

TUNG LOK RESTAURANTS (2000) LTD
Half Year Financial Statement and Dividend Announcement for the Period Ended 30 September 2014

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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.

	Group		Increase/ (Decrease) %
	HY 2015 Apr 14-Sep 14 S\$'000	HY 2014 Apr 13-Sep 13 S\$'000	
Revenue	38,864	35,448	10
Cost of sales	(11,719)	(10,214)	15
Gross profit	27,145	25,234	8
<i>Gross profit margin</i>	<i>69.8%</i>	<i>71.2%</i>	<i>(1.4) percentage points</i>
Other operating income	1,436	1,378	4
Administrative expenses	(14,809)	(14,476)	2
Other operating expenses	(16,979)	(16,841)	1
Share of profit of joint venture	463	420	10
Share of (loss) profit of associates	(14)	16	N.M
Finance expenses	(121)	(148)	(18)
Loss before tax	(2,879)	(4,417)	(35)
Income tax benefits	213	50	326
Loss for the period	(2,666)	(4,367)	(39)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operations representing other comprehensive income for the period, net of tax	153	160	(4)
Total comprehensive loss for the period	(2,513)	(4,207)	(40)
Loss attributable to:			
Owners of the company	(1,410)	(3,353)	(58)
Non-controlling interests	(1,256)	(1,014)	24
	(2,666)	(4,367)	(39)
Total comprehensive loss attributable to:			
Owners of the company	(1,352)	(3,268)	(59)
Non-controlling interests	(1,161)	(939)	24
	(2,513)	(4,207)	(40)

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) %
	HY 2015 Apr 14-Sep 14 S\$'000	HY 2014 Apr 13-Sep 13 S\$'000	
Loss for the period include the following (charges)/credits:			
Government grant received	323	262	23
Interest income	13	2	550
Interest expenses on:			
- Bank loans	(91)	(138)	(34)
- Obligations under finance leases	(11)	(10)	10
- Others	(19)	-	N.M
Depreciation of property, plant and equipment	(2,591)	(2,509)	3
Gain (loss) on disposal of plant and equipment	100	(24)	N.M
Net foreign exchange losses	(36)	(245)	(85)
Rental expenses-operating leases	(6,320)	(6,077)	4
Staff costs	(12,847)	(12,570)	2
Current tax benefit	73	8	813
Deferred tax benefit	32	42	(24)
Underprovision in preceding financial period for			
- Current tax benefit	108	-	N.M

NM : percentage not meaningful.

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-14 S\$'000	31-Mar-14 S\$'000		30-Sep-14 S\$'000	31-Mar-14 S\$'000	
ASSETS						
Current assets:						
Cash and bank balances	15,765	11,713	1	9,417	2,320	2
Trade receivables	3,129	2,282	3	-	-	
Other receivables and prepayments	1,525	1,274	4	34	837	5
Inventories	2,246	2,232		-	-	
Total current assets	22,665	17,501		9,451	3,157	
Non-current assets:						
Other receivables	587	674	6	-	-	
Long-term security deposits	1,661	1,622		-	-	
Available for sale investment	16	16		-	-	
Subsidiaries	-	-		12,553	12,547	
Associates	634	625		-	-	
Joint venture	598	135	7	-	-	
Property, plant and equipment	17,949	19,157	8	-	-	
Total non-current assets	21,445	22,229		12,553	12,547	
Total assets	44,110	39,730		22,004	15,704	
LIABILITIES AND EQUITY						
Current liabilities:						
Trade payables	7,059	7,342	9	-	-	
Other payables	12,848	13,636	11	2,177	4,993	10
Finance leases	141	124	12a	-	-	
Bank borrowings	2,812	3,391	13a	-	-	
Income tax payable	11	21		-	-	
Total current liabilities	22,871	24,514		2,177	4,993	
Non-current liabilities:						
Other payables	6,298	5,966	14	-	-	
Finance leases	346	280	12b	-	-	
Bank borrowings	3,978	5,258	13b	-	-	
Deferred tax liabilities	55	87		-	-	
Total non-current liabilities	10,677	11,591		-	-	
Total liabilities	33,548	36,105		2,177	4,993	
Capital, reserves and non-controlling interests:						
Share capital	28,450	19,142	15	28,450	19,142	15
Currency translation reserve	100	42		-	-	
Accumulated losses	(14,224)	(12,814)		(8,623)	(8,431)	
Equity attributable to owners of the company	14,326	6,370		19,827	10,711	
Non-controlling interests	(3,764)	(2,745)	16	-	-	
Total equity	10,562	3,625		19,827	10,711	
Total liabilities and equity	44,110	39,730		22,004	15,704	

