

TUNG LOK RESTAURANTS (2000) LTD

Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016



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PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL-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.

	Group		Increase/ (decrease) %
	FY 2016 Apr 15 - Mar 16 S\$'000	FY 2015 Apr 14 - Mar 15 S\$'000	
Revenue	86,065	84,985	1.3
Cost of sales	(23,934)	(24,202)	(1.1)
Gross profit	62,131	60,783	2.2
<i>Gross profit margin</i>	<i>72.2%</i>	<i>71.5%</i>	<i>0.7 percentage points</i>
Other operating income	3,065	5,999	(48.9)
Administrative expenses	(31,492)	(31,796)	(1.0)
Other operating expenses	(33,443)	(36,462)	(8.3)
Share of profit of joint venture	286	656	(56.4)
Share of profit of associates	-	68	(100.0)
Finance costs	(247)	(257)	(3.9)
Profit/(loss) before tax	300	(1,009)	N.M
Income tax benefits	682	456	49.6
Profit/(loss) for the year	982	(553)	N.M
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations representing total other comprehensive income/(loss) for the year, net of tax	207	(120)	N.M
Total comprehensive income/(loss) for the year	1,189	(673)	N.M
Profit/(loss) attributable to:			
Owners of the company	611	574	6.4
Non-controlling interests	371	(1,127)	N.M
	982	(553)	N.M
Total comprehensive profit/(loss) attributable to:			
Owners of the company	772	465	66.0
Non-controlling interests	417	(1,138)	N.M
	1,189	(673)	N.M

NM : percentage not meaningful.

TUNG LOK RESTAURANTS (2000) LTD

Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016



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.

	Group		Increase/ (decrease) %
	FY 2016 Apr 15 - Mar 16 S\$'000	FY 2015 Apr 14 - Mar 15 S\$'000	
Profit/(loss) for the year includes the following (charges)/credits:			
Government grants	1,078	777	38.7
Interest income	47	177	(73.4)
Interest expenses on:			
- Bank loans	(138)	(164)	(15.9)
- Obligations under finance leases	(31)	(24)	29.2
- Shareholders' loans	(78)	(69)	13.0
Gain on disposal of a former subsidiary*	-	2,204	(100.0)
Depreciation of property, plant and equipment	(4,388)	(5,028)	(12.7)
Dividend income from an available-for-sale investment	69	63	9.5
Gain on disposal of property, plant and equipment	-	102	N.M.
Write off of property, plant and equipment	(24)	-	N.M.
(Loss)/gain on foreign exchange	(148)	110	N.M.
Recovery of doubtful trade debts previously provided	-	254	(100.0)
Trade bad debts written off	-	(5)	(100.0)
Allowance for doubtful debts - trade receivables	(77)	-	N.M.
Allowance for doubtful debts - non-trade receivables	(33)	-	N.M.
Allowance for doubtful debts due from a former subsidiary	-	(2,469)	(100.0)
Rental expenses - operating leases	(12,867)	(12,843)	0.2
Staff costs	(26,858)	(26,810)	0.2
Current tax benefit	302	156	93.6
Deferred tax benefit	336	22	1,427.3
Overprovision in preceding financial years for			
- Current tax	44	231	(81.0)
- Deferred tax	-	47	(100.0)

* On 1 December 2014, the Group's wholly owned subsidiary, TLG Asia Pte. Ltd. ("**TLG**"), disposed (the "**Disposal**") 3,000 ordinary shares (the "**Shares**"), representing 30% of the issued share capital in PT Ming Cipta Rasa ("**PT Ming**"). Prior to the Disposal, PT Ming was treated as a 49% owned subsidiary of TLG as TLG was given the power to control the financial and operating policies of PT Ming by virtue of the Group's majority board representation in PT Ming notwithstanding that TLG held 49% of the voting power in PT Ming. Following completion of the Disposal, TLG's interest in PT Ming reduced from 49% to 19%. With the Disposal, the Group relinquished all board representations in PT Ming and consequently, PT Ming will no longer be treated as a subsidiary or an associate of TLG. This gain arose from the deconsolidation of PT Ming due to the Disposal.

