,522
Amortisation for the year	20,016
Balance as at March 31, 2009	47,538
Amortisation for the year	20,016
Balance as at March 31, 2010	67,554
Carrying amount:	
At March 31, 2010	32,446
At March 31, 2009	52,462
At March 31, 2008	72,478

18 OTHER INTANGIBLE ASSET (cont'd)

The intangible asset which pertains to franchise fees have finite useful lives, over which the asset is amortised. The amortisation period is five years. The amortisation is included in 'other operating expenses' in profit or loss.

19 GOODWILL

	Group
	$
Cost:	
Balance as at April 1, 2007, March 31, 2008, March 31, 2009 and March 31, 2010	310,468
Impairment:	
Balance as at April 1, 2007, March 31, 2008 and March 31, 2009	106,310
Impairment loss recognised	204,158
Balance as at March 31, 2010	310,468
Carrying amount:	
At March 31, 2008 and March 31, 2009	204,158
At March 31, 2010	-

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

The recoverable amount of the cash-generating unit, relating to My Humble House in Beijing, is determined based on a value in use calculation. The calculation uses cash flow projection based on a financial budget approved by management for the next 5 years based on an estimated growth rate of 3% at discount rate of 9.4% per annum. The carrying amount of goodwill at the end of the reporting period was $Nil (2009 : $204,158; 2008 : $204,158) after an impairment loss of $204,158 (2009 : $Nil; 2008 : $Nil) was recognised during the financial year.

20 PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and equipment	Kitchen equipment	Leasehold property	Motor vehicles	Total
	$	$	$	$	$
Group					
Cost:					
At April 1, 2007	15,448,519	4,425,226	3,555,867	327,616	23,757,228
Additions	3,110,659	941,946	-	313,314	4,365,919
Disposals	(1,897,116)	(1,016,297)	-	(66,006)	(2,979,419)
Exchange differences	3,575	1,374	-	-	4,949
At March 31, 2008	16,665,637	4,352,249	3,555,867	574,924	25,148,677
Additions	2,661,818	834,416	-	106,194	3,602,428
Disposals	(69,598)	(107,304)	-	-	(176,902)
Exchange differences	123,439	46,295	-	-	169,734
At March 31, 2009	19,381,296	5,125,656	3,555,867	681,118	28,743,937
Additions	4,043,829	1,753,439	-	69,499	5,866,767
Disposals	(650,331)	(43,932)	-	(18,250)	(712,513)
Exchange differences	(68,604)	(25,135)	-	-	(93,739)
At March 31, 2010	22,706,190	6,810,028	3,555,867	732,367	33,804,452
Accumulated depreciation:					
At April 1, 2007	10,849,739	3,293,820	393,128	120,447	14,657,134
Depreciation	1,721,219	435,688	71,119	88,877	2,316,903
Eliminated on disposal	(1,881,705)	(989,533)	-	(66,006)	(2,937,244)
Exchange differences	1,777	664	-	-	2,441
At March 31, 2008	10,691,030	2,740,639	464,247	143,318	14,039,234
Depreciation	2,052,279	535,875	71,119	118,712	2,777,985
Eliminated on disposal	(66,378)	(105,067)	-	-	(171,445)
Exchange differences	94,040	35,866	-	-	129,906
At March 31, 2009	12,770,971	3,207,313	535,366	262,030	16,775,680
Depreciation	2,131,058	682,658	71,119	143,848	3,028,683
Eliminated on disposal	(400,390)	(33,078)	-	(8,822)	(442,290)
Exchange differences	(48,845)	(21,875)	-	-	(70,720)
At March 31, 2010	14,452,794	3,835,018	606,485	397,056	19,291,353