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

NOTE: EXPLANATION OF THE FIRST HALF FINANCIAL YEAR 2015 (HY15) VS FINANCIAL YEAR 2014 (FY14)

- 1) Increase in cash and bank balances was mainly due to net proceeds from Rights Issue raised during HY15 amounting to S\$9.3 million and S\$0.4 million advances from non-controlling interests in a subsidiary, offset by S\$1.2 million cash outlays to acquire plant and equipment, S\$1.9 million repayment of bank borrowings and finance leases, S\$0.3 million dividends paid to non-controlling interests in subsidiaries and S\$2.3 million operational cash outlays.
- 2) Increase in cash and bank balances was mainly due to net proceeds from Rights Issue raised during HY15 amounting to S\$9.3 million, offset by grant of S\$2.3 million loans to subsidiaries as additional working capital to repay its trade owings and bank indebtedness as well as to finance the set-up of a new Singapore outlet.
- 3) Increase in trade receivables was mainly due to more credit sales from catering events and mooncake sales towards end of September 2014.
- 4) Increase in other receivables and prepayments was due to government grant receivables of S\$0.1 million and Productivity & Innovative Credit ("PIC") receivables of S\$0.2 million.
- 5) Decrease in other receivables and prepayments was mainly due to receipt of dividends declared by subsidiaries during FY2014 but paid in HY15.
- 6) Decrease in non-current other receivables was mainly due to fair value adjustment on interest free shareholder loans.
- 7) Increase in joint venture was mainly due to share of profit of joint venture amounting to S\$463,000 during HY15.
- 8) Decrease in property, plant and equipment was mainly due to acquisition of plant and equipment for new outlet and central kitchen amounting to S\$1.5 million offset by S\$2.6 million depreciation charge during the period.
- 9) Decrease in trade payables was mainly due to improvement in creditors turnover days.
- 10) Decrease was mainly due to repayment of borrowings from a subsidiary of S\$2.3 million.
- 11) Decrease in other payables was mainly due to payment of dividend to non-controlling interest of S\$0.3 million and recognition of deferred advertising and promotion fund as other income amounting to S\$0.4 million.
- 12(a)&(b) Increase in finance leases in HY15 was mainly due to a new finance lease of S\$168,000 entered to purchase motor vehicles offset by repayments amounting to S\$85,000 during the period.
- 13(a)&(b) Decrease in bank borrowings in HY15 was due to repayments of S\$1.9 million.
- 14) Increase in other payables was mainly due to advances of S\$0.4 million from non-controlling interests of a subsidiary.
- 15) Increase was due to issuance of 78,400,000 new ordinary shares in the issued 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 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 ("**Rights Issue 2014**"). Net proceeds of approximately S\$9.3 million were raised from Rights Issue 2014.
- 16) Decrease in non-controlling interests was mainly due to the higher share of losses associated with loss making entities of S\$1.2 million, offset by fair value adjustment on interest-free loans from non-controlling interests in subsidiaries.

Total assets of the Group increased by S\$4.4 million (11%) to S\$44.1 million as at 30 September 2014 from S\$39.7 million as at 31 March 2014 mainly due to the increase in cash and bank balances of S\$4.1 million, increase in trade and other receivables of S\$1.0 million, increase in share of joint venture's net asset by S\$0.5 million and reduced by S\$1.2 million in property, plant and equipment.

Total liabilities of the Group decreased by S\$2.6 million (7%) to S\$33.5 million as at 30 September 2014 from S\$36.1 million as at 31 March 2014 as a result of repayment of bank borrowings amounting to S\$1.9 million, a decrease in trade and other payables (current) amounting to S\$1.1 million and offset by additional advances from non-controlling interest of S\$0.4 million.

The Group's net working capital improved to a deficit of S\$0.2 million as at 30 September 2014 from a deficit of S\$7.0 million as at 31 March 2014 largely due to net proceeds from Rights Issue and improvement in performance of the group.