NM : percentage not meaningful.

TUNG LOK RESTAURANTS (2000) LTD
Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016


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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
	31 Mar 16 S\$'000	31 Mar 15 S\$'000		31 Mar 16 S\$'000	31 Mar 15 S\$'000	
ASSETS						
Current assets:						
Cash and bank balances	14,025	15,254	1	3,321	6,315	2
Trade receivables	1,784	2,194	3	-	-	
Other receivables and prepayments	1,153	690	4	78	735	5
Inventories	2,285	2,329		-	-	
Total current assets	19,247	20,467		3,399	7,050	
Non-current assets:						
Other receivables and prepayments	900	642	6	-	-	
Long-term security deposits	1,625	1,495	7	-	-	
Available for sale investment	16	16		-	-	
Interests in subsidiaries	-	-		16,566	12,924	8
Associates	716	716		-	-	
Joint venture	1,077	791	9	-	-	
Deferred tax asset	318	-	10a	-	-	
Property, plant and equipment	12,052	13,955	11	-	-	
Total non-current assets	16,704	17,615		16,566	12,924	
Total assets	35,951	38,082		19,965	19,974	
LIABILITIES AND EQUITY						
Current liabilities:						
Trade payables	3,363	3,660	12	-	-	
Other payables	9,111	10,147	13	563	671	14
Finance leases	214	171	15a	-	-	
Bank borrowings	538	2,018	16a	-	-	
Income tax payable	21	19		-	-	
Total current liabilities	13,247	16,015		563	671	
Non-current liabilities:						
Other payables	4,217	4,254		-	-	
Finance leases	432	409	15b	-	-	
Bank borrowings	2,738	3,231	16b	-	-	
Deferred tax liabilities	-	18	10b	-	-	
Total non-current liabilities	7,387	7,912		-	-	
Total liabilities	20,634	23,927		563	671	
Capital, reserves and non-controlling interests:						
Share capital	28,450	28,450		28,450	28,450	
Currency translation deficit	(49)	(210)		-	-	
Accumulated losses	(11,629)	(12,240)		(9,048)	(9,147)	
Equity attributable to owners of the company	16,772	16,000		19,402	19,303	
Non-controlling interests	(1,455)	(1,845)	17	-	-	
Total equity	15,317	14,155		19,402	19,303	
Total liabilities and equity	35,951	38,082		19,965	19,974	

TUNG LOK RESTAURANTS (2000) LTD

Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016



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

NOTE: EXPLANATION OF THE FINANCIAL YEAR 2016 (FY16) VS FINANCIAL YEAR 2015 (FY15)

