

TUNG LOK RESTAURANTS (2000) LTD
Half Year Financial Statement and Dividend Announcement for the Period Ended 30 September 2015



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PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

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

	HY 2016 Apr 15 - Sep 15 S\$'000	Group HY 2015 Apr 14 - Sep 14 S\$'000	Increase/ (Decrease) %
Revenue	38,846	38,864	(0.0)
Cost of sales	(11,571)	(11,719)	(1.3)
Gross profit	<u>27,275</u>	<u>27,145</u>	0.5
<i>Gross profit margin</i>	<i>70.2%</i>	<i>69.8%</i>	<i>0.4 percentage points</i>
Other operating income	1,381	1,436	(3.8)
Administrative expenses	(15,133)	(14,809)	2.2
Other operating expenses	(15,827)	(16,979)	(6.8)
Share of profit of joint venture	296	463	(36.1)
Share of loss of associates	(32)	(14)	128.6
Finance expenses	(108)	(121)	(10.7)
Loss before tax	<u>(2,148)</u>	<u>(2,879)</u>	(25.4)
Income tax benefits	508	213	138.5
Loss for the period	<u>(1,640)</u>	<u>(2,666)</u>	(38.5)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
<i>Exchange difference on translation of foreign operations representing other comprehensive income for the period, net of tax</i>	(37)	153	N.M
Total comprehensive loss for the period	<u>(1,677)</u>	<u>(2,513)</u>	(33.3)
Loss attributable to:			
Owners of the company	(1,376)	(1,410)	(2.4)
Non-controlling interests	(264)	(1,256)	(79.0)
	<u>(1,640)</u>	<u>(2,666)</u>	(38.5)
Total comprehensive loss attributable to:			
Owners of the company	(1,404)	(1,352)	3.8
Non-controlling interests	(273)	(1,161)	(76.5)
	<u>(1,677)</u>	<u>(2,513)</u>	(33.3)

NM : percentage not meaningful.

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1(a)(ii) Notes to the Income Statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

	HY 2016 Apr 15 - Sep 15 S\$'000	Group HY 2015 Apr 14 - Sep 14 S\$'000	Increase/ (Decrease) %
Loss for the period include the following (charges)/credits:			
Government grants	447	323	38.4
Interest income from:			
- Cash at bank	12	5	140.0
- Related parties	11	9	22.2
Interest expenses on:			
- Bank loans	(77)	(91)	(15.4)
- Obligations under finance leases	(16)	(11)	45.5
- Others	(15)	(19)	(21.1)
Depreciation of property, plant and equipment	(2,212)	(2,591)	(14.6)
(Loss) gain on disposal of plant and equipment	(11)	100	N.M
Net foreign exchange gain (loss)	28	(36)	N.M
Rental expenses-operating leases	(6,163)	(6,320)	(2.5)
Staff costs	(13,068)	(12,847)	1.7
Current tax benefits	131	73	79.5
Deferred tax benefits	372	32	1,062.5
Overprovision in preceding financial period for			
- Current tax benefits	5	108	(95.4)

NM : percentage not meaningful.

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

	Group		Note	Company		Note
	30-Sep-15 S\$'000	31-Mar-15 S\$'000		30-Sep-15 S\$'000	31-Mar-15 S\$'000	
ASSETS						
Current assets:						
Cash and bank balances	10,437	15,254	1	3,320	6,315	2
Trade receivables	2,897	2,194	3	-	-	
Other receivables and prepayments	1,478	690	4	14	735	5
Inventories	2,123	2,329	6	-	-	
Total current assets	16,935	20,467		3,334	7,050	
Non-current assets:						
Other receivables	657	642		-	-	
Deferred tax assets	354	-	7a	-	-	
Long-term security deposits	1,605	1,495	8	-	-	
Available for sale investment	16	16		-	-	
Subsidiaries	-	-		16,374	12,924	9
Associates	684	716		-	-	
Joint venture	1,087	791	10	-	-	
Property, plant and equipment	13,773	13,955	11	-	-	
Total non-current assets	18,176	17,615		16,374	12,924	
Total assets	35,111	38,082		19,708	19,974	
LIABILITIES AND EQUITY						
Current liabilities:						
Trade payables	4,510	3,660	12	-	-	
Other payables	8,918	10,147	13	584	671	14
Finance leases	219	171	15a	-	-	
Bank loans	975	2,018	16a	-	-	
Income tax payable	16	19		-	-	
Total current liabilities	14,638	16,015		584	671	
Non-current liabilities:						
Other payables	4,192	4,254		-	-	
Finance leases	539	409	15b	-	-	
Bank loans	3,011	3,231	16b	-	-	
Deferred tax liabilities	-	18	7b	-	-	
Total non-current liabilities	7,742	7,912		-	-	
Total liabilities	22,380	23,927		584	671	
Capital, reserves and non-controlling interests:						
Share capital	28,450	28,450		28,450	28,450	
Currency translation deficit	(238)	(210)		-	-	
Accumulated losses	(13,616)	(12,240)		(9,326)	(9,147)	
Equity attributable to owners of the company	14,596	16,000		19,124	19,303	
Non-controlling interests	(1,865)	(1,845)		-	-	
Total equity	12,731	14,155		19,124	19,303	
Total liabilities and equity	35,111	38,082		19,708	19,974	