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 Sep 2014 (S\$'000)		As at 31 Mar 2014 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
2,953	-	3,515	-

Amount repayable after one year

As at 30 Sep 2014 (S\$'000)		As at 31 Mar 2014 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
4,324	-	5,538	-

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.

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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 14 - Sep 14 S\$'000	Apr 13 - Sep 13 S\$'000
Operating activities:		
Loss before tax	(2,879)	(4,417)
Adjustments for:		
Share of profit of joint venture	(463)	(420)
Share of loss (profit) of associates	14	(16)
Depreciation of property, plant and equipment	2,591	2,509
(Gain) loss on disposal of property, plant and equipment	(100)	24
Net foreign exchange losses	137	225
Interest income	(13)	(2)
Interest expenses	121	148
Operating cash flows before movements in working capital	(592)	(1,949)
Trade receivables	(848)	(1,358)
Other receivables and prepayments	(167)	(127)
Inventories	(14)	(492)
Long-term security deposits	(39)	122
Trade payables	(282)	1,499
Other payables (A)	(503)	297
Cash used in operations	(2,445)	(2,008)
Interest paid	(102)	(148)
Income tax refund(paid)	88	(16)
Net cash used in operating activities	(2,459)	(2,172)
Investing activities		
Purchase of property, plant and equipment (A)	(1,217)	(3,882)
Proceeds from disposal of property, plant and equipment	102	13
Dividend from an associate	80	-
Interest received	5	2
Net cash used in investing activities	(1,030)	(3,867)
Financing activities		
Dividends paid to non-controlling interests in subsidiaries	(290)	(380)
Issue of shares to non-controlling interests in a subsidiary	-	31
Net proceeds from issuance of shares	9,308	8,872
Loan from non-controlling interests of subsidiaries	400	763
Loan from a corporate shareholder	-	400
Repayment of loan from a corporate shareholder	(67)	(22)
Proceeds from bank loans	-	5,642
Repayment of bank loans	(1,859)	(4,156)
Repayment of obligations under finance leases	(85)	(73)
Cash and bank balances subject to set off	64	80
Net cash from financing activities	7,471	11,157
Net increase in cash and cash equivalents	3,982	5,118
Cash and cash equivalents at beginning of the period	10,121	7,386
Effect of foreign exchange rate changes	134	70
Cash and cash equivalents at the end of the period (B)	14,237	12,574

A During HY15, the group acquired property, plant and equipment with an aggregate cost of S\$1,505,000 (HY14: S\$5,458,000), of which S\$168,000 (HY14: S\$Nil) was acquired under finance lease arrangement and S\$489,000 (HY14: S\$2,527,000) remained unpaid as at 30 September 2014. Cash payments of S\$1,217,000 (HY14: S\$3,882,000) were made to purchase property, plant and equipment.

	Apr 14 - Sep 14 S\$'000	Apr 13 - Sep 13 S\$'000
B Cash and bank balances in Statement of Financial Position	15,765	14,451
Less :Cash and bank balances subject to set off	(1,528)	(1,877)
Cash and cash equivalents in the statement of cash flows	14,237	12,574

Included in cash at bank is an amount of S\$1,528,000 (HY14: S\$1,877,000) kept with banks which have also extended banking facilities to the group. Under the general terms and conditions of the banks' facility letter, such amounts are subject to set off against the liabilities owing to the banks at their discretion.

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 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, 2013	10,270	(53)	(6,037)	4,180	257	4,437
Total comprehensive loss for the year	-	85	(3,353)	(3,268)	(939)	(4,207)
<i>Transactions with owners, recognised directly in equity:</i>						
Issue of shares to non-controlling interests in a subsidiary	-	-	-	-	31	31
Issue of shares	8,960	-	-	8,960	-	8,960
Share issue expenses	(88)	-	-	(88)	-	(88)
Balance at 30 September, 2013	19,142	32	(9,390)	9,784	(651)	9,133
Balance at 1 April, 2014	19,142	42	(12,814)	6,370	(2,745)	3,625
Total comprehensive loss for the year	-	58	(1,410)	(1,352)	(1,161)	(2,513)
<i>Transactions with owners, recognised directly in equity:</i>						
Issue of shares	9,408	-	-	9,408	-	9,408
Share issue expenses	(100)	-	-	(100)	-	(100)
Fair value adjustment on interest-free loans from non-controlling interests in subsidiaries	-	-	-	-	142	142
Balance at 30 September, 2014	28,450	100	(14,224)	14,326	(3,764)	10,562