20 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Furniture, fixtures and equipment	Kitchen equipment	Leasehold property	Motor vehicles	Total
	$	$	$	$	$
Impairment:					
At April 1, 2007 and March 31, 2008	527,115	35,276	-	-	562,391
Impairment loss	212,000	-	-	-	212,000
At March 31, 2009	739,115	35,276	-	-	774,391
Impairment loss	88,972	11,200	-	-	100,172
At March 31, 2010	828,087	46,476	-	-	874,563
Carrying amount:					
At March 31, 2010	7,425,309	2,928,534	2,949,382	335,311	13,638,536
At March 31, 2009	5,871,210	1,883,067	3,020,501	419,088	11,193,866
At March 31, 2008	5,447,492	1,576,334	3,091,620	431,606	10,547,052

An impairment loss amounting to $100,172 (2009 : $212,000; 2008 : $Nil) was recognised in profit or loss as certain restaurants are making losses during the year. The recoverable amount of the relevant assets of the restaurants have been determined on the basis of their value in use. The discount rate used in measuring value in use was 9.4% (2009 : 9.4%; 2008 : 6.5%). The management has assessed that growth rate of its restaurants ranged from 2% to 15% (2009 : 2% to 10%; 2008 : 2% to 20%).

Plant and equipment with the following carrying amounts at the end of the reporting period are under finance leases, which are secured under the finance lease arrangements:

		Group	
	2010	2009	2008
	$	$	$
Furniture, fixtures and equipment	345,952	465,841	406,307
Motor vehicles	333,844	402,300	418,531
Kitchen equipment	94,032	155,002	156,943
Total	773,828	1,023,143	981,781

Leasehold property with carrying amount of $2,949,382 (2009 : $3,020,501; 2008 : $3,091,620) has been pledged to secure bank loans (Note 24).

20 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Details of the leasehold property as at March 31, 2010 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

21 TRADE PAYABLES

	Group		
	2010	2009	2008
	$	$	$
Outside parties	7,426,986	5,816,633	5,823,763
Related parties (Note 5)	141,561	67,288	192,153
Total	7,568,547	5,883,921	6,015,916

The average credit period on purchase of goods is 90 days (2009 : 90 days; 2008 : 90 days).

22 OTHER PAYABLES

	Group			Company		
	2010	2009	2008	2010	2009	2008
	$	$ (Restated)	$ (Restated)	$	$	$
Advances from subsidiaries (Note 14)	-	-	-	3,551,078	3,947,951	3,040,951
Advances from corporate shareholders of subsidiaries	287,879	329,798	60,000	-	-	-
Refundable security deposits	760,553	834,315	1,240,132	-	-	-
Deferred revenue	839,621	1,074,074	1,526,812	-	-	-
Accrued expenses	6,543,245	4,518,476	4,895,744	224,681	231,508	216,486
Financial guarantee contracts	-	-	-	213,282	122,826	84,850
Net liabilities of a joint venture (Note 15)	745,343	947,923	820,633	-	-	-
Net liabilities of an associate (Note 16)	-	110,239	51,731	-	-	-
Others	4,302,756	2,554,730	2,607,340	6,734	87,616	123,911
Total	13,479,397	10,369,555	11,202,392	3,995,775	4,389,901	3,466,198
Non current portion	(287,879)	(269,798)	-	-	-	-
Current portion	13,191,518	10,099,757	11,202,392	3,995,775	4,389,901	3,466,198

22 OTHER PAYABLES (cont'd)

The advances from subsidiaries are unsecured, interest-free and repayable on demand. The advances from corporate shareholders of subsidiaries are unsecured, interest-free and repayable by 2012.

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.

The group's joint venture and associate, T & T Gourmet Cuisine Pte Ltd, My Humble Place in Beijing Company Ltd and Shanghai Jinjiang Tung Lok Catering Management Inc, are in capital deficiency positions as at March 31, 2010. The group has provided financial support to these entities. Accordingly, losses of the joint venture and associate in excess of the group's interest amounting to $745,343 and $Nil (2009: $947,923 and $110,239; 2008 : $820,633 and $51,731) respectively, have been recognised by the group.

Accrued expenses consist of mainly payroll expenses and utility charges.