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1(b)(i) Statement of Financial Position (continued)

NOTE: EXPLANATION OF THE FIRST HALF FINANCIAL YEAR 2016 (HY16) VS FINANCIAL YEAR 2015 (FY15)

- 1) Decrease in cash and bank balances was mainly due to the following:
 - (a) S\$1.7 million cash outlay to acquire plant and equipment;
 - (b) S\$1.4 million repayment of bank loans and finance leases;
 - (c) operational cash outflow of S\$1.4 million; and
 - (d) S\$0.3 million dividends paid to non-controlling interests in subsidiaries.
- 2) Decrease in cash and bank balances was mainly due to a loan extended to a wholly-owned subsidiary amounting to S\$3.0 million as additional working capital.
- 3) Increase in trade receivables was mainly due to more credit sales from catering events and mooncake sales during the month of September 2015.
- 4) Increase in other receivables and prepayments was mainly due to the following:
 - (a) increase in government grant receivables of S\$0.3 million;
 - (b) increase in prepaid insurance of S\$0.1 million;
 - (c) advance payment for undelivered raw food materials amounting to S\$0.2 million; and
 - (d) increase in rental security deposits and deposits for catering's events totalling S\$0.2 million.
- 5) Decrease in other receivables and prepayments was mainly due to receipt of dividends declared by subsidiaries during FY15 but paid in HY16.
- 6) Decrease in inventories was mainly due to improvement in inventory turnover days.
- 7(a)&(b) Increase in deferred tax assets was mainly due to recognition of deferred tax credits arising from unutilised tax losses of certain subsidiaries which are foreseeable to be realised.
- 8) Increase in long-term security deposits was mainly due to rental and utilities deposits placed with landlords for new and renewed leases.
- 9) Increase in subsidiaries was mainly due to advances of S\$3.4 million to a subsidiary.
- 10) Increase in joint venture was mainly due to share of profit of joint venture amounting to S\$0.3 million during HY16.
- 11) Decrease in property, plant and equipment was mainly due to acquisition of plant and equipment for refurbishment of existing outlets and opening of a new outlet amounting to S\$2.0 million offset by S\$2.2 million depreciation charge during the period.
- 12) Increase in trade payables was mainly due to more purchases of raw food materials and mooncakes on credit during the month of September 2015.
- 13) Decrease in other payables was mainly due to the following:
 - (a) payment of dividends to non-controlling shareholders of subsidiaries of S\$0.3 million in HY16;
 - (b) recognition of deferred advertising and promotion funds and service fee as income amounting to S\$0.5 million; and
 - (c) lower manpower-related accrued expenses required amounting to S\$0.6 million.This was offset by S\$0.2 million increase in non-food purchases.
- 14) Decrease in other payables was mainly due to lower accruals required.
- 15(a)&(b) Increase in finance leases in HY16 was mainly due to new finance leases of S\$0.3 million offset by repayment amounting to S\$0.1 million during the period.
- 16(a)&(b) Decrease in bank loans in HY16 was due to repayment of S\$1.3 million during the period.