	COMPANY Accumulated		
	Share capital S\$'000	losses S\$'000	Net S\$'000
Balance at 1 April, 2013	10,270	(8,480)	1,790
Total comprehensive loss for the period	-	(190)	(190)
Issue of shares	8,960	-	8,960
Share issue expenses	(88)	-	(88)
Balance at 30 September, 2013	19,142	(8,670)	10,472
Balance at 1 April, 2014	19,142	(8,431)	10,711
Total comprehensive loss for the period	-	(192)	(192)
Issue of shares	9,408	-	9,408
Share issue expenses	(100)	-	(100)
Balance at 30 September, 2014	28,450	(8,623)	19,827

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 24 September 2013, the Company issued 56,000,000 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 56,000,000 new ordinary shares ("Rights Shares") in the issued share capital of the Company ("Rights Issue 2013") at an issue price of S\$0.16 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 August 2013 issued by the Company. Net proceeds of S\$8.9 million were raised from the Rights Issue.

The Company refers to the announcements dated 30 September 2013, 1 November 2013, 20 December 2013, 21 January 2014, 22 July 2014 and 22 September 2014, net proceeds raised from the Rights Issue 2013 have been fully utilised. Usage of the net proceeds arising from the Rights Issue 2013 is consistent with the intended use as disclosed in the Offer Information Statement.

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, the net proceeds raised from the Rights Issue 2014 has been utilised by way of grant of loan amounting to S\$3.0 million to a wholly owned subsidiary to provide additional working capital to repay its trade owings and monthly bank indebtedness. The unutilised net proceeds from Rights Issue 2014 approximates to S\$6.3 million.

The issued share capital of the Company as at 30 September 2014 comprises 274,400,000 (31 March 2014:196,000,000) ordinary shares.

There are no outstanding convertibles and treasury shares as at the end of the financial period ended 30 September 2014 and 30 September 2013 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-14	31-Mar-14
Total number of issued shares excluding treasury shares	<u>274,400,000</u>	<u>196,000,000</u>

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 2014, except for the adoption of new and revised Financial Reporting Standards (FRS) which are effective for financial periods beginning on or after 1 April 2014.

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 2014 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 2015 Apr 14 - Sep 14	Restated # HY 2014 Apr 13 - Sep 13
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	(0.63) cents	(2.00) cents
(b) On a fully diluted basis	(0.63) cents	(2.00) cents
Weighted average number of ordinary shares	225,592,787	167,885,016 [^]

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. In addition, the impact of the issuance of Rights Shares had also resulted in an adjustment to the prior period comparable.

[^] The weighted average number of ordinary shares for prior period was also adjusted for the 56,000,000 new ordinary shares issued on 24 September 2013 pursuant to a renounceable and non-underwritten rights issue (Rights Issue 2013) on the basis of two (2) Rights Shares for every five (5) existing ordinary shares in capital of the Company offered at 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 14	31 Mar 14	30 Sep 14	31 Mar 14
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	5.22 cents	3.25 cents	7.23 cents	5.46 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 six-month period ended 30 September 2014 (~~HY15~~) increased by S\$3.4 million (10%) to S\$38.9 million, up from S\$35.4 million for the six-month period ended 30 September 2013 (~~HY14~~) mainly due to the following:

- (a) revenue contributions from four new outlets amounting to S\$1.4 million;
- (b) higher revenue contributions from three rebranded outlets opened in HY14 by S\$1.3 million;
- (c) S\$0.8 million increase in revenue contributed by catering sales; and
- (d) S\$1.4 million higher revenue from existing outlets.

However, this was partially offset by loss of revenue from closure of two outlets which had contributed S\$1.5 million to the Group revenue in HY14.

Gross Margins

Gross profit increased by S\$1.9 million (8%) to S\$27.1 million in HY15 from S\$25.2 million in HY14, in line with the increase in revenue. However, gross profit margin declined by 1.4% to 69.8% from 71.2% due to higher raw material costs.

Other Operating Income

Other operating income increased by S\$59,000 (4%) to S\$1.43 million in HY15 from S\$1.37 million in HY14 mainly due to marketing promotion fund of S\$0.2 million and gain on disposal of plant and equipment by S\$0.1 million but offset by lower service income of S\$0.2 million.