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

23 FINANCE LEASES

	Minimum lease payments			Present value of minimum lease payments		
	2010	2009	2008	2010	2009	2008
	$	$	$	$	$	$
Group						
Amounts payable under finance leases:						
Within one year	302,184	383,920	387,790	271,222	331,702	352,162
In the second to fifth year inclusive	423,744	706,784	276,279	380,869	635,966	238,690
More than five years	-	20,229	69,952	-	17,109	59,244
	725,928	1,110,933	734,021	652,091	984,777	650,096
Less: Future finance charges	(73,837)	(126,156)	(83,925)	N/A	N/A	N/A
Present value of lease obligations	652,091	984,777	650,096	652,091	984,777	650,096
Less: Amount due for settlement within 12 months (shown under current liabilities)				(271,222)	(331,702)	(352,162)
Amount due for settlement after 12 months				380,869	653,075	297,934

23 FINANCE LEASES (cont'd)

It is the group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 3 years. For the year ended March 31, 2010, the average borrowing rate was 3.33% (2009 : 3.35%; 2008 : 3.17%) 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 and plant and equipment (Note 20).

24 LONG-TERM BANK LOANS

		Group	
	2010	**2009**	**2008**
	$	**$**	**$**
Long-term bank loans	6,731,555	3,416,965	2,472,857

The borrowings are repayable as follows:

On demand or within one year	2,173,288	2,028,855	895,621
In the second year	1,662,948	826,155	218,922
In the third year	1,377,409	314,621	76,288
In the fourth year	544,404	28,000	76,288
In the fifth year	97,444	28,000	76,288
After five years	876,062	191,334	1,129,450
	6,731,555	3,416,965	2,472,857
Less: Amount due for settlement within 12 months (shown under current liabilities)	(2,173,288)	(2,028,855)	(895,621)
Amount due for settlement after 12 months	4,558,267	1,388,110	1,577,236

The group has the following principal bank loans:

a) a loan of $303,334 (2009 : $331,334; 2008 : $359,334). The loan was raised in June 2001. Repayments commenced in June 2001 and will continue until May 2021. The loan carries effective interest at 4.45% (2009 : 3.55%; 2008 : 5.75%) per annum, which is bank commercial financing rate minus 0.05%;

24 LONG-TERM BANK LOANS (cont'd)

b) a loan of $Nil (2009 : $1,104,787; 2008 : $1,151,556). The loan was raised in November 2004. Repayments commenced in January 2006 and will continue until December 2024. The loan carried effective interest at Nil% (2009 : 5.25%; 2008 : 5.25%) per annum, which is prime rate minus 0.5%. In 2009, there was a breach of financial covenants relating to this bank loan and waiver or rectification of the breach was not obtained as of March 31, 2009. Due to the breach of loan covenants, the loan became repayable on demand and hence, the non-current portion of the loan has been reclassified from non-current to current. Subsequently, on April 23, 2009, the group has refinanced the loan through another bank;

c) a loan of $Nil (2009 : $Nil; 2008 : $200,000). The loan was raised in March 2006. Repayments commenced in April 2006 and had been fully repaid in the financial year ended March 31, 2009. The loan carried effective interest at Nil% (2009 : 6.50%; 2008 : 6.50%) per annum, which is prime rate plus 0.75%;

d) a loan of $Nil (2009 : $Nil; 2008 : $182,500). The loan was raised in February 2006. Repayments commenced in March 2006 and had been fully repaid in the financial year ended March 31, 2009. The loan carried effective interest at Nil% (2009 : 5.75%; 2008 : 5.75%) per annum, which is prime rate plus 0.75%;

e) a loan of $Nil (2009 : $10,520; 2008 : $71,496). The loan was raised in June 2007. Repayments commenced in July 2007 and has been fully repaid during the year. The loan carried effective interest at 6.50% (2009 : 6.50%; 2008 : 6.50%) per annum;

f) a loan of $Nil (2009 : $131,138; 2008 : $507,971). The loan was raised in August 2007. Repayments commenced in September 2007 and has been fully repaid during the year. The loan carried effective interest at 6.50% (2009 : 6.50%; 2008 : 6.50%) per annum;