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1(b)(i) Statement of Financial Position (continued)

NOTE: EXPLANATION OF THE FIRST HALF FINANCIAL YEAR 2016 (HY16) VS FINANCIAL YEAR 2015 (FY15) (continued)

Total assets of the Group decreased by S\$3.0 million (7.8%) to S\$35.1 million as at 30 September 2015 from S\$38.1 million as at 31 March 2015 mainly due to the following:

- (a) decrease in cash and bank balances of S\$4.8 million;
- (b) decrease in inventories amounting to S\$0.2 million; and
- (c) decrease in property, plant and equipment of S\$0.2 million.

This was partially offset by higher trade and other receivables of S\$1.4 million, increase in net assets of joint venture and associates of S\$0.3 million as well as increase in deferred tax assets of S\$0.4 million.

Total liabilities of the Group decreased by S\$1.5 million (6.5%) to S\$22.4 million as at 30 September 2015 from S\$23.9 million as at 31 March 2015 mainly due to the following:

- (a) repayment of bank loans amounting to S\$1.3 million;
- (b) decrease in trade and other payables amounting to S\$0.4 million; and
- (c) repayment of finance leases of S\$0.1 million offset by new finance leases of S\$0.3 million.

The Group's net working capital decreased by S\$2.3 million to S\$2.2 million as at 30 September 2015 from S\$4.5 million as at 31 March 2015 mainly due to acquisition of plant and equipment for refurbishment of existing outlets and opening of a new outlet as well as operational losses incurred during the current reporting period.

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

Amount repayable in one year or less, or on demand

As at 30 Sep 2015 (S\$'000)		As at 31 Mar 2015 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
1,194	-	2,189	-

Amount repayable after one year

As at 30 Sep 2015 (S\$'000)		As at 31 Mar 2015 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
3,550	-	3,640	-

Details of any collateral

As at balance sheet date, the total loans of the Group are secured by way of:

1. A charge over the leasehold property of a subsidiary situated at No 20, Bukit Batok Crescent #11-05 to 09/18 Enterprise Centre Singapore 658080;
2. Plant and equipment under finance leases; and
3. Corporate guarantees issued by the Company.

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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 15 - Sep 15 S\$'000	Apr 14 - Sep 14 S\$'000
Operating activities:		
Loss before tax	(2,148)	(2,879)
Adjustments for:		
Share of profit of joint venture	(296)	(463)
Share of loss of associates	32	14
Depreciation of property, plant and equipment	2,212	2,591
Loss (gain) on disposal of property, plant and equipment	11	(100)
Net (gain) loss on foreign exchange	(27)	137
Interest income	(23)	(13)
Interest expenses	108	121
Operating cash flows before movements in working capital	(131)	(592)
Increase in trade receivables	(704)	(848)
Increase in other receivables and prepayments	(775)	(167)
Decrease (increase) in inventories	206	(14)
Increase in long-term security deposits	(109)	(39)
Increase (decrease) in trade payables	874	(282)
Decrease in other payables	(740)	(503)
Cash used in operations	(1,379)	(2,445)
Interest paid	(93)	(102)
Net income tax refund	116	88
Net cash used in operating activities	(1,356)	(2,459)
Investing activities		
Purchase of property, plant and equipment (see Note A)	(1,749)	(1,217)
Proceeds from disposal of property, plant and equipment	-	102
Dividend received from an associate	-	80
Interest received	12	5
Net cash used in investing activities	(1,737)	(1,030)
Financing activities		
Dividends paid to non-controlling interests in subsidiaries	(272)	(290)
Rights issue net of issue expenses	-	9,308
Advances from non-controlling interests of subsidiaries	25	400
Repayment of loan to a corporate shareholder	(67)	(67)
Repayment of bank loans	(1,264)	(1,859)
Repayment of obligations under finance leases	(118)	(85)
Net cash (used in) from financing activities	(1,696)	7,407
Net (decrease) increase in cash and cash equivalents	(4,789)	3,918
Cash and cash equivalents at beginning of the period	15,254	11,713
Effect of foreign exchange rate changes	(28)	134
Cash and cash equivalents at the end of the period	10,437	15,765

Note A During HY16, the group acquired property, plant and equipment with an aggregate cost of S\$2,041,000 (HY15: S\$1,505,000), of which S\$296,000 (HY15: S\$168,000) was acquired under finance lease arrangement and S\$459,000 (HY15: S\$489,000) remained unpaid as at 30 September 2015. Cash payments of S\$1,749,000 (HY15: S\$1,217,000) were made to purchase property, plant and equipment.

