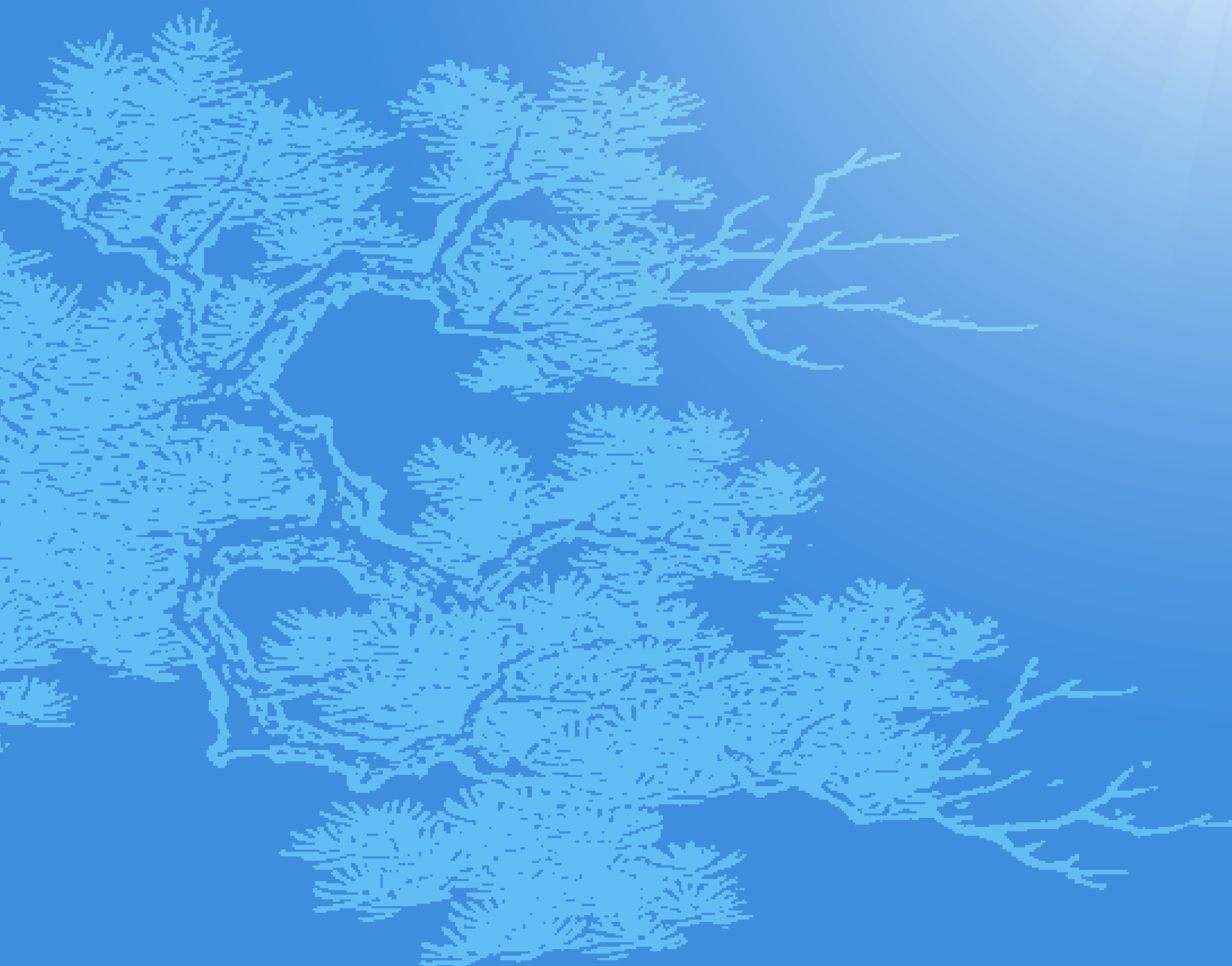

TUNGLOK

Annual Report 2014 | ended 31 march 2014

Contents

This annual report has been reviewed by the Company's sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). 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 Exchange and the Exchange 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 are: -
Name: Mr Ong Hwee Li (Registered Professional, SAC Capital Private Limited)
Address: 1 Robinson Road, #21-02 AIA Tower, Singapore 048542
Tel: 6221 5590

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I present to you the Group's annual report for the financial year ended 31 March 2014 ("**FY2014**").

FY2014 was a transitional albeit challenging year for Tung Lok Restaurants (2000) Ltd ("**TungLok**" or the "**Group**"). While we continue to operate in a highly competitive industry, rising operating costs such as manpower and rental, persist.

In view of the challenges we are facing, we are taking active steps to streamline operations and improve internal efficiencies in addition to strategies to encourage top line performance. We have since increased efforts to deploy technology and automate processes in a bid to reduce our reliance on labour, as well as to increase productivity.

FINANCIAL PERFORMANCE

As the full effect of our strategy will take time, we have started to reap initial results in FY2014. The Group's gross profit margin in FY2014 improved 0.5 percentage points to 72.1% from 71.6% for the financial year ended 31 March 2013 ("**FY2013**") despite revenue declined by 4% to S$77.9 million compared to S$81.5 million achieved in FY2013 which arose from our efforts to improve operating efficiencies and revised pricing strategies.

The decline in revenue was mainly due to loss of revenue from closure and renovations of outlets as well as lower food & beverage sales from existing outlets. However, this was partially offset by an increase in revenue contributions by new outlets opened during FY2013 and FY2014 as well as encouraging sales performance from the catering business segment. In line with the decline, FY2014 gross profit decreased by S$2.3 million to S$56.1 million from S$58.4 million in FY2013.

The Group suffered a loss after tax attributable to shareholders of S$6.8 million in FY2014 as compared to a loss after tax attributable to shareholders of S$3.2 million in FY2013. Apart from lower revenue and higher operating cost, the bottom-line was also impacted by impairment loss of property, plant and equipment amounting to S$2.6 million and start-up costs incurred by new outlets opened during FY2013 and FY2014. Without considering impairment loss on property, plant and equipment and allowance for doubtful debt, the net loss attributable to shareholders would have been S$4.8 million in FY2014.

Administrative expenses are mainly manpower-related expenses, which increased by S$1.1 million or 4% to S$31.2 million in FY2014 from S$30.1 million in FY2013. Number of employees has increased by 2.6% during FY2014 mainly due to the opening of new outlets with minimal increase in average manpower cost per head as compared to FY2013.

Other operating expenses increased by S$3.4 million or 10% to S$38.1 million in FY2014 from S$34.7 million in FY2013 mainly attributable to higher depreciation expenses owing to acquisitions of plant and equipment during renovation of new and existing outlets, higher impairment loss on plant and equipment and increase in rental, reduced by savings in utilities and lower advertising and promotions expenses.

Share of loss of associates of S$28,000 was mainly due to start up losses incurred by a newly incorporated associate in China, partially offset by profits from matured outlets.

Total assets of the Group increased by S$4.3 million or 12% to S$39.7 million as at 31 March 2014 from S$35.4 million as at 31 March 2013 mainly due to the increase in cash and bank balances of S$2.4 million, higher share in associates' and joint venture's net asset by S$0.2 million, increase in property plant and equipment by S$1.4 million and higher trade and other receivables of S$0.5 million, offset by lower security deposits of S$0.2 million.

Total liabilities of the Group increased by S$5.1 million or 17% to S$36.1 million as at 31 March 2014 from S$31.0 million as at 31 March 2013 as a result of increase in trade and other payables amounting to S$5.6 million, offset by net repayment in bank loans amounting to S$0.5 million.

Tung Lok's cash and cash equivalents stood at S$11.7 million as at 31 March 2014, S$2.4 million higher than S$9.3 million as at 31 March 2013. Increase in cash and bank balances was mainly due to net proceeds from Rights Issue of approximately S$8.9 million, advances from non-controlling interests of subsidiaries of S$1.5 million and loan from third party of S$0.5 million offset by cash outlays to acquire plant and equipment of S$7.9 million as well as net repayment of bank borrowings and finance leases of S$0.7 million.

The Group registered loss per share of 3.87 cents in FY2014 compared to loss per share of 2.08 cents in FY2013 while net asset value per share increased to 3.25 cents as at 31 March 2014 compared to 2.99 cents as at 31 March 2013 mainly due to net proceeds from Rights Issue and reduced by operational losses and impairment loss on property, plant and equipment.

On 24 September 2013, the Company issued 56 million new ordinary shares from the two-for-five rights issue of S$0.16 per share raising net proceeds of S$8.9 million. As at 31 March 2014, an aggregate of S$6.6 million of proceeds have been used for working capital purposes.

OPERATIONS

As at 31 March 2014, the Group operated a total of 42 outlets comprising 26 of the Group's own restaurants, 9 outlets which are at associate level and 7 others under management.

With the closure of four outlets during FY2014, the Group has four newly opened outlets, one in Beijing, two in Jakarta and one in Singapore.

OUTLOOK AND FORWARD STRATEGY

The Group is cognizant of the key challenges in the F&B industry and has initiated various measures such as streamlining and automating processes to further improve operational efficiency and productivity to maintain our market competitiveness.

We will continue to focus on optimising available resources such as our central kitchens to support expansion plans in the catering business which has lower reliance on labour and will be a good alternative to combat rising manpower costs and wages, as we aim to re-position strategically for long-term sustainable growth.

The Group remains committed to deliver quality food and excellent dining experience to our customers and strive to be the leading restaurant group in the region.

With a committed management team, we look forward to improve our performance in the next financial year.

BOARD APPOINTMENTS

On behalf of the Board, I would like to extend my sincere gratitude to Mr Ch'ng Jit Koon and Mr Wee Kheng Jin who had stepped down as Independent Director and as Non-Independent and Non-Executive Director, on 30 July 2013 and 1 November 2013, respectively, for their invaluable contributions to the Group. We wish them the best in their future endeavours.

We warmly welcome Mr Chee Wai Pong and Mdm Ng Siok Keow, who were appointed as Directors of the Company on 30 September 2013 and 1 November 2013, respectively. We look forward to benefit from their expertise and experience.

ACKNOWLEDGEMENTS AND APPRECIATION

On behalf of the directors, I would like to thank the management and staff for their commitment and hard work. I extend my sincere appreciation to all our valued Shareholders, customers, partners and colleagues for your continuing support.

Andrew Tjioe
Executive Chairman
30 June 2014

Corporate Information

BOARD OF DIRECTORS

Mr Tjioe Ka Men
Executive Chairman

Mdm Tjioe Ka In
Executive Director

Dr Tan Eng Liang
Lead Independent Director

Dr Ker Sin Tze
Independent Director

Mr Chee Wai Pong
Independent Director

Mdm Ng Siok Keow
Non-Independent and Non-Executive Director

Mr Goi Seng Hui
Non-Independent and Non-Executive Director

AUDIT AND RISK COMMITTEE

Dr Tan Eng Liang (Chairman)
Dr Ker Sin Tze
Mr Chee Wai Pong
Mdm Ng Siok Keow
Mr Goi Seng Hui

NOMINATING COMMITTEE

Dr Ker Sin Tze (Chairman)
Dr Tan Eng Liang
Mr Chee Wai Pong
Mr Tjioe Ka Men
Mr Goi Seng Hui

REMUNERATION COMMITTEE

Mr Chee Wai Pong (Chairman)
Dr Tan Eng Liang
Dr Ker Sin Tze

COMPANY SECRETARY

Chan Wai Teng Priscilla

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
112 Robinson Road #05-01
Singapore 068902

AUDITORS

Deloitte & Touche LLP
6 Shenton Way, OUE Downtown 2, #32-00
Singapore 068809
Partner in charge: **Cheng Ai Phing**
Date of appointment: 23 July 2010

PRINCIPAL BANKERS

United Overseas Bank Ltd
The Hong Kong and Shanghai Banking Corporation Limited
Development Bank of Singapore Limited

Historical Financial Summary

OPERATING RESULTS FOR THE GROUP

S$'000	FY2010	FY2011	FY2012	FY2013	**FY2014**
Turnover	81,343	94,304	86,640	81,545	**77,921**
Profit/(Loss) before tax and share of profit/(loss) of joint ventures & associates	1,416	4,294	(1,883)	(4,515)	**(10,287)**
Share of profit/(loss) of joint ventures & associates	(136)	394	(265)	190	**256**
Taxation	(555)	(748)	(163)	717	**75**
Profit/(Loss) after taxation but before non-controlling interests	725	3,940	(2,311)	(3,608)	**(9,956)**
Profit/(Loss) attributable to owners of the company	650	4,060	(1,795)	(3,169)	**(6,777)**

FINANCIAL POSITION FOR THE GROUP

S$'000	31 Mar 2010	31 Mar 2011	31 Mar 2012	31 Mar 2013	**31 Mar 2014**
Property, plant and equipment	13,639	12,103	14,872	17,773	**19,158**
Other intangible asset	32	12	-	-	**-**
Current assets	20,246	22,467	15,769	15,003	**17,501**
Other non-current assets	2,168	3,051	3,227	2,631	**3,071**
Total assets	36,085	37,633	33,868	35,407	**39,730**
Current liabilities	23,421	21,837	18,990	24,302	**24,514**
Non-current liabilities	5,916	5,375	6,918	6,669	**11,591**
Shareholders' equity	5,714	9,862	7,342	4,179	**6,370**
Non-controlling interests	1,034	559	618	257	**(2,745)**
Total liabilities and equity	36,085	37,633	33,868	35,407	**39,730**
NTA per share (cents)	4.06	7.04	5.24	2.99	**3.25**

Board of Directors

ANDREW TJIOE KA MEN was appointed to the Board on 28 September 2000, and is a Member of the Nominating Committee. In July 2006, he was appointed as Executive Chairman, and continues to spearhead the Group's overall direction. He founded 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.

In 2008, Mr Tjioe was honoured with the *International Star Diamond Lifetime Achievement Award* from the New York-based American Academy of Hospitality Sciences. At the World Gourmet Summit Awards of Excellence 2011, Mr Tjioe was named *Restaurateur of the Year (Regional)*. He was the winner of *Ernst & Young's Entrepreneur Of The Year Award 2011 (Lifestyle)*, and also the recipient of the *Epicure Excellence Award 2013.*

Mr Tjioe is currently the President of the Restaurant Association of Singapore (RAS); a board member of the SHATEC Institute, which is the educational institute of the Singapore Hotel Association (SHA); Executive Committee member of the Franchising and Licensing Association of Singapore; a member of the Board of Governors – World Gourmet Summit; council member of Singapore Business Federation (SBF); council member of National Productivity and Continuous Education Council (NPCEC); a member of the Board of Governors of Temasek Polytechnic (TP) as well as the Chairman of TP's School of Applied Science Advisory Committee; Patron of Joo Chiat Citizens' Consultative Committee, among others.

Mr Tjioe is a Hwa Chong alumni and 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 30 July 2012. She will seek re-election at the forthcoming Annual General Meeting. She joined Tung Lok Group in 1988 and is currently the Executive Director of the Group. Her primary responsibilities include strategic planning and ensuring smooth operations of Tung Lok restaurants.

Mdm Tjioe is instrumental in the operations of Tung Lok's Central Kitchen, which concentrates on the 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 product development and planning. Mdm Tjioe is also a certified trainer in several industry related courses and contributes actively towards industry training.

Mdm 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.

DR TAN ENG LIANG was appointed as an Independent Director of our Company on 1 March 2001 and was last re-appointed on 30 July 2013. He will seek re-election at the forthcoming Annual General Meeting. Dr Tan was appointed the Lead Independent Director on 31 May 2013. He is the Chairman of the Audit and Risk 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 (BBM(L)) 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 and UE E&C Limited.

DR KER SIN TZE was appointed as an Independent Director on 1 March 2001 and was last re-elected on 30 July 2013. He is the Chairman of the Nominating Committee, and also a Member of the Audit and Risk Committee and Remuneration Committee. 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 Member of Parliament (1991-2001), Trade Representative of Singapore in Taipei (2002-2007) and Consul-General of Singapore Consulate in Hong Kong (2008-2012). He is currently an Adjunct Professor at Lee Kuan Yew School of Public Policy, National University of Singapore.

CHEE WAI PONG was appointed as an Independent Director of our Company on 30 September 2013. He will seek re-election at the forthcoming Annual General Meeting. He is the Chairman of the Remuneration Committee, and also a Member of the Audit and Risk Committee and Nominating Committee. Mr Chee is the honorary legal advisor to the Medical Alumni and Ling Kwang Home for the Senior Citizens. He is also a member of the Management Committee of the Students Care Service (a Voluntary Welfare Organisation under the National Council of Social Services) and a member of the Yishun Centre Advisory Committee of the Students Care Service.

He was also a director of the Prison Fellowship Singapore and stepped down from this position in April 2012. From 1 January 2007, Mr Chee started his own law practice under the name and style of Chee Wai Pong & Co. Mr Chee was a partner of M/s Ng Ong & Chee from January 1979 to December 2006. He was an Independent Director of HG Metal Manufacturing Limited and resigned in April 2014. Mr Chee currently sits on the board of directors of the following public listed companies: SunMoon Food Company Limited and Progen Holdings Ltd.

Mr Chee graduated from the University of Singapore with a Bachelor of Law Degree (LL.B Hons) in 1971.

MDM NG SIOK KEOW was appointed as a Non-Executive Director of the Company on 1 November 2013. She will seek re-election at the forthcoming Annual General Meeting. She is a Member of the Audit and Risk Committee.

Mdm Ng is currently an Executive Director of Far East Organization and a director of various unlisted companies in the Far East Organization Group. She is also an Executive Director of Far East Orchard Limited and serves as a director of Jurong Health Services Pte Ltd, which is the holding company of the Ng Teng Fong General Hospital in Singapore. She is a Patron of the Cairnhill Community Club and Bukit Timah Community Club, and was the Chairman of the Management Committee of Cairnhill Community Club from June 1994 to June 2007. She was also a director of Singapore Symphonia Company Ltd. She was a Director of the Singapore Dance Theatre from 1999 to 2003 and a Resource Panel Member of the Government Parliamentary Committee (National Development) from 2001 to 2002. Mdm Ng was awarded the Pingkat Bakti Masyarakat (PBM) in 1995, the Orchid Award by the Singapore Girl Guides Association in 1996 and the Bintang Bakti Masyarakat (BBM) in 2001.

Mdm Ng obtained her Bachelor of Science (Honours) degree in Chemistry from the University of Singapore.

GOI SENG HUI was appointed as a Non-Executive Director of our Company on 23 June 2011 and was last re-elected on 30 July 2013. He is a Member of the Audit and Risk Committee and Nominating Committee. Mr Goi is the Executive Chairman of Tee Yih Jia Group, a leading global food and beverage group, and SGX Mainboard-listed GSH Corporation Limited, a growing property developer in China and Southeast Asia. GSH Corporation, which owns and operates the Sutera Harbour Resort in Kota Kinabalu, has three luxury properties currently under development in Malaysia.

Apart from these core businesses, Mr Goi also has investments across a range of listed and private entities in numerous industries, such as food and beverage, consumer essentials, recycling, distribution and logistics.

Mr Goi also serves on the board of three other Mainboard-listed companies - as Vice Chairman of Super Group Limited, Vice Chairman of Etika International Holdings Limited and Vice Chairman of JB Foods Limited.

Named “Businessman Of The Year 2013” at the Singapore Business Awards in 2014 - the highest accolade amongst all the awards organised by The Business Times, Mr Goi is also the Enterprise 50 Club’s Honorary Past President and Vice Chairman of IE Singapore’s “Network China” Steering Committee, Regional Representative for Fuzhou City and Fujian Province, council member of the Singapore-Zhejiang Economic Trade Council, as well as Senior Consultant to Su-Tong Science & Technology Park. He is currently the Honorary Chairman for the International Federation of Fuqing Association, and a member of the Singapore University of Technology and Design (SUTD) Board of Trusteee, and Chairman of Dunman High School Advisory Committee and Ulu Pandan Citizens Consultative Committee.

Management Team

TIONG HENG TEE

Chief Financial Officer

Heng Tee, a Fellow Chartered Accountant of Singapore with Institute of Singapore Chartered Accountants (ISCA), joined the Group in January 2012. Armed with more than 17 years of post-graduation experience in both private and Singapore public-listed companies, he is responsible for providing strategic direction for the finance team and oversees all key financial matters of the Group. Heng Tee holds a Bachelor of Accountancy from Nanyang Technological University of Singapore.

JOCELYN TJIOE

Senior Vice President, Administration

A diploma graduate in Business Studies from Ngee Ann Polytechnic, Jocelyn is armed with many years of experience in purchasing and administration. 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. She also oversees the Administrative function of the Group.

VINCENT PHANG

Senior Vice President, Event and Catering

Vincent joined the Group in 1998. With a career spanning of 27 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 event and catering operations of 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.

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, Communications, Loyalty Programme, and Graphics Design teams, spearheading the marketing, promotional, public relations, and membership activities of the Group. 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

Senior Vice President, Operations

Poh York joined the Group in 1985 as Assistant Manager of Tung Lok Restaurant. Subsequently, she became General Manager of Paramount Restaurant in 1993. In her current capacity as Senior Vice President, Operations, she manages and oversees the daily operations of Tung Lok Seafood and Shin Yeh, as well as spearheads the implementation of the 5-S system to improve workplace organization in the Group’s restaurants, and mentoring younger managers.

SHERINE TOH

Senior Vice President, Human Resource & Training

Sherine joined the Group in 2012 taking care of Human Resource and Training. She brought along with her more than 20 years of experience in the professional field of Human Resource and People Development. Prior to joining the Group, her past employers include City Developments Limited, Jurong Port, and The Singapore Technologies Group. A veteran in human resource, strategic planning and organisation development; with her rich experience and strength in the human capital practices, she will definite be an asset to the Group. Sherine holds a Bachelor of Commence degree by National University of Ireland and a Master of Science in Human Resource Management conferred by The Rutgers, State University of New Jersey.

WOODY ACHUTHAN

Senior Vice President, Customer Relationship

Woody re-joined the Group in April 2013 handling customer relationship management and service excellence. Prior to joining the Group, he 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 service excellence, food and beverage presentation skills, onboard marketing, and product offering, amongst other training programmes. His personal achievements include the “Five Star Diamond Award”, “Most Valuable Player Corporate Award”, as well as Employee of the Year 1998.

Corporate Governance Report

TUNG LOK RESTAURANTS (2000) LTD (the "**Company**") is committed to ensure and maintain a high standard of corporate governance with a view of enhancing corporate transparency and safeguarding interests of the shareholders, and seeks to comply with the Code of Corporate Governance 2012 ("the **Code**") issued on 2 May 2012 wherever feasible. This report describes the corporate governance framework and practices of the Company for the financial year ended 31 March 2014 ("**FY2014**") with specific reference made to the principles and guidelines of the Code.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Every Company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Guidelines of the Code	Tung Lok's Corporate Governance practices
1.1 The Board's role	The Board is accountable to the shareholders and oversees the overall management of the business and affairs of the Group, including providing leadership and supervision to the management of the Group so as to protect and enhance long-term value and returns for its shareholders. Besides carrying out its statutory responsibilities, the Board's principal responsibilities include: (1) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the company to meet its objectives; (2) review management performance (including Group's financial and operating performance); (3) establish a framework of prudent and effective controls which enable risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets; (4) approve major investment and divestment proposals, material acquisitions and disposals of assets (exceeding S$200,000/-), corporate or financial restructuring and share issuances; (5) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation; (6) set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; (7) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and (8) assume responsibility for corporate governance.
1.2 Directors to objectively discharge their duties and responsibilities	All directors are obliged to act in good faith and objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company.
1.3 Delegation of authority on certain Board matters	To facilitate effective management, certain functions have been delegated to various Board Committees, namely the Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Audit and Risk Committee ("**ARC**"), each of which has its own defined scope of duties and written terms of reference setting out the manner in which it is to operate. The Chairman of the respective Committees will report to the Board the outcome of the committee meetings. Minutes of the Board Committee meetings are made available to all Board members. The terms of reference and composition of each Board Committee can be found in this report. The effectiveness of each Board Committee is also constantly reviewed by the Board.