g) a loan of $245,452 (2009 : $443,376). The loan was raised in May 2008. Repayments commenced in June 2008 and will continue until May 2011. The loan carries effective interest at 5.65% (2009 : 5.65%) per annum, which is prime rate plus 0.65%;

h) a loan of $548,798 (2009 : $871,013). The loan was raised in October 2008. Repayments commenced in November 2008 and will continue until October 2011. The loan carries effective interest at 5.65% (2009 : 5.65%) per annum, which is prime rate plus 0.65%;

i) a loan of $290,526 (2009 : $524,797). The loan was raised in November 2008. Repayments commenced in December 2008 and will continue until November 2011. The loan carries effective interest at 5.65% (2009 : 5.65%) per annum, which is prime rate plus 0.65%;

j) a loan of $4,295,578. The loan was raised in May 2009. Repayments commenced in June 2009 and will continue until May 2013. The loan carries effective interest at 5.00% per annum; and

k) a loan of $1,047,867. The loan was raised in July 2009. Repayments commenced in August 2009 and will continue until July 2024. The loan carries effective interest at 1.86% per annum, which is cost of fund rate plus 1.25%.

24 LONG-TERM BANK LOANS (cont'd)

The bank loans are secured by way of:

a) a charge over the leasehold property of a subsidiary as disclosed in Note 20 to the financial statements; and

b) a corporate guarantee issued by the company.

Management estimates the fair value of the above loans to approximate their carrying amounts.

25 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 $ (Restated)
Group	
At April 1, 2007	350,579
Overprovision in prior years	(8,080)
Credit to profit or loss for the year	(256,158)
At March 31, 2008	86,341
Underprovision in prior years (Note 31)	18,000
Charge to profit or loss for the year (Note 31)	218,965
At March 31, 2009	323,306
Underprovision in prior years (Note 31)	90,000
Charge to profit or loss for the year (Note 31)	275,222
At March 31, 2010	688,528

26 SHARE CAPITAL

	2010	2009	2008	2010	2009	2008
	Number of ordinary shares			$	$	$
Group and Company						
Issued and paid up: At beginning and end of year	140,000,000	140,000,000	140,000,000	10,269,503	10,269,503	10,269,503

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

27 REVENUE

	Group	
	2010	2009
	$	$
Sale of food and beverages	74,300,118	67,038,003
Service charges	6,618,345	5,806,560
Management fees	424,750	583,249
Total	81,343,213	73,427,812

28 OTHER OPERATING INCOME

	Group	
	2010	2009
	$	$ (Restated)
Interest income from:		
Non-related companies	48,374	23,981
Related parties (Note 5)	8,931	8,931
Expired card membership points	434,827	598,898
Government grant	75,888	-
Job credit	1,028,643	314,943
Others	681,972	347,087
Total	2,278,635	1,293,840

29 OTHER OPERATING EXPENSES

	Group	
	2010	2009
	$	$ (Restated)
Rental charges	10,688,187	9,458,804
Utilities charges	4,535,427	4,715,067
Repair and maintenance	3,854,058	3,121,006
Depreciation	3,028,683	2,777,985
Commission expense	1,754,016	1,783,225
Advertising and promotions	667,371	904,700
Professional fees	556,609	493,444
Utensils	420,306	651,336
Decorations	304,644	328,111
Other receivables written off	30,935	29,393
Amortisation of other intangible asset	20,016	20,016
Impairment loss on property, plant and equipment	100,172	212,000
Impairment of goodwill arising from investment in joint venture	204,158	205,948
Others	3,141,986	3,375,683
Total	29,306,568	28,076,718

30 FINANCE COSTS

	Group	
	2010	2009
	$	$
Interest on:		
Bank loans	219,502	186,953
Obligations under finance leases	52,322	36,397
Others	18,081	11,211
Total	289,905	234,561

