

**TUNG LOK RESTAURANTS (2000) LTD****Financial Statement And Dividend Announcement for the 6 Months Ending 30/09/2005****PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.****Group**

	<b>April 05-Sept 05</b>	<b>April 04-Sept 04</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue	29,590	29,814
Cost of sales	<u>(10,107)</u>	<u>(9,279)</u>
<b>Gross profit</b>	19,483	20,535
Other operating income	375	67
Operating expenses	(8,560)	(8,889)
Administrative expenses	(1,392)	(1,674)
Other operating expenses	<u>(10,389)</u>	<u>(10,804)</u>
<b>Loss from operations</b>	(483)	(765)
Finance costs	<u>(42)</u>	<u>(68)</u>
<b>Loss before income tax and share of profit (loss) in joint ventures &amp; associate</b>	(525)	(833)
Share of profit (loss) in joint ventures	653	(1,201)
Share of profit in associate	<u>209</u>	<u>-</u>
<b>Profit before income tax</b>	337	(2,034)
Income tax	<u>(36)</u>	<u>71</u>
<b>Profit (loss) for the period</b>	<u><u>301</u></u>	<u><u>(1,963)</u></u>
<b>Attributable to:</b>		
Equity holders of the parent	297	(1,856)
Minority interest	<u>4</u>	<u>(107)</u>
	<u><u>301</u></u>	<u><u>(1,963)</u></u>

Additional information for Income Statement above:

**Group**

	<b>April 05-Sept 05</b>	<b>April 04-Sept 04</b>
	<b>\$'000</b>	<b>\$'000</b>
Other income including interest income	(375)	( 67)

Interest on borrowings	42	68
Depreciation and amortisation	1,087	1,100
Loss on disposal of property, plant and equipment	18	137
Impairment of assets	31	-
Bad debts written off	104	-

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.**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sept 05</b>	<b>31 Mar 05</b>	<b>30 Sept 05</b>	<b>31 Mar 05</b>
	\$'000	\$'000	\$'000	\$'000
<b><u>ASSETS</u></b>				
<b>Current assets:</b>				
Cash and bank balances	5,378	7,943	150	463
Trade receivables	1,610	1,475	-	-
Other receivables and prepayments	971	775	347	259
Advances to associate	243	-	-	-
Inventories	1,679	1,786	-	-
Total current assets	<u>9,881</u>	<u>11,979</u>	<u>497</u>	<u>722</u>
<b>Non-current assets:</b>				
Long term deposits	1,386	1,361	-	-
Advances to joint venture	738	815	-	-
Advances to associate	-	355	-	-
Advances to subsidiary	-	-	2,078	2,160
Investment in subsidiaries	-	-	3,290	2,997
Investment in associate	510	301	-	-
Investment in joint ventures	1,826	961	-	-
Other investment	13	13	13	13
Property, plant and equipment	6,854	7,842	-	-
Total non-current assets	<u>11,327</u>	<u>11,648</u>	<u>5,381</u>	<u>5,170</u>
<b>Total assets</b>	<u><u>21,208</u></u>	<u><u>23,627</u></u>	<u><u>5,878</u></u>	<u><u>5,892</u></u>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities:</b>				
Trade payables	5,266	6,467	-	-
Other payables	5,426	6,476	829	1,866
Current portion of finance leases	16	32	-	-
Term loans - current portion	572	72	-	-
Income tax payable	688	1,206	-	-
Total current liabilities	<u>11,968</u>	<u>14,253</u>	<u>829</u>	<u>1,866</u>
<b>Non-current liabilities:</b>				
Finance leases	20	27	-	-
Long-term loans	1,621	1,656	3,125	2,858
Deferred income tax	758	758	-	-
Total non-current liabilities	<u>2,399</u>	<u>2,441</u>	<u>3,125</u>	<u>2,858</u>

<b>Capital and reserves:</b>				
Issued capital	3,500	3,500	3,500	3,500
Share premium	6,770	6,770	6,770	6,770
Currency translation reserve	(35)	(37)	-	-
Accumulated losses	(3,746)	(4,043)	(8,346)	(9,102)
Equity attributable to equity holders of parent	<u>6,489</u>	<u>6,190</u>	<u>1,924</u>	<u>1,168</u>
Minority interests	352	743	-	-
Total equity	<u>6,841</u>	<u>6,933</u>	<u>1,924</u>	<u>1,168</u>
<b>Total liabilities and equity</b>	<u>21,208</u>	<u>23,627</u>	<u>5,878</u>	<u>5,892</u>

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

**Amount repayable in one year or less, or on demand**

As at 30/09/2005		As at 31/03/2005	
Secured	Unsecured	Secured	Unsecured
\$588,000	\$0	\$104,000	\$0

**Amount repayable after one year**

As at 30/09/2005		As at 31/03/2005	
Secured	Unsecured	Secured	Unsecured
\$1,641,000	\$0	\$1,683,000	\$0

Details of any collateral

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

**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 05-Sept 05 \$'000	Apr 04-Sept 04 \$'000
<b>Cash flows from operating activities</b>		
Loss before income tax and share of profit(loss) in joint ventures and associate	(525)	(833)
Adjustments for:		
Depreciation expense	1,087	1,100
Interest income	(34)	(7)
Interest expense	42	68
Negative goodwill released to income	(10)	-
Bad debts written off	104	-
Impairment loss on property, plant and equipment	31	-