Corporate Governance Report

1.4 Board to meet regularly

The Board conducts regular scheduled meetings. Additional or ad-hoc meetings are convened in circumstances deemed appropriate by the Board members. Board papers incorporating sufficient information from management are forwarded to the Board Members in advance of a Board Meeting to enable each member to be adequately prepared.

The Company's Articles of Association (the "**Article**") allow a board meeting to be conducted by way of tele-conference or by means of a similar communication equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously.

At the Board meeting, the directors are free to discuss and openly challenge the views presented by Management and the other directors.

In lieu of physical meetings, written resolutions are circulated for approval by members of the Board.

The frequency of meetings and attendance of each director at every board and board committee meeting for the financial year ended 31 March 2014, are disclosed below:-

ATTENDANCE AT BOARD & BOARD COMMITTEE MEETINGS								
	Board		Audit & Risk		Nominating		Remuneration	
Directors	**No. of Meetings**	**Attendance**	**No. of Meetings**	**Attendance**	**No. of Meetings**	**Attendance**	**No. of Meetings**	**Attendance**
Tjioe Ka Men	5	5	NA	NA	1	1	NA	NA
Tjioe Ka In	5	5	NA	NA	NA	NA	NA	NA
Tan Eng Liang	5	4	5	5	1	1	1	1
Ker Sin Tze	5	4	5	5	1	1	1	1
Goi Seng Hui	5	4	5	4	1	1	NA	NA
Ch'ng Jit Koon (1)	2	2	2	2	1	1	1	1
Wee Kheng Jin (2)	3	3	3	2	NA	NA	1	1
Chee Wai Pong (3)	2	2	2	2	-	-	-	-
Ng Siok Keow (4)	2	2	2	2	NA	NA	NA	NA

NA – not applicable.

Note:

(1) Mr Ch'ng Jit Koon retired as an Independent Non-Executive Director of the Board on 30 July 2013. He also ceased to be the Chairman of the Remuneration Committee ("RC") and a member of the Audit & Risk Committee ("ARC") and Nominating Committee ("NC") on the same day.

(2) Mr Wee Kheng Jin stepped down as Non-Independent and Non-Executive Director of the Board on 1 November 2013. He also ceased to be a member of the ARC and RC on the same day.

(3) Mr Chee Wai Pong was appointed as an Independent Non-Executive Director of the Board on 30 September 2013. He is the Chairman of the RC and a member of the ARC and NC.

(4) Mdm Ng Siok Keow was appointed as a Non-Independent and Non-Executive Director of the Board on 1 November 2013. She is a Member of the ARC.

1.5 Matters requiring Board approval

Matters which are specifically reserved for decision by the Board include those involving material acquisitions and disposals of assets, corporate or financial restructuring and share issuance, interim dividends and other returns to shareholders, and substantial transactions which have a material effect on the Group. Specific Board approval is required for any investments or expenditure exceeding S$200,000/-.

Corporate Governance Report

1.6 and 1.7 Directors to receive appropriate training; Formal letter to be provided to directors, setting out duties and obligations upon appointment

The new directors appointed during the year have prior experience as a director of listed companies. Upon appointment of a new director, the Company provides a formal letter to the director, setting out the Director's duties and obligations; policies on disclosure of interests in securities, prohibitions on dealings in the Company's securities and restriction on disclosure of price-sensitive information; Annual Report and Code; Company's constitutional document; Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual and relevant legislations; and other pertinent information for his reference. New Directors are briefed on the Group's structure, businesses, governance policies and regulatory issues.

The Executive Chairman ensures that Board members are provided with complete, adequate and timely information on a regular basis to enable them to be fully cognizant of the affairs of the Group.

From time to time, the Company's internal and external auditors, legal advisors, financial advisors and the Company Secretary will advise the directors or if necessary, conduct briefings to the directors on relevant regulations, new accounting standards and corporate governance practices as well as updates on any changes in the Companies Act and the SGX-ST Listing Manual. Directors also have the opportunities to visit the Group's operation facilities in order to have a better understanding of its business operations.

The Company has available budget for directors to receive further training to enhance their skills and knowledge, particularly on relevant new laws, regulations, changing commercial risks and financial literacy from time to time. Relevant courses include programmes conducted by the Singapore Institute of Directors or other training institutions. Directors and senior executives participated in relevant trainings.

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

2.1 and 2.2 Strong and independent element on the Board, with independent directors make up at least one-third of the Board

The Board comprises seven (7) directors, of whom two (2) are executive directors, three (3) are independent and non-executive directors and two (2) are non-independent and non-executive directors. As at the date of this report, the Board comprises the following members:

- Mr Tjioe Ka Men (Executive Chairman)
- Mdm Tjioe Ka In (Executive Director)
- Dr Tan Eng Liang (Independent and Non-Executive Director)
- Dr Ker Sin Tze (Independent and Non-Executive Director)
- Mr Chee Wai Pong (Independent and Non-Executive Director)
- Mdm Ng Siok Keow (Non-independent and Non-Executive Director)
- Mr Goi Seng Hui (Non-independent and Non-Executive Director)

Currently, the Board has a strong and independent element as three out of seven board members (or 43%) are independent. This enables the Board to exercise independent judgement on corporate affairs and provide Management with a diverse and objective perspective on issues.

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2.3 and 2.4 Board and NC to assess independence of directors; rigorous review of director who served on the Board beyond nine years from the date of his appointment

The independence of each director is reviewed annually by the NC. The NC adopts the definition of what constitutes an Independent Director from the Code in its review and it is satisfied that Dr Tan Eng Liang ("Dr Tan"), Dr Ker Sin Tze ("Dr Ker") and Mr Chee Wai Pong are considered independent in character and judgement.

Particular scrutiny is applied in assessing the continued independence of a Director having served beyond nine years from the date of his first appointment, with attention to ensuring that his allegiance remains clearly aligned with shareholders' interest. Although both Dr Tan and Dr Ker have served on the Board for more than nine years from the date of their first appointments, they have continued to demonstrate strong independence in character and judgment in the discharge of their responsibilities as Independent Directors of the Company, with a view to protect the interests of the Company and all shareholders, not just the substantial shareholders. Dr Tan and Dr Ker have also contributed significantly to the discussion on matters before the Board, which includes matters relating to the strategic direction and corporate governance of the Group. Their objective leadership, depth of experience and skills, make them invaluable members of the Board. Accordingly the NC, with the concurrence of the Board, is satisfied that both Dr Tan and Dr Ker have remained independent in their judgment and can continue to discharge their duties objectively.

The NC and the Board are of the view that no individual or small group of individuals dominates the Board's decision making process. Independent Non-Executive Directors constructively challenge and help develop proposals on strategy and review the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.

2.5 Board composition and size

The size and composition of the Board are reviewed from time to time by the NC to ensure that the size of the Board is conducive to effective discussion and decision-making and that the Board has an appropriate balance of independent directors. The Board is of the view that the current board size and composition is appropriate, taking into account the nature and scope of the Group's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and board committees.

2.6 Board to comprise directors with core competencies

The Board and its board committees comprises respected individuals from different backgrounds and who as a group provides core competencies, such as business management experience, industry knowledge, legal, real estate and tenancies, human resource management, financial and strategic planning experience and customer-based knowledge that are extensive and critical to meet the Group's objectives. Together, the directors provide an appropriate balance and diversity of skills, experiences, gender and knowledge of the Company that will provide effective governance and stewardship for the Group. Please refer to the "Board of Directors" section of the Annual Report for the directors' profile.

2.7 Role of non-executive directors

The Board comprises five non-executive directors who review management's performance and monitor the reporting of performance. They constructively challenge and help develop proposals on strategy.

2.8 Meetings of non-executive directors

Where warranted, non-executive directors meet without the presence of management or executive directors to review any matter that may be raised privately.

Corporate Governance Report

Principle 3: Chairman and Chief Executive Officer ("CEO")

There should a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

3.1 Chairman and CEO should be separate persons; division of responsibilities should be clearly established

Mr Tjioe Ka Men is the Executive Chairman of the Company. He manages the overall business of the Group and is responsible for setting the strategic direction and vision of the Group. Mr Tjioe bears the responsibility for the workings of the Board and, together with ARC, ensures the integrity and effectiveness of the governance process of the Board. All major financial decisions made by him are also reviewed by the ARC. Mr Tjioe's performance and appointment to the Board are reviewed periodically by the NC and his remuneration package is governed by the recommendation of the RC. As there is a sufficiently strong independent element on the Board to enable independent exercise of objective judgment on corporate affairs of the Group by members of the Board, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

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.

3.2 Chairman's role

Mr Tjioe Ka Men's duties as Executive Chairman includes:

(1) Leading the Board to ensure its effectiveness on all aspects of its role;
(2) Setting the agendas for Board meetings and ensures sufficient allocation of time for thorough discussion;
(3) Promoting an open environment for debate at the Board;
(4) Ensuring that the directors receive complete, adequate and timely information;
(5) Ensuring effective communication with the shareholders;
(6) Encouraging constructive relations within the Board and between the Board and Management;
(7) Facilitating the effective contribution of non-executive directors; and
(8) Promoting high standards of corporate governance and ensuring that procedures are introduced to comply with the Code.

3.3 Appointment of lead independent director ("LID") where the Chairman and CEO is the same person, Chairman and CEO are immediate family members, Chairman is part of the management team or is not an independent director

Dr Tan Eng Liang, who is currently an Independent Non-Executive Director, the Chairman of the Audit and Risk Committee and a member of the Nominating and Remuneration Committees of the Company, was appointed as the Lead Independent Director ("**LID**") on 31 May 2013. The LID is available to shareholders in circumstances where shareholders' concerns raised through normal channels to the Executive Chairman or Chief Financial Officer have failed to resolve or where such contact is inappropriate.

3.4 Led by the LID, the independent directors meet periodically without the presence of other directors

Dr Tan Eng Liang, the LID, leads and encourages dialogue between independent directors without the presence of the other directors and provides feedback to the Chairman.

Corporate Governance Report

Principle 4: Board Membership

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

4.1 NC to comprise at least three directors, majority of whom, including the NC Chairman should be independent; NC should have written terms of reference that describe the responsibilities of its members

The Company's NC comprises of five directors of whom three (including the Chairman of the NC) are independent and non-executive directors, one is an executive director and one is a non-independent and non-executive director as follows:

- Dr Ker Sin Tze (Chairman)
- Dr Tan Eng Liang (Lead Independent Director)
- Mr Chee Wai Pong
- Mr Tjioe Ka Men
- Mr Goi Seng Hui

The LID is a member of the NC. The NC is guided by the Terms of Reference, updated to be in line with the recommendations in the Code.

The responsibilities of the NC are described in its written terms of reference and its key responsibilities include the following:-

(1) review and recommend to the Board on the appointment and re-appointment of Directors (including alternate directors, if applicable) having regard to their contribution and performance (e.g. attendance, preparedness, participation and candour);
(2) review the composition and progressive renewal of the Board;
(3) review the training and professional development programs for the Board;
(4) assess annually whether or not a director is independent;
(5) assess whether or not a director, who has multiple board representations, is able to and has been adequately carrying out his duties as a director;
(6) development of a process for evaluation of the performance of the Board, its board committees and contribution of each individual directors; and
(7) formal assessment of the effectiveness of the Board as a whole, its board committees and individual director.

4.2 NC to make recommendations to the Boards on relevant matters

The NC recommends appointment and re-appointments of directors to the Board. All directors are required to submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years.

In accordance with Articles 91 and 97 of the Company's Articles of Association, all directors (except a Managing Director) shall retire from office once at least in each three years by rotation and all newly appointed directors will have to retire at the next Annual General Meeting ("**AGM**") following their appointments. The retiring directors are eligible to offer themselves for re-election.

At the forthcoming AGM, Mdm Tjioe Ka In is due to retire by rotation pursuant to Article 91. Mdm Ng Siok Keow and Mr Chee Wai Pong are due to retire pursuant to Article 97.

The NC has recommended the re-elections of Mdm Tjioe Ka In, Mdm Ng Siok Keow and Mr Chee Wai Pong at the forthcoming AGM. The NC has also recommended the re-appointment of Dr Tan Eng Liang as an Independent Director of the Company pursuant to Section 153(6) of the Singapore Companies Act, Cap 50. These nominations have been accepted by the Board. In considering the nomination, the NC took into account the contribution of the directors with reference to their attendance and participation at Board and other Board committee meetings as well as the proficiency with which they have discharged their responsibilities.

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4.3 NC to determine directors' independence annually	The NC has reviewed the independence of each director in accordance with the Code's definition of independence as well as the "Confirmation of Independence" returns submitted by the directors to the Company Secretary annually. NC is satisfied that 43% of the Board members are considered to be independent.
4.4 NC to decide if a director who has multiple board representations is able to and has been adequately carrying out his/her duties as a director of the Company; The Board should determine the maximum number of listed company board representations which any director may hold	The NC and the Board are of the view that it is not meaningful to set a limit on the number of listed Company board representations a director should have as the contribution of each director would depend on their individual circumstances, including whether they have a full time vocation or other responsibilities. Further the directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities. Instead, the NC will assess each potential or existing director relative to his abilities and known commitments and responsibilities. The NC monitors and determines annually whether directors who have multiple board representations and other principal commitments, give sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual director and his actual conduct on the Board, in making this determination. The NC and with the concurrence of the Board were satisfied that in FY2014, where a director had other listed Company board representations and/or other principal commitments, the director was able to carry out and had been adequately carrying out his duties as a director of the Company.
4.5 Appointment of alternative directors	There is no alternate director on the Board.
4.6 Description of process for selection, appointment and re-appointment of directors, including the search and nomination process	The search and nomination process for new directors, if any, will be through search companies, contacts and recommendations to cast its net as wide as possible for the right candidate. The NC determines the selection criteria in consultation with the Board and identifies candidates with the appropriate expertise and experience for the appointment as new director. The NC will shortlist candidates for interview before nominating the most suitable candidate to the Board for approval. The NC will evaluate a director in accordance with a set of criteria approved by the Board before recommending him/her to the Board for re-election.
4.7 Key information regarding directors should be disclosed in the annual report of the Company	Other key information of the directors who held office during the year up to the date of this report are disclosed in the "Board of Directors" section of the Annual Report.

Principle 5: Board Performance

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

5.1 Board to implement process to assess board performance as a whole and its board committees and for assessing the contribution by each individual director to the effectiveness of the Board; Assessment process should be disclosed in the annual report	The NC is responsible for recommending and implementing a process to assess the performance and effectiveness of the Board as a whole and its board committees, as well as assessing the contribution of each individual Director to the overall effectiveness of the Board. An assessment system and evaluation forms have been established and adopted for the evaluation of the Board as a whole, its board committees and the individual directors annually. The objective of the performance evaluation exercise is to uncover strengths and challenges so that the Board and board committees are in a better position to provide the required expertise and oversight.

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5.2 NC should decide how the Board's performance may be evaluated and propose objective performance criteria; Performance criteria, which allow for comparison with industry peers, should be approved by Board and address how the Board has enhanced long term shareholders' value	The NC has conducted a formal assessment of the effectiveness of the Board and its board committees for the financial year ended 31 March 2014. The performance criteria for the Board/ Board Committees evaluation are in respect of size and composition, attendance, directors' independence, team spirit, open line of communication, degree of constructive discussion, quality of decision making, quality of agenda/board papers, timeliness of board papers, assessment of performance against specific targets, standard of conduct, risk management and internal controls etc. The NC is satisfied with the effectiveness of the Board as a whole and its board committees. The Board, as a group, possesses the necessary core competencies to direct the Company and Management to perform efficiently and effectively.
5.3 Individual evaluation to assess directors' effectiveness in contributions and commitment to the role; Chairman should act on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of directors, in consultation with the NC	NC conducts evaluation of the performance of individual directors annually and for re-election or re-appointment of any director. The assessment of each director's performance is undertaken by the NC Chairman. The criteria for assessment include but not limited to attendance record at meetings of the Board and board committees, intensity of participation at meetings, quality of discussions, maintenance of independence and any special contributions.

Principle 6: Access To Information

In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

6.1 Board members to be provided with complete and adequate information in timely manner; Board to have separate and independent access to the management	Board members are provided with adequate and timely information prior to Board meetings and committee meetings, and on an on-going basis. Requests for information from the Board are dealt with promptly by Management. Board interaction with, and independent access to, the Management is encouraged. Whenever necessary, management staff will be invited to attend the Board meetings and committee meetings to answer queries and provide detailed insights into their areas of operations. The Board is informed of all material events and transactions as and when they occur.
6.2 To include board papers and related materials, background or explanatory information relating to matters brought before the Board	The Board is provided with quarterly management reports, and papers containing relevant background or explanatory information required to support the decision making process on an on-going basis. Proposals to the Board for decision or mandate sought by management are in the form of memo or board papers that give the facts, analysis, resources needed, expected outcome, conclusions and recommendations. However, sensitive matters may be tabled at the meeting itself or discussed without papers being distributed.
6.3 Directors to have access to Company Secretary; Role of Company Secretary	The Directors have separate and independent access to the Company Secretary. The Company Secretary attends all Board and board committees meetings of the Company. The Company Secretary also assists the Chairman and the Board to ensure that Board procedures are followed and that applicable rules and regulations (in particular the Code, Companies Act, Cap 50 and SGX-ST Listing Manual Section B: Rules of Catalist ("**Rules of Catalist**")) are complied with.

6.4 Appointment and removal of the Company Secretary should be a matter for the Board as a whole	The appointment and removal of the Company Secretary are subject to the Board's approval.
6.5 Procedure for directors, in the furtherance of their duties, to take independent professional advice, if necessary, at the Company's expense	The directors, whether as a group or individually, may seek or obtain legal and other independent professional advice, concerning any aspect of the Group's operations or undertakings in order to fulfill their roles and responsibilities as directors. The cost of obtaining such professional advice will be borne by the Company.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

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.

7.1 RC to consist entirely of non-executive directors; Majority including RC Chairman should be independent

7.2 RC to recommend a framework of remuneration for the Board and key management personnel; Recommendations should be submitted for endorsement by the entire Board

The RC currently comprises the following three members, all of whom (including the Chairman) are independent and non-executive directors:

- Mr Chee Wai Pong (Chairman)
- Dr Tan Eng Liang
- Dr Ker Sin Tze

The RC is regulated by its terms of reference. The duties of the RC include the following:-

(a) to review and recommend to the Board:-
    (i) a framework of remuneration and to determine the specific remuneration packages for each of the executive directors/key management personnel;
    (ii) a framework of remuneration and specific remuneration packages for non-executive directors; and
    (iii) remuneration of 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'/Employees' 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; and

(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.

The Company sets remuneration packages to ensure it is competitive and sufficient to attract, retain and motivate Directors and key executives of the required experience and expertise to run the Group successfully.

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

(a) all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options and benefits-in-kinds should be covered for each director and key executives;

(b) the remuneration packages should be comparable within the industry and comparable companies and should include a performance-related element coupled with appropriate and meaningful measures of assessing individual executive directors' and key executives' performances; and

(c) the remuneration package of employees related to executive directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

No director is involved in deciding his/her own remuneration.

7.3 RC should seek expert advice, if necessary

Where necessary, the RC shall seek expert advice inside and/or outside the Company on remuneration of all directors.

7.4 RC to review company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service

The Company had entered into a service agreement ("**Service Agreement**") with the Executive Chairman, Mr Tjioe Ka Men. The Service Agreement may be terminated by not less than 6 months' notice in writing served by either party and does not contain onerous removal clauses.

The termination clauses contained in contracts of service of the other executive director and key management personnel are fair and reasonable, and not overly generous.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

8.1 Appropriate proportion of remuneration package for executive directors and key management personnel to align with shareholders' interests and long-term success of the Company; it should take account of the risk policies of the Company; there should be appropriate and meaningful measures for the purpose of assessing executive directors and key management personnel's performance

In determining the level of remuneration, the RC shall:

- give due consideration to the Code's principles and guidelines on the level and mix of remuneration so as to ensure that the level of remuneration is appropriate to attract, retain and motivate directors and key management personnel needed to run the Company successfully;
- ensure that a proportion of the remuneration is linked to corporate and individual's performance;
- ensure that the remuneration packages are designed to align interest of executive directors and key management personnel with those of shareholders and long-term success of the Company; and
- take account of the risk policies of the Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks.

Annual review are carried out by the RC to ensure that the remuneration of the executive directors and key management personnel commensurate with the Company's and their performance, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Chairman is reviewed periodically by the RC and the Board. 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.

8.2 Long term incentive schemes are generally encouraged

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

8.3 and 8.4 Remuneration for non-executive directors should be appropriate to level of contribution, effort, time spent and responsibilities; contractual provisions are encouraged to be used to allow Company to reclaim incentive components in exceptional circumstances

The non-executive directors do not have any service contracts. They are paid a basic fee and additional fees for serving on any of the Board Committees. The RC and Company ensures that the non-executive directors are not over-compensated to the extent that their independence is compromised. These fees are subject to approval by shareholders as a lump sum payment at the Annual General Meeting of the Company.

At the moment, the Company does not use any contractual provisions to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss of the Company.

Principle 9: Disclosure on Remuneration

Every Company should provide clear disclosure of its remuneration policies, 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 management personnel, and performance.

9.1, 9.2 and 9.3 Remuneration of directors and at least the top 5 key management personnel (who are not directors) should be reported to shareholders annually

The remuneration of each individual Director and key management personnel is however not fully disclosed as the Company believes that disclosure may be prejudicial to its business interests given the highly competitive environment it is operating in.

Directors' Remuneration

There are both fixed and variable components to executive directors' remuneration. The variable components are tied to Group performance.

A breakdown showing the level and percentage mix of each individual director's remuneration paid/payable for FY2014 are as follows:

	Remuneration Band	Salary & Fees %	Performance Related Income/ Bonuses %	Termination, Retirement and Post-employment benefits %	Other Benefits %	Total Remuneration %
Executive Directors						
Tjioe Ka Men	A	97	-	-	3	100
Tjioe Ka In	B	95	-	-	5	100
Non-Executive Directors						
Tan Eng Liang	B	100	-	-	-	100
Ker Sin Tze	B	100	-	-	-	100
Ch'ng Jit Koon (1)	B	100	-	-	-	100
Wee Kheng Jin (2)	B	100	-	-	-	100
Goi Seng Hui	B	100	-	-	-	100
Chee Wai Pong (3)	B	100	-	-	-	100
Ng Siok Keow (4)	B	100	-	-	-	100

Remuneration Band "A" = >S$250,000 but <S$500,000
Remuneration Band "B" = <S$250,000

Notes:

(1) Mr Ch'ng Jit Koon retired as an Independent Non-Executive Director of the Board on 30 July 2013.

(2) Mr Wee Kheng Jin stepped down as Non-Independent and Non-Executive Director of the Board on 1 November 2013.