31 INCOME TAX EXPENSE

Income tax recognised in profit or loss

	Group	
	2010	2009
	$	$ (Restated)
Tax expense comprises:		
Current tax	172,333	100,373
Adjustments recognised in the current year in relation to the current tax of prior years	6,256	(38,999)
Deferred tax	275,222	218,965
Adjustments recognised in the current year in relation to the deferred tax of prior years	90,000	18,000
Withholding tax	11,532	25,133
Total tax expense	555,343	323,472

Domestic income tax is calculated at 17% (2009 : 17%) of the estimated assessable profit (loss) 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 (loss) as follows:

	Group	
	2010	2009
	$	$ (Restated)
Profit (Loss) before tax	1,279,721	(2,252,300)
Income tax expense (benefit) calculated at 17% (2009 : 17%)	217,553	(382,891)
Tax effect of share of results of joint ventures	(54,530)	263,540
Tax effect of share of results of associate	31,406	158,141
Adjustments recognised in the current year in relation to the current tax of prior years	6,256	(38,999)
Adjustments recognised in the current year in relation to the deferred tax of prior years	90,000	18,000
Effect of expenses that are not deductible in determining taxable profit	237,652	409,559
Effect on deferred tax balances due to the change in income tax rate from 18% to 17%	-	(20,122)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	159,190	6,762
Effect of previously unrecognised and unused tax losses and tax offsets now recognised as deferred tax assets	(9,608)	-
Impairment loss on goodwill that is not deductible	34,702	-
Effect of different tax rate of subsidiaries operating in other jurisdictions	(39,880)	(57,401)
Tax exemption	(110,525)	(96,118)
Withholding tax	11,532	25,133
Others	(18,405)	37,868
Income tax expense recognised in profit or loss	555,343	323,472

31 INCOME TAX EXPENSE (cont'd)

As at the end of reporting period, the group has the following which are available for offsetting against future taxable income as follows:

	Group 2010	Group 2009
	$	$
a) Tax loss carryforwards		
At beginning of year	984,254	1,125,639
Adjustment to prior year	(509,510)	(7,547)
Amount utilised in current year	(160,249)	(349,201)
Amount in current year	735,229	215,363
At end of year	1,049,724	984,254
Deferred tax benefit not recorded	235,220	167,323
b) Other temporary differences		
At beginning of year	385,170	377,991
Adjustment to prior year	(120,838)	(166,440)
Amount in current year	304,915	173,619
At end of year	569,247	385,170
Deferred tax benefit not recorded	96,772	65,479

The above tax loss carryforwards and other temporary differences are subject to agreement with the Comptroller of Income Tax and the tax authorities in the relevant foreign tax jurisdictions in which the group operates, as well as conditions imposed by law. In addition, the Singapore tax loss carryforwards and other temporary differences are subject to the retention of majority shareholders as defined.

The above deferred tax benefits have not been recognised in the financial statements due to the unpredictability of future profit streams.

32 PROFIT (LOSS) FOR THE YEAR

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

	Group	
	2010	**2009**
	$	**$**
Staff costs (including directors' remuneration)	24,286,616	21,749,992
Cost of defined contribution plans (included in staff costs)	1,627,629	1,418,932
Cost of inventories recognised as expense	25,086,463	22,071,300
Allowance for merchandise written down	70,659	-
Loss on disposal of property, plant and equipment	270,223	5,457
Non-audit services fees: Auditors of the company	-	7,000
Audit fees:		
- Auditors of the company	206,500	203,000
- Other auditors	48,839	35,800
Directors' remuneration:		
- of the company	382,086	406,779
- of the subsidiaries	341,989	386,429
Directors' fees	150,000	150,000
Net foreign exchange loss (gain)	6,587	(41,632)

33 EARNINGS (LOSS) PER SHARE

Earnings (Loss) per share is based on the group's profit for the year attributable to equity holders of $649,570 (2009 : loss of $2,685,291) divided by 140,000,000 (2009 : 140,000,000) being the number of ordinary shares outstanding during the financial year. There is no dilution of earnings per share as no share options were granted.