- 1) Decrease in cash and bank balances at Group level was mainly due to the following:
 - (i) S\$3.0 million cash outlay to acquire plant and equipment and advance payment for capital expenditures;
 - (ii) S\$2.2 million repayment of bank borrowings and finance leases; and
 - (iii) S\$0.5 million dividend payment to non-controlling interests in subsidiaries.However, this was offset by operational cash inflow of S\$4.5 million.
 - 2) Decrease in cash and bank balances at Company level was mainly due to a loan extended to a wholly-owned subsidiary amounting to S\$3.0 million as additional working capital.
 - 3) Decrease in trade receivables was mainly due to improvement in receivable turnover days.
 - 4) Increase in other receivables and prepayments (current) at Group level was mainly due to higher government grant receivables of S\$0.2 million and transfer of S\$0.3 million advance to an associate from non-current to current balance as this amount is expected to be repaid within the next 12 months.
 - 5) Decrease in other receivables and prepayments (current) at Company level was mainly due to lower dividend receivable from subsidiaries.
 - 6) Increase in other receivables and prepayments (non-current) at Group level was mainly due to advance payment of S\$0.4 million for capital expenditures and higher prepayments of S\$0.1 million but offset by transfer of S\$0.3 million advance to an associate from non-current to current balance as this amount is expected to be repaid within the next 12 months.
 - 7) Increase in long-term security deposits was mainly due to rental and utilities deposits placed for new and renewed leases.
 - 8) Increase in interests in subsidiaries was mainly due to net advances of S\$3.6 million to subsidiaries.
 - 9) Increase was mainly due to share of profit of joint venture amounting to S\$0.3 million during FY16.
 - 10(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.
 - 11) Decrease in property, plant and equipment was mainly due to S\$4.4 million depreciation charge during FY16 offset by acquisition of plant and equipment for refurbishment of existing outlets and opening of an outlet amounting to \$2.6 million.
 - 12) Decrease in trade payables was mainly due to improvement in creditor turnover days.
 - 13) Decrease in other payables (current) at Group level was mainly due to the following:
 - (i) payment of dividends to non-controlling shareholders of subsidiaries of S\$0.2 million;
 - (ii) payment for capital expenditure of S\$0.4 million;
 - (iii) repayment of loan of S\$0.1 million owing to a corporate shareholder; and
 - (iv) decrease in utility-related accrued expenses and deferred revenue of S\$0.3 million.
 - 14) Decrease in other payables at Company level was mainly due to fair value adjustment on financial guarantees of S\$86,000.
 - 15(a)&(b) Increase in finance leases was mainly due to new finance leases of S\$0.3 million offset by repayments of S\$0.2 million during FY16.
 - 16(a)&(b) Decrease in bank borrowings was due to repayments of S\$2.0 million during FY16.
 - 17) Increase in non-controlling interests was mainly due to share of net profits associated with non wholly-owned subsidiaries of S\$0.4 million and fair value adjustment on interest-free loans from non-controlling interests in subsidiaries amounting to S\$0.2 million but offset by dividend paid to non-controlling interests of S\$0.3 million.
- Total assets of the Group decreased by S\$2.1 million (5.5%) to S\$36.0 million as at 31 March 2016 from S\$38.1 million as at 31 March 2015 mainly due to the following:
- (i) decrease in plant and equipment of S\$1.9 million; and
 - (ii) decrease in cash and bank balance of S\$1.2 million.
- However, this was partially offset by higher trade and other receivables of S\$0.3 million, increase in net asset of joint venture of S\$0.3 million, increase in long-term security deposit of S\$0.1 million and higher deferred tax assets of S\$0.3 million.
- Total liabilities of the Group decreased by S\$3.3 million (13.8%) to S\$20.6 million as at 31 March 2016 from S\$23.9 million as at 31 March 2015 mainly due to the following:
- (i) repayment of bank borrowings amounting to S\$2.0 million;
 - (ii) decrease in trade and other payables amounting to S\$1.4 million; and
 - (iii) repayment of finance lease amounting to S\$0.2 million offset by new finance lease of S\$0.3 million.
- The Group's net working capital improved to S\$6.0 million as at 31 March 2016 from S\$4.5 million as at 31 March 2015 largely due to improvement in overall performance of the Group.

TUNG LOK RESTAURANTS (2000) LTD**Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016****1(b)(ii) Aggregate amount of group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

As at 31 Mar 2016 (S\$'000)		As at 31 Mar 2015 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
752	-	2,189	-

Amount repayable after one year

As at 31 Mar 2016 (S\$'000)		As at 31 Mar 2015 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
3,170	-	3,640	-

Details of any collateral

As at balance sheet date, the total borrowings 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.

TUNG LOK RESTAURANTS (2000) LTD
Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016