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1(d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) 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 S\$'000	Currency translation reserve/ (deficit) S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the company S\$'000	Non- controlling interests S\$'000	Net S\$'000
Balance at 1 April, 2014	19,142	42	(12,814)	6,370	(2,745)	3,625
Loss for the period	-	-	(1,410)	(1,410)	(1,256)	(2,666)
<u>Other comprehensive loss</u>						
Foreign currency translation representing other comprehensive loss for the period, net of tax	-	58	-	58	95	153
Total comprehensive loss for the period, net of tax	-	58	(1,410)	(1,352)	(1,161)	(2,513)
<u>Contributions by and distributions to owners</u>						
Issue of share capital	9,408	-	-	9,408	-	9,408
Share issue expenses	(100)	-	-	(100)	-	(100)
Fair value adjustment on interest-free loans	-	-	-	-	142	142
Total contributions by and distributions to owners	9,308	-	-	9,308	142	9,450
Balance at 30 September, 2014	28,450	100	(14,224)	14,326	(3,764)	10,562
Balance at 1 April, 2015	28,450	(210)	(12,240)	16,000	(1,845)	14,155
Loss for the period	-	-	(1,376)	(1,376)	(264)	(1,640)
<u>Other comprehensive loss</u>						
Foreign currency translation representing other comprehensive loss for the period, net of tax	-	(28)	-	(28)	(9)	(37)
Total comprehensive loss for the period, net of tax	-	(28)	(1,376)	(1,404)	(273)	(1,677)
<u>Contributions by and distributions to owners</u>						
Fair value adjustment on interest-free loans, representing total contributions by and distributions to owners	-	-	-	-	253	253
Balance at 30 September, 2015	28,450	(238)	(13,616)	14,596	(1,865)	12,731

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1(d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) 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 (continued).

	Share capital S\$'000	COMPANY Accumulated losses S\$'000	Net S\$'000
Balance at 1 April, 2014	19,142	(8,431)	10,711
Loss for the period, representing total comprehensive income for the period	-	(192)	(192)
<u>Contributions by and distributions to owners</u>			
Issue of shares	9,408	-	9,408
Share issue expenses	(100)	-	(100)
Total transactions with owners in their capacity as owners	9,308	-	9,308
Balance at 30 September, 2014	28,450	(8,623)	19,827
Balance at 1 April, 2015	28,450	(9,147)	19,303
Loss for the period, representing total comprehensive income for the period	-	(179)	(179)
Balance at 30 September, 2015	28,450	(9,326)	19,124

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 shares, if any, against the total number of issued shares excluding treasury shares of the issue, 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.

On 25 August 2014, the Company issued 78,400,000 new ordinary shares in the issued and paid-up share capital of the Company pursuant to a renounceable and non-underwritten rights issue of up to 78,400,000 new ordinary shares ("**Rights Shares**") in the issued share capital of the Company ("**Rights Issue 2014**") at an issue price of S\$0.12 for each Rights Share on the basis of two (2) Rights Shares for every five (5) existing shares then held by shareholders as based on the terms and conditions of the Offer Information Statement dated 29 July 2014 issued by the Company. Net proceeds of S\$9.3 million were raised from the Rights Issue.

The Company refers to the announcement dated 1 October 2014 and 25 August 2015, the net proceeds raised from the Rights Issue 2014 has been utilised by way of grant of loans amounting to S\$6.0 million to a wholly owned subsidiary to provide additional working capital to repay its trade owings and monthly bank indebtedness as well as finance the set-up of one outlet and renovation of two existing outlets in Singapore. The unutilised net proceeds from Rights Issue 2014 approximates S\$3.3 million as at 30 September 2015.

The issued share capital of the Company as at 30 September 2015 comprises 274,400,000 (31 March 2015: 274,400,000) ordinary shares.

There are no outstanding convertibles and treasury shares as at the end of the financial period ended 30 September 2015 and 30 September 2014 respectively.

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.

	30-Sep-15	31-Mar-15
Total number of issued shares excluding treasury shares	274,400,000	274,400,000

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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 reported on.

Not applicable.

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 the auditors.

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

Not applicable.

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 under paragraph 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 applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 March 2015, except for the adoption of new and revised Financial Reporting Standards (FRS) which are effective for financial periods beginning on or after 1 April 2015.