(3) Mr Chee Wai Pong was appointed as an Independent Non-Executive Director of the Board on 30 September 2013.

(4) Mdm Ng Siok Keow was appointed as a Non-Independent and Non-Executive Director of the Board on 1 November 2013.

Top 5 Key Management Personnel

The remuneration of top five key management personnel (who are not directors or the CEO of the Company) are set out below in bands of S$250,000. The names of the key management personnel and breakdown are not disclosed to maintain the confidentiality of the remuneration packages.

	No of Executives
Below S$250,000	5

The aggregate total remuneration paid to or accrued to the top five key executives (who are not Directors or the CEO) amounted to S$697,000.

No termination, retirement and post-employment benefits is granted to the top five key management personnel.

9.4 Disclose remuneration details of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year

One key management personnel of the Company, Mdm Tjioe Ka Lie, is the daughter of Zhou Yingnan, Deceased (substantial shareholder) and sister of Tjioe Ka Men (Executive Chairman) and Tjioe Ka In (Executive Director). Her remuneration is between S$100,000 and S$150,000 during FY2014.

9.5 Details of employee share scheme

The Company does not have any employee share scheme.

9.6 Disclose information on the link between remuneration paid to the executive directors and key management personnel, and performance

Executive directors are currently not subjected to performance incentives. Certain key management personnel are paid incentives based on achievement of targeted performance of their respective business units. The Group has not implemented any employee's stock option scheme. Executive directors and other key management staff are paid discretionary bonus based on performance of the Group and individual performance.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

10.1 and 10.2 Board's responsibility to provide balanced and understandable assessment of Company's performance, position and prospects; Board should take adequate steps to ensure compliance with legislative and regulatory requirements

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.

The Board provides shareholders with half-year and annual financial reports. Half-year results are released to shareholders within 45 days of the end of the period. Annual results are released within 60 days of the financial year-end. In our financial result announcements to shareholders, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects. Price sensitive information will be publicly released via SGXNET, followed by press release and meeting with any group of investors or analysts (where appropriate). All announcements and the half-yearly and full year financial results are also uploaded in the Group's website at www.tunglok.com.

The Board takes adequate steps to ensure compliance with legislative and statutory requirements, including requirements under the Rules of Catalist. The Board provides a negative assurance statement to the shareholders in its half-yearly financial statements announcements in accordance with Catalist Rule 705(5). For the financial year under review, the Executive Chairman and the CFO have provided assurance to the Board on the integrity of the Group's financial statements. The Board also provides an opinion on the adequacy and effectiveness of the Group's risk management and internal controls (including financial, operational compliance and information technology controls) systems in place.

10.3 Management should provide Board with management accounts on a monthly basis

Management provides the executive directors with monthly financial reports. Weekly meetings are conducted involving the senior management and the business units heads. Additional or ad-hoc meetings are conducted, when required.

Management makes presentation to the Board on a quarterly basis on the financial performance of the Group.

Principle 11: Risk management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

11.1 Board should determine the Company's level of risk tolerance and risk policies, and oversee risk management and internal control systems

The Board acknowledges that it is responsible for the governance of risks. It oversees the Management in the design, implementation and monitoring of the risk management and internal control systems

11.2 and 11.4 Board should, at least annually review the adequacy and effectiveness of the risk management and internal control systems, including financial, operational, compliance and information technology controls; Board may establish a separate board risk committee to oversee risk management framework and policies

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

Following the nomination of the ARC to assist the Board in its risk management role, the ARC reviews the adequacy of the Group's risk management framework to ensure that a robust risk management process, structure and framework is in place. The process of risk management is undertaken by the Executive Chairman and senior management under the purview of the ARC and the Board.

During the financial year 2013, the Company, with the support from consultants, Ernst & Young Advisory Pte Ltd ("**Ernst & Young**"), has formalised a structured Enterprise Risk Management ("**ERM**") Framework to facilitate the Board in identifying and assessing key operational, financial, compliance and information technology risks with reference to the business goals, strategies and critical success factors of the Group. Under the ERM Framework, which is developed with reference to the ISO 31000:2009 Risk Management – Principles and Guidelines, Committee of Sponsoring Organisations of the Treadway Commission (COSO) Model and Risk Governance Guidance for Listed Board 2012, management of all levels are expected to constantly review the business operations and the environment that we operate in to identify risk areas and ensure mitigating measures are promptly developed to mitigate these risks. The ERM Framework outlines the Group's approach to managing enterprise-wide risks and sets out a systematic process for identifying, evaluating, monitoring, managing and reporting risks faced by the Group. Thus, it allows the Group to address the changes and the challenges in the business environment, reduce uncertainties and facilitates the shareholder value creation process on an ongoing basis.

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Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies, strategy as well as risk appetite. Management is accountable to the ARC for ensuring the effectiveness of risk management and adherence to risk appetite limits. On a day-to-day basis, business units have primary responsibility for risk management. The various business units provide senior management with a timely assessment of key risk exposures and the associated management responses. These units also recommend risk appetite and control limits.

A risk monitoring, review and reporting framework has been established to define the on-going monitoring tools and processes of the Group which includes monitoring of risk score changes, on-going assessment of risk treatment action plans and quarterly ERM reporting to the ARC. Management reviews all significant control policies and procedures and highlights all significant matters to the ARC and the Board.

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

The Group has an in-house internal audit function. During the financial year, the Company has also appointed Ernst & Young to carry out an independent internal audit review on the Group's key operational processes in Singapore based on the ARC approved internal audit plans. The Company's external auditors, Deloitte & Touche LLP, have also in the course of their annual audit carried out a review of the effectiveness of the Group's material internal controls over financial reporting as laid out in their audit plans. Any material non-compliance and internal control weakness noted during the audits and auditors' recommendations are reported to the ARC. The Company's in-house internal auditor follows up on the recommendations and monitors the timely and proper implementation of required corrective, preventive and improvement measures so as to strengthen the Group's internal controls and practices.

The auditors had also evaluated the effectiveness of the financial, operational, compliance and information technology internal controls implemented to manage the identified risks based on the results of the ERM process executed.

11.3 Board's comment on the adequacy of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems in the Company's annual report

During the financial year, the ARC has reviewed the internal and external audit reports. Management has also taken appropriate and timely countermeasures to remedy the internal control weaknesses identified and sought ways to continuously enhance the Group's internal control systems.

Based on the reports submitted by the auditors, and the various management controls/improvements put in place by management and the Board, the Board with the concurrence of the ARC, is of the view that the Group's internal controls, addressing financial, operational, compliance and information technology controls, and risk management systems are adequate. While acknowledging their responsibility for the system of internal controls, the Board is aware that such a system is designed to manage, rather than eliminate all risks, and therefore cannot provide an absolute assurance in this regard, or absolute assurance against the occurrence of material errors, losses, poor judgment in decision making, human errors, fraud or other irregularities.

The Board has also received assurance from the Executive Chairman and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and regarding the effectiveness of the Company's risk management and internal control systems.

Corporate Governance Report

Principle 12: Audit & Risk Committee

The Board should establish an Audit & Risk Committee ("**ARC**") with written terms of reference which clearly set out its authority and duties.

12.1, 12.2 and 12.9 ARC should comprise at least three directors, all non-executive, and the majority of whom including the chairman, are independent; At least 2 members, including AC Chairman, should have recent and relevant accounting or related financial management expertise experience; A former partner or director of the Company's existing auditing firm should not act as a member of the ARC

The ARC comprises five (5) non-executive directors, majority of whom including the Chairman, are independent. The members of the ARC are:-

- Dr Tan Eng Liang (Chairman)
- Dr Ker Sin Tze
- Mr Chee Wai Pong
- Mdm Ng Siok Keow
- Mr Goi Seng Hui

The Board considers that the members of the ARC are qualified to discharge the responsibilities of the ARC as at least two members of the ARC, including the Chairman, have accounting or related financial management expertise or experience. Please refer to the profile in the Board of Directors Section of the Annual Report. None of the ARC's member was a former partner or director of the Company's existing auditing corporation.

12.3 ARC to have explicit authority to investigate and have full access to and co-operation by management, and reasonable resources to discharge its functions

The ARC is authorised by the Board to investigate into any activity within its term of reference. It has unrestricted access to information relating to the Group, to both internal and external auditors and has full discretion to invite any director or executive officer to attend its meetings. The ARC has expressed power to commission investigations into any matter, which has or is likely to have material impact on the Group's operating results and/or financial position. The ARC has adequate resources to enable it to discharge its responsibilities properly.

12.4 Duties of ARC

The ARC is regulated by its terms of reference and meets at least two times a year and as warranted by circumstances, to perform the following functions:-

(1) review significant financial reporting issues and judgments so as to ensure the integrity of the financial statements and any announcements relating to the Company's financial performance;
(2) review with the internal and external auditors the audit plans and their evaluation of the systems of risk management and internal controls;
(3) review the scope and results of the external audit and its cost effectiveness, and the independence and objectivity of the external auditors;
(4) review the co-operation given by management and Group's officers to the external auditors;
(5) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on the Company or the Group's operating results or financial position and management's responses;
(6) review the financial statements of the Group, external auditors' reports and the result announcements before submission to the Board for approval;
(7) make recommendations to the Board on the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors;
(8) review interested person transactions, if any, and potential conflict of interests;
(9) review arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial report or other matters and ensure that arrangements are in place for independent investigation of the same and for appropriate follow up actions;

Corporate Governance Report

(10) oversee the Company's risk management systems, practices and procedures to ensure effectiveness of risk identification and management, and compliance with internal guidelines and external requirements; and

(11) review the adequacy and effectiveness of the Group's material internal controls (compliance, financial, operational and information technology) and risk management policies and systems, as well as the effectiveness of the Group's internal audit function.

Minutes of the ARC meetings are regularly submitted to the Board for its information and review.

12.5 ARC to meet internal and external auditors, without presence of management, at least annually

For FY2014, the ARC met with the external auditors once without the presence of the management for the purpose of facilitating discussion of the responses by management on audit matters. The ARC has reviewed the findings of the auditors and the assistance given to the auditors by management.

12.6 ARC to review independence of external auditors annually

The ARC has received the requisite information from the external auditors evidencing the latter's independence.

The ARC has noted that there are no non-audit related work carried out by the external auditors during FY2014 and is satisfied with the independence and objectivity of the external auditors.

The audit fees paid to the external auditors of the Company for FY2014 was approximately S$246,000/-. There was no non-audit fee paid to the external auditors.

The Company's existing Auditors, Messrs Deloitte & Touche LLP ("**DT**"), was re-appointed as Auditors of the Company at the last AGM of the Company held on 30 July 2013, to hold office until the conclusion of the next AGM of the Company. DT has served as Auditors of the Company for 14 years since 28 September 2000.

ARC has recommended and the Board has approved the nomination of Messrs Ernst & Young LLP for appointment as the Company's external auditors in place of DT, in view that it would be a good corporate governance practice and would enable the Company to benefit from fresh perspectives and views of another professional audit firm and further enhance the value of the audit. Detailed information is set out in the Appendix to the Notice of the Annual General Meeting relating to the proposed change of auditors.

The Group has complied with Rules 712 and 715 of the Rules of Catalist in relation to the auditors.

12.7 ARC to review arrangements for staff to raise concerns about possible improprieties to ARC

The Group has in place, a whistle-blowing policy where employees of the Group and any other persons may, in confidence, raise concerns about possible improprieties. Such a policy serves to encourage and provide a channel for staff to report in good faith and without fear of reprisals, concerns about possible improprieties in financial reporting or other matters to the Chairman of ARC, Executive Chairman or the Head of Human Resource. It has a well defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action to be taken.

Details of the whistle-blowing policies and arrangements have been made available to all employees.

12.8 Disclose the details of the ARC's activities and measures taken to keep abreast of changes to accounting standards and issues

The ARC is guided by the terms of reference which stipulate its principal functions.

The Company will arrange to send the ARC members to seminars on updates of FRS, if required. The external auditors provides regular updates and briefings to the ARC on changes or amendments to accounting standards to enable the members of the ARC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

In review of the financial statements for the year ended 31 March 2014, the ARC is of the view that the financial statements are fairly presented in conformity with the relevant Singapore Financial Reporting Standards in all material aspects.

Corporate Governance Report

Principle 13: Internal Audit

The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

13.1, 13.2 and 13.3 IA function to report to AC chairman, and to CEO administratively; ARC to ensure IA function is adequately resourced; IA function is staffed with persons with relevant qualifications and experience

The Company has an in-house internal audit team that primarily reports to the Chairman of the ARC, and also to the Chief Financial Officer on administrative matters. The ARC reviews and approves the hiring of internal auditors ("**IA**"), internal audit plans, resources and reports, and the internal audit fees. The IA has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC.

Biennially, the Group will outsource its internal audit function to an independent auditing firm for independent review on internal controls and practices. The engagement of the auditing firm is subjected to ARC approval.

The ARC has full access to and the cooperation of the management and internal auditors, and ensures that the internal audit function is adequately resourced, staffed with persons with the relevant qualifications and experience, and has appropriate standing within the Company to perform its function.

13.4 and 13.5 Internal auditor should carry out its function according to standards set by nationally or internationally recognized professional bodies; AC should, at least annually, review the adequacy and effectiveness of the internal audit function

An annual review of the in-house and outsourced internal audit functions is carried out. The ARC ensures, amongst others, the adequacy and effectiveness of the internal audit functions by examining the fees and independence of the IA, the scope of work, the quality of the reports, resources as mentioned earlier and that the internal auditors carried out its function according to standards set by internationally recognized professional bodies.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitable, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

14.1, 14.2 and 14.3 Company should facilitate the exercise of ownership rights by all shareholders; Ensure all shareholders have the opportunity to participate and vote; Allow corporations which provide nominee or custodial services to appoint more than two proxies

The Group recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected.

The Group is committed to provide shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Group strongly encourages shareholder participation during the AGM which will be held in a central location in Singapore, where relevant rules and procedures governing the meetings are clearly communicated. Shareholders are able to proactively engage the Board and management on the Group's business activities, financial performance and other business related matters.

The Company's Articles of Association currently does not allow investors who hold shares through nominees such as CPF and custodian banks to appoint more than two proxies to vote at the general meetings.

Corporate Governance Report

Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

15.1 and 15.2 Company to regularly convey pertinent information to shareholders; information should be disclosed on timely basis

The Board is mindful of the obligation to keep shareholders informed of all major developments that affect the Group in accordance with the SGX-ST's Listing Manual. Price sensitive information is publicly released via SGXNET.

Information is communicated to shareholders on a timely and non-selective basis through:

- annual reports that are prepared and issued to all shareholders within the mandatory period;
- half-year and full-year financial statements containing a summary of the financial information and affairs of the Group for the period, released via SGXNET;
- public announcements via SGXNET;
- press releases on major developments;
- Company's corporate website at www.tunglok.com at which shareholders can access information on the Group; and
- notices of shareholders' meetings advertised in a newspaper in Singapore.

15.3 and 15.4 Board should establish and maintain regular dialogue with shareholders; steps to be taken to solicit and understand shareholders' views;

To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meetings. At these meetings, shareholders are given the opportunity to voice their views and raise issues either formally or informally. These meetings provide excellent opportunities for the Board to engage with shareholders to solicit their feedback.

The Company's website at www.tunglok.com is another channel to solicit and understand the views of the shareholders.

15.5 Companies are encouraged to have a dividend payment policy

The Board does not have a fixed dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit, growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth, general business condition, and other factors as the Board may deem appropriate. No dividend is declared for FY2014 as the Company has incurred losses in FY2014. Any dividend payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNET when the Company discloses its financial results.

Principle 16: Conduct of shareholder meetings

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

16.1, 16.3 and 16.4 Shareholders have the opportunity to participate and vote at general meetings; All directors should attend general meetings; minutes are available to shareholders upon request

All shareholders will receive the Annual Report and the notice of AGM. Notice of AGM is dispatched to shareholders together with explanatory notes or circular on items of special business (if necessary), at least 14 days before the meeting.

At the AGM, shareholders will be given the opportunity to voice their views and to direct questions regarding the Group to the Directors including the chairman of each of the Board committees. The Management and the external auditors are also present to assist the Directors in addressing any relevant queries from the shareholders.

Corporate Governance Report

Shareholders are encouraged to attend the AGM of the Company to ensure a high level of accountability and to stay informed of the Company's strategy and goals. If the shareholders are unable to attend the meetings, the Articles of Association allow a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder.

Minutes of general meetings include substantial and relevant queries or comments from shareholders relating to the agenda of the meeting and responses from the Board and management. These minutes would be available to shareholders upon their request.

16.2 and 16.5 Separate resolutions on each substantially separate issue; Resolutions to vote by poll

Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for each separate issue at the meeting.

While acknowledging that voting by poll is integral in the enhancement of corporate governance, the Company is concerned over the cost effectiveness and efficiency of the polling procedures which may be logistically and administratively burdensome. Electronic polling may be efficient in terms of speed but may not be cost effective. The Board will adhere to the requirements of the Listing Manual where all resolutions are to be voted by poll for general meetings held on and after 1 August 2015.

Internal code on Dealing in Securities

Catalist Rule1204 (19)

In line with Catalist Rule 1204(19), the Company has adopted an internal Code of Dealing in Securities by Officers of the Company. All Directors and officers of the Group are not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Company's half-year and full year results and ending on the date of the announcement of the relevant results.

In addition, all Directors and officers of the Group are required to observe insider trading laws at all times and are prohibited from dealing with the Company's shares whilst in possession of unpublished price-sensitive information of the Group. They should also not deal in the Company's securities on short-term considerations.

Material Contracts

Catalist Rule 1204 (8)

Save for the interested persons transactions as disclosed in this Annual Report, there are no material contracts of the Company or its subsidiaries involving the interest of the Chief Executive Officer, each director or controlling shareholder subsisting at the end of the financial year ended 31 March 2014 or have been entered into since the end of the previous financial year except for four subsidiaries that have entered into rental contracts with one of its controlling shareholders as announced by the Company on 30 April 2013, 3 June 2013, 12 September 2013 and 28 March 2014.

Interested Person Transaction (IPT) Policy

Catalist Rule 907

The Company adopted an internal policy in respect of any transactions with interested persons and has established procedures for review and approval of the interested person transactions entered into by the Group. The ARC 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 not prejudicial to the interests of the Company and minority shareholders.

The aggregate value of interested person transactions for FY2014 are as follows:-

Corporate Governance Report

Name of Interested Persons and Transactions	Aggregate value of all interested persons transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	S$'000	S$'000
T & T Gourmet Cuisine Pte Ltd - Sale of food items to Tee Yih Jia Manufacturing Pte Ltd	-	878
T & T Gourmet Cuisine Pte Ltd - Sale of food items to Chinatown Food Corporation Pte Ltd	-	13
T & T Gourmet Cuisine Pte Ltd - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	-	24
Tung Lok Group - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	-	98
Tung Lok Group - Purchase of food items from Chinatown Food Corporation Pte Ltd	-	51
Tung Lok Group - Purchase of food items from T & T Gourmet Cuisine Pte Ltd	-	196
Tung Lok Group - Purchase of mooncakes from T & T Gourmet Cuisine Pte Ltd	-	591
Tee Yih Jia Manufacturing Pte Ltd - Purchase of mooncakes from Tung Lok Group	-	53
Orchard Central Pte Ltd *	720	-
Novena Point Pte Ltd*	666	-
Riverhub Pte Ltd*	2,100	-
China Classic Pte Ltd*	1,220	-

The Group confirms that there were no other disclosable interested person transactions during FY2014 pursuant to Catalist Rule 907.

** These refer to IPTs that are categorised as transactions under Catalist Rule 916(1), which are in connection with leases of certain commercial units owned by related companies of our controlling shareholder, Goodview Properties Pte. Ltd. Please refer to announcements dated 30 April 2013, 3 June 2013, 12 September 2013 and 28 March 2014.*

Corporate Governance Report

Use of Proceeds

On 24 September 2013, the Company issued 56 million new ordinary shares from the two-for-five rights issue of S$0.16 per share raising net proceeds of S$8.9 million. As at 31 March 2014, an aggregate of S$6.6 million of proceeds have been utilised by way of:

(a) additional investment in a wholly owned subsidiary amounting to S$2.6 million as additional working capital which includes repayment of trade owings;

(b) S$1.8 million additional loans to subsidiaries as additional working capital and finance the set up of 2 new restaurant outlets in Jakarta, Indonesia and a new restaurant outlet in Beijing, People's Republic of China;

(c) additional investment in a subsidiary amounting to S$175,000 with the increase of its paid up capital; and

(d) S$2.0 million loan to a wholly owned subsidiary to provide additional working capital to repay its trade owings and monthly bank indebtedness.

The net proceeds raised from the Rights Issue as set out above have been utilised for the intended purposes and the unutilised net proceeds approximates to S$2.3 million as of 31 March 2014.

Sponsorship

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company during the financial year is SAC Capital Private Limited ("Sponsor"). There is no non-sponsor fee paid to the Sponsor.

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, 2014.

1 DIRECTORS

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

Tjioe Ka Men	
Tjioe Ka In	
Tan Eng Liang (Dr)	
Goi Seng Hui	
Ker Sin Tze (Dr)	
Chee Wai Pong	(Appointed on September 30, 2013)
Ng Siok Keow	(Appointed on November 1, 2013)

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 share capital and debentures of the 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 and date of appointment	At end of year	At beginning of year and date of appointment	At end of year
The company		Ordinary shares		
Tjioe Ka Men	226,000	316,400	54,679,000	76,550,600
Tjioe Ka In	54,000	75,600	53,200,000	74,480,000
Goi Seng Hui	-	-	25,018,000	35,025,200

By virtue of Section 7 of the Singapore Companies Act, Mr Tjioe Ka Men and Mdm 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, 2014 were the same at March 31, 2014.

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) *Options 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) *Options 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 options*

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

6 AUDIT AND RISK COMMITTEE

At the date of this report, the Audit and Risk Committee comprises the following members, all of whom are independent directors other than Goi Seng Hui and Ng Siok Keow.

Tan Eng Liang (Dr) (Chairman)
Ker Sin Tze (Dr)
Goi Seng Hui
Chee Wai Pong
Ng Siok Keow

The Audit and Risk Committee has met five times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the company:

(a) the audit plans and results of the internal auditors' examination and evaluation of the group's systems of internal accounting controls;

(b) internal audit findings and adequacy of the internal audit function;

(c) the audit plans and the results of the external auditors;

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

(e) 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) interested person transactions;

(g) the re-appointment of the external auditors of the group and their independence; and

(h) the co-operation and assistance given by the management to the group's external auditors.

The Audit and Risk Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It 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 and Risk Committee.

7 AUDITORS

The auditors, Deloitte & Touche LLP, do not intend to seek for re-appointment as auditors at the forthcoming Annual General Meeting.

ON BEHALF OF THE DIRECTORS

....
Tjioe Ka Men

....
Tjioe Ka In

Singapore
June 30, 2014

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 set out on pages 35 to 91 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, 2014, and of the results, changes in equity, 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 its major shareholders, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTORS

....
Tjioe Ka Men

....
Tjioe Ka In

Singapore
June 30, 2014

Independent Auditors' Report

to the Members of Tung Lok Restaurants (2000) Ltd

Report on the Financial Statements

We have audited the financial statements of Tung Lok Restaurants (2000) Ltd (the "company") and its subsidiaries (the "group") which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at March 31, 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the group and the statement of changes in equity of the company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 35 to 91.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide 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 balance sheets and profit and loss accounts and to maintain accountability of assets.