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-Mar 16 S\$'000	Apr 14-Mar 15 S\$'000
Operating activities:		
Profit/(loss) before tax	300	(1,009)
Adjustments for:		
Allowance for doubtful debts due from a former subsidiary	-	2,469
Trade bad debts written off	-	5
Allowance for doubtful debts	110	-
Share of profit of joint venture	(286)	(656)
Share of profit of associates	-	(68)
Depreciation of property, plant and equipment	4,388	5,028
Interest income	(47)	(177)
Interest expense	247	257
Dividend income from an available-for-sale investment	(69)	(63)
Gain on disposal of property, plant and equipment	-	(102)
Write off of property, plant and equipment	24	-
Foreign exchange loss/(gain)	148	(110)
Recovery of doubtful debts previously provided	-	(254)
Gain on disposal of a former subsidiary	-	(2,204)
Operating cash flows before movements in working capital	4,815	3,116
Changes in working capital:		
Decrease in trade receivables	331	47
(Increase)/decrease in other receivables and prepayments	(490)	642
Decrease/(increase) in inventories	37	(269)
(Increase)/decrease in long-term security deposits	(143)	4
Decrease in trade payables	(198)	(1,427)
Decrease in other payables	(171)	(1,203)
Cash generated from operations	4,181	910
Interest paid	(162)	(188)
Interest received	22	10
Net income tax refund	447	344
Net cash from operating activities	4,488	1,076
Investing activities		
Dividends received from available-for-sale investment	69	63
Proceeds from disposal of property, plant and equipment	-	103
Purchase of property, plant and equipment (Note A)	(2,600)	(3,295)
Advance payment for capital expenditures (Note A)	(365)	-
Dividend received from an associate	-	80
Net cash outflow on disposal of a subsidiary	-	(48)
Net cash used in investing activities	(2,896)	(3,097)

TUNG LOK RESTAURANTS (2000) LTD**Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016****Financing activities**

Advances from non-controlling interests of subsidiaries	25	400
Dividends paid to non-controlling interests in subsidiaries (Note B)	(507)	(290)
Repayment of loan from a corporate shareholder	(133)	(133)
Repayment of bank loans	(1,973)	(3,399)
Repayment of obligations under finance leases	(230)	(172)
Rights issue net of issue expenses	-	9,308
Net cash (used in)/from financing activities	(2,818)	5,714
Net (decrease)/increase in cash and cash equivalents	(1,226)	3,693
Cash and cash equivalents at beginning of the year	15,254	11,713
Effect of foreign exchange rate changes	(3)	(152)
Cash and cash equivalents at the end of the year	14,025	15,254

Note A

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S\$2,573,000 (FY15: S\$2,016,000), of which S\$105,000 (FY15: S\$107,000) relates to provision for reinstatement costs of premises, S\$296,000 (FY15: S\$348,000) was acquired under finance lease arrangements and S\$34,000 (FY15: S\$462,000) remains unpaid at the end of the reporting period. Cash payments of S\$2,600,000 (FY15: S\$3,592,000) were made to purchase property, plant and equipment. In addition, an advance payment of S\$365,000 was made for capital expenditures.

Note B

During the financial year, the Group declared dividends amounting to S\$265,000 (FY15: S\$272,000) to non-controlling interests in subsidiaries of which S\$30,000 (FY15: \$272,000) remained unpaid at the end of the reporting period.

TUNG LOK RESTAURANTS (2000) LTD
Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016


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 (deficit)/ reserve S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the company S\$'000	Non-controlling interests S\$'000	Net S\$'000
At 31 March 2014	19,142	42	(12,814)	6,370	(2,745)	3,625
Profit/(loss) for the year	-	-	574	574	(1,127)	(553)
<u>Other comprehensive income</u>						
Foreign currency translation representing other comprehensive loss for the year, net of tax	-	(109)	-	(109)	(11)	(120)
Total comprehensive income for the year, net of tax	-	(109)	574	465	(1,138)	(673)
<u>Contribution by and distributions to owners</u>						
Dividends paid to non-controlling interests in subsidiaries	-	-	-	-	(272)	(272)
Fair value adjustment on interest-free loans from non-controlling interests in subsidiaries	-	-	-	-	144	144
Issue of share capital	9,408	-	-	9,408	-	9,408
Share issue expenses	(100)	-	-	(100)	-	(100)
Total contributions by and distribution to owners	9,308	-	-	9,308	(128)	9,180
<u>Changes in ownership interest in subsidiaries</u>						
Disposal of a former subsidiary, representing total changes in ownership interests in subsidiaries	-	(143)	-	(143)	2,166	2,023
Total transactions with owners in their capacity as owners	9,308	(143)	-	9,165	2,038	11,203
At 31 March 2015	28,450	(210)	(12,240)	16,000	(1,845)	14,155
Profit for the year	-	-	611	611	371	982
<u>Other comprehensive income</u>						
Foreign currency translation representing other comprehensive income for the year, net of tax	-	161	-	161	46	207
Total comprehensive income for the year, net of tax	-	161	611	772	417	1,189
<u>Contribution by and distributions to owners</u>						
Dividends paid to non-controlling interests in subsidiaries	-	-	-	-	(265)	(265)
Fair value adjustment on interest-free loans from non-controlling interests in subsidiaries	-	-	-	-	238	238
Total transactions with owners in their capacity as owners	-	-	-	-	(27)	(27)
At 31 March 2016	28,450	(49)	(11,629)	16,772	(1,455)	15,317