The adoption of the new or revised standards from the effective date did not result in material adjustments to the financial position, results of operations, or cash flows for the period ended 30 September 2015 and did not have significant impact on the financial statements of the Group.

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:-

	HY 2016 Apr 15 - Sep 15	HY 2015 # Apr 14 - Sep 14
Loss 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	(0.50) cents	(0.63) cents
(b) On a fully diluted basis	(0.50) cents	(0.63) cents
Weighted average number of ordinary shares	274,400,000	225,592,787

On 25 August 2014, the Company issued and allocated 78,400,000 new ordinary shares in capital of the Company pursuant to a renounceable and non-underwritten rights issue (Rights Issue 2014) on the basis of two (2) Rights Shares for every five (5) existing ordinary shares in capital of the Company. The right shares were offered at S\$0.12 per share and represented a discount to the fair value of existing shares. The number of shares used for prior period calculation of earnings per share was adjusted for the discounted Rights Issue in order to provide a comparable basis for the current period. An adjustment factor of 1.09 was applied based on the company's share price of S\$0.17 per share on 15 August 2014, the last day on which the existing ordinary shares were traded together with the rights to exercise the Rights Shares on the Singapore Exchange Securities Trading Limited, and the theoretical ex-rights price at that date of S\$0.16 per share.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	30 Sep 15	31 Mar 15	30 Sep 15	31 Mar 15
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	5.32 cents	5.83 cents	6.97 cents	7.03 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 (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.**

Revenue

Revenue for the six-month period ended 30 September 2015 ("HY16") was about the same as the six-month period ended 30 September 2014 ("HY15"). Revenue reduced by S\$3.0 million arising from the closure of two outlets and the deconsolidation of PT Ming Cipta Rasa ("PT Ming") in 1 November 2014. However, this was partially offset by higher sales from outlets and catering business of S\$3.0 million.

Gross profit margin

Gross profit margin increased by 0.4 percentage points to 70.2% in HY16 from 69.8% in HY15 mainly due to better control of food costs.

Other operating income

Other operating income decreased by S\$55,000 (3.8%) to S\$1.38 million in HY16 from S\$1.43 million in HY15 mainly due to lower marketing promotion funds received of S\$0.2 million and decrease in gain on disposal of plant and equipment by S\$0.1 million. However, this was partially offset by higher government grants, catering and other service related income totalling S\$0.2 million.

Administrative expenses

Administrative expenses (mainly manpower expenses) increased by S\$0.3 million (2.2%) to S\$15.1 million in HY16 from S\$14.8 million in HY15 mainly attributable to salary increments and increase in Central Provident Fund contribution rates (which took effect from 1 January 2015 onwards) amounting to \$0.9 million. However, this was offset by absence of manpower costs from PT Ming of S\$0.6 million.

Other operating expenses

Other operating expenses decreased by S\$1.2 million (6.8%) to S\$15.8 million in HY16 from S\$17.0 million in HY15 due to the absence of S\$1.4 million expenses relating to PT Ming.

Share of profit of joint venture

Share of profit of joint venture decreased by S\$0.2 million (36.1%) to S\$0.3 million in HY16 from S\$0.5 million in HY15 due to lower profitability.

Share of loss of associates

Share of loss of associates increased by S\$18,000 to S\$32,000 in HY16 from S\$14,000 in HY15 due to higher losses incurred by China associates.

Income tax benefits

The Group registered income tax benefits of S\$0.5 million in HY16 mainly from deferred tax credits and tax benefits recognised from the Productivity and Innovation Credit ("PIC") scheme. The income tax benefits of S\$0.2 million in HY15 arose from tax benefits received from the PIC scheme.

Loss for the period

The Group reported a loss of S\$1.6 million in HY16, an improvement from a loss of S\$2.7 million in HY15. This is due to deconsolidation of PT Ming, better control of food costs and higher income tax credit. However, this was offset by increase in manpower costs and lower share of profit of joint venture.

Loss attributable to owners of the Company

Despite an improved loss for the period, the Group reported a loss attributable to owners of the Company of S\$1.4 million in HY16 (same as HY15) due to reduced losses attributable to non-controlling interests of subsidiaries.

Cashflow

The Group's **operational cashflow** recorded a net outflow of S\$1.4 million in HY16 as compared to net outflow of S\$2.5 million for HY15 mainly due to higher cash generated from operations.