34 SEGMENT INFORMATION

Reportable segment

Information reported to the group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is specifically focused on the restaurant business which forms the basis of identifying the operating segments of the group under FRS 108. The aggregated restaurant business is therefore be the group's reportable segment.

Geographical information

The group operates in Singapore and the People's Republic of China.

The following table provides an analysis of the group's revenue from external customers by geographical location:

	Group Sales revenue by geographical market	
	2010	**2009**
	$	**$**
Singapore	79,946,308	70,611,498
People's Republic of China	1,396,905	2,816,314
Total	81,343,213	73,427,812

The following is an analysis of the carrying amount of segment assets (non-current assets excluding investments in joint ventures, associates and "other" financial assets) analysed by the geographical location in which the assets are located:

	Group Non-current assets	
	2010	**2009**
	$	**$**
Singapore	13,670,982	11,220,052
People's Republic of China	-	230,434
Total	13,670,982	11,450,486

Information about major customers

The revenue is spread over a broad base of customers.

35 CONTINGENT LIABILITIES

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Corporate guarantees issued for bank facilities, finance lease facilities and corporate loans granted to:				
- Subsidiaries (unsecured)	-	-	7,383,646	4,401,742
- Joint venture companies (unsecured)	885,000	1,000,000	885,000	1,000,000
Total	885,000	1,000,000	8,268,646	5,401,742

The management is of the opinion that the fair value of the above corporate guarantee is not material.

36 OPERATING LEASE ARRANGEMENTS

	Group	
	2010	2009
	$	$
Minimum lease payments under operating leases	10,688,187	9,458,804

Included in the minimum lease payments is an amount of $998,304 (2009 : $733,752) which pertains to contingent rental incurred during the year.

At the end of the reporting period, the group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2010	2009
	$	$
Within one year	9,036,954	8,530,458
In the second to fifth years inclusive	10,992,917	6,607,745
Total	20,029,871	15,138,203

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 (2009 : 3 years).

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

37 RESTATEMENTS AND COMPARATIVE FIGURES

Certain reclassifications restatements have been made to the prior year's financial statements to enhance comparability with the current year's financial statements mainly following the group and company's adoption of the INT FRS 113 *Customer Loyalty Programmes* that became effective during the year.

As a result, certain line items have been amended in the statement of financial position, statement of comprehensive income, statement of changes in equity and statements of cash flows and the related notes to the financial statements. Comparative figures have been adjusted to conform the current year's presentation.

Certain reclassification has been made to the company's statement of finance position due to incorrect classification in prior years.

The effects of prior year's adjustments on the 2008 and 2009 comparative figures are summarised as follows:

		As previously reported	**Prior year's adjustments**	**As restated**
		$	**$**	**$**
(i)	**Statement of financial position**			
	<u>Group</u>			
	March 31, 2009			
	Other payables (current portion)	9,401,608	698,149	10,099,757
	Income tax payable	195,995	69,251	265,246
	Deferred tax liabilities	505,899	(182,593)	323,306
	March 31, 2008			
	Other payables (current portion)	10,209,964	992,428	11,202,392
	Income tax payable	1,125,751	96,189	1,221,940
	Deferred tax liabilities	345,899	(259,558)	86,341
	<u>Company</u>			
	March 31, 2009			
	Subsidiaries	2,507,190	(45,000)	2,462,190
	Joint ventures	-	45,000	45,000
	March 31, 2008			
	Subsidiaries	2,084,565	(30,000)	2,054,565
	Joint ventures	-	30,000	30,000