TUNG LOK RESTAURANTS (2000) LTD

Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016



	Share capital S\$'000	COMPANY Accumulated losses S\$'000	Net S\$'000
At 31 March 2014	19,142	(8,431)	10,711
Loss for the year, representing total comprehensive income for the year	-	(716)	(716)
<u>Contribution by and distributions to owners</u>			
Issue of shares capital	9,408	-	9,408
Share issue expenses	(100)	-	(100)
Total transactions with owners in their capacity as owners	9,308	-	9,308
At 31 March 2015	28,450	(9,147)	19,303
Profit for the year, representing total comprehensive income for the year	-	99	99
At 31 March 2016	28,450	(9,048)	19,402

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**") 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 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 to finance the set-up of one outlet and renovation of two existing outlets in Singapore. The unutilised net proceeds from Rights Issue approximates S\$3.3 million as at 31 March 2016.

There have been no changes in the Company's issued share capital since the end of the previous financial period reported on being 30 September 2015.

There are no outstanding convertibles and treasury shares as at the end of the financial year ended 31 March 2016 and 31 March 2015 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.

	31 Mar 16	31 Mar 15
Total number of issued shares excluding treasury shares	274,400,000	274,400,000

TUNG LOK RESTAURANTS (2000) LTD

Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016



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.

The Company does not have any treasury shares.

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 year ended 31 March 2016 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:-

	FY 2016 Apr 15 - Mar 16	FY 2015 # Apr 14 - Mar 15
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	0.22 cents	0.23 cents
(b) On a fully diluted basis	0.22 cents	0.23 cents
Weighted average number of ordinary shares	274,400,000	249,929,534

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**") 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 year 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	
	31 Mar 16	31 Mar 15	31 Mar 16	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	6.11 cents	5.83 cents	7.07 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 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.

Revenue and Cost of sales

Revenue for the year ended 31 March 2016 ("FY16") increased by S\$1.1 million (1.3%) to S\$86.1 million, up from S\$85.0 million for the year ended 31 March 2015 ("FY15") mainly due to the following:

- (i) S\$6.0 million due to higher revenue contribution by two rebranded outlets and one new outlet opened during FY16;
- (ii) S\$1.1 million due to increase in revenue contributed by catering sales; and
- (iii) S\$0.3 million higher sales from existing outlets.

However, this was partially offset by loss in revenue contributions from:

- (a) closure of 2 outlets during FY16 amounting to S\$4.9 million; and
- (b) de-consolidation of a former subsidiary, PT Ming Cipta Rasa ("**PT Ming**"), in FY15 amounting to S\$1.5 million.

Gross profit margins

Gross profit increased by S\$1.3 million (2.2%) to S\$62.1 million in FY16 from S\$60.8 million in FY15, in line with higher revenue. Gross profit margin increased marginally by 0.7 percentage points to 72.2% from 71.5% due to better control of food costs.

Other operating income

Other operating income decreased by S\$2.9 million (48.9%) to S\$3.1 million in FY16 from S\$6.0 million in FY15 mainly due to the following:

- (i) absence of an one-off gain on disposal of a former subsidiary of S\$2.2 million;
- (ii) absence of recovery of doubtful debts of S\$0.3 million;
- (iii) absence of gain on disposal of plant and equipment and foreign exchange gain amounting to S\$0.2 million; and
- (iv) lower marketing promotion fund and interest income of S\$0.3 million.