Loss on disposal of property, plant and equipment	18	137
Operating profit before working capital changes	<u>713</u>	<u>465</u>
Trade receivables	(239)	(860)
Other receivables and prepayments	(196)	167
Long-term deposits	(25)	(33)
Advances to joint ventures	-	(1,221)
Advances to associate	112	-
Inventories	107	(212)
Trade payables	(1,201)	3
Other payables	(1,050)	633
<b>Cash generated from operations</b>	<u>(1,779)</u>	<u>(1,058)</u>
Interest paid	(42)	(68)
Interest received	3	7
Income tax paid	(554)	(116)
Net cash from operating activities	<u>(2,372)</u>	<u>(1,235)</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	3
Purchase of property, plant and equipment	(148)	(1,048)
Acquisition of investment in subsidiary	(200)	-
Acquisition of investment in joint venture	(101)	(1,244)
Payment to minority shareholders of subsidiaries	(186)	(476)
Net cash used in investing activities	<u>(635)</u>	<u>(2,765)</u>
<b>Cash flows from financing activities</b>		
Net receipt/(repayment) of term loans - net	465	(222)
Repayments of obligations under finance leases	(23)	(81)
Proceeds from issuance of shares	-	2,700
Share issue expenses	-	(25)
Net cash from (used in) financing activities	<u>442</u>	<u>2,372</u>
Net decrease in cash	(2,565)	(1,628)
Cash and cash equivalents at beginning of period	7,943	8,544
Cash and cash equivalents at end of period	<u>5,378</u>	<u>6,916</u>

**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.**

	<b>GROUP</b>						
	Issued capital	Share premium	Currency translation reserve	Accumulated losses	Attributable to equity holders of the parent	Minority interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at April 1, 2004	3,000	4,595	-	(2,071)	5,524	1,233	6,757
Issue of shares	500	2,200	-	-	2,700	-	2,700
Share issue expenses	-	(25)	-	-	(25)	-	(25)
Dividend to minority interest	-	-	-	-	-	(116)	(116)
Acquisition from minority interest	-	-	-	-	-	(360)	(360)
Net loss for the period	-	-	-	(1,856)	(1,856)	(107)	(1,963)
Balance at September 30, 2004	3,500	6,770	-	(3,927)	6,343	650	6,993
Balance at April 1, 2005	3,500	6,770	(37)	(4,043)	6,190	743	6,933
Dividend to minority interest	-	-	-	-	-	(186)	(186)
Acquisition from minority interest	-	-	-	-	-	(209)	(209)
Currency translation reserve	-	-	2	-	2	-	2
Net profit for the period	-	-	-	297	297	4	301
Balance at September 30, 2005	3,500	6,770	(35)	(3,746)	6,489	352	6,841

	<b>COMPANY</b>						
	Issued capital	Share premium	Currency translation reserve	Accumulated losses	Attributable to equity holders of the parent	Minority interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at April 1, 2004	3,000	4,595	-	(5,355)	2,240	-	2,240
Issue of shares	500	2,200	-	-	2,700	-	2,700
Share issue expenses	-	(25)	-	-	(25)	-	(25)
Net loss for the year	-	-	-	(33)	(33)	-	(33)
Balance at September 30, 2004	3,500	6,770	-	(5,388)	4,882	-	4,882

Balance at April 1, 2005	3,500	6,770	-	(9,102)	1,168	-	1,168
Effects of FRS 39	-	-	-	368	368	-	368
Restated balance as at April 1, 2005	3,500	6,770	-	(8,734)	1,536	-	1,536
Net profit for the period	-	-	-	388	388	-	388
Balance at September 30, 2005	3,500	6,770	-	(8,346)	1,924	-	1,924

**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 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.**

N.A.

**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.**

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.**

There were no changes in the accounting policies and methods of computation.

**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.**

	Apr 05 – Sept 05	Apr 04 – Sept 04
Earnings per ordinary share for the period after deducting any provision for preference dividends:		
(a) Based on weighted average number of ordinary shares in issue	0.21 cents	(1.36) cents
(b) On a fully diluted basis	NA	NA

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	<b>Group</b>	
	30 Sept 05	31 Mar 05
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	4.64 cents	4.42 cents

	<b>Company</b>	
	30 Sept 05	31 Mar 05
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	1.37 cents	0.83 cents

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss and material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Revenue for the period of April to September 2005 was \$29.6m, close to the corresponding period of 2004. Gross profit was lower as compared to the previous period due to higher food cost. However, this was offset by lower operating, administrative and other operating expenses of a similar amount.

With profit contribution of \$0.9m from joint ventures and associates, compared to a loss of \$1.2m in 2004, the Group ended the period with a net profit for the year of \$ 0.3m, compared to a net loss of \$2.0m in 2004.

The negative working capital of the Group improved slightly from \$2.3m as at 31 March 2005 to \$2.1m for this reporting period.

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

N.A.

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.**

The Group expects operating performance to remain competitive for the rest of the financial year ending 31 March 2006, and will intensify its marketing efforts to increase sales at its outlets in Singapore and China.

The joint-venture manufacturing facility, besides supplying food products and catering services, will be leveraged, where possible, to reduce our operating costs in our outlets.

In addition, the Group will continue to develop management contracts and franchising opportunities in Singapore and overseas.

With the year-end festive season, and Lunar New Year, the Group expects the Second Half to be better than the First Half.

11. **Dividend**

- (a) **Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?** None

- (b) **Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?** None

- c) **Date payable**

N.A.

- (d) **Books closure date**

N.A.

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

N.A.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
(This part is not applicable to Q1, Q2, Q3, or Half Year Results)**

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.**

The Group operates in one main line of business, being that of restaurant business. Therefore the requirement on the disclosure of the information relating to the product or business activity and geographical segments of the operations is not applicable.



**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.**

N.A.

**15. A breakdown of sales**

N.A.

**BY ORDER OF THE BOARD**

**Andrew Tjioe Ka Men**

**Managing Director**

**31 October 2005**