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 about 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 internal control relevant to the entity's preparation of financial statements that give a true and fair view 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, 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, 2014, and of the results, changes in equity and cash flows of the group and changes in equity of the company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

June 30, 2014

Statements of Financial Position

March 31, 2014

	Note	Group 2014	Group 2013	Company 2014	Company 2013
		$	$	$	$
ASSETS					
Current assets					
Cash and bank balances	6	11,712,938	9,343,215	2,319,554	8,002
Trade receivables	7	2,281,570	2,151,500	-	-
Other receivables and prepayments	8	1,273,910	1,323,531	837,441	953,431
Inventories	9	2,232,374	2,184,891	-	-
Total current assets		17,500,792	15,003,137	3,156,995	961,433
Non-current assets					
Trade receivables - non-current	7	-	37,219	-	-
Other receivables - non-current	8	673,552	265,328	-	-
Long-term security deposits	10	1,622,261	1,800,701	-	-
Interests in subsidiaries	11	-	-	12,547,382	7,857,652
Joint venture	12	134,791	-	-	-
Associates	13	624,692	527,091	-	-
Available-for-sale investments	14	16,000	-	-	-
Goodwill	15	-	-	-	-
Property, plant and equipment	16	19,157,871	17,773,355	-	-
Total non-current assets		22,229,167	20,403,694	12,547,382	7,857,652
Total assets		39,729,959	35,406,831	15,704,377	8,819,085

Statements of Financial Position

Year ended March 31, 2014

	Note	Group 2014	Group 2013	Company 2014	Company 2013
		$	$	$	$
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	17	7,341,639	6,144,550	-	-
Other payables	18	13,636,299	12,741,966	4,993,455	7,029,616
Finance leases	19	124,461	131,758	-	-
Bank loans - current portion	20	3,390,988	5,142,738	-	-
Income tax payable		20,860	140,528	-	-
Total current liabilities		24,514,247	24,301,540	4,993,455	7,029,616
Non-current liabilities					
Other payables – non-current	18	5,966,060	2,412,241	-	-
Finance leases	19	280,074	142,919	-	-
Bank loans – non-current	20	5,258,007	4,027,226	-	-
Deferred tax liabilities	21	87,043	86,288	-	-
Total non-current liabilities		11,591,184	6,668,674	-	-
Capital, reserves and non-controlling interests					
Share capital	22	19,142,045	10,269,503	19,142,045	10,269,503
Currency translation reserve		41,576	(53,197)	-	-
Accumulated losses		(12,814,356)	(6,037,156)	(8,431,123)	(8,480,034)
Equity attributable to owners of the company		6,369,265	4,179,150	10,710,922	1,789,469
Non-controlling interests		(2,744,737)	257,467	-	-
Net equity		3,624,528	4,436,617	10,710,922	1,789,469
Total liabilities and equity		39,729,959	35,406,831	15,704,377	8,819,085

See accompanying notes to financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended March 31, 2014

	Note	2014	2013
		$	**$**
Revenue	23	77,920,965	81,545,239
Cost of sales		(21,776,236)	(23,177,565)
Gross profit		56,144,729	58,367,674
Other operating income	24	3,291,317	2,235,214
Administrative expenses		(31,175,463)	(30,110,959)
Other operating expenses	25	(38,141,021)	(34,656,469)
Share of profit of joint venture	12	284,282	187,927
Share of (loss) profit of associates	13	(27,756)	2,336
Finance costs	26	(406,624)	(350,920)
Loss before tax		(10,030,536)	(4,325,197)
Income tax benefit	27	74,868	717,114
Loss for the year	28	(9,955,668)	(3,608,083)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations representing other comprehensive income for the year, net of tax		187,590	8,389
Total comprehensive loss for the year		(9,768,078)	(3,599,694)
Loss attributable to:			
Owners of the company		(6,777,200)	(3,169,072)
Non-controlling interests		(3,178,468)	(439,011)
		(9,955,668)	(3,608,083)
Total comprehensive loss attributable to:			
Owners of the company		(6,682,427)	(3,162,852)
Non-controlling interests		(3,085,651)	(436,842)
		(9,768,078)	(3,599,694)
Loss per share (cents)			(Restated)
Basic	29	(3.87)	(2.08)
Diluted	29	(3.87)	(2.08)

See accompanying notes to financial statements.

Statements of Changes in Equity

Year ended March 31, 2014

	Note	Share capital	Currency translation reserve	Accumulated losses	Attributable to equity owners of the company	Non-controlling interests	Net
		$	$	$	$	$	$
Group							
Balance at April 1, 2012		10,269,503	(59,417)	(2,868,084)	7,342,002	617,427	7,959,429
Total comprehensive loss for the year							
Loss for the year		-	-	(3,169,072)	(3,169,072)	(439,011)	(3,608,083)
Other comprehensive loss for the year		-	6,220	-	6,220	2,169	8,389
Transactions with owners, recognised directly in equity							
Issue of shares to non-controlling interests in subsidiaries		-	-	-	-	930,000	930,000
Dividends paid to non-controlling interests in subsidiaries		-	-	-	-	(950,284)	(950,284)
Fair value adjustment on interest-free loans from non-controlling interests in subsidiaries		-	-	-	-	60,433	60,433
Non-controlling interest in an associate which became a subsidiary during the year	13(a)	-	-	-	-	36,733	36,733
Balance at March 31, 2013		10,269,503	(53,197)	(6,037,156)	4,179,150	257,467	4,436,617
Total comprehensive loss for the year							
Loss for the year		-	-	(6,777,200)	(6,777,200)	(3,178,468)	(9,955,668)
Other comprehensive loss for the year		-	94,773	-	94,773	92,817	187,590
Transactions with owners, recognised directly in equity							
Issue of shares to non-controlling interests in subsidiaries		-	-	-	-	255,855	255,855
Dividends paid to non-controlling interests in subsidiaries		-	-	-	-	(290,000)	(290,000)
Fair value adjustment on interest-free loans from non-controlling interests in subsidiaries		-	-	-	-	117,592	117,592
Issue of share capital	22	8,960,000	-	-	8,960,000	-	8,960,000
Share issue expenses	22	(87,458)	-	-	(87,458)	-	(87,458)
Balance at March 31, 2014		19,142,045	41,576	(12,814,356)	6,369,265	(2,744,737)	3,624,528

See accompanying notes to financial statements.

Statements of Changes in Equity

Year ended March 31, 2014

	Note	Share capital	Accumulated losses	Net
		$	$	$
Company				
Balance at April 1, 2012		10,269,503	(9,016,797)	1,252,706
Profit for the year, representing total comprehensive income for the year		-	536,763	536,763
Balance at March 31, 2013		10,269,503	(8,480,034)	1,789,469
Profit for the year, representing total comprehensive income for the year		-	48,911	48,911
Transactions with owners, recognised directly in equity				
Issue of share capital	22	8,960,000	-	8,960,000
Share issue expenses	22	(87,458)	-	(87,458)
Balance at March 31, 2014		19,142,045	(8,431,123)	10,710,922

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

Year ended March 31, 2014

	2014	2013
	$	$
Operating activities		
Loss before tax	(10,030,536)	(4,325,197)
Adjustments for:		
Trade receivables written off	-	11,657
Allowance for doubtful debts	210,297	100,000
Share of profit of joint venture	(284,282)	(187,927)
Share of loss (profit) of associates	27,756	(2,336)
Depreciation of property, plant and equipment	5,395,108	4,217,146
Impairment loss on property, plant and equipment	2,620,276	235,217
Interest income	(18,872)	(15,851)
Interest expense	406,624	350,920
Dividend income from available-for-sale investment	(70,843)	(76,452)
Loss on disposal of property, plant and equipment	78,253	87,183
Loss on foreign exchange	248,056	33,222
Operating cash flows before movements in working capital	(1,418,163)	427,582
Trade receivables	(340,367)	(523,018)
Other receivables and prepayments	34,334	(266,476)
Inventories	(47,483)	25,955
Long-term security deposits	126,039	(121,031)
Trade payables	1,197,089	234,153
Other payables	963,135	834,211
Cash generated from operations	514,584	611,376
Interest paid	(279,765)	(292,794)
Income tax refund (paid)	17,682	(29,237)
Net cash from operating activities	252,501	289,345
Investing activities		
Interest received	3,407	3,696
Dividends received from available-for-sale investment	70,843	76,452
Proceeds from disposal of property, plant and equipment	23,020	-
Purchase of property, plant and equipment (Note A)	(7,945,320)	(5,214,976)
Acquisition of available-for-sale investment	(16,000)	-
Interests in an associate which became a subsidiary during the year (see Note B below and Note 13(a))	-	729,242
Acquisition of investments in associates	(125,360)	-
Net cash used in investing activities	(7,989,410)	(4,405,586)

Consolidated Statement of Cash Flows

Year ended March 31, 2014

	2014	2013
	$	$
Financing activities		
Advances from non-controlling interests in subsidiaries	1,530,571	-
Dividends paid to non-controlling interests in subsidiaries (Note C)	(380,000)	(570,284)
Repayment of advances to non-controlling interests of a subsidiary	-	(117,545)
Loan from corporate shareholders	311,120	-
Issue of shares to non-controlling interests in subsidiaries	255,855	930,000
Proceeds from bank loans	5,643,563	6,756,756
Repayment of bank loans	(6,164,533)	(4,512,345)
Repayment of obligations under finance leases	(136,762)	(138,197)
Loan from third party	521,512	-
Loan to associate	(405,000)	-
Cash and bank balances subject to set off	364,887	(16,604)
Rights issue net of issue expenses	8,872,542	-
Net cash from financing activities	10,413,755	2,331,781
Net increase (decrease) in cash and bank balances	2,676,846	(1,784,460)
Cash and bank balances at the beginning of the year	7,386,059	9,218,891
Effect of foreign exchange rate changes	57,764	(48,372)
Cash and bank balances at the end of the year (Note 6)	10,120,669	7,386,059

Note A:

During the financial year, the group acquired property, plant and equipment with an aggregate cost of $9,619,398 (2013: $6,136,377) of which $163,108 (2013: $711,914) relates to provision for reinstatement costs of premises, $266,620 (2013: $151,800) was acquired under finance lease arrangements and $2,196,372 (2013: $952,022) remains unpaid at the end of the reporting period. Cash payments of $7,945,320 (2013: $5,214,976) were made to purchase property, plant and equipment.

Consolidated Statement of Cash Flows

Year ended March 31, 2014

Note B

During the year ended March 31, 2013, pursuant to the joint venture agreement entered between the shareholders of PT Ming Cipta Rasa ("PT Ming") in July 2012, the group obtained control over the entity. The group's equity interest in PT Ming remains unchanged at 49%.

As at that date, the net assets of PT Ming based on their estimated fair values were as follows:

	Total
	$
Cash and bank balances	729,242
Prepayments	222,028
Property, plant and equipment	1,301,326
Other payables	(608,584)
Loan from shareholders	(1,571,987)
Net	72,025
Less: Non-controlling interest	(36,733)
Net	35,292

PT Ming contributed approximately $1,364,000 and $668,000 of revenue and loss for the financial year ended March 31, 2013 respectively.

Had control been obtained since the beginning of prior year, the revenue and loss for the group would have been higher by approximately $94,000 and $153,000 respectively.

Note C:

During the financial year, the group declared dividends amounting to $290,000 (2013: $950,284) to non-controlling interests in subsidiaries of which $290,000 (2013: $380,000) remains unpaid at the end of the reporting period.

See accompanying notes to financial statements.

Notes to Financial Statements

March 31, 2014

1 GENERAL

The company (Registration No. 200005703N) is incorporated in the Republic of Singapore with its principal place of business at 26 Tai Seng Street, #02-01, Singapore 534057 and its 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.

The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

As at March 31, 2014, the group's and company's current liabilities exceeded their current assets by $7,013,455 (2013: $9,298,403) and $1,836,460 (2013: $6,068,183) respectively; and the group incurred losses of approximately $10.0 million (2013: $3.6 million) during the financial year.

The company has on June 26, 2014 announced a rights issue to raise gross proceeds of up to $9.4 million. The controlling shareholders of the company, representing 75.13% shareholdings in the company, have issued letters of undertakings to the company that they agreed to subscribe for and/or procure the subscription for their respective pro-rata rights entitlements. Based on such undertakings from the controlling shareholders, the company will raise minimum gross proceeds of approximately $7.07 million from the rights issue.

On account of the impending rights issue which will raise funds of at least $7.07 million, the directors do not believe that there are any material uncertainties surrounding the ability of the group to operate on a going concern basis.

The directors are satisfied that with the availability of future cashflows from the group's restaurant operations, group's revenue generated mainly from cash and credit card sales, unutilised credit lines given by the banks, financial support from substantial shareholders and additional funds of at least $7.07 million to be raised from the impending rights issue, the group and company will be able to meet their obligations as and when they fall due.

The consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company for the year ended March 31, 2014 were authorised for issue by the Board of Directors on June 30, 2014.

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").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102, leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS – In the current financial year, the group and the company have adopted all the new and revised FRSs, Interpretations of FRSs ("INT FRS") and Amendments to FRSs that are effective to their operations and effective for the group's and company's annual reporting periods beginning on or after April 1, 2013. The adoption of these new/revised FRSs, INT FRSs and amendments to 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:

Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*

The group has applied the amendments to FRS 1 *Presentation of Items of Other Comprehensive Income* retrospectively for the first time in the current year, and renamed the 'statement of comprehensive income' as the 'statement of profit or loss and other comprehensive income'. Under the amendments to FRS 1, the group also grouped items of other comprehensive income into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Other than the above mentioned presentation changes, the application of the amendments to FRS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to FRS 107 *Disclosure – Offsetting Financial Assets and Financial Liabilities*

The group has applied the amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to FRS 107 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments have been applied retrospectively. The group has disclosed the effects of its offsetting arrangements in Note 6 to the financial statements. Aside from the additional disclosures, the application of the amendments has had no material impact on the amounts recognised in the consolidated financial statements.

FRS 113 *Fair Value Measurement*

The group has applied FRS 113 for the first time in the current year. FRS 113 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The fair value measurement requirements of FRS 113 apply to both financial instrument items and non-financial assets for which other FRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

FRS 113 includes extensive disclosure requirements, although specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. Consequently the group has not made any new disclosures required by FRS 113 for the comparative period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Other than the additional disclosures, the application of FRS 113 has not had any material impact on the amounts recognised in the consolidated financial statements.

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

FRS 27 (Revised)	*Separate Financial Statements*
FRS 28 (Revised)	*Investments in Associates and Joint Ventures*
FRS 110	*Consolidated Financial Statements*
FRS 111	*Joint Arrangements*
FRS 112	*Disclosure of Interests in Other Entities*
Amendments to FRS 32	*Financial Instruments: Presentation*
Amendments to FRS 36	*Impairment of Assets*

FRS 110 *Consolidated Financial Statements* and FRS 27 *Consolidated and Separate Financial Statements*

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12 *Consolidation - Special Purpose Entities.*

FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It also provides more extensive application guidance on assessing control based on voting rights or other contractual rights. Under FRS 110, control assessment will be based on whether an investor has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the returns. FRS 27 remains as a standard applicable only to separate financial statements.

FRS 110 will take effect from financial years beginning on or after January 1, 2014, with retrospective application subject to transitional provisions.

FRS 111 *Joint Arrangements* and FRS 28 *Investments in Associates and Joint Ventures*

FRS 111 supersedes FRS 31 *Interests in Joint Ventures* and INT FRS 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*.

FRS 111 classifies a joint arrangement as either a joint operation or a joint venture based on the parties' rights and obligations under the arrangement. The existence of a separate legal vehicle is no longer the key factor. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets.

The joint venturer should use the equity method under the revised FRS 28 *Investments in Associates and Joint Ventures* to account for a joint venture. The option to use proportionate consolidation method has been removed. For joint operations, the group directly recognises its rights to the assets, liabilities, revenues and expenses of the investee in accordance with applicable FRSs.

FRS 111 will take effect from financial years beginning on or after January 1, 2014, with retrospective application subject to transitional provisions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When the group adopts FRS 111, a jointly controlled entity may be classified as a joint operation or joint venture, depending on the rights and obligations of the parties to the joint arrangement. For arrangements that are joint ventures, the group will have to adopt equity accounting.

FRS 112 *Disclosures of Interests in Other Entities*

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

FRS 112 will take effect from financial years beginning on or after January 1, 2014, and the group is currently estimating extent of additional disclosures needed.

Amendments to FRS 32 *Financial Instruments: Presentation*

The amendments to FRS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of 'currently has a legal enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments to FRS 32 are effective for annual periods beginning on or after January 1, 2014, with retrospective application required.

Amendments to FRS 36 *Impairment of Assets*

The amendments to FRS 36 restrict the requirement to disclose the recoverable amount of an asset or cash generating unit (CGU) to periods in which an impairment loss has been recognised or reversed. The amendments also expand and clarify the disclosure requirements applicable when such asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal, such as the level of 'fair value hierarchy' within which the fair value measurement of the asset or CGU has been determined, and where the fair value measurements are at Level 2 or 3 of the fair value hierarchy, a description of the valuation techniques used and any changes in that valuation technique, key assumptions used including discount rate(s) used.

Upon adoption of the amendments to FRS 36, the group expects additional disclosures arising from any asset impairment loss or reversals, and where their respective recoverable amounts are determined based on fair value less costs of disposal.

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

Management is currently assessing the effects on adoption of the above FRS, INT FRSs and amendments to FRS in future periods and believe that they will not have a material impact on the financial statements of the group and of the company in the period of their initial adoption.

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

The results of the subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. The interests of non-controlling shareholders which are present ownership interests and which entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The group adopts the method of measuring the non-controlling interests' using their proportionate share of the fair value of the acquiree's identifiable net assets.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

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.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at acquisition date, the aggregate of the fair values of assets given, liabilities incurred by the group to the former owners of the acquiree, and equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date at fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where a business combination is achieved in stages, the group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interests were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

The accounting policy for initial measurement of non-controlling interests is described above.

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

<u>Effective interest method</u>

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 (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Interest income and expense are recognised on an effective interest basis for debt instruments.

Financial assets

Investments are recognised and de-recognised on a trade date basis 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 effect of discounting is immaterial.

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.

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. For financial assets carried at 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

For financial assets measured at amortised cost, 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 financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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.

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.*

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 the consolidated 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 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.

Notes to Financial Statements

March 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where the group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the group's interest in the joint venture.

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.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. 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" above.

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

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

Furniture, fixtures and equipment	-	20% to $33^1/_3$%
Kitchen equipment	-	20%
Leasehold property	-	2% (over the lease period of 50 years)
Motor vehicles	-	20%

The estimated useful lives, residual values and depreciation method are reviewed at the end of the financial period, 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

IMPAIRMENT OF ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the group reviews the carrying amounts of its 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. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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, for which the estimates of future cash flows have not been adjusted.

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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation decrease.

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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

CUSTOMER LOYALTY PROGRAMME – This relates to loyalty points redeemable by cardholders during the valid redemption period at the group's restaurants. Revenue is recognised when the loyalty points are redeemed.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attached 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.

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.

<u>Sale of food and beverages</u>

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Service charges

Revenue from service charges is recognised when the services are rendered.

Service income

Revenue from service contracts is recognised when the service is provided in accordance with the substance of the relevant agreement.

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 proportionate 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 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.

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 when employees have rendered the services entitling them to the contributions. 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 profit or loss and other 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax is recognised on the 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. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from manner in which company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

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 rate 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 a separate component of equity (attributed to non-controlling 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.

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 *Operating Segments*. The aggregated restaurant business is therefore the group's reportable segment.

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.

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

Critical judgements in applying the group's accounting policies

There are no critical judgements made by management during the process of the group's accounting policies that have a significant effect 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 investments in subsidiaries, joint ventures and associates

Determining whether investments in subsidiaries, joint ventures and associates are impaired requires an estimation of the value in use of these subsidiaries, joint ventures and associates. The value in use calculation requires the management 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 recoverable amount of those investments based on such estimates. The carrying amounts of these investments at the end of the reporting period are stated in Notes 11, 12 and 13 to the financial statements.

b) 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 management to estimate future cash flows and a suitable discount rate in order to calculate the present value of the cash flows. The carrying amount of property, plant and equipment at the end of the reporting period is $19,157,871 (2013: $17,773,355) after an impairment loss of $2,620,276 (2013: $235,217) was recognised during the financial year as set out in Note 16 to the financial statements.

c) Allowance for doubtful debts

The group and company make allowances for bad and doubtful debts based on an assessment of the recoverability of the receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables and doubtful debts expenses in the period in which such estimate has been changed. The carrying amount of receivables at the end of the reporting period are disclosed in Notes 7 and 8 to the financial statements.

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 reporting period:

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
i) Financial assets				
Loans and receivables at amortised cost:				
Cash and bank balances	11,712,938	9,343,215	2,319,554	8,002
Trade receivables	2,281,570	2,188,719	-	-
Other receivables	1,040,460	1,086,754	6,370,947	5,316,032
Long-term security deposits	1,622,261	1,800,701	-	-
Subtotal	16,657,229	14,419,389	8,690,501	5,324,034
Available-for-sale financial assets	16,000	-	-	-
Total	16,673,229	14,419,389	8,690,501	5,324,034
ii) Financial liabilities				
At amortised cost:				
Trade payables	7,341,639	6,144,550	-	-
Other payables	17,776,225	13,810,897	4,580,316	6,570,337
Finance leases	404,535	274,677	-	-
Bank loans	8,648,995	9,169,964	-	-
Total	34,171,394	29,400,088	4,580,316	6,570,337
Financial guarantee contracts	-	-	413,139	459,279

(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 written principles for overall financial risk management and written policies covering specific areas, such as market risk (including interest rate risk and foreign exchange risk), credit risk, liquidity risk, cash flow interest rate risk and investing excess cash.

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

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

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

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 has some operations in Indonesia and the People's Republic of China, giving rise to some exposures to market risk from changes in foreign exchange rates primarily with respect to Indonesia Rupiah and Renminbi. The group relies on the natural hedges between such transactions.

The group has some investments in foreign entities whose net assets are denominated in Indonesia Rupiah and Renminbi.

The group does not enter into any derivative contracts to hedge the foreign exchange risk on such net investments. The group's monetary assets and monetary liabilities are largely denominated in the respective group entities' functional currencies.

As the group's principal operations are in Singapore, it is not significantly exposed to foreign exchange risk and thus foreign currency risk sensitivity analysis has not been disclosed.

ii) Interest rate risk management

The group's exposure to interest rate risks relate mainly to its bank loans of $8,648,995 (2013 : $9,169,964). The interest rates are determined at the respective 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 has 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 loss for the year ended March 31, 2014 would increase/decrease by approximately $43,300 (2013: loss for the year ended March 31, 2013 would increase/decrease by $45,900) respectively. This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings.

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.

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

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

iii) Credit risk management (cont'd)

The group's credit risk is primarily attributable to its cash and bank balances, trade and other receivables and advances to joint ventures and associates. 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 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 disclosed in Note 4(iv), represents the group's and the company's maximum exposure to credit risk without taking into account the value of any collateral obtained.

Other than the amount due from 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 and 8 to the financial statements respectively.

iv) Liquidity risk management

The group funds its operations through a mixture of internal funds, bank borrowings and other fund raising exercises. The group reviews regularly its liquidity reserves comprising free cash flows from its operations and undrawn credit facilities from banks and financial support from substantial shareholders.

