TUNG LOK RESTAURANTS (2000) LTD
Financial Statement And Dividend Announcement for year ended 31/03/2011

This announcement has been reviewed by the Company's sponsor, KW Capital Pte Ltd, for the compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statement or opinions made or reports contained in this announcement.

The details of the contact person for the Sponsor is:-

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PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULT

1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	FY 2011 Apr 10-Mar 11 $'000	**FY 2010 Apr 09-Mar 10 $'000**	**Increase/ (Decrease) %**
Revenue	94,304	81,343	16
Cost of sales	(28,385)	(25,086)	13
Gross profit	65,919	56,257	17
Gross Profit Margin	69.9%	69.2%	
Other operating income	2,141	2,278	(6)
Administrative expenses	(29,677)	(27,523)	8
Other operating expenses	(33,746)	(29,306)	15
Share of profit (loss) in joint ventures	218	(320)	N.M
Share of profit in associates	176	184	(4)
Finance costs	(343)	(290)	18
Profit before tax	4,688	1,280	266
Income tax expense	(748)	(555)	35
Profit for the year	3,940	725	443
Attributable to:			
Equity holders of the company	4,060	650	525
Minority interests	(120)	75	(260)
	3,940	725	443

N.M : Not meaningful.

Additional information for Income Statement above:

	Group		
	FY 2011 Apr 10-Mar 11 $'000	FY 2010 Apr 09-Mar 10 $'000	Note
Other operating income including interest income	2,141	2,278	1
Interest on borrowings	(343)	(290)	2
Depreciation	(3,689)	(3,028)	3
Amortisation of other intangible asset	(20)	(20)	
Impairment of Goodwill in China operation	-	(204)	
Loss on disposal of property, plant and equipment	(47)	(254)	4
Impairment of property, plant and equipment	(1,322)	(100)	5
Provision of merchandise write down	-	(71)	
Bad debts written off	(35)	(31)	
Bad debts recovered	47	-	
Provision for Diminution	(100)	-	6

Note:

1. Decrease was due to reduction in Jobs Credit of S$0.9m which was offset by grant from government relating to training and capability development of S$0.7m.
2. Increase in interest on borrowings was due to additional drawdown of bank loan in FY2011.
3. Increase in depreciation was due to additional capital expenditure in FY2011.
4. Loss on disposal of property, plant and equipment was mainly due to cessation of staff cafeteria business in the first half of FY2011.
5. Due to FRS36-Impairment of Assets, an impairment loss of S$1.3m was accounted for non-performing outlets.
6. Increase in Provision for Diminution was due to the impairment of Available-for-Sale Investment.

A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	FY 2011 Apr 10-Mar 11 $'000	FY 2010 Apr 09-Mar 10 $'000
Profit for the year	3,940	725
Exchange differences on translation of the financial statements of foreign entities (net)	83	206
	4,023	931
Attributable to:		
Equity holders of the company	4,148	860
Minority interests	(125)	71
	4,023	931

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group			Company		
	31 Mar 11	**31 Mar 10**	**Note**	**31 Mar 11**	**31 Mar 10**	**Note**
	$'000	**$'000**		**$'000**	**$'000**	
ASSETS						
Current assets:						
Cash and bank balances	18,403	16,174	**1**	172	165	
Trade receivables	1,068	1,398	**2**	-	-	
Other receivables and prepayments	894	686	**3**	2,776	21	**4**
Inventories	2,102	1,989		-	-	
Total current assets	22,467	20,247		2,948	186	
Non-current assets:						
Long-term security deposits	1,931	1,807		-	-	
Trade receivables - non-current	94	125		-	-	
Other receivables - non-current	134	-	**5**	-	-	
Advances to a subsidiaries	-	-		1,520	1,678	**6**
Subsidiaries	-	-		3,209	2,756	**7**
Joint ventures	-	-		75	60	
Associates	891	110	**8**	-	-	
Available-for-sale Investment	-	125	**9**	-	-	
Other intangible asset	12	32		-	-	
Property, plant and equipment	12,103	13,639	**10**	-	-	
Total non-current assets	15,165	15,838		4,804	4,494	
Total assets	**37,632**	**36,085**		**7,752**	**4,680**	
LIABILITIES AND EQUITY						
Current liabilities:						
Trade payables	7,063	7,569	**11**	-	-	
Other payables	11,623	13,191	**12**	5,986	3,996	**13**
Current portion of finance leases	262	271	**14a**	-	-	
Bank loans	2,165	2,173	**15a**	-	-	
Income tax payable	723	216	**16**	-	-	
Total current liabilities	21,836	23,420		5,986	3,996	
Non-current liabilities:						
Other payables-non current	306	288			-	
Finance leases	239	381	**14b**	-	-	