Notes to Financial Statements

March 31, 2010

37 RESTATEMENTS AND COMPARATIVE FIGURES (cont'd)

		As previously reported	Prior year's adjustments	As restated
		$	$	$
(ii)	**Consolidated statement of comprehensive income**			
	Year ended March 31, 2009			
	Other operating income	1,186,692	107,148	1,293,840
	Other operating expenses	28,263,850	(187,132)	28,076,718
	Loss before tax	(2,546,580)	294,280	(,2,252,300)
	Income tax expense	273,444	50,028	323,472
	Loss for the year	(2,820,024)	244,252	(2,575,772)
	Loss attributable to owners of the company	(2,929,543)	244,252	(2,685,291)
	Loss per shares (cents)			
	Basis	(2.09)	0.17	(1.92)
	Diluted	(2.09)	0.17	(1.92)
(iii)	**Statement of changes in equity**			
	Group			
	Year ended March 31, 2009			
	Accumulated losses	(4,498,396)	(584,807)	(5,083,203)
	Year ended March 31, 2008			
	Accumulated losses	(1,568,853)	(829,059)	(2,397,912)
(iv)	**Consolidated statement of cash flows**			
	Year ended March 31, 2009			
	Net cash from operating activities	974,649	263,070	1,237,719
	Net cash used in investing activities	(3,743,388)	(263,070)	(4,006,458)

Statistics of Shareholdings

as at 10 June 2010

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	3	0.39	710	0.00
1,000 to 10,000	523	68.82	1,834,300	1.31
10,001 to 1,000,000	222	29.21	17,553,990	12.54
1,000,001 AND ABOVE	12	1.58	120,611,000	86.15
TOTAL	760	100.00	140,000,000	100.00

Shareholdings in the hands of public as at 10 June 2010

The percentage of shareholdings in the hands of the public was approximately 25.89% and hence the Company has complied with Rule 723 of the SGX-ST Listing Manual – Section B: Rules of the Catalist which states that an issuer must ensure that at least 10% of its ordinary shares is at all times held by the public.

The Company did not hold any treasury shares as at 10 June 2010.

Top 20 shareholders

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1	ZHOU HOLDINGS PTE LTD	53,200,000	38.00
2	GOODVIEW PROPERTIES PTE LTD	20,020,000	14.30
3	TEE YIH JIA FOOD MANUFACTURING PTE LTD	20,000,000	14.29
4	GOH CHENG LIANG	9,348,000	6.68
5	UOB KAY HIAN PTE LTD	4,107,000	2.93
6	SIM LAI HEE	4,104,000	2.93
7	TAY KWANG THIAM	2,716,000	1.94
8	LO TAK MENG	2,363,000	1.69
9	SIM BENG HUAT HENRY	2,327,000	1.66
10	YEOW SENG (SHARK'S FIN) PTE LTD	1,350,000	0.96
11	CHIN KAI SENG	1,076,000	0.77
12	DBS VICKERS SECURITIES (S) PTE LTD	1,000,000	0.71
13	ANG YU SENG	710,000	0.51
14	KIM ENG SECURITIES PTE. LTD.	700,000	0.50
15	ANG TJIA LENG @ WIDJAJA LINDA ANGGRAINI	689,000	0.49
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	655,000	0.47
17	YIO KANG LENG	600,000	0.43
18	NO SIGNBOARD SEAFOOD RESTAURANT PTE LTD	546,000	0.39
19	DBS NOMINEES PTE LTD	502,000	0.36
20	NEO MENG HWA	444,000	0.32
	TOTAL	126,457,000	90.33

Statistics of Shareholdings

as at 10 June 2010

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	226,000	0.16	53,889,000***	38.49
Tjioe Ka In	54,000	0.03	53,200,000*	38.00
Goodview Properties Pte Ltd	20,000,000	14.29	-	-
Far East Organisation Centre Pte Ltd	-	-	20,000,000#	14.29
Mdm Tan Kim Choo	-	-	20,238,000##	14.46
Estate of Ng Teng Fong, Deceased	-	-	20,238,000###	14.46
Tee Yih Jia Food Manufacturing Pte Ltd	20,000,000	14.29	-	-
Goi Seng Hui	-	-	20,000,000**	14.29

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

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

*** Deemed to be interested in the 53,200,000 shares held by Zhou Holdings Pte Ltd and 689,000 shares held by Ang Tjia Leng @ Widjaja Linda Anggraini (spouse) by virtue of Section 7 of the Companies Act, Cap 50