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 group and the company are dependent on the availability of future cash flows from the group's restaurant operations and any unutilised credit facilities given by the banks.

During the year ended March 31, 2014, the directors have taken steps to improve the group's and company's working capital position and cash inflow from their operating and financing activities. During the financial year, the company raised gross proceeds of $8.9 million through a rights issue.

The company has also on June 26, 2014 announced a rights issue to raise gross proceeds of up to $9.4 million. The controlling shareholders of the company, representing 75.13% shareholdings in the company, have issued letters of undertakings to the company that they agreed to subscribe for and/or procure the subscription for their respective pro-rata rights entitlements. Based on such undertakings from the controlling shareholders, the company will raise minimum gross proceeds of approximately $7.07 million from the rights issue.

The directors are satisfied that with the availability of future cashflows from the group's restaurant operations, group's revenue generated mainly from cash and credit card sales, bank's unutilised credit lines, financial support from substantial shareholders and additional funds of at least $7.07 million to be raised from the rights issue in the coming months, the group and company will be able to meet their obligations as and when they fall due.

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)

In respect of the corporate guarantee in Note 31, the maximum amount the group and company would be forced to settle if the full guaranteed amount is claimed by the counterparty is $350,000 and $9,403,530 (2013: $600,000 and $10,044,641) respectively. The earliest period that the guarantee could be called is within 1 year (2013: 1 year) from 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.

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 based 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 liabilities 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						
2014						
On balance sheet						
Non-interest bearing:						
Trade payables	-	7,341,639	-	-	-	7,341,639
Other payables	-	11,810,165	5,966,060	-	-	17,776,225
		19,151,804	5,966,060	-	-	25,117,864
Finance leases (fixed rate)	2.52	139,744	309,222	-	(44,431)	404,535
Variable interest rate instruments:						
Bank loans	3.00	3,573,758	3,755,299	1,982,043	(662,105)	8,648,995
Total		22,865,306	10,030,581	1,982,043	(706,536)	34,171,394
Off balance sheet						
Financial guarantee contracts (notional amount)		350,000	-	-	-	350,000

Notes to Financial Statements

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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	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$	$	$	$	$
Group						
2013						
On balance sheet						
Non-interest bearing:						
Trade payables	-	6,144,550	-	-	-	6,144,550
Other payables	-	11,398,656	2,412,241	-	-	13,810,897
		17,543,206	2,412,241	-	-	19,955,447
Finance leases (fixed rate)	2.55	145,825	169,223	-	(40,371)	274,677
Variable interest rate instruments:						
Bank loans	3.20	5,406,506	3,179,104	1,069,343	(484,989)	9,169,964
Total		23,095,537	5,760,568	1,069,343	(525,360)	29,400,088
Off balance sheet						
Financial guarantee contracts (notional amount)	-	600,000	-	-	-	600,000
Company						
2014						
On balance sheet						
Non-interest bearing:						
Other payables	-	4,580,316	-	-	-	4,580,316
Off balance sheet						
Financial guarantee contracts (notional amount)	-	9,403,530	-	-	-	9,403,530

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	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$	$	$	$	$
Company						
2013						
On balance sheet						
Non-interest bearing:						
Other payables	-	6,570,337	-	-	-	6,570,337
Off balance sheet						
Financial guarantee contracts (notional amount)	-	10,044,641	-	-	-	10,044,641

Non-derivative financial assets

The following tables detail 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 have 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 assets 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**	**Within 2 to 5 years**	**After 5 years**	**Adjustment**	**Total**
	%	**$**	**$**	**$**	**$**	**$**
Group						
2014						
Non-interest bearing:						
Cash and bank balances	-	11,712,938	-	-	-	11,712,938
Trade receivables	-	2,281,570	-	-	-	2,281,570
Other receivables	-	366,908	673,552	-	-	1,040,460
Long-term security deposits	-	-	1,622,261	-	-	1,622,261
Available-for-sale financial assets	-	-	-	16,000	-	16,000
Total		14,361,416	2,295,813	16,000	-	16,673,229
2013						
Non-interest bearing:						
Cash and bank balances	-	8,343,170	-	-	-	8,343,170
Trade receivables	-	2,151,500	37,219	-	-	2,188,719
Other receivables	-	821,426	265,328	-	-	1,086,754
Long-term security deposits	-	-	1,800,701	-	-	1,800,701
		11,316,096	2,103,248	-	-	13,419,344
Fixed interest rate instruments:						
Short-term deposits	0.43	1,000,045	-	-	-	1,000,045
Total		12,316,141	2,103,248	-	-	14,419,389

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	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$	$	$	$	$
Company						
2014						
Non-interest bearing:						
Cash and bank balances	-	2,319,554	-	-	-	2,319,554
Other receivables	-	832,791	5,538,156	-	-	6,370,947
Total		3,152,345	5,538,156	-	-	8,690,501
2013						
Non-interest bearing:						
Cash and bank balances	-	8,002	-	-	-	8,002
Other receivables	-	933,383	4,382,649	-	-	5,316,032
Total		941,385	4,382,649	-	-	5,324,034

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.

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

(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 Note 20, and equity attributable to owners of the company, comprising issued capital, reserves net of accumulated losses.

The group reviews the capital structure on a regular basis and is substantially in compliance with externally imposed capital requirements for the financial year ended March 31, 2014.

The group's overall strategy remains unchanged from 2013.

5 RELATED PARTY TRANSACTIONS

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 financial statements are as follows:

	Group	
	2014	**2013**
	$	**$**
With joint ventures		
Purchase of food and beverages	1,573,541	1,932,668
With companies in which certain directors have financial interests		
Interest income	(15,465)	(12,156)
With corporate shareholders of certain subsidiaries		
Sale of food and beverages	(40,648)	(39,427)
With corporate shareholders of the company		
Sale of food and beverages	(1,560,188)	(1,874,381)
Purchases of food, beverages and services	416,467	434,873
Rental expenses	2,593,201	3,122,528

5 RELATED PARTY TRANSACTIONS (cont'd)

Compensation of directors and key management personnel

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

	Group	
	2014	**2013**
	$	**$**
Short-term benefits	1,454,812	1,472,103
Post-employment benefits	88,373	80,213
Total	1,543,185	1,552,316

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	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Cash at bank	11,487,443	8,060,322	2,319,552	8,000
Short-term deposits	-	1,000,045	-	-
Cash on hand	225,495	282,848	2	2
	11,712,938	9,343,215	2,319,554	8,002
Less: Cash and bank balances subject to set off	(1,592,269)	(1,957,156)	-	-
Cash and bank balances in the statement of cash flows	10,120,669	7,386,059	2,319,554	8,002

Cash and bank balances comprise cash held by the group and short-term bank deposits. The carrying amounts of these assets approximate their fair values.

The short-term deposits in 2013 with banks bore interest of 0.43% per annum and for a tenure of approximately 92 days. The short-term deposits were held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Included in cash at bank is an amount of $1,592,269 (2013: $1,957,156) kept with banks which have also extended banking facilities to the group. Under the general standard terms and conditions of the banks' facility letter, such amounts are subject to set off against the liabilities owing to the banks at their discretion.

7 TRADE RECEIVABLES

	Group	
	2014	**2013**
	$	**$**
Related parties (Note 5)	331,556	257,603
Outside parties	2,260,311	2,031,116
Less: Allowance for doubtful debts – Outside parties	(310,297)	(100,000)
Total	2,281,570	2,188,719
Non-current portion of amount due from related parties (Note 5)	-	(37,219)
Current portion	2,281,570	2,151,500

The average credit term on sale of goods is 30 days (2013: 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 $Nil (2013: $37,219) if this is not recoverable from the related parties.

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

Analysis of trade receivables

	Group	
	2014	**2013**
	$	**$**
Not past due and not impaired	1,067,518	1,243,146
Past due but not impaired (i)	1,214,052	696,756
Past due and fully impaired in 2014 / partially impaired in 2013 (ii)	310,297	348,817
	2,591,867	2,288,719
Less: Allowance for impairment	(310,297)	(100,000)
Total trade receivables, net	2,281,570	2,188,719

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

	Group	
	2014	**2013**
	$	**$**
< 3 months	726,212	464,466
3 months to 6 months	156,902	134,401
6 months to 12 months	214,669	26,217
> 12 months	116,269	71,672
Total	1,214,052	696,756

7 TRADE RECEIVABLES (cont'd)

Analysis of trade receivables (cont'd)

(ii) Aging of receivables that are past due and fully impaired in 2014 / partially impaired in 2013:

	Group	
	2014	**2013**
	$	**$**
> 12 months	310,297	348,817

The amount is stated before any deduction for impairment losses.

Movement in the allowance for doubtful debts

	Group	
	2014	**2013**
	$	**$**
Balance at beginning of the year	100,000	-
Allowance recognised in profit or loss	210,297	100,000
Balance at end of the year	310,297	100,000

Before accepting any new customer, the group obtains customers' general profile to assess the potential customer's credit worthiness and defines credit limit 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 which 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 $1,524,349 (2013: $1,045,573) which are past due at the end of the reporting period for which the group has provided $310,297 (2013: $100,000) for impairment. Management has done an assessment on the past due debts and noted that 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.

In determining the recoverability of a trade receivable, the group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there are no further credit allowances required in excess of the allowance for doubtful debts.

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Advances to:				
Subsidiaries (Note 11)	-	-	19,510	10,769
Associates (Note 13)	673,552	265,328	-	-
Dividend receivable from subsidiaries	-	-	810,000	920,000
Other receivables from third parties	366,908	821,426	3,281	2,614
Subtotal	1,040,460	1,086,754	832,791	933,383
Prepayments	825,076	316,479	4,650	4,533
Income tax recoverable	81,926	185,626	-	15,515
Total	1,947,462	1,588,859	837,441	953,431
Non-current portion of amount due from associates (Note 13)	(673,552)	(265,328)	-	-
Current portion	1,273,910	1,323,531	837,441	953,431

Analysis of other receivables

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Not past due and not impaired	1,040,460	1,086,754	832,791	933,383

The advances to subsidiaries and associates are unsecured, interest-free and repayable on demand.

9 INVENTORIES

	Group	
	2014	2013
	$	$
At cost		
Food and beverages	2,218,701	2,170,526
Cook books	13,673	14,365
Total	2,232,374	2,184,891

10 LONG-TERM SECURITY DEPOSITS

	Group	
	2014	2013
	$	$
Refundable security deposits	1,622,261	1,800,701

These are mainly deposits placed with the landlords and service providers. Management is of the opinion that these deposits have been placed with counterparties who are creditworthy and accordingly no allowance for potential non-recovery of security deposits is required.

Included in the above long-term security deposits are deposits amounting to $159,230 (2013: $148,050) placed with a corporate shareholder of the company.

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

11 INTERESTS IN SUBSIDIARIES

	Company	
	2014	2013
	$	$
i) Investment		
Unquoted equity shares, at cost	6,628,493	2,996,715
Impairment loss (a)	(1,200,000)	(1,200,000)
Net	5,428,493	1,796,715
ii) Deemed investment		
Fair value adjustment on interest-free advances and financial guarantees issued on behalf of subsidiaries at free of consideration to subsidiaries	2,511,733	2,278,288
Allowance for impairment (a)	(931,000)	(600,000)
Net	1,580,733	1,678,288
iii) Receivables from subsidiaries		
Advances to subsidiaries (b)	14,828,156	13,253,649
Allowance for impairment on advances	(9,290,000)	(8,871,000)
Net	5,538,156	4,382,649
Total Interests	12,547,382	7,857,652

Notes to Financial Statements

March 31, 2014

11 INTERESTS IN SUBSIDIARIES (cont'd)

(a) Investments in subsidiaries which are either restaurant operators or holding interests in entities which are restaurant operators are impaired when the restaurants showed prolonged operating losses since the opening of the restaurants. Impairment loss is provided on the investment based on value in use. 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 11.4% (2013: 9.2%) per annum 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 to range from 3% to 21% (2013: 5% to 15%) per annum.

(b) The advances are unsecured, interest-free and not expected to be repaid within the next 12 months as the advances were used to fund the long-term operations of the subsidiaries. The Day One difference between the fair value of the advances and the notional amount of the advances given is accounted for as "Fair value adjustment" on interest-free advances to subsidiaries.

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	
			2014	**2013**
			%	**%**
i) Held by the company				
Tung Lok Millennium Pte Ltd	Singapore	Restaurateur	100	100
Tung Lok (China) Holdings Pte Ltd	Singapore	Investment holding	100	100
TLG Asia Pte Ltd	Singapore	Investment holding	100	100
Club Chinois Pte Ltd	Singapore	Restaurateur	75	75
Tung Lok Arena Pte Ltd	Singapore	Restaurateur	70	70
Olde Peking Dining Hall Pte Ltd	Singapore	Restaurateur	60	60
ii) Held by Tung Lok Millennium Pte Ltd				
Charming Garden (Asia Pacific) Pte Ltd	Singapore	Dormant	100	100
Tung Lok Central Restaurant Pte Ltd	Singapore	Restaurateur	100	100
Tung Lok India Ltd [1]	British Virgin Islands	Providing consultancy and management services	70	70
Tung Lok Signatures (2006) Pte Ltd	Singapore	Restaurateur	100	100
Tung Lok Xihe Restaurant Pte Ltd	Singapore	Restaurateur	60	60
McBistro Pte Ltd	Singapore	Restaurateur	70	70
Slappy Cakes (Singapore) Pte Ltd [2]	Singapore	Restaurateur	55	-

11 INTERESTS IN SUBSIDIARIES (cont'd)

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest and voting power held	
			2014	**2013**
			%	**%**
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
My Humble House Xihe (Beijing) Restaurant Company Ltd [3], [4]	People's Republic of China	Restaurateur	70	-
iv) Held by TLG Asia Pte Ltd ("TLG Asia")				
Tong Le Private Dining Pte Ltd	Singapore	Restaurateur	51	51
Garuda Padang Restaurant (Singapore) Pte Ltd	Singapore	Dormant	65	65
Shin Yeh Restaurant Pte Ltd	Singapore	Restaurateur	55	55
PT Ming Cipta Rasa ("PT Ming") [5], [6]	Indonesia	Restaurateur	49	49
v) Held by Club Chinois Pte Ltd				
Chinois Pte Ltd	Singapore	Restaurateur	100	100

Notes on auditors

The subsidiaries are audited by Deloitte & Touche LLP, Singapore except as indicated below:

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

(2) The company was incorporated in August 2013.

(3) Audited by Lixin International, Singapore.

(4) The company was incorporated in August 2013.

(5) Audited by Grant Thornton Gani Mulyadi & Handayani, Indonesia.

(6) In July 2012, the shareholders of PT Ming signed a joint venture agreement giving the group control over PT Ming by virtue of its contractual right to appoint a majority of the directors on the board of PT Ming.

12 JOINT VENTURE

	Group 2014	Group 2013	Company 2014	Company 2013
	$	$	$	$
Unquoted equity shares, at cost	800,000	800,000	-	-
Share of post-acquisition reserves	(665,209)	(949,491)	-	-
Total	134,791	(149,491)	-	-
Classified as:				
Current liabilities (Note 18)	-	(149,491)	-	-

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

Name of joint venture	Country of incorporation/ operation	Principal activities	Proportion of equity held by the group 2014	Proportion of equity held by the group 2013
			%	%
Held by Tung Lok Millennium Pte Ltd				
T & T Gourmet Cuisine Pte Ltd [1]	Singapore	Food manufacturer	50	50

(1) Audited by Deloitte & Touche LLP, Singapore. In 2013, in view of this entity's capital deficiency and the group's provision of financial support to this entity, the group had taken up its share of the liabilities in the joint venture. This is disclosed in Note 18 to the financial statements.

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

	Group 2014	Group 2013
	$	$
Current assets	1,067,970	1,053,230
Non-current assets	300,084	385,733
Current liabilities	(1,098,472)	(1,737,945)
Net assets (liabilities)	269,582	(298,982)
Group's share of net assets (liabilities)	134,791	(149,491)
Revenue	5,309,198	4,911,162
Expenses	(4,740,634)	(4,535,308)
Profit for the year	568,564	375,854
Group's share of net results (net of corporate income tax)	284,282	187,927

13 ASSOCIATES

	Group 2014	Group 2013
	$	$
Unquoted equity shares, at cost	2,638,141	2,580,940
Share of post-acquisition reserves	(2,013,449)	(2,017,116)
Net	624,692	563,824
Reclassification of interest in unquoted shares in an associate which became a subsidiary during the year (a)	-	(36,733)
Net	624,692	527,091

(a) Pursuant to the Joint Venture Agreement (JVA) entered between the shareholders of PT Ming in July 2012, the group was given the power to control the financial and operating policies of PT Ming by virtue of the group's entitlement to seek for majority board representation in PT Ming notwithstanding that the group holds only 49% of the voting rights in PT Ming. Consequently, PT Ming was reclassified from an associate to a subsidiary (Note 11). On March 25, 2013, the group appointed a second representative as a director of PT Ming, being the second director of PT Ming to represent the group, out of three directors on the board of PT Ming. In doing so, the group had majority seats on PT Ming's board of directors which align with the intention of the shareholders in accordance with the JVA.

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

Name of associates	Country of incorporation/ operation	Principal activities	Proportion of equity held by the group 2014	Proportion of equity held by the group 2013
			%	%
i) Held by Tung Lok (China) Holdings Pte Ltd				
Shanghai Jinjiang Tung Lok Catering Management Inc	People's Republic of China	Restaurateur	49	49
Beijing Xihe Tung Lok Restaurant Company Ltd [1], [2]	People's Republic of China	Restaurateur	40	-
ii) Held by TLG Asia Pte Ltd				
Singapore Seafood Republic Pte Ltd ("SSRPL") [3]	Singapore	Restaurateur	25	25
Seafood Republic Pte Ltd ("SRPL") [3], [4]	Singapore	Restaurateur	20	17

(1) Audited by Lixin International, Singapore.

(2) The company was incorporated in December 2013.

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

13 ASSOCIATES (cont'd)

(4) Although the group held less than 20% of the voting power in SRPL in 2013, the group exercises significant influence over SRPL by virtue of its contractual right to appoint director to the board of SRPL. In October 2013, the group acquired an additional 3.33% interest in the issued and paid-up capital of SRPL.

The audited financial statements of SSRPL and SRPL are made up to September 30, each year. For the purpose of applying the equity method of accounting, the unaudited management accounts of SSRPL and SRPL for the year ended March 31, 2014 have been used.

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

	Group	
	2014	2013
	$	$
Current assets	5,225,011	3,049,357
Non-current assets	1,391,975	959,687
Current liabilities	(4,649,101)	(2,443,320)
Net assets	1,967,885	1,565,724
Group's share of net assets	624,692	527,091
Revenue	12,182,324	10,584,681
Expenses	(12,032,526)	(10,531,526)
Profit for the year	149,798	53,155
Group's share of net results (net of corporate income tax)	(27,756)	2,336

14 AVAILABLE-FOR-SALE INVESTMENTS

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Unquoted equity shares, at cost	129,050	113,050	13,050	13,050
Allowance of impairment loss	(113,050)	(113,050)	(13,050)	(13,050)
Net	16,000	-	-	-

The available-for-sale investments consist of unquoted equity investments in Singapore Culinary Institute Pte. Ltd. and Grand Pavilion Restaurant (2013) Pte. Ltd. incorporated in the Republic of Singapore; and PT Taipan Indonesia, incorporated in Indonesia. These companies are engaged in restaurateur activities.

The unquoted equity shares are stated at cost less any impairment loss at the end of the reporting period as the fair value of the unquoted equity shares cannot be reliably measured.

15 GOODWILL

	Group
	$
Cost:	
Balance as at April 1, 2012, March 31, 2013 and March 31, 2014	310,468
Impairment:	
Balance as at April 1, 2012, March 31, 2013 and March 31, 2014	(310,468)
Carrying amount:	
At March 31, 2013 and March 31, 2014	-

The goodwill was fully impaired in prior years.

16 PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and equipment	Kitchen equipment	Leasehold property	Motor vehicles	Total
	$	$	$	$	$
Group					
Cost:					
At April 1, 2012	24,932,500	8,805,069	4,405,867	835,074	38,978,510
Additions	4,721,724	1,223,799	-	190,854	6,136,377
Assets of associate which became a subsidiary during the year (Note 13)	1,018,371	282,955	-	-	1,301,326
Disposals	(1,466,884)	(560,598)	-	-	(2,027,482)
Exchange differences	-	53	-	-	53
At March 31, 2013	29,205,711	9,751,278	4,405,867	1,025,928	44,388,784
Additions	7,111,045	2,153,353	-	355,000	9,619,398
Disposals	(5,560,566)	(1,567,430)	-	(49,288)	(7,177,284)
Exchange differences	(140,620)	(54,740)	-	(4,510)	(199,870)
At March 31, 2014	30,615,570	10,282,461	4,405,867	1,327,130	46,631,028

16 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Furniture, fixtures and equipment	Kitchen equipment	Leasehold property	Motor vehicles	Total
	$	$	$	$	$
Group					
Accumulated depreciation:					
At April 1, 2012	15,429,955	5,070,171	771,390	654,165	21,925,681
Depreciation	2,884,984	1,149,292	88,119	94,751	4,217,146
Eliminated on disposal	(1,284,137)	(511,409)	-	-	(1,795,546)
Exchange differences	(2,626)	(673)	-	(93)	(3,392)
At March 31, 2013	17,028,176	5,707,381	859,509	748,823	24,343,889
Depreciation	3,862,346	1,350,906	88,119	93,737	5,395,108
Eliminated on disposal	(4,706,500)	(1,277,404)	-	(20,478)	(6,004,382)
Exchange differences	(37,386)	(13,741)	-	(1,205)	(52,332)
At March 31, 2014	16,146,636	5,767,142	947,628	820,877	23,682,283
Impairment:					
At April 1, 2012	1,950,477	201,789	-	28,810	2,181,076
Impairment loss	68,257	166,960	-	-	235,217
Eliminated on disposal	(126,121)	(18,632)	-	-	(144,753)
At March 31, 2013	1,892,613	350,117	-	28,810	2,271,540
Impairment loss	2,128,214	475,672	-	16,390	2,620,276
Eliminated on disposal	(776,050)	(266,768)	-	(28,811)	(1,071,629)
Exchange differences	(20,935)	(7,802)	-	(576)	(29,313)
At March 31, 2014	3,223,842	551,219	-	15,813	3,790,874
Carrying amount:					
At March 31, 2014	11,245,092	3,964,100	3,458,239	490,440	19,157,871
At March 31, 2013	10,284,922	3,693,780	3,546,358	248,295	17,773,355

An impairment loss amounting to $2,620,276 (2013: $235,217) was recognised in profit or loss as certain restaurants have been making losses since inception. The recoverable amount of the relevant assets of the restaurants has been determined on the basis of their value in use. The discount rate used in measuring value in use was 11.4% (2013: 9.2%) per annum. The management has assessed that growth rate of the relevant restaurants ranged from 3% to 21% (2013: 5% to 15%) per annum.

16 PROPERTY, PLANT AND EQUIPMENT (cont'd)

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	
	2014	2013
	$	$
Furniture, fixtures and equipment	25,676	39,242
Motor vehicles	486,379	221,615
Kitchen equipment	16,099	20,698
Total	528,154	281,555

Leasehold property with carrying amount of $3,458,239 (2013: $3,546,358) has been pledged to secure bank loans (Note 20). Management has estimated the fair value of the leasehold property to be approximately $7,050,000 as at March 31, 2014 (2013: $7,050,000).