The Group's **investing cashflow** recorded an outflow of S\$1.7 million in HY16 as compared to S\$1.0 million in HY15 mainly due to higher payment on plant and equipment acquisitions.

The Group's **financing cashflow** recorded an outflow of S\$1.7 million in HY16 mainly due to repayment of bank loans and finance leases of S\$1.4 million and dividends paid to non-controlling interests in subsidiaries of S\$0.3 million. In HY15, the Group recorded an inflow of S\$7.4 million mainly due to net proceeds of approximately S\$9.3 million from a Rights Issue in 2014 and loan from non-controlling interests of a subsidiary of S\$0.4 million, offset by dividend payments, repayment of bank loans and finance leases totalling S\$2.2 million.

Overall, the Group's cash position decreased by S\$4.8 million during HY16 to S\$10.4 million. This was mainly due to operational cash outlays, payment for acquisitions of plant and equipment, repayment of bank loans and finance leases as well as dividends paid to non-controlling interests of subsidiaries.

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9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**
No forecast or prospect statement was disclosed previously.
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 effect the group in the next reporting period and the next 12 months.**
The challenging operating environment for the F&B industry is likely to persist. Stiff competition, escalating business cost and rising manpower costs, coupled with tight manpower supply will continue to exert pressure on the Group's performance. In response to the challenges and weaker consumer sentiments, the Group will remain focus on cost control, improve operational efficiency and productivity.
11. **If a decision regarding dividend has been made:-**
- (a) **Whether an interim (final) ordinary dividend has been declared(recommended):**
Nil.
- (b)(i) **Amount per share:**
Nil.
- (b)(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).**
Not applicable.
- (d) **Date payable**
Not applicable.
- (e) **Books closure**
Not applicable.
12. **If no dividend has been declared (recommended), a statement to that effect.**
No dividend has been declared/recommended.

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13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Persons and Transactions	Aggregate value of all interested persons transactions during the period under review (excluding transactions less than \$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 \$100,000)	
	HY 2016	HY 2015	HY 2016	HY 2015
	Apr 15-Sept 15	Apr 14-Sept 14	Apr 15-Sept 15	Apr 14-Sept 14
	S\$'000	S\$'000	S\$'000	S\$'000
T & T Gourmet Cuisine Pte Ltd - Sale of food items to Tee Yih Jia Manufacturing Pte Ltd	-	-	662	610
T & T Gourmet Cuisine Pte Ltd - Sale of food items to Chinatown Food Corporation Pte Ltd	-	-	6	9
T & T Gourmet Cuisine Pte Ltd - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	-	-	5	7
Tung Lok Group - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	-	-	51	42
Tung Lok Group - Purchase of food items from Chinatown Food Corporation Pte Ltd	-	-	22	26
Tung Lok Group - Purchase of food items from T & T Gourmet Cuisine Pte Ltd	-	-	48	56
Tung Lok Group - Purchase of mooncakes from T & T Gourmet Cuisine Pte Ltd	-	-	431	579
Tee Yih Jia Manufacturing Pte Ltd - Purchase of mooncakes from Tung Lok Group	-	-	24	20
Tung Lok Group - Sale of catering food and services to hotels related to a substantial shareholder	137	-	-	-
Orchard Central Pte Ltd*	-	285	-	-

Note:

* These refer to IPTs that are categorised as transactions under Catalist Rule 916(1), which are in connection with lease of certain commercial units owned by a related company of our controlling shareholder, Goodview Properties Pte. Ltd.. Please refer to announcement dated 16 May 2014.

BY ORDER OF THE BOARD

Tjioe Ka Men
Executive Chairman
14 November 2015

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TUNG LOK RESTAURANTS (2000) LTD
RULE 705(5) – NEGATIVE ASSURANCE CONFIRMATION

Confirmation by the Board of Directors

Pursuant to Rule 705(5) of the SGX-ST Listing Manual Section B: Rules of Catalist, we, Tjioe Ka Men and Tjioe Ka In, being two Directors of Tung Lok Restaurants (2000) Ltd (the **Company**), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Group's unaudited interim financial statements for the period from 1 April 2015 to 30 September 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors:

Tjioe Ka Men
Executive Chairman

Tjioe Ka In
Executive Director

Singapore, 14 November 2015