Deemed to be interested in these shares held by Goodview Properties Pte Ltd ("Goodview") by virtue of Section 7 of the Companies Act, Cap 50

Deemed to be interested in the 20,000,000 shares held by Goodview as her associate, the Estate of Ng Teng Fong, Deceased has a controlling interest in Far East Organisation Centre Pte Ltd, ("Far East") which in turn has a controlling interest in Goodview and 238,000 shares held by Kuang Ming Investments Pte. Ltd. ("KMI") by virtue of she having more than 20% interest in KMI by virtue of Section 7 of the Companies Act, Cap 50

Deemed to be interested in the 20,000,000 shares held by Goodview by virtue of its controlling interest in Far East, which in turn has a controlling interest in Goodview and 238,000 shares held by KMI as its associate, Mdm Tan Kim Choo has more than 20% interest in KMI by virtue of Section 7 of the Companies Act, Cap 50

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 10th 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, 23 July 2010 at 11.00 a.m. for the following purposes: -

ORDINARY BUSINESS

1. To receive the audited accounts for the financial year ended 31 March 2010 and the Reports of the Directors and Auditors. **(Resolution 1)**

2. To approve Directors' fees of $150,000/- for the financial year ended 31 March 2010. (2009 : $150,000/-) **(Resolution 2)**

3. To re-elect Ms Juliette Lee Hwee Khoon as a Director, who retires in accordance with Article 91 of the Company's Articles of Association. **(Resolution 3)**

4. To pass the following Ordinary Resolutions :- **(Resolution 4)**

   (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.

   (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." **(Resolution 5)**

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

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

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following as an Ordinary Resolution, with or without modifications: - **(Resolution 7)**

   "THAT pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the SGX-ST Listing Manual, authority be and is hereby given to the Directors of the Company to:

   (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion deem fit; and

   (iii) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors whilst this resolution was in force.

Notice of Annual General Meeting

provided THAT:

(a) the aggregate number of shares to be issued pursuant to this resolution does not exceed 100% of the total number of issued shares in the Company (excluding treasury shares), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 50% of the total number of issued shares in the capital of the Company (excluding treasury shares);

(b) for the purpose of determining the aggregate number of shares that may be issued under paragraph (a) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares) at the time this resolution is passed, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding at the time this resolution is passed, and (ii) any subsequent bonus issue, consolidation or subdivision of shares; and

(c) 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 when it is required by law to be held, whichever is the earlier." (Please see Explanatory Note)

7. 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, 6 July 2010

EXPLANATORY NOTE ON SPECIAL BUSINESS TO BE TRANSACTED :

Resolution 7

Resolution 7 is to authorise the Directors of the Company to issue shares in the capital of the Company up to an amount not exceeding in aggregate 100 percent (100%) of the total number of issued shares in the capital of the Company, excluding treasury shares, at the time of the passing of this resolution, of which the aggregate number of shares to be issued other than on a pro-rata basis to the shareholders of the Company does not exceed fifty percent (50%) of the total number of issued shares in the capital of the Company, excluding treasury shares.

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.

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Tung Lok Restaurants (2000) Ltd
(Incorporated in the Republic of Singapore)
Registration No.200005703N

Proxy Form

(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 10th Annual General Meeting of the Company to be held at Orchard Parade Hotel, 1 Tanglin Road, Level 2, Antica Ballroom, Singapore 247905 on Friday, 23 July 2010 at 11.00 a.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).

Resolution No.		For	Against
1.	Receive of Reports and Accounts		
2.	Approval of Directors' Fees		
3.	Re-election of Ms Juliette Lee Hwee Khoon as a Director		
4.	Re-appointment of Mr Ch'ng Jit Koon as a Director		
5.	Re-appointment of Dr Tan Eng Liang as a Director		
6.	Re-appointment of Auditors		
7.	Authority to Issue Shares (General)		

Dated this ________ day of ____________ 2010

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

____
Signature(s) of Member(s)/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.

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Company Registraton No. 200005703N

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