Long-term loans	4,200	4,558	**15b**	-	-
Deferred tax liabilities	629	689		-	-
Total non-current liabilities	5,374	5,916		-	-
Total Liabilities	**27,210**	**29,336**		**5,986**	**3,996**
Capital and reserves:					
Share capital	10,270	10,270		10,270	10,270
Currency translation deficit	(34)	(122)		-	-
Retained losses	(373)	(4,433)		(8,504)	(9,586)
Equity attributable to equity holders of the company	9,863	5,715		1,766	684
Minority interests	559	1,034		-	-
Total equity	10,422	6,749		1,766	684
Total liabilities and equity	**37,632**	**36,085**		**7,752**	**4,680**

NOTE: EXPLANATION OF THE FINANCIAL YEAR 2011 (FY2011) VS FINANCIAL YEAR 2010 (FY2010)

1. Increase in Cash and Bank Balance was mainly due to higher revenue as compared to FY2010.

2. Decrease in Trade Receivables of S$0.3m was due mainly to the cessation of staff cafeteria business in the first half FY2011.

3. Increase in Other Receivables and Prepayment was due mainly to grant received from government relating to training and capability development.

4. Increase in Other Receivables and Prepayment at the company level was due to Dividend Receivables from subsidiary and loan to a subsidiary.

5. Increase was due to Loan to a new associate.

6. Increase was mainly due to amount owing by a subsidiary.

7. Increase in subsidiaries in FY2011 was due mainly to revised FRS39's impact of S$0.5m.

8. Increase in investment in FY2011 was due to two new Associate Companies.

9. Decrease was mainly due to S$0.1m provision of diminution for Available-for-sales Investment.

10. Decrease in Property, Plant and Equipment was due mainly to impairment of S$1.3m for non-performing outlets.

11. Decrease in Trade Payables was due to centralized purchasing and cessation of the staff cafeteria business.

12. Decrease in Other Payables was due mainly to payment of fixed assets purchased in second half FY2010 and reversal of accrued liabilities after the finalizing the closure of a closure of China outlet in FY2010.

13. Increase was due to amount owing to subsidiary for advances to finance investment & working capital.

14(a) & (b) Decrease in Finance Leases in FY2011 was due mainly to payment of instalments.

15(a) & (b) Decrease in Bank Loans and Long Term Loan in FY 2011 was due to additional bank loan of S$2.1m drawn down offset by repayment of loan of S$2.5m.

16. Increase in tax provision was due mainly to higher profitability in FY2011.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

1(b)(ii) Amount repayable in one year or less, or on demand

As at 31/03/2011		As at 31/03/2010	
Secured	Unsecured	Secured	Unsecured
$ 2,427,000	$0	$ 2,444,000	$0

1(b)(ii) Amount repayable after one year

As at 31/03/2011		As at 31/03/2010	
Secured	Unsecured	Secured	Unsecured
$4,439,000	$0	$4,939,000	$0

Details of any collateral :