Administrative Expenses

Administrative expenses, mainly manpower-related expenses, decreased by S\$0.3 million (1.0%) to S\$31.5 million in FY16 from S\$31.8 million in FY15 mainly due to absence of manpower costs from a former subsidiary (PT Ming) disposed in FY15 and lower manpower costs arising from the closure of 2 outlets amounting to S\$1.5 million. However, the decrease was offset by salary increments and increase in Central Provident Fund contribution rates (which took effect from 1 January 2015 onwards) amounting to S\$1.2 million.

Other Operating Expenses

Other operating expenses decreased by S\$3.1 million (8.3%) to S\$33.4 million in FY16 from S\$36.5 million in FY15 mainly due to the following:

- (i) absence of allowance for non-trade doubtful debt due from a former subsidiary, PT Ming, of S\$2.5 million;
- (ii) lower utility expenses of S\$0.9 million;
- (iii) lower depreciation expenses of S\$0.6 million; and
- (iv) lower upkeep and cleaning expenses of S\$0.3 million.

However, this was offset by higher utensil expenses of S\$0.4 million, higher mooncake related expenses of S\$0.3 million, higher advertising and promotion expenses of S\$0.2 million, higher credit card commission of S\$0.1 million and higher royalty expenses of S\$0.1 million incurred in FY16.

Share of profit of associates

Share of profit of associates reduced in FY16 due to higher losses contributed by China associates.

Share of profit of joint venture

Share of profit of joint venture decreased by S\$370,000 (56.4%) to S\$286,000 in FY16 from S\$656,000 in FY15 due to lower profitability.

Income tax benefits

The Group registered income tax benefits of S\$682,000 in FY16 due to deferred tax credit of S\$336,000 and tax benefit of S\$366,000 from the Productivity and Innovation Credit ("**PIC**") scheme arising from the purchase of IT and automation equipment and applicable expenses offset by income tax expense of S\$20,000. The income tax benefits of S\$456,000 in FY15 arose from deferred tax credit recognised and tax benefit received from the PIC scheme.

TUNG LOK RESTAURANTS (2000) LTD

Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016



Profit attributable to owners of the Company

The Group reported a profit attributable to owners of the Company of S\$611,000 compared to S\$574,000 in FY15 (an increase of 6.4%) mainly due to improved revenue, better control of food and operating costs, lower finance cost and higher income tax credit.

Cashflow

The Group's **operational cashflow** recorded a net inflow of S\$4.5 million in FY16 as compared to S\$1.1 million in FY15 mainly due to higher cash generated from operations.

The Group's **investing cashflow** recorded an outflow of S\$2.9 million in FY16 as compared to S\$3.1 million in FY15 mainly due to lesser acquisition of plant and equipment.

The Group's **financing cashflow** recorded an outflow of S\$2.8 million in FY16 mainly due to repayment of bank borrowings and finance leases of S\$2.2 million, repayment of loan from a corporate shareholder of S\$0.1 million and dividend paid to non-controlling shareholders in subsidiaries of S\$0.5 million.

In FY15, the Group recorded an inflow of S\$5.7 million mainly due to net proceeds from Right Issue of S\$9.3 million, advance from non-controlling interests of a subsidiary of S\$0.4 million, offset by repayment of bank borrowings and finance leases of S\$3.6 million, repayment of loan from a corporate shareholder of S\$0.1 million and payment of dividend of S\$0.3 million.

Overall, the Group's cash position decreased by S\$1.2 million during FY16 to S\$14.0 million. This was mainly due to payment for acquisition of plant and equipment, dividends paid to non-controlling interests of subsidiaries and repayment of bank borrowings and finance leases which were higher than operational cash generated.

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 Group performance in FY16 improved compared to FY15 notwithstanding the unfavourable economic conditions and challenging operating environment for F&B industry. The business conditions are expected to remain challenging in the next 12 months due to economic outlook uncertainty, stiff competition as well as rising business and manpower costs. Amid these challenges, the Group will continue to focus on improving revenue and managing operating costs. To achieve this, it will seek to further enhance productivity, capitalise on relevant government incentives and explore additional ways to streamline operations as well as reinvent our restaurant concepts to remain competitive.