Details of the leasehold property as at March 31, 2014 are as follows:

Location	Type of premises	Land area (sq ft)	Tenure
20 Bukit Batok Crescent #11-05 to 09, 18 Enterprise Centre Singapore 658080	Office cum factory building	23,659	60 years commencing March 13, 1997

17 TRADE PAYABLES

	Group	
	2014	2013
	$	$
Outside parties	7,232,216	6,044,412
Related parties (Note 5)	109,423	100,138
Total	7,341,639	6,144,550

The average credit period on purchase of goods is 90 days (2013: 90 days).

18 OTHER PAYABLES

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Dividends payable to non-controlling shareholder of subsidiaries (a)	290,000	380,000	-	-
Advances from corporate shareholder of the company (b)	311,120	-	-	-
Advances from subsidiaries (Note 11) (c)	-	-	4,348,459	6,336,446
Advances from corporate shareholders of subsidiaries (b)	3,937,176	2,412,241	-	-
Refundable security deposits	433,280	409,280	-	-
Deferred revenue (d)	1,826,134	1,343,310	-	-
Accrued expenses (e)	7,151,172	6,833,407	209,142	201,001
Net liabilities of a joint venture (Note 12) (f)	-	149,491	-	-
Related party (Note 5) (g)	17,536	4,329	-	-
Financial guarantee contracts (h)	-	-	413,139	459,279
Purchase of plant and equipment	2,196,372	952,022	-	-
Loan from third party (i)	484,014	-	-	-
Others (j)	2,955,555	2,670,127	22,715	32,890
Total	19,602,359	15,154,207	4,993,455	7,029,616
Non-current portion	(5,966,060)	(2,412,241)	-	-
Current portion	13,636,299	12,741,966	4,993,455	7,029,616

(a) Dividends were declared to non-controlling shareholders of subsidiaries which remained unpaid as at March 31, 2014.

(b) The advances from corporate shareholder of the company and subsidiaries are unsecured, and interest-free.

(c) The advances from subsidiaries are unsecured, interest-free and repayable on demand.

(d) Deferred revenue mainly consists of loyalty points issued on the group's Tung Lok First Card Scheme and advertising and promotion cash funding extended by credit card banks. Under the Tung Lok First Card Scheme, card members dining at the group's restaurants are entitled to receive loyalty points depending on their level of spending, which can be used to offset subsequent spending. Under the credit card program partnership agreement, card members of the participating banks are entitled to dine at the company's restaurants with certain privileges.

(e) Included in accrued expenses which consist of mainly payroll expenses and utility charges, is an amount of $1,474,441 (2013: $1,498,816) being provision for reinstatement costs of premises.

(f) The group's joint venture, T & T Gourmet Cuisine Pte Ltd, was in capital deficiency position as at March 31, 2013. The group has provided financial support to this entity. Accordingly, losses of the joint venture in excess of the group's interest amounting to $149,491 were recognised by the group.

(g) The related party is a corporate shareholder that has a common director as the company.

(h) The company is a party to certain financial guarantees which it provides to banks in respect of credit facilities extended to these subsidiaries. Deemed guarantee fee has been accrued on guarantees issued to banks.

(i) Loan from third party is unsecured and interest-free.

(j) Included in others at the group level, other than those highlighted above, are payables to non-trade creditors for other operating expenses.

19 FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	2014	2013
	$	$	$	$
Group				
Amounts payable under finance leases:				
Within one year	139,744	145,825	124,461	131,758
In the second to fifth year inclusive	309,222	169,223	280,074	142,919
	448,966	315,048	404,535	274,677
Less: Future finance charges	(44,431)	(40,371)	N/A	N/A
Present value of lease obligations	404,535	274,677	404,535	274,677
Less: Amount due for Settlement within 12 months (shown under current liabilities)			(124,461)	(131,758)
Amount due for settlement after 12 months			280,074	142,919

It is the group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 3 years (2013: 3 years). For the year ended March 31, 2014, the average borrowing rate was 2.52% (2013: 2.55%) 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 16).

20 BANK LOANS

	Group	
	2014	2013
	$	$
Long-term bank loans	8,648,995	9,169,964
The borrowings are repayable as follows:		
On demand or within one year	3,390,988	5,142,738
In the second year	2,009,771	2,018,081
In the third year	535,179	763,116
In the fourth year	550,214	129,247
In the fifth year	366,001	131,151
After five years	1,796,842	985,631
	8,648,995	9,169,964
Less: Amount due for settlement within 12 months (shown under current liabilities)	(3,390,988)	(5,142,738)
Amount due for settlement after 12 months	5,258,007	4,027,226

20 BANK LOANS (cont'd)

The group has the following principal bank loans:

a) a loan of $1,917,000 (2013: $2,310,579). The loan was raised in March 2012. Repayments commenced in March 2013 and will continue until March 2016. The loan carries effective interest at 2.04% (2013: 2.01%) per annum, which is cost of fund plus 1.6%;

b) a loan of $230,605 (2013: $909,961). The loan was raised in August 2011. Repayments commenced in September 2011 and will continue until July 2014. The loan carries effective interest at 2.75% (2013: 2.92%) per annum, which is swap offer rate plus 2.5%;

c) a loan of $409,764 (2013: $778,780). The loan was raised in June 2012. Repayments commenced in July 2012 and will continue until July 2015. The loan carries effective interest at 2.72% (2013: 2.92%) per annum, which is swap offer rate plus 2.5%;

d) a loan of $398,958 (2013: $758,111). The loan was raised in May 2012. Repayments commenced in June 2012 and will continue until June 2015. The loan carries effective interest at 2.72% (2013: 2.92%) per annum, which is swap offer rate plus 2.5%;

e) a loan of $524,275 (2013: $545,867). The loan was raised in December 2010. Repayment commenced in January 2011 and will continue until December 2030. The loan carries effective interest rate at 2.97% (2013: 2.96%) per annum, which is swap offer rate plus 1.5%;

f) a loan of $1,958,836. The loan was raised in August 2013. Repayment commenced in September 2013 and will continue until November 2028. The loan carries effective interest rate at 1.93% per annum;

g) a loan of $1,600,991. The loan was raised in July 2013. Repayment commenced in September 2013 and will continue until August 2018. The loan carries effective interest rate at 2.42% per annum; and

h) several other smaller loans ranging from $46,000 to $537,000 (2013: $178,000 to $525,000). These loans carry effective interest rate ranging from 1.7% to 5% (2013: 1.8% to 5%) per annum.

The bank loans are secured by way of:

a) a charge over the leasehold property of a subsidiary as disclosed in Note 16 to the financial statements; and

b) a corporate guarantee issued by the company.

Bank loan (a) above requires the borrowing subsidiary to observe certain stipulated gearing ratio and maintain certain minimum average cash balances. These terms are subject to revision by application from the borrowing subsidiary to the lending bank.

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

21 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	Others	Tax losses	Total
				$
Group				
At April 1, 2012	981,223	(284,577)	-	696,646
Credit to profit or loss for the year (Note 27)	(734,464)	186,758	(62,652)	(610,358)
At March 31, 2013	246,759	(97,819)	(62,652)	86,288
Charge to profit or loss for the year (Note 27)	(55,380)	53,828	2,307	755
At March 31, 2014	191,379	(43,991)	(60,345)	87,043

22 SHARE CAPITAL

	Group and Company			
	2014	2013	2014	2013
	Number of ordinary shares		$	$
Issued and paid up:				
At the beginning of the year	140,000,000	140,000,000	10,269,503	10,269,503
Issue of share capital via rights issue	56,000,000	-	8,872,542	-
At the end of the year	196,000,000	140,000,000	19,142,045	10,269,503

The company has only one class of shares which are the ordinary shares. The ordinary shares have no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

The capital raised during the year of $8,872,542 is net of share issue expenses of $87,458.

The shares issued during the year rank *pari passu* to the existing shares.

23 REVENUE

	Group	
	2014	2013
	$	$
Sale of food and beverages	71,969,075	75,214,430
Service charges	5,482,118	5,990,214
Management fees	469,772	340,595
Total	77,920,965	81,545,239

24 OTHER OPERATING INCOME

	Group	
	2014	2013
	$	$
Interest income from:		
Non-related companies	3,407	3,695
Related parties (Note 5)	15,465	12,156
Dividend income from available-for-sale investment	70,843	76,452
Government grant	246,947	326,221
Sundry income from promotional events	880,384	264,482
Service income	530,549	467,084
Catering service income	593,296	338,892
Credit from various government schemes	430,160	130,585
Others	520,266	615,647
Total	3,291,317	2,235,214

25 OTHER OPERATING EXPENSES

	Group	
	2014	2013
	$	$
Rental expenses	12,635,135	12,095,651
Utilities charges	5,280,130	5,472,986
Depreciation	5,395,108	4,217,146
Impairment loss on property, plant and equipment	2,620,276	235,217
Repair and maintenance	4,223,726	4,031,410
Commission expense	1,849,735	1,930,448
Advertising and promotions	754,429	1,144,777
Professional fees	679,560	916,305
Entertainment expenses	345,077	394,606
Printing expenses	290,332	374,342
Utensils	414,761	339,726
Decorations	280,362	318,231
Cost relating to early termination of lease	-	369,599
Allowance for doubtful debts	210,297	100,000
Loss on disposal of plant and equipment	78,253	87,183
Trade receivable written off	-	11,657
Loss on foreign exchange	248,056	33,222
Others	2,835,784	2,583,963
Total	38,141,021	34,656,469

26 FINANCE COSTS

	Group	
	2014	**2013**
	$	**$**
Interest on:		
Bank loans	254,377	274,770
Obligations under finance leases	19,220	17,725
Others	133,027	58,425
Total	406,624	350,920

27 INCOME TAX

Income tax recognised in profit or loss:

	Group	
	2014	**2013**
	$	**$**
Tax benefit comprises:		
Current tax	(75,623)	(106,756)
Deferred tax	755	(610,358)
Total tax benefit	(74,868)	(717,114)

Domestic income tax benefit is calculated at 17% (2013: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total tax benefit for the year can be reconciled to the accounting loss as follows:

	Group	
	2014	**2013**
	$	**$**
Loss before tax	(10,030,536)	(4,325,197)
Income tax benefit calculated at 17% (2013: 17%)	(1,705,191)	(735,283)
Tax effect on the share of results of joint ventures and associates which is shown after tax	(43,609)	(32,345)
Effect of expenses that are not deductible in determining taxable profit	611,998	322,329
Effect of unused tax losses and other temporary differences not recognised as deferred tax assets	1,532,408	310,727
Effect of different tax rate of subsidiaries operating in other jurisdictions	(268,143)	(100,361)
Tax exempted income	(31,500)	(109,717)
Effect under PIC Scheme	(163,147)	(289,834)
Corporate income tax rebate	(8,940)	(48,650)
Others	1,256	(33,980)
Income tax benefit recognised in profit or loss	(74,868)	(717,114)

27 INCOME TAX (cont'd)

As at the end of the reporting period, the group has the following unused tax losses and temporary differences which are available for offsetting against future taxable income as follows:

	Group	
	2014	**2013**
	$	**$**
a) Tax loss carryforwards		
At beginning of year	4,575,598	3,173,253
Adjustment to prior year	646,306	49,266
Amount in current year	6,624,284	1,350,079
At end of year	11,846,188	4,575,598
Deferred tax benefit not recorded	2,013,852	777,852
b) Other temporary differences		
At beginning of year	1,775,918	1,189,515
Adjustment to prior year	110,261	111,680
Amount in current year	2,389,880	474,723
At end of year	4,276,059	1,775,918
Deferred tax benefit not recorded	726,930	301,906

The above tax loss carryforwards and other temporary differences are subject to agreement with the tax authorities in Singapore and in the jurisdictions in which the group operates. 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.

The company and subsidiaries in Singapore enjoy deduction/allowances at 400% of eligible expenses up to a limit of its expenditure per year under the enhanced Productivity and Innovation Credit ("PIC") Scheme as announced in Budget 2013 and 2012.

Notes to Financial Statements

March 31, 2014

28 LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	Group	
	2014	**2013**
	$	**$**
Staff costs (including directors' remuneration) [(a)]	26,270,692	25,489,883
Cost of defined contribution plans (included in staff costs)	1,961,999	1,827,443
Cost of inventories recognised as expense	21,776,236	23,177,565
Loss on disposal of property, plant and equipment	78,253	87,183
Audit fees:		
- Auditors of the company	246,000	236,000
- Other auditors	72,622	78,580
Directors' remuneration (excluding directors' fees):		
- of the company	420,614	448,425
- of the subsidiaries	475,336	463,023
Directors' fees	167,986	173,000

[(a)] Included in administrative expenses.

29 LOSS PER SHARE

On 24 September 2013, the company issued and allocated 56,000,000 new ordinary shares in capital of the company pursuant to a renounceable and non-underwritten rights issue on the basis of two rights shares for every five existing ordinary shares in capital of the company. The rights shares were offered at $0.16 per share and represented a discount to the fair value of existing shares.

Loss per share is based on the group's loss for the year attributable to owners of the company of $6,777,200 (2013: $3,169,072) and a weighted average number of ordinary shares outstanding of 174,953,973 (2013: 152,595,156 ordinary shares after adjusting for the rights issue), calculated as follows:

	Group	
	2014	**2013**
	$	**$**
Loss attributable to ordinary shareholders		
Loss per share is based on:		
Loss attributable to ordinary shareholders	6,777,200	3,169,072

29 LOSS PER SHARE (cont'd)

Weighted average number of ordinary shares

	Group Number of shares 2014	Group Number of shares (Restated) 2013
Issued ordinary shares at beginning of year	140,000,000	140,000,000
Amount in current year *	34,953,973	12,595,156
At end of year	174,953,973	152,595,156
Loss per share (cents)	3.87	2.08

* Adjusted for the rights issue.

30 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 *Operating Segments*. The aggregated restaurant business is therefore the group's reportable segment.

The accounting policies of the reportable segment are the same as the group's accounting policies described in Note 2. Segment profit or loss represents the profit or loss earned/incurred by each segment without allocation of control administration costs and directors' salaries.

Geographical information

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

The following table provides an analysis of the group's revenue from external customers based on the geographical location where revenue is generated:

	Group Sales revenue by geographical market 2014 $	Group Sales revenue by geographical market 2013 $
Singapore	74,693,469	78,397,011
People's Republic of China	1,789,663	1,784,300
Indonesia	1,437,833	1,363,928
Total	77,920,965	81,545,239

30 SEGMENT INFORMATION (cont'd)

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

	Group Non-current assets 2014	Group Non-current assets 2013
	$	$
Singapore	14,847,488	16,529,994
People's Republic of China	1,635,065	5,071
Indonesia	2,675,318	1,238,290
Total	19,157,871	17,773,355

The non-current assets comprise property, plant and equipment.

Information about major customers

The revenue is spread over a broad base of customers.

31 CONTINGENT LIABILITIES

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Corporate guarantees issued for bank facilities, finance lease facilities and corporate loans granted to:				
- Subsidiaries	-	-	9,053,530	9,444,641
- Joint venture company	350,000	600,000	350,000	600,000
Net	350,000	600,000	9,403,530	10,044,641
Letters of undertaking to provide finances to loss making subsidiaries, joint venture company and associates	176,004	542,096	10,947,210	10,178,429
Total	526,004	1,142,096	20,350,740	20,223,070

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

32 OPERATING LEASE ARRANGEMENTS

	Group	
	2014	**2013**
	$	**$**
Lease expenses under operating leases	12,635,135	12,095,651

Included in the lease expenses is an amount of $1,043,420 (2013: $1,079,545) contingent rental incurred during the year as well as an amount of $2,593,201 (2013: $3,122,528) paid to a related party (Note A).

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

	Group	
	2014	**2013**
	$	**$**
Within one year		
- non-related parties	9,238,220	8,411,485
- related party (Note A)	2,606,154	2,299,534
Subtotal	11,844,374	10,711,019
In the second to fifth years inclusive		
- non-related parties	7,651,306	11,546,875
- related party (Note A)	3,097,452	3,648,149
Subtotal	10,748,758	15,195,024
Total	22,593,132	25,906,043

Note A: The related party is a corporate shareholder of the company.

Operating lease payments represent rentals payable by the group for its restaurant premises and office lease. Leases are negotiated and rentals fixed for an average of 3 years (2013: 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 these subsidiaries based on a percentage of the monthly sales turnover in excess of a specified amount. Contingent rental is not included here as it is currently not determinable.

Statistics of Shareholdings

As at 18 June 2014

Number of Issued Shares	:	196,000,000
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share

Distribution of Shareholders by size of shareholdings as at 18 June 2014

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1 to 999	7	1.14	39	0.00
1,000 to 10,000	435	70.96	1,519,160	0.78
10,001 to 1,000,000	161	26.27	14,425,801	7.36
1,000,001 AND ABOVE	10	1.63	180,055,000	91.86
TOTAL	613	100.00	196,000,000	100.00

Shareholdings in the hands of public as at 18 June 2014

The percentage of shareholdings in the hands of the public was approximately 13.08% 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 18 June 2014.

Twenty largest Shareholders as at 18 June 2014

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1	ZHOU HOLDINGS PTE LTD	74,480,000	38.00
2	GOODVIEW PROPERTIES PTE LTD	37,755,200	19.26
3	TEE YIH JIA FOOD MANUFACTURING PTE LTD	35,025,200	17.87
4	ANTICA CAPITAL PTE LTD	20,300,000	10.36
5	UOB KAY HIAN PTE LTD	3,393,000	1.73
6	GOH CHENG LIANG	2,400,000	1.22
7	ANG TJIA LENG @ WIDJAJA LINDA ANGGRAINI	2,070,600	1.06
8	CHIN KAI SENG	1,655,000	0.84
9	ZHANG WEN	1,626,000	0.83
10	YEOW SENG (SEAFOOD) PTE LTD	1,350,000	0.69
11	DMG & PARTNERS SECURITIES PTE LTD	995,000	0.51
12	ZHANG ZHONG YI	721,000	0.37
13	NO SIGNBOARD SEAFOOD RESTAURANT PTE LTD	683,200	0.35
14	OCBC SECURITIES PRIVATE LTD	620,000	0.32
15	YIO KANG LENG	600,000	0.31
16	SEONG PECK THONG	550,000	0.28
17	NG HWEE KIAT	540,000	0.27
18	TAY KWANG THIAM	402,000	0.20
19	TAN TIANG YONG	351,000	0.18
20	CITIBANK NOMINEES SINGAPORE PTE LTD	333,200	0.17
	TOTAL	185,850,400	94.82

Statistics of Shareholdings

As at 18 June 2014

Substantial Shareholders

	DIRECT INTEREST		DEEMED INTEREST		TOTAL	
NAME OF SHAREHOLDERS	**NO. OF SHARES**	**%**	**NO. OF SHARES**	**%**	**NO. OF SHARES**	**%**
Zhou Holdings Pte Ltd	74,480,000	38.00	-	-	74,480,000	38.00
Tres Maria Capital Limited	-	-	74,480,000*	38.00	74,480,000	38.00
Sugiono Wiyono Sugialam	-	-	74,480,000*	38.00	74,480,000	38.00
Amazing Grace Investments Pte. Ltd.	-	-	74,480,000*	38.00	74,480,000	38.00
Estate of Zhou Yingnan, Deceased	-	-	74,480,000*	38.00	74,480,000	38.00
Tjioe Ka Men	316,400	0.16	76,550,600**	39.06	76,867,000	39.22
Tjioe Ka In	75,600	0.04	74,480,000*	38.00	74,555,600	38.04
Goodview Properties Pte Ltd	37,755,200	19.26	-	-	37,755,200	19.26
Far East Organization Centre Pte Ltd	-	-	37,755,200#	19.26	37,755,200	19.26
Mdm Tan Kim Choo	-	-	38,088,400##	19.43	38,088,400	19.43
Estate of Ng Teng Fong, Deceased	-	-	38,088,400###	19.43	38,088,400	19.43
Tee Yih Jia Food Manufacturing Pte Ltd	35,025,200	17.87	-	-	35,025,200	17.87
Goi Seng Hui	-	-	35,025,200+	17.87	35,025,200	17.87
Antica Capital Pte. Ltd.	20,300,000	10.36	-	-	20,300,000	10.36
Andre Tanoto	-	-	20,300,000@	10.36	20,300,000	10.36

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

** Deemed to be interested in the 74,480,000 shares held by Zhou Holdings Pte Ltd and 2,070,600 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 by virtue of Section 7 of the Companies Act, Cap 50

\## Deemed to be interested in the 37,755,200 shares held by Goodview Properties Pte Ltd as her associate, the Estate of Ng Teng Fong, Deceased has a controlling interest in Far East Organization Centre Pte Ltd, which in turn has a controlling interest in Goodview Properties Pte Ltd; and 333,200 shares held by Kuang Ming Investments Pte. Ltd. by virtue of she having more than 20% interest in Kuang Ming Investments Pte. Ltd. by virtue of Section 7 of the Companies Act, Cap 50

\### Deemed to be interested in the 37,755,200 shares held by Goodview Properties Pte Ltd by virtue of its controlling interest in Far East Organization Centre Pte Ltd, which in turn has a controlling interest in Goodview Properties Pte Ltd; and 333,200 shares held by Kuang Ming Investments Pte Ltd. as its associate, Mdm Tan Kim Choo, has more than 20% interest in Kuang Ming investments 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 shares held by Antica Capital Pte. Ltd. by virtue of Section 7 of the Companies Act, Cap 50

Notice of 14th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 14th 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 Wednesday, 30 July 2014 at 11.00 a.m. for the following purposes :-

AS ORDINARY BUSINESS

1. To receive the audited accounts for the financial year ended 31 March 2014 and the Reports of the Directors and Auditors. **[Resolution 1]**

2. To approve Directors' fees of S$167,986.31 for the financial year ended 31 March 2014. (2013: S$173,000/-) **[Resolution 2]**

3. To re-elect the following Directors retiring pursuant to the Company's Articles of Association :-

   (a) Mr Chee Wai Pong (Pursuant to Article 97) **[Resolution 3(a)]**
   (b) Mdm Ng Siok Keow (Pursuant to Article 97) **[Resolution 3(b)]**
   (c) Mdm Tjioe Ka In (Pursuant to Article 91) **[Resolution 3(c)]**

   Mr Chee Wai Pong will, upon re-appointment as a Director of the Company, remain as a Chairman of the Remuneration Committee and a member of the Nominating and Audit and Risk Committees and will be considered independent.

   Mdm Ng Siok Keow will, upon re-appointment as a Director of the Company, remain as a member of the Audit and Risk Committee and will be considered non-independent.

   Mdm Tjioe Ka In will, upon re-appointment as a Director of the Company, remain as an Executive Director.