1. Mortgage of No 20, Bukit Batok Crescent #11-05,06,07,08,09, Enterprise Centre, Singapore 658080

2. Kitchen equipment, Furniture & Motor Vehicles under finance lease.

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Apr 10-Mar 11 $'000	Apr 09-Mar 10 $'000	Note
Operating activities:			
Profit before tax	4,688	1,280	
Adjustments for:			
Share of (profit)loss in joint ventures	(218)	320	
Share of (profit) in associate	(176)	(184)	
Depreciation of property, plant and equipment	3,689	3,028	
Impairment loss on property, plant and equipment	1,322	100	
Receivables written off	-	31	
Receivables recovered	(47)	-	
Other receivables written off	35	-	
Impairment of goodwill	-	204	
Amortisation of other intangible asset	20	20	
Loss on disposal of property, plant and equipment	47	254	
Provision for merchandise write down	-	71	
Provision for diminution	100	-	
Interest expense	343	290	
Interest income	(31)	(57)	
Operating cash flows before movements in working capital	**9,772**	**5,357**	**1**
Trade receivables	369	(569)	
Other receivables and prepayments	(142)	160	

Inventories	(113)	(131)	
Long-term security deposits	(124)	(84)	
Advances to joint venture	-	(309)	
Trade payables	(505)	1,685	
Other payables **(A)**	(860)	2,119	
Movements in working capital	**(1,375)**	**2,871**	**2**
Cash generated from operations	**8,397**	**8,228**	
Interest paid	(324)	(272)	**3**
Income tax paid	(301)	(239)	**4**
Net cash from operating activities	**7,772**	**7,717**	**5**
Investing activities			
Interest received	19	48	
Proceeds from disposal of property, plant and equipment **(A)**	43	5	
Purchase of property, plant and equipment	(4,370)	(4,581)	
Purchase of available-for-sale investment	-	(25)	
Acquisition of additional equity interest in joint venture	-	(300)	
Acquisition of additional equity interest in an associates	(575)	-	
Net cash used in investing activities	**(4,883)**	**(4,853)**	**6**
Financing activities			
Loan from minority shareholder of a subsidiary	350	-	
Loan to associate	(150)	-	
Loan to available-for-sales investment	(35)	-	
Receipt from minority shareholder of a subsidiary	-	60	
Payment to minority shareholders of subsidiaries	(350)	(234)	
Proceeds from bank loans	2,100	4,783	
Repayment of bank loans	(2,467)	(1,468)	
Proceeds from finance leases	130	-	
Repayment of obligations under finance leases	(280)	(333)	
Net cash used in financing activities	**(702)**	**2,808**	**7**
Net increase in cash and cash equivalents	**2,187**	**5,672**	
Cash and cash equivalents at beginning of year	16,174	10,439	
Effect of foreign exchange rate changes	42	63	
Cash and cash equivalents at the end of the year	18,403	16,174	

A 1) During the period, the group acquired property, plant and equipment with an aggregate cost of S$3,569,000 (2010:S$5,867,000) of which S$128,000 (2010:Nil) was acquired under finance lease and S$1,131,000 (2010: S$2,060,000) remains unpaid at the end of the reporting period. Cash payment of S$4,370,000 (2010:S$4,581,000) were made to purchase of property, plant and equipment.

Note:

1. Increase in cashflow before movements in working capital in FY11 was due to improved profitability.

2. Increase in movements in working capital was due to increased business activities.

3. Additional borrowings resulted in higher interest paid.

4. Increase in income tax payment due to higher profitability in FY11.

5. Despite improved profitability, cash generated from operations remained the same as previous period of $7.7m due to additional working capital requirements.