TUNG LOK RESTAURANTS (2000) LTD**Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016****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 date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared/recommended.

PART II - 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 financial statements, with comparative information for the immediately preceding year.**

	GROUP	
	Sale revenue by geographical market	
	31 Mar 16	31 Mar 15
	S\$'000	S\$'000
Singapore	82,984	80,401
China	3,081	3,057
Indonesia	-	1,527
	86,065	84,985

	GROUP	
	Property, plant and equipment	
	31 Mar 16	31 Mar 15
	S\$'000	S\$'000
Singapore	11,379	12,563
China	673	1,392
	12,052	13,955

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.

TUNG LOK RESTAURANTS (2000) LTD**Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016****15. A breakdown of sales as follows:**

	GROUP		
	Latest Financial Year (Apr 15 - Mar 16) S\$'000	Previous Financial Year (Apr 14 - Mar 15) S\$'000	Increase/ (decrease) %
(a) Sales reported for first half of the year	38,846	38,864	(0.0)
(b) Operating loss after tax before deducting non-controlling interest reported for first half of the year	(1,640)	(2,666)	(38.5)
(c) Sales reported for second half of the year	47,219	46,121	2.4
(d) Operating profit after tax before deducting non-controlling interest reported for second half of the year	2,622	2,113	24.1

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

Nil.

TUNG LOK RESTAURANTS (2000) LTD
Full Year Financial Statement and Dividend Announcement for the Year Ended 31 March 2016


17. 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)	
	FY 2016	FY 2015	FY 2016	FY 2015
	Apr 15-Mar 16	Apr 14-Mar 15	Apr 15-Mar 16	Apr 14-Mar 15
	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	-	-	1,371	1,254
T & T Gourmet Cuisine Pte Ltd - Sale of food items to Chinatown Food Corporation Pte Ltd	-	-	11	16
T & T Gourmet Cuisine Pte Ltd - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	-	-	12	19
Tung Lok Group - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	-	-	104	100
Tung Lok Group - Purchase of food items from Chinatown Food Corporation Pte Ltd	-	-	52	46
Tung Lok Group - Purchase of food items from T & T Gourmet Cuisine Pte Ltd	-	-	100	126
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
T & T Gourmet Cuisine Pte Ltd - Rental with Tee Yih Jia Manufacturing Pte Ltd ⁺	-	598	-	-
Tung Lok Group - Sale of catering food and services to Far East Orchard Limited	40	133	-	-
Tung Lok Group - Sale of catering food and services to hotels related to a substantial shareholder	274	101	-	-
Orchard Central Pte Ltd *	1,210	285	-	-
Far East Hospitality Real Estate Investment Trust *	3,150	-	-	-
Riverhub Pte Ltd *	1,780	-	-	-

Note:

⁺ This refers to IPTs that are categorised as transactions under Catalist Rule 916(1), which is in connection with lease of certain commercial units owned by our controlling shareholder, Tee Yih Jia Food Manufacturing Pte Ltd. Please refer to announcement dated 12 January 2015.

* 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 16 May 2014, 30 November 2015, 8 January 2016 and 10 February 2016.

18. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under SGX-ST Listing Manual Section B: Rules of Catalist ("Catalist") Rule 720(1).

The Company confirms that the undertakings from all its directors and executive officers (in the format set out in Appendix 7H) pursuant to Catalist Rule 720(1) have been procured prior to 30 April 2016.

19. Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director of chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must take an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of change in duties and position held, if any, during the year
Tjioe Ka Lie	59	Daughter of Zhou Yingnan, deceased (substantial shareholder); and sister of Tjioe Ka Men (Executive Chairman) and Tjioe Ka In (Executive Director)	Senior Vice President, Administration since 2010, and responsible for administration and purchasing matters of the Group. Prior to that, Tjioe Ka Lie was the Vice President-Administration of the Group since 2001	Not Applicable

BY ORDER OF THE BOARD

Tjioe Ka Men
Executive Chairman
18 May 2016