4. To pass the following Ordinary Resolution :-

   "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 4]**

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

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following as Ordinary Resolutions, with or without modifications :-

5. To accept the resignation of Messrs Deloitte & Touche LLP and to appoint Messrs Ernst & Young LLP, having consented to act, as auditors of the Company, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. [See explanatory Note (i) and Appendix for details] **[Resolution 5]**

Notice of 14th Annual General Meeting

6. Authority to allot and issue shares **[Resolution 6]**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the SGX-ST Catalist Listing Rules, 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,

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 earlier. [See Explanatory Note (ii)]

Notice of 14th Annual General Meeting

7. To approve the renewal of the Shareholders' Mandate for Interested Person Transactions ("**IPTs**") **[Resolution 7]**

   (a) That approval be and is hereby given for the purposes of Chapter 9 of the SGX-ST Catalist Listing Rules for any of the Entities at Risk (as defined in the Appendix to this Notice of the Annual General Meeting) to enter into any of the transactions falling within the types of IPTs (particulars of which are set out in the Appendix accompanying this notice) with the Interested Persons in accordance with the guidelines of the Company for IPTs as set out in the Appendix, and subject to the review procedures for such IPTs as set out in the Appendix (the "**IPT Mandate**");

   (b) That such approval shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company;

   (c) That the Audit and Risk Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of review procedures for the IPTs and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and

   (d) That the Directors of the Company and each of them be and are hereby authorised to do all such acts and things (including without limitation executing all such documents as may be required) as they may consider expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by the proposed IPT Mandate and/or this Resolution. [See Explanatory Note (iii)]

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

By Order of the Board

CHAN WAI TENG PRISCILLA
Secretary

Singapore, 14 July 2014

Notice of 14th Annual General Meeting

EXPLANATORY NOTES TO RESOLUTIONS :

(i) Resolution 5 proposed in item 5 above relates to the change of Auditors. Detailed information relating to this resolution is set out in the Appendix to the Notice of the Annual General Meeting.

(ii) Resolution 6 proposed in item 6 above 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 one hundred 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.

(iii) Resolution 7 proposed in item 7 above, if passed, will renew the IPT Mandate for certain transactions with the interested persons and empower the Directors of the Company from the date of the above meeting until the date of the next Annual General Meeting to do all acts necessary to give effect to the Resolution. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company. In accordance with the requirements of Chapter 9 of the SGX-ST Catalist Listing Rules, Mr Goi Seng Hui being an "Interested Person" in relation to the IPT Mandate, will abstain from voting, and will ensure that his respective associates abstain from voting, on Resolution 7 relating to the IPT Mandate.

NOTES :

1) A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) 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 Annual General Meeting.

This Notice of Annual General Meeting has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified its contents. This Notice of Annual General Meeting has not been examined or approved by SGX-ST. SGX-ST and the Sponsor assume no responsibility for the contents of this document, including the correctness of any of the statements made, reports contained or opinions expressed in this Notice of Annual General Meeting. The contact person for the Sponsor is Mr Ong Hwee Li (Registered Professional, SAC Capital Private Limited), Address: 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, Tel: 6221 5590.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjustment thereto, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjustment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules,regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

14 July 2014

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Appendix is circulated to Shareholders of Tung Lok Restaurants (2000) Ltd (the "**Company**") together with the Company's Annual Report. Its purpose is to explain to Shareholders the rationale and provide information relating to the renewal of the IPT Mandate (as defined herein) and the proposed change of auditors to be tabled at the Annual General Meeting to be held on 30 July 2014 at 11.00 a.m. at Orchard Parade Hotel, 1 Tanglin Road, Level 2, Antica Ballroom, Singapore 247905 (the "**Annual General Meeting**").

If you have sold or transferred all your ordinary shares in the capital of Company represented by physical share certificate(s), you should immediately forward this Appendix together with the Annual report and the accompanying Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified its contents. This Appendix has not been examined or approved by SGX-ST. SGX-ST and the Sponsor assume no responsibility for the contents of this document, including the correctness of any of the statements made, reports contained or opinions expressed in this Appendix. The contact person for the Sponsor is Mr Ong Hwee Li (Registered Professional, SAC Capital Private Limited), Address: 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, Tel: 6221 5590.

TUNG LOK RESTAURANTS (2000) LTD

(Incorporated in the Republic of Singapore)

(Company Registration Number: 200005703N)

APPENDIX TO THE NOTICE OF THE ANNUAL GENERAL MEETING DATED 14 JULY 2014 IN RELATION TO

A. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS; AND

B. THE PROPOSED CHANGE OF AUDITORS FROM MESSRS DELOITTE & TOUCHE LLP TO MESSRS ERNST & YOUNG LLP.

CONTENTS

A. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

B. THE PROPOSED CHANGE OF AUDITORS FROM MESSRS DELOITTE & TOUCHE LLP TO MESSRS ERNST & YOUNG LLP

Unless otherwise stated, the following definitions shall apply throughout this Appendix.

"Act"	:	The Companies Act (Cap. 50) of Singapore
"AGM"	:	Annual General Meeting of the Company
"Approved Exchange"	:	A stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules
"Appendix"	:	This Appendix to the Shareholders dated 14 July 2014
"Associate"	:	(a) In relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Associated Company"	:	A company in which at least 20% but not more than 50% of its shares are held by the Group or the TYJ Group (as the case may be)
"Audit and Risk Committee"	:	The Audit and Risk Committee of the Company, comprising Dr Tan Eng Liang, Dr Ker Sin Tze, Mr Chee Wai Pong, Mdm Ng Siok Keow and Mr Goi Seng Hui
"Auditors"	:	The auditors of the Company from time to time
"Board"	:	The board of directors of the Company
"Catalist Rules"	:	Section B: Rules of Catalist of the Listing Manual of SGX-ST
"CDP"	:	The Central Depository (Pte) Limited
"Company"	:	Tung Lok Restaurants (2000) Ltd

"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company. SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over a company
"Directors"	:	The directors of the Company for the time being
"DT"	:	Messrs Deloitte & Touche LLP
"Entities at Risk"	:	The Company, its subsidiaries that are not listed on SGX-ST or an Approved Exchange and its associated companies that are not listed on SGX-ST or an Approved Exchange, provided that the Group, or the Group and its interested person(s), has control over the associated company
"Executive Chairman"	:	The most senior executive officer who is responsible under the immediate authority of the Board for the conduct of the business of the Company
"EY"	:	Messrs Ernst & Young LLP
"FY"	:	Financial year ended or ending 31 March, as the case may be
"Group"	:	The Company and its subsidiaries
"GSH"	:	Mr Goi Seng Hui
"GSH Associate"	:	Means, in relation to GSH: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and shall for the purposes of the IPT Mandate, include (i) the TYJ Group, (ii) such Associated Companies of the TYJ Group in which GSH and his immediate family together (directly or indirectly) have an interest of 30% or more (this includes T&T)
"Immediate Family"	:	in relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent

"Interested Person"	:	Means, (a) a Director, Chief Executive Officer, or Controlling Shareholder of the Company; or (b) an associate of any such Director, Chief Executive Officer or Controlling Shareholder For the purposes of the IPT Mandate, means GSH and the GSH Associates
"IPT"	:	An interested person transaction between any of the Entities at Risk and the Interested Persons
"IPT Mandate"	:	The Shareholders' mandate for IPTs pursuant to Rule 920 of the Catalist Rules
"Latest Practicable Date"	:	11 July 2014, being the latest practicable date prior to the printing of this Appendix
"Management"	:	The Directors and management of the Company
"NTA"	:	Net tangible asset
"Proposed Change of Auditors"	:	The proposed change of auditors of the Company from DT to EY
"Recurrent IPTs"	:	Shall have the meaning ascribed to it in paragraph 4.5
"Securities Account"	:	A securities account maintained by a Depositor with CDP
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Registered holders of Shares, except that, where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the Depositors whose Securities Accounts are credited with the Shares
"Shares"	:	Ordinary shares in the share capital of the Company
"Subsidiary"	:	Shall have the meaning ascribed to it in the Act
"Substantial Shareholder"	:	A person has a substantial shareholding in a company if:- (a) he has an interest or interests in one or more voting shares in the company; and (b) the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the company
"T&T"	:	T&T Gourmet Cuisine Pte Ltd, a joint venture company which is owned equally by the Company and TYJ through their respective wholly-owned subsidiaries. T&T is an associated company of the Group and a GSH Associate
"TYJ"	:	Tee Yih Jia Food Manufacturing Pte Ltd
"TYJ Group"	:	TYJ and its subsidiaries

"Unaffected Directors"	:	The Directors who are deemed to be independent for the purposes of making a recommendation to Shareholders in respect of the IPT Mandate, namely Mr Tjioe Ka Men, Mdm Tjioe Ka In, Dr Ker Sin Tze, Dr Tan Eng Liang, Mr Chee Wai Pong and Mdm Ng Siok Keow
"2011 EGM"	:	The extraordinary general meeting of the Company held on 29 July 2011
"S$" and "cents"	:	Singapore dollars and cents respectively
"%"	:	per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 130A of the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act or the Catalist Rules or any modification thereof and used in this Appendix shall, where applicable, have the same meaning assigned to it under the Act or the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the tables included in this Appendix between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and date in this Appendix shall be a reference to Singapore time and date respectively, unless otherwise stated.

TUNG LOK RESTAURANTS (2000) LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200005703N)

A. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

1.1 At the 2011 EGM, the Company obtained the IPT Mandate whereby authority was given to the Company and/or its subsidiaries to enter into IPTs with GSH and the GSH Associates (including the TYJ Group and T&T) in the ordinary course of business provided that such transactions are made on normal commercial terms and in accordance with the review procedure of such transactions.

1.2 Resolution 7 in the Notice of Annual General Meeting relates to the renewal of the IPT Mandate. This Appendix is to provide the Shareholders with the relevant information relating to the above. The approval of Shareholders for the renewal of the IPT Mandate will be sought at the AGM to be held on 30 July 2014.

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1 The IPT Mandate obtained at the 2011 EGM was expressed to have effect until the next AGM of the Company. As such, the abovesaid IPT Mandate will expire on 30 July 2014. Pursuant to Rule 920 of the Catalist Rules, the Company will seek Shareholders' approval for the proposed renewal of the IPT Mandate.

2.2 The proposed renewal of the IPT Mandate will enable the Company and/or its subsidiaries which are considered to be Entities at Risk within the meaning of Rule 904(2) of the Catalist Rules, in their ordinary course of business, to enter into categories of transactions with specified classes of the Company's interested persons, provided that such transactions are entered into on normal commercial terms and will not be prejudicial to the interests of the Company and /or its minority Shareholders.

2.3 There is no change in the categories of transactions, entities at risk and interested persons in the proposed renewal of the IPT Mandate.

2.4 The renewed IPT Mandate will take effect from the passing of the ordinary resolution relating thereto at the forthcoming AGM and will (unless revoked or varied by the Company in a general meeting) continue in force until the next AGM of the Company. Approval from the Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit and Risk Committee of its continued relevance and application to the transactions with the Interested Persons and confirms that the methods or review procedures for the transactions with Interested Persons are sufficient to ensure that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and/or its minority Shareholders.

3. CHAPTER 9 OF THE CATALIST RULES

Chapter 9 of the Catalist Rules governs transactions by the Company and/or its subsidiaries, with interested persons. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders. An interested person transaction includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly. An "interested person" is defined to mean a Director, Chief Executive Officer or Controlling Shareholder or the listed company or an associate of such Director, Chief Executive Officer or Controlling Shareholder.

Save as otherwise provided under Chapter 9 of the Catalist Rules, an immediate announcement and/or shareholders' approval is required in respect of an interested person transaction if the value of the transaction is equal to or exceeds certain financial thresholds.

(a) An immediate announcement is required where:

(i) the value of a proposed transaction is equal to or exceeds 3% of the Group's latest audited consolidated NTA (**"Threshold 1"**); or

(ii) the aggregate value of all transactions entered into with the same interested person during the same financial year, is equal to or more than Threshold 1. In this instance, an announcement will have to be made immediately of the latest transaction and all future transactions entered into with that same interested person during the financial year.

(b) Shareholders' approval is required where:

(i) the value of a proposed transaction will be equal to or will exceed 5% of the Group's latest audited consolidated NTA (**"Threshold 2"**); or

(ii) the aggregate value of all transactions entered into with the same interested person during the same financial year, will be equal to or exceed Threshold 2. The aggregation will exclude any transaction that has been approved by shareholders previously, or is the subject of aggregation with another transaction that has been previously approved by shareholders.

(c) The value of a transaction is the amount at risk to the listed company:

(i) in the case of a partly-owned subsidiary or associate company, the value of the transaction is the listed company's effective interest in that transaction;

(ii) in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees given by the entity at risk; and

(iii) in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. In the case of lending of funds to an interested person, the value of the transaction is the interest payable on the loan and the value of the loan.

Part VIII of Chapter 9 of the Catalist Rules allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's interested persons. The IPT mandate was such a general mandate and is subject to annual renewal.

4. THE IPT MANDATE

4.1 Background and relationship between the parties

The Group and its associated companies owns and/or manages more than 40 restaurants.

The TYJ Group and its associated companies are, amongst other things, carrying on business as manufacturers and distributors of frozen foods. TYJ is also a Controlling Shareholder of the Company holding 17.87% of the total issued share capital of the Company as at the Latest Practicable Date.

As the Group, the TYJ Group and their respective associated companies are in complementary businesses, the Group and its associated companies has from time to time, had various business dealings with the TYJ Group and its associated companies in their ordinary course of business. In April 2005, the Company's subsidiary, Tung Lok Millennium Pte Ltd, together with TYJ's subsidiary, Maker Food Manufacturing Pte Ltd, set up a joint venture company, T&T, to carry out the manufacturing and sale of various food products. The Company and TYJ each have equal control of the financial and operating policies of T&T. The joint venture was conceived due to the synergies between the business of the Group and that of the TYJ Group. Such synergies, amongst other things, include the existing distribution network and contacts that the TYJ Group has as a distributor of frozen food products, which T&T can tap on.

GSH has been a Director of the Company since 23 June 2011. GSH is a Controlling Shareholder and has an interest in more than 30% of the total issued shares in the capital of TYJ. As a result, GSH is deemed interested in the shares of the Company owned by TYJ, a Controlling Shareholder of the Company. GSH and the GSH Associates would be "**Interested Persons**" within the meaning of Rule 904 of the Catalist Rules. As such, transactions between the Group and its Associated Companies and GSH and the GSH Associates will constitute "**Interested Person Transactions**" under Chapter 9 of the Catalist Rules.

The IPT Mandate was proposed to enable the Entities at Risk to enter into recurrent transactions (more particularly set out in paragraph 4.4) in the ordinary course of its business with the Interested Persons (more particularly set out in paragraph 4.2), provided that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and/or its minority Shareholders.

4.2 Classes of Interested Persons

The IPT Mandate will apply to the following classes of Interested Persons:

(a) GSH; and

(b) the GSH Associates (including the TYJ Group and T&T).

T&T, being (i) an Associated Company of the Company (over which the Group has joint control with the TYJ Group); and (ii) a GSH Associate (being a company in which GSH indirectly has an interest of 30% or more), would be deemed both an "Entity at Risk" and an "Interested Person" respectively for the purposes of the IPT Mandate.

4.3 Scope of the IPT Mandate

The IPT Mandate will cover a wide range of transactions arising from the ordinary course of business of the Entities at Risk as set out in paragraph 4.4 below.

Under the IPT Mandate, transactions below S$100,000 shall be included for the purposes of aggregation under Rules 905 and 906 of the Catalist Rules.

Transactions between the Entities at Risk with interested persons that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules.

4.4 Categories of IPTs

The categories of IPTs which will be covered by the IPT Mandate are as set out below:

(a) Purchase of raw materials, semi-processed products or certain finished products from Interested Persons

(i) T&T as an Entity at Risk

Since April 2005, T&T has from time to time made joint purchases with the TYJ Group and its associated companies (other than T&T) for purchases of certain raw materials, such as flour, salt and egg powder, required for their day-to-day operations from third party suppliers.

The said arrangement enables T&T to tap on the network of suppliers of the TYJ Group and its associated companies (other than T&T), so as to take advantage of the existing goodwill enjoyed by the TYJ Group and its associated companies, as well as any preferential rates, rebates or discounts accorded for bulk purchases by T&T and the TYJ Group and its associated companies (other than T&T).

(ii) T&T as one of the Interested Persons

In addition, the Group and its associated companies (other than T&T) may from time to time purchase other raw materials, semi-processed products or certain finished products from the TYJ Group and its associated companies.

(b) Purchase of dim sum and mooncakes from Interested Persons

(i) T&T as an Interested Person

Since April 2005, the Group and its associated companies (other than T&T) have been purchasing certain types of dim sum and mooncakes from T&T. T&T has its own production facilities and is in the business of manufacturing and selling various food products.

(ii) T&T as an Entity at Risk

In addition, the TYJ Group and its associated companies (other than T&T) may from time to time source for certain products from third party suppliers. In the event that the prices of dim sum procured by T&T through the TYJ Group and its associated companies (other than T&T) from third party suppliers are lower than T&T's own cost of production, T&T may procure such dim sum from the TYJ Group and its associated companies (other than T&T).

(c) Sale of dim sum and mooncakes to Interested Persons

T&T as one of the Entities at Risk

Since April 2005, T&T has been selling dim sum and mooncakes (for the purposes of export) to the TYJ Group and its associated companies (other than T&T). Such sales will enable T&T to tap on the contacts and distribution network of the TYJ Group and its associated companies (other than T&T), and allow T&T to enjoy economies of scale in its production as a result of the increase in production volume.

The Group and its associated companies (other than T&T) also tap on the local distribution network of the TYJ Group and its associated companies (other than T&T) by selling its Tung Lok brand of mooncakes to them.

(d) Receipt of services from Interested Persons

The receipt of the following services by T&T, being the Entity at Risk, from the TYJ Group and its associated companies (other than T&T):

(i) Delivery of goods and documents and sub-contracting of labour such as financial bookkeeping; and

(ii) Laboratory test services for food products, and logistics services for food storage and delivery.

4.5 Rationale for and benefits of the IPT Mandate

The Entities at Risk and the Interested Persons are in related businesses, and have been transacting with each other, in the ordinary course of business. The Entities at Risk and the Interested Persons intend to continue with such recurrent transactions (the "**Recurrent IPTs**") in the future.

Accordingly, the IPT Mandate is to enable the Entities at Risk to enter into the Recurrent IPTs with the Interested Persons in the ordinary course of business, provided such transactions will be carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The Directors believe that the IPT Mandate is in the interests of the Group for the following reasons:

(a) It will be beneficial to the Group to allow the IPTs, provided that they are carried out on normal commercial terms, and are not prejudicial to the interests of the Company and/or its minority Shareholders. The IPTs will improve synergies between the Group and its associated companies and the TYJ Group and its associated companies by enhancing the ability of the Group and its associated companies to utilise the resources available to the TYJ Group and its associated companies and will allow the Group and its associated companies to enjoy economies of scale in the manufacturing of food products (where relevant) and the procurement of materials and services; and

(b) The Recurrent IPTs will occur frequently at differing intervals. The IPT Mandate and any subsequent renewals of the same on an annual basis is intended to facilitate the IPTs in the day-to-day transactions of the Group and will eliminate the need to prepare and make announcements and/or convene separate general meetings on a continual basis to seek prior approval for the entry into these transactions, which will serve to improve operational efficiency in a cost-effective manner. Furthermore, the IPT Mandate will give the Entities at Risk and the Interested Persons the flexibility to conduct the Recurrent IPTs in the ordinary course of business, thereby reducing the time and expenses which would otherwise be incurred to convene general meetings on an *ad hoc* basis, and allow such resources and time to be channelled towards the management of the Group's business.

4.6 Guidelines and review procedures for the Recurrent IPTs under the IPT Mandate

The IPT Mandate incorporates the following guidelines and review procedures for the following IPTs:

(a) Purchase of raw materials, semi-processed products or certain finished products from Interested Persons

The purchase of raw materials, semi-processed products or certain finished products from the Interested Persons will be carried out on terms comparable or more favourable to the relevant Entity at Risk than those offered by unrelated third-party suppliers to the Entities at Risk.

In this regard, prior to any entry of a transaction with an Interested Person, quotes shall be contemporaneously obtained (wherever possible or available) from at least two (2) other unrelated third party suppliers for similar raw materials, semi-processed products or certain finished products, at similar quantities and will be used for comparison. In determining whether the price and terms offered by the Interested Persons are fair and reasonable, pertinent factors (other than price) including, but not limited to, delivery schedules, quality of products, credit terms, customer requirements and specifications, track record of counter-parties, overall services provided, costs and/or expenses (including, *inter alia*, storage, shipment and transportation) borne by each party, availability of preferential rates, rebates or discount and cost of freight will be taken into account.

In the event that two (2) quotations from unrelated third parties are not available, the relevant Approval Authority (as defined below) may at its discretion, determine the reasonableness of the quote offered by the Interested Person in accordance with the Group's usual business practices, pricing policies and/or industry norms (as the case may be), taking into account factors including, but not limited to, the nature of the product, order quantity, delivery schedules, quality of products, credit terms, customer requirements and specifications, track record of counter-parties, overall services provided, costs and/or expenses (including, *inter alia*, storage, shipment and transportation) borne by each party, availability of preferential rates, discounts or rebates and cost of freight. In respect of purchases made by T&T from the TYJ Group and its associated companies, the "**Approval Authority**" is any executive director of the Company who is independent of the IPTs. In respect of purchases made by the Group and its associated companies (other than T&T), the "**Approval Authority**" is the vice president of the Company's purchasing department.

(b) Purchase of dim sum and mooncakes from Interested Persons

The purchase of dim sum and mooncakes from the Interested Persons will be carried out on terms comparable or more favourable to the relevant Entity at Risk than those offered by unrelated third-party suppliers to the Group and its Associated Companies**.**

(i) T&T as an Interested Person

In respect of purchases of certain types of dim sum and mooncakes by the Group and its associated companies (other than T&T) from T&T, the purchase price of these dim sum and mooncakes ("**Purchase List Items**") are based on a cost plus basis (the "**Purchase Price Formula**"). The Purchase Price Formula is fixed by a committee (the "**T&T Committee**"), comprising representatives from the Company and TYJ. The representatives from the Company shall be referred to as the "**Tung Lok Representatives**". The Tung Lok Representatives shall comprise of persons who are independent of the Interested Persons and approved by the Audit and Risk Committee. Any subsequent adjustment to the Purchase Price Formula or the adoption of any new Purchase Price Formulas shall be approved by the Tung Lok Representatives in the T&T Committee prior to making any purchases from T&T. The Tung Lok Representatives shall inform the Audit and Risk Committee of any adjustments to the Purchase Price Formula or the adoption of any new Purchase Price Formula.

At least two (2) comparable quotations from unrelated third parties for items similar to those listed on the Purchase List Items, at similar quantities will be obtained at least half-yearly for comparison with the quotations from T&T based on the Purchase Price Formula. Prior to entering into a transaction with T&T for the Purchase List Items, the relevant Entity at Risk will take into account pertinent factors (other than price) including, but not limited to, delivery schedules, quality of products, credit terms, customer requirements and specifications, track record of counter-parties, overall services provided, costs and/or expenses (including, *inter alia*, storage, shipment and transportation) borne by each party, availability of preferential rates, rebates or discount and cost of freight.

In the event that two (2) quotations from unrelated third parties are not available, the Tung Lok Representatives will determine the reasonableness of the quote offered by the Interested Person in accordance with the Group's usual business practices and pricing policies or industry norms (as the case may be), taking into account factors including, but not limited to, the nature of the product, order quantity, delivery schedules, quality of products, credit terms, customer requirements and specifications, track record of counter-parties, overall services provided, costs and/or expenses (including, *inter alia*, storage, shipment and transportation) borne by each party, availability of preferential rates, discounts or rebates and cost of freight.