6. Net cashflow used in investing activities remained the same at S$4.8m in FY11 compared to FY10.

7. Net cash used in financing activities showed a outflow of S$0.7m due to repayment of loan of S$2.5m and lower borrowing in FY11 compared to a net inflow S$2.8m in FY10.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP					
	Share capital	Currency translation deficit	Accumulated losses	Attributable to equity holders of the parent	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 April, 2009	10,270	(332)	(5,083)	4,855	1,137	5,992
Dividend paid to minority interests	-	-	-	-	(234)	(234)
Issue of shares to minority shareholders of subsidiary	-	-	-	-	60	60
Total comprehensive income for the year	-	210	650	860	71	931
Balance at 31 March, 2010	10,270	(122)	(4,433)	5,715	1,034	6,749
Dividend paid to minority interests	-	-	-	-	(350)	(350)
Total comprehensive income for the year	-	88	4,060	4,148	(125)	4,023
Balance at 31 March, 2011	10,270	(34)	(373)	9,863	559	10,422

	COMPANY					
	Share capital	Currency translation deficit	Accumulated losses	Attributable to equity holders of the parent	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at April 1, 2009	10,270	-	(9,250)	1,020	-	1,020
Total comprehensive income for the year	-	-	(336)	(336)	-	(336)
Balance at March 31, 2010	10,270	-	(9,586)	684	-	684
Total comprehensive income for the year	-	-	1,082	1,082	-	1,082
Balance at March 31, 2011	10,270	-	(8,504)	1,766	-	1,766

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury share, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The company did not issue any convertibles during the financial year and there are no outstanding convertibles.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31 Mar 2011	31 Mar 2010
The total number of issued shares excluding treasury shares	140,000,000	140,000,000

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period on.

The company did not have treasury shares as at the end of the financial year.

2. Whether the figures have been audited, or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

N.A.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in section 5 below, the group has applied the same accounting policies and methods of computation as in the most recently audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The group has adopted all the new and revised Singapore Financial Reporting Standards (FRS) and interpretation of FRS ("INT FRS") that are relevant to its operation and effective for annual period beginning on or after April 1,2010. Consequential amendments were also made to various standards as a result of these new and revised standards. The following new or amended FRS and INT FRS are relevant to the group:

Improvements to Financial Reporting Standards (issued in October 2010)
FRS 24 – Related Party Disclosures (Revised)

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -

	FY 2011 Apr 10 - Mar 11	FY 2010 Apr 09 - Mar 10
Earnings per ordinary share for the period after deducting any provision for preference dividends:		
(a) Based on the weighted average number of ordinary shares on issue	2.90 cents	0.46 cents
(b) On a fully diluted basis	NA	NA

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group	
	31 Mar 11	31 Mar 10
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the end of the period reported on	7.05 cents	4.08 cents

	Company	
	31 Mar 11	31 Mar 10
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the end of the period reported on	1.26 cents	0.49 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) **Revenue** for the financial year ended 31 March 2011 ("FY11") increased by S$13.0m (16%) to S$94.3m, as compared to S$81.3m for the financial year ended 31 March 2010 ("FY10"). Out of the FY11 revenue, S$9.6m was contributed by new outlets opened mainly in the second half of FY 2010. Hence, Gross Profit increased by S$9.7m (17%) to S$65.9m, compared to S$56.3m in FY10.

Other operating income for FY11 reduced by S$0.1m (6%) to S$2.1m in FY11 compared to S$2.3m in FY10 due mainly to cessation of the Government's Jobs Credit Scheme which resulted in a reduction of S$0.9m in FY11. This was offset by grant of S$0.7m relating to training and capability development.

Administrative expenses increased by S$2.2m to S$29.7m in FY11 compared to S$27.5m in FY10 due mainly to manpower costs contributed by new outlets.

Other operating expenses increased by S$4.4m (15%) to S$33.7m in FY11 compared to S$29.3m in FY10 due mainly to a total of: S$1.9m of rental, depreciation, upkeep and utilities expenses incurred by new outlets; an additional S$0.7m of upkeep and utilities expenses from existing outlets; S$1.3m of impairment in Fixed Assets of non-performing outlets; and S$0.1m diminution provision of investment.

Share of profit in joint-ventures of S$0.2m in FY11 compared to a loss of S$0.3m in FY10 was due to reversal of accrued liabilities after finalizing the closure of a China outlet in FY10.

Share of profit in associates of S$0.2m in FY11 remained the same as FY10 despite start up losses of S$0.1m in new associates.

Thus, the Group recorded a **Profit for the period** of S$4.0m in FY11, up significantly, compared to S$0.7m in FY10.

(b) The **Group's operational cashflow** improved from S$5.3m in FY10 to S$9.8m in FY11 due to better operational performance. However this was offset partly by S$1.4m of higher working capital due to increased business activities. Cashflow from investing activities remained largely the same at approximately S$4.8m in FY11 compared to previous year. Financing activities showed an outflow of $0.7m in FY11 compared to an inflow of $2.8m in FY10 due to $2.5m repayment of loan and lower borrowing. Thus, our cash position increased by S$2.2m in FY11 over the previous year.

Total assets of the Group increased by S$1.5m to S$37.6m in FY11, as compared to S$36.1m in FY10, due mainly to improved operational cash flow.

Total liabilities of the Group reduced by S$2.1m to S$27.2m in FY11, as compared to S$29.3m in FY10, due mainly to payment of capital expenditure.

Thus, the **working capital of the Group** improved significantly from a negative of S$3.2m as at 31 March 2010 to a positive of S$0.6m as at 31 March 2011.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's better performance in the second half of FY11 is in line with previous expectations.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

With the recovery of Singapore economy, the Group is cautiously optimistic about the outlook of F & B industry. However, the Group is concerned about increasing competition, rising costs, and manpower shortages.

To meet these challenges, the Group will continue to streamline its operation and improve its productivity by adopting new technology to reduce manpower at its Central kitchen as well as individual outlets. Also, the Group will maximize its Central kitchen operations, and increase its Central purchasing activities in order to achieve better economies of scale.

In addition, the Group will further improve its service quality through continuing staff training. The Group will also intensify its effort to introduce innovative products, and cuisine to meet the ever-changing consumer dining trends.

In order to increase our pool of customers, the Group will continue with its marketing promotions and advertisements, and maximize the use of digital marketing and social media.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended):

Yes. The board has proposed a first and final tax exempt (one tier) dividend of 0.5 Singapore cent per ordinary share, subject to shareholders' approval at the AGM.

(b)(i) Amount per share:

0.5 Singapore cent.

(ii) Previous corresponding period:

NIL.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

The dividend is tax exempt (one tier) and derived in Singapore.

(d) The date the dividend is payable.

Dividend pay out date will be announced in due course.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Books closure date will be announced in due course.

12. If no dividend have been declared/recommended, a statement to that effect.

N.A.

PART 1I – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	GROUP Sale revenue by geographical market	
	31 Mar 11	**31 Mar 10**
	$'000	$'000
Singapore	92,796	79,946
China	1,508	1,397
	94,304	81,343

	GROUP	
	Non-current assets	
	31 Mar 11	31 Mar 10
	$'000	$'000
Singapore	12,115	13,671
China	-	-
	12,115	13,671

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Point 8.

15. A breakdown of sales as follows:-

		Latest Financial Period (Apr 10-Mar 11) $'000 Group	Previous Financial Period (Apr 09-Mar 10) $'000 Group	Increase/ (decrease) %
(a)	Sales reported for first half of the period	44,335	35,570	25
(b)	Operating profit(loss) after tax before deducting minority interests reported for first half of the period	273	(951)	N.M.
(c)	Sales reported for second half of the period	49,969	45,773	9
(d)	Operating profit after tax before deducting minority interests reported for second half of the period	3,667	1,676	119

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and it previous full year as follows:

		31 Mar 11 $'000	31 Mar 10 $'000
a.	Ordinary	700,000	NIL
b.	Preference	NIL	NIL
c.	Total	700,000	NIL

17. Interested Person Transactions.

The Company does not have a general mandate for interested person transactions and there were no transactions above S$100,000/- to be disclosed for the financial period ended 31 March 2011.

BY ORDER OF THE BOARD
Andrew Tjioe Ka Men
Executive Chairman
28 May 2011