(ii) *T&T as an Entity at Risk*

In respect of purchases of dim sum by T&T from the TYJ Group and its associated companies (other than T&T), quotations obtained from the TYJ Group and its associated companies (other than T&T) are compared to T&T's cost of producing similar products. T&T shall purchase such dim sum from the TYJ Group and its Associated Companies (other than T&T) when the quotes provided by the TJY Group and its associated companies (other than T&T) are lower than its own cost of production.

(c) <u>Sale of dim sum and mooncakes to Interested Persons</u>

T&T as one of the Entities at Risk

In respect of the sale of dim sum and mooncakes by the Group and its associated companies to the TYJ Group and its associated companies (other than T&T), the selling price of agreed items of dim sum and moon cakes ("**Sale List Items**") by the Group and its associated companies to the TYJ Group and its associated companies (other than T&T) are fixed at a cost plus basis and/or at a predetermined percentage discount to the relevant market selling price from time to time (the "**Sale Price Formula**"). The Sale Price Formula for sales to the TYJ Group and its associated companies (other than T&T) is fixed by the T&T Committee or an executive director of the Company who is independent of the Interested Persons (as the case may be). Any subsequent adjustment to the Sale Price Formula or the adoption of any new Sales Price Formulas shall be approved by the Tung Lok Representatives in the T&T Committee or an executive director of the Company who is independent of the Interested Persons (as the case may be) prior to making any sales to the TYJ Group and its associated companies (other than T&T). The Tung Lok Representatives or the executive director of the Company who is independent of the Interested Persons (as the case may be) shall inform the Audit and Risk Committee of any adjustments to the Sale Price Formula or the adoption of any new Sale Price Formula.

Prior to entering into a sales transaction with the TYJ Group and its associated companies (other than T&T) for the Sale List Items, the relevant Entity at Risk will take into account pertinent factors (other than price) including, but not limited to, the strategic reasons for the transaction, volume of the transaction, delivery schedules, quality of products, credit terms, customer requirements and specifications, track record of counter-parties, overall services provided, costs and/or expenses (including, *inter alia*, storage, shipment and transportation) borne by each party and whether the sales are designated for export or for local markets.

(d) Receipt of services from Interested Persons

The receipt of services by T&T, being the Entity at Risk, from the TYJ Group and its associated companies (other than T&T) will be carried out on terms which are comparable or more favourable to T&T than those offered by other unrelated third parties.

(i) The receipt of services such as the delivery of goods and documents and subcontracting of labour such as financial bookkeeping, provided by the TYJ Group and/or its Associated Companies (other than T&T) to T&T, are reimbursed on a cost recovery basis. Relevant unrelated third parties invoices or other supporting documents will be provided to support the amount charged.

The Audit and Risk Committee will review, on a half-yearly basis, whether the fees paid to the TYJ Group and its associated companies (other than T&T) is fair and reasonable and commensurate with the amount of services provided to T&T.

(ii) In relation to the receipt of services such as laboratory test services for food products, and logistics services for food storage and delivery, two (2) comparable quotations shall be obtained contemporaneously from unrelated third parties in respect of the provision of similar services to T&T. Prior to entering into such a transaction with the TYJ Group and its Associated Companies, T&T will take into account all pertinent factors (other than price) including, but not limited to, the quality of service, track record of the counter-parties, timeliness, convenience, reliability, responsiveness and confidentiality (if applicable).

In the event that two (2) quotations from unrelated third parties are not available, an executive director of the Company who is independent of the Interested Persons may at his discretion, determine the reasonableness of the price offered by the TYJ Group and its Associated Companies (other than T&T), taking into account factors including, but not limited to, the other potential costs which may be incurred by T&T, historical prices offered by the TYJ Group and its Associated Companies (other than T&T), quality of service, track record of counter-parties, convenience, timeliness, reliability, responsiveness and confidentiality (if applicable).

4.7 Threshold Limits

In addition to the review procedures, the following approval procedures will be implemented to supplement existing internal control procedures for the IPTs to ensure that such transactions are undertaken on an arm's length basis and on normal commercial terms:

(a) Threshold for individual IPTs

(i) Transactions between T&T (as an Entity at Risk) and the Interested Persons (excluding T&T):

(1) Where an individual IPT is in excess of S$250,000, such transaction will require the prior approval of the Audit and Risk Committee; and

(2) Where an individual IPT is equal to or below S$250,000, such transaction will be approved by any executive director of the Company who is independent of the Interested Persons.

(ii) Transactions between the Group and its Associated Companies (other than T&T) with the Interested Persons (including T&T):

(1) Where an individual IPT is in excess of S$150,000, such transaction will require the prior approval of the Audit and Risk Committee;

(2) Where an individual IPT is in excess of S$50,000 but equal to or below S$150,000, such transaction will be approved by the vice president of the Company's purchasing department, who is independent of the Interested Persons; and

(3) Where an individual IPT is equal to or below S$50,000, such transaction will be approved by the departmental manager or outlet manager (as the case may be), who is independent of the Interested Persons.

(b) Threshold for aggregate value of IPTs

(i) Where the aggregate value of the IPTs in the same financial year is less than 10% of the latest audited NTA of the Group, all IPTs will be reviewed on a monthly basis by the finance manager and the financial controller of the Company to ensure that they have been carried out on normal commercial terms and in accordance with the procedures set out in the IPT Mandate; and

(ii) Where the aggregate value of the IPTs in the same financial year is equal to or in excess of 10% of the latest audited NTA of the Group, the Audit and Risk Committee will also have to review the Interested Person Transaction Register (defined in paragraph 4.8.1 below) to ensure that they have been carried out on normal commercial terms and in accordance with the procedures set out in the IPT Mandate. In addition, all IPTs will be reviewed on a monthly basis by the financial controller and the chief financial officer of the Company.

The threshold limits set out above are adopted by the Company taking into account, inter alia, the nature, volume, frequency and size of the transactions as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at as a result of a balancing exercise after considering the operational efficiency for the day-to-day business operations of the Group and the internal controls for the IPTs.

4.8 Additional procedures to be taken by the Company in respect of all IPTs

4.8.1 The finance department of the Entities at Risk will maintain a register of transactions carried out with the Interested Persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into) (the "**Interested Person Transactions Register**"). Any discrepancies or significant variances (as determined by the Audit and Risk Committee), from the Group's usual business practices and pricing policies will be highlighted to the Audit and Risk Committee.

4.8.2 The financial controller of the Company will obtain signed letters of confirmation from key management personnel and the Directors on a periodic basis (of not more than half-year intervals) with respect to their interest in any transactions with the Group or its Associated Companies.

4.8.3 The financial controller of the Company will maintain a list of the Directors, Executive Chairman and Controlling Shareholders and their Associates (which is to be updated immediately if there are any changes) to enable identification of Interested Persons. The master list of Interested Persons which is maintained shall be reviewed by the chief financial officer of the Company at least half-yearly and subject to such verifications or declarations as required by the Audit and Risk Committee from time to time or for such periods as determined by them.

4.8.4 The Company's annual internal audit plan shall incorporate a review of all IPTs, including the established review procedures for monitoring of such IPTs, entered into during the current financial year pursuant to the IPT Mandate. The Group's internal auditor shall, on at least a half-yearly basis, subject to adjustment in frequency, and depending on factors such as, *inter alia*, substantial increment of aggregate transactional value, report to the Audit and Risk Committee on all IPTs, and the basis of such transactions, entered into with the Interested Persons during the preceding period.

4.8.5 The Audit and Risk Committee shall periodically review the Interested Person Transactions Register, at least on a half-yearly basis, to ensure that they are carried out on normal commercial terms and in accordance with the guidelines and review procedures under the IPT Mandate. In its review and/or approval of the IPTs under paragraph 4.7 (where relevant) and in this paragraph 4.8, the Audit and Risk Committee will generally only approve an IPT if the terms of the transaction are no less favourable to the Group and its Associated Companies than the terms offered by unrelated third parties or in accordance with usual business practices and pricing policies or industry norms (as the case may be). All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by the Audit and Risk Committee. The Audit and Risk Committee shall, when it deems fit, have the right to require the appointment of independent advisers and/or valuers to provide additional information or review of controls and its implementation pertaining to the transactions under review.

4.8.6 The Audit and Risk Committee has the overall responsibility for determining the review procedures, with the authority to delegate to individuals within the Company as it deems appropriate. The Audit and Risk Committee will conduct periodic reviews (of not more than half-year intervals) of the review procedures for the IPTs. If, during these periodic reviews, the Audit and Risk Committee is of the view that these review procedures are no longer appropriate to ensure that the IPTs are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and/or its minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new review procedures for IPTs.

4.8.7 The Audit and Risk Committee will review (i) the letters of confirmation from key management personnel, the Controlling Shareholders and the Directors of the Company and (ii) all IPTs, on a periodic basis (of not more than half-year intervals) and the outcome of such review shall be minuted.

4.8.8 For purposes of the above review and approval process, any Director who is not considered independent for purposes of the IPT Mandate and/or any IPTs will abstain from and will undertake to ensure that his Associates will abstain from voting in relation to any respective resolutions, and/or abstain from participating in the Audit and Risk Committee's decision during its review of the established review procedures for the IPTs or during its review or approval of any IPT.

4.8.9 The Directors will ensure that all disclosure, approval and other requirements on the IPTs, including those required by prevailing legislation, the Catalist Rules and accounting standards, are complied with.

4.9 <u>Validity Period of the IPT Mandate</u>

If approved at the forthcoming AGM, the renewed IPT Mandate will take effect from the passing of the ordinary resolution relating thereto, and will (unless revoked or varied by the Company in general meeting) continue in force until the conclusion of the next AGM of the Company. Approval from the Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company. The renewal of the IPT Mandate shall be subject to satisfactory review by the Audit and Risk Committee of the continued requirements of the IPT Mandate and the procedures for the transactions.

4.10 <u>Disclosure of the Interested Person Transactions pursuant to the IPT Mandate</u>

The Company will:

(a) announce the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate for the relevant financial periods which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such report while the IPT Mandate remains in force, in accordance with the requirements of Chapter 9 of the Catalist Rules; and

(b) disclose the IPT Mandate in the Company's annual report, giving details of the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate during the financial year, and in the annual reports for the subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Catalist Rules.

The disclosure will include the name of the Interested Persons and the corresponding aggregate value of the IPTs, presented to indicate (a) the aggregate value of all IPTs during the financial year under review; and (b) the aggregate value of all IPTs, conducted under the IPT Mandate.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for GSH and TYJ, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the IPT Mandate.

6. SHAREHOLDING INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1 The details and shareholdings of the Directors and the Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders and Register of Directors' Shareholdings as at the Latest Practicable Date) are as follows:

Directors	**Direct Interest**	**%**	**Deemed Interest**	**%**
Tjioe Ka Men	316,400	0.16	76,550,600***	39.06
Tjioe Ka In	75,600	0.04	74,480,000*	38.00
Ker Sin Tze	—	—	—	—
Tan Eng Liang	—	—	—	—
Chee Wai Pong	—	—	—	—
Ng Siok Keow	—	—	—	—
Goi Seng Hui	—	—	35,025,200**	17.87

Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Zhou Holdings Pte Ltd	74,480,000	38.00	–	–
Amazing Grace Investments Pte. Ltd.	–	–	74,480,000*	38.00
Estate of Zhou Yingnan, Deceased	–	–	74,480,000*	38.00
Sugiono Wiyono Sugialam	–	–	74,480,000*	38.00
Tres Maria Capital Ltd	–	–	74,480,000*	38.00
Tjioe Ka Men	316,400	0.16	76,550,600***	39.06
Tjioe Ka In	75,600	0.04	74,480,000*	38.00
Goodview Properties Pte Ltd	37,755,200	19.26	–	–
Far East Organization Centre Pte Ltd	–	–	37,755,200#	19.26
Mdm Tan Kim Choo	–	–	38,088,400##	19.43
Estate of Ng Teng Fong, Deceased	–	–	38,088,400###	19.43
Tee Yih Jia Food Manufacturing Pte Ltd	35,025,200	17.87	–	–
Goi Seng Hui	–	–	35,025,200**	17.87
Antica Capital Pte. Ltd.	20,300,000	10.36	–	–
Andre Tanoto	–	–	20,300,000@	10.36

Notes:

* Deemed to be interested in the 74,480,000 Shares held by Zhou Holdings Pte Ltd by virtue of Section 7 of the Act

** Deemed to be interested in the 35,025,200 Shares held by Tee Yih Jia Food Manufacturing Pte Ltd by virtue of Section 7 of the Act

*** Deemed to be interested in the 74,480,000 shares held by Zhou Holdings Pte Ltd and 2,070,600 shares held by Ang Tjia Leng @ Widjaja Linda Anggraini (spouse) by virtue of Section 7 of the Act

\# Deemed to be interested in the 37,755,200 Shares held by Goodview Properties Pte Ltd by virtue of Section 7 of the Act

\## Deemed to be interested in the 37,755,200 shares held by Goodview Properties Pte Ltd as her Associate, the Estate of Ng Teng Fong, Deceased by a controlling interest in Far East Organization Centre Pte Ltd, which in turn has a controlling interest in Goodview Properties Pte Ltd and 333,200 shares held by Kuang Ming Investments Pte. Ltd. by virtue of she having more than 20% interest in Kuang Ming Investments Pte. Ltd. by virtue of Section 7 of the Act

\### Deemed to be interested in the 37,755,200 shares held by Goodview Properties Pte Ltd by virtue of its controlling interest in Far East Organization Centre Pte Ltd, which in turn has a controlling interest in Goodview Properties Pte Ltd and 333,200 shares held by Kuang Ming Investments Pte. Ltd. as its Associate, Mdm Tan Kim Choo has more than 20% interest in Kuang Ming Investments Pte. Ltd. by virtue of Section 7 of the Act

@ Deemed to be interested in the 20,300,000 shares held by Antica Capital Pte. Ltd. by virtue of Section 7 of the Act

6.2 Save as disclosed above, none of the Directors has any direct or deemed interest in the Shares.

7. STATEMENT OF THE AUDIT AND RISK COMMITTE

The Audit and Risk Committee confirms that the methods and procedures for determining the transaction prices for the Recurrent IPTs have not changed since the Shareholder's approval of the IPT Mandate in the 2011 EGM.

The Audit and Risk Committee has reviewed the terms of the IPT Mandate and is satisfied that the review procedures of the Recurrent IPTs set up by the Company for determining the transaction prices of the IPTs, if adhered to, are sufficient to ensure that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

8. UNAFFECTED DIRECTORS' RECOMMENDATIONS

Having considered, amongst others, the rationale for and benefits of the IPT mandate to the Group and its Associated Companies set out in **paragraph 4.5**, the Unaffected Directors are of the view that the IPT Mandate is in the interests of the Company and, accordingly, recommend that the Shareholders vote in favour of the ordinary resolutions relating to the IPT Mandate.

9. ABSTENTION FROM VOTING

Abstinence from voting

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, the Interested Persons will abstain and have undertaken to ensure that their Associates will abstain from voting on the resolutions approving the IPT Mandate. Furthermore, such Interested Persons shall not act as proxies in relation to such resolution unless voting instructions have been given by a Shareholder.

As GSH is an Interested Person, he will abstain from and has undertaken to ensure that the GSH Associates will abstain from making any recommendations or vote on any matter in connection with the IPTs. Save as disclosed herein, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the IPTs.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement of this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 1 Sophia Road #05-03, Peace Centre, Singapore 228149 during normal business hours from the date hereof up to and including the date of the AGM:

(a) the Memorandum and Articles of Association of the Company; and

(b) the Annual Report of the Company for FY2014.

Yours faithfully

For and on behalf of the Board of Directors of
TUNG LOK RESTAURANTS (2000) LTD
Mr Tjioe Ka Men
Executive Chairman

TUNG LOK RESTAURANTS (2000) LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200005703N)

B. THE PROPOSED CHANGE OF AUDITORS FROM MESSRS DELOITTE & TOUCHE LLP ("DT") TO MESSRS ERNST & YOUNG LLP ("EY")

1. RATIONALE FOR THE PROPOSED CHANGE OF AUDITORS

The Company's existing Auditors, DT, was re-appointed as Auditors of the Company at the last AGM of the Company held on 30 July 2013, to hold office until the conclusion of the next AGM of the Company. DT has served as Auditors of the Company for fourteen (14) years since 28 September 2000.

The Company had, on 1 July 2014, received a nomination letter from Zhou Holdings Pte Ltd, a Substantial Shareholder of the Company, to appoint EY as Auditors of the Company.

The Proposed Change of Auditors is recommended by the Audit and Risk Committee in view that it would be a good corporate governance practice and would enable the Company to benefit from fresh perspectives and views of another professional audit firm and further enhance the value of the audit.

Accordingly, the Board is of the view that it would be timely to effect a rotation and change of Auditors with effect from the next financial year ending 31 March 2015.

DT, the outgoing Auditors, will not be seeking re-appointment at this AGM. The Directors wish to express their appreciation for the past services rendered by DT.

Following a review and consideration of the factors listed in paragraph 5 below in consultation with the Audit and Risk Committee, the Board has determined that the proposal given by EY is best suited to the existing needs and requirements of the Group. The engagement partner-in-charge from EY will be Mr Lim Tze Yuen. The scope of audit services to be provided by EY will be comparable to the services currently provided by DT.

As such, the Directors are proposing a change of Auditors to EY in place of DT.

EY has given its consent to act as Auditors by way of a letter dated 11 July 2014. Pursuant to Section 205(15) of the Act, the resignation of DT will only take effect upon the appointment of EY, which will be effective upon the approval of Shareholders being obtained at the AGM. Upon the appointment, EY will hold office until the conclusion of the next AGM of the Company.

Following Shareholders' approval of the Proposed Change of Auditors, EY will be appointed as the Auditors of the Company and all its significant subsidiaries, in place of DT.

2 OPINION OF AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has reviewed the Proposed Change of Auditors and recommends the appointment of EY in place of DT after taking into account the suitability and independence of EY to meet the audit requirements of the Group, the various factors set out in paragraph 5 below and compliance with the requirements of the Catalist Rules.

3 OPINION OF THE DIRECTORS

Having considered the rationale and benefit of the Proposed Change of Auditors and the Audit and Risk Committee's recommendation, the Directors are of the opinion that the appointment of EY as Auditors of the Company is in the interests of the Company and Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution No. 5 relating to the Proposed Change of Auditors as set out in the Notice of AGM (on pages 94 to 97 of this Annual report).

4 INFORMATION ON EY AND THE ENGAGEMENT PARTNER

EY is a global leader in assurance, tax, transactions and advisory services. The insights and quality services EY delivers help to build trust and confidence in the capital markets and in economies over the world. EY develops outstanding leaders who team to deliver on its promises to all of its stakeholders. In doing so, EY plays a critical role in building a better working world for its people, clients and communities.

In Singapore, EY has a history of 125 years, with over 120 partners and 2,000 people offering assurance, tax, transaction and advisory services to a wide-ranging clientele base consisting of multinational companies, private companies and public sector organizations.

More information about EY, values and services are provided at EY's website at http://www.ey.com.

Mr Lim Tze Yuen, a partner with EY will be assigned to the audit of the Company. Mr Lim Tze Yuen is a member of the Singapore Chartered Accountants (ISCA) and holds a Bachelor of Accountancy degree from the Nanyang Technological University in Singapore. He has more than 20 years of audit experience in providing audit and assurance services to a variety of clients, including public companies listed on the SGX-ST.

5 COMPLIANCE WITH RULES 712 and 715 OF THE CATALIST RULES

EY is registered with the ACRA. The Board, together with the concurrence of the Audit and Risk Committee, is satisfied that EY will be able to meet the audit requirements of the Group after taking into account various factors, including the adequacy of the resources and experience of EY, the audit engagement partner assigned to the audit, EY's other audit engagements, the size and complexity of the Group, the number and experience of supervisory and professional staff assigned to the audit of the Company and the Group and EY's audit arrangement for the Group.

In accordance with the requirements of Rules 712(3) and 715 of the Catalist Rules:

(a) DT has confirmed by way of a letter dated 11 July 2014 (**"Professional Clearance Letter"**) that it is not aware of any professional reasons why EY should not accept appointment as Auditors;

(b) the Company confirms that there were no disagreements with DT on accounting treatments within the last twelve (12) months of the date of this Appendix;

(c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Circular;

(d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in Paragraph 1 above. The Proposed Change of Auditors is neither due to the dismissal of DT nor DT declining to stand for re-appointment; and

(e) the Company confirms that it complies with Rules 712 and 715 of the Catalist Rules in relation to the proposed appointment of EY as its Auditors.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Change of Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement of this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 1 Sophia Road #05-03, Peace Centre, Singapore 228149 during normal business hours from the date hereof up to and including the date of the AGM:

(a) the Memorandum and Articles of Association of the Company;

(b) the Annual Report of the Company for FY2014;

(c) the nomination letter dated 1 July 2014 from Zhou Holdings Pte Ltd to appoint EY as Auditors of the Company;

(d) the notice of resignation as Auditors of the Company from DT dated 11 July 2014;

(e) the letter of consent to act as Auditors of the Company from EY dated 11 July 2014; and

(f) the Professional Clearance Letter.

Yours faithfully

For and on behalf of the Board of Directors of
TUNG LOK RESTAURANTS (2000) LTD
Mr Tjioe Ka Men
Executive Chairman

NOTICE OF NOMINATION

Zhou Holdings Pte Ltd

C/o 26 Tai Seng Street #02-01
Singapore 534057
Co Reg No: 200007809G

Date: 1 July 2014

The Board of Directors
Tung Lok Restaurants (2000) Ltd
1 Sophia Road #05-03
Peace Centre
Singapore 228149

Dear Sirs

NOTICE OF NOMINATION

Pursuant to Section 205 of the Companies Act, Cap. 50, We, Zhou Holdings Pte Ltd of 1 Sophia Road #05-03, Peace Centre, Singapore 228149, being a shareholder of Tung Lok Restaurants (2000) Ltd hereby nominate MESSRS ERNST & YOUNG LLP, Public Accountants and Chartered Accountants, Singapore of ONE RAFFLES QUAY (NORTH TOWER) #18-00, SINGAPORE 048583 for appointment as auditors of Tung Lok Restaurants (2000) Ltd in place of the retiring auditors, MESSRS DELOITTE & TOUCHE LLP at the forthcoming Annual General Meeting.

Yours faithfully

Tjioe Ka Men
For Zhou Holdings Pte Ltd

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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.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 July 2014.

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 14th Annual General Meeting of the Company to be held at Orchard Parade Hotel, 1 Tanglin Road, Level 2, Antica Ballroom, Singapore 247905 on Wednesday, 30 July 2014 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(a)	Re-election of Mr Chee Wai Pong as a Director		
3(b)	Re-election of Mdm Ng Siok Keow as a Director		
3(c)	Re-election of Mdm Tjioe Ka In as a Director		
4	Re-appointment of Dr Tan Eng Liang as a Director		
5	Change of Auditors		
6	Authority to Issue Shares (General)		
7	Renewal of the Shareholders' Mandate for Interested Person Transactions		

Dated this ________ day of ____________ 2014

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 common seal or under the hand of an officer or attorney duly authorised.

6. Where an instrument appointing a proxy is signed on behalf of the appointer by an attorney, the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. 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.

同乐

26 Tai Seng Street #02-01, Singapore 534057
Tel: 62707998   Fax: 62727120   www.tunglok.com
Company Registraton No. 200005703N

Designed & Produced by
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