Administrative Expenses

Administrative expenses, mainly manpower-related expenses, increased by S\$0.3 million (2%) to S\$14.8 million in HY15 from S\$14.5 million in HY14. This is due to the number of employees which has increased by 8% during HY15 due to the opening of several new outlets. However, the average manpower cost per head has decreased by 6% as compared to HY14.

Other Operating Expenses

Other operating expenses increased by S\$0.2 million (1%) to S\$17.0 million in HY15 from S\$16.8 million in HY14, attributable to higher rental costs of S\$0.2 million due to the opening of several new outlets, higher credit card commission of S\$83,000, higher depreciation expenses of S\$82,000, partially offset by lower loss in foreign exchange of S\$0.1 million and lower professional fee of S\$0.1 million.

Share of (loss) profit of associates

Share of loss of associates of S\$14,000 was mainly due to higher losses incurred by China associates.

Share of profit of joint venture

Share of profit of joint venture increased by S\$43,000 (10%) to S\$463,000 in HY15 from S\$420,000 in HY14 due to better profitability.

Income tax benefits

The Group registered an income tax benefits of S\$213,000 in HY15 from the Productivity and Innovation Credit ("PIC") scheme arising from the purchases of IT and automation equipment. The income tax benefits of S\$50,000 in HY14 arose from deferred tax credits recognised and tax benefits received from the PIC scheme.

Loss for the period

Loss for the period decreased by S\$1.7 million (39%) to S\$2.7 million in HY15 from S\$4.4 million in HY14 due to higher revenue and better control of operating costs.

Cashflow

The Group's operational cashflow recorded a net outflow of S\$2.5 million in HY15 as compared to net outflow of S\$2.2 million for HY14 notwithstanding there is higher cash generated from operations as compared to previous HY2014. It is mainly due to payments to suppliers in HY15.

The Group's investing cashflow recorded an outflow of S\$1.0 million in HY15 as compared to S\$3.9 million in HY14 mainly due to decrease in acquisition of plant and equipment.

The Group's financing cashflow recorded an inflow of S\$7.5 million in HY15 compared to S\$11.0 million in HY14 mainly due to the net proceeds from Rights Issue 2014 of approximately S\$9.3 million, advances from non-controlling interests of subsidiaries of S\$0.4 million, offset by repayment of bank borrowings by S\$1.9 million.

Overall, the Group's cash position increased by S\$4.0 million during HY15 to S\$14.2 million (net of cash and bank balances subject to set off) mainly due to net proceeds raised from Rights Issue 2014, reduced by operational cash outlays, payment for acquisition of plant and equipment and repayment of bank borrowings.

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 food and beverage (~~F&B~~) industry remains challenging and competitive in the next 12 months due to rising rental, staff and food costs coupled with tight manpower supply.

The Group has undertaken measures to improve revenue and profitability of its outlets. These include rebranding efforts to appeal to a broader customer base. The Group will continue to manage its operating costs through increasing customer service quality, deploying technology to reduce labour reliance and enhance 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 date

Not applicable.

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

No dividend has been declared/recommended.

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 2015	HY 2014	HY 2015	HY 2014
	Apr 14-Sept 14	Apr 13-Sept 13	Apr 14-Sept 14	Apr 13-Sept 13
	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	-	-	610	389
T & T Gourmet Cuisine Pte Ltd - Sale of food items to Chinatown Food Corporation Pte Ltd	-	-	9	5
T & T Gourmet Cuisine Pte Ltd - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	-	-	7	11
Tung Lok Group - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	-	-	42	43
Tung Lok Group - Purchase of food items from Chinatown Food Corporation Pte Ltd	-	-	26	22
Tung Lok Group - Purchase of food items from T & T Gourmet Cuisine Pte Ltd	-	-	56	92
Tung Lok Group - Purchase of mooncakes from T & T Gourmet Cuisine Pte Ltd	-	-	579	591
Tee Yih Jia Manufacturing Pte Ltd - Purchase of mooncakes from Tung Lok Group	-	-	20	53
Riverhub Pte Ltd*	-	2,100	-	-
China Classic Pte Ltd*	-	1,220	-	-
Orchard Central Pte Ltd*	285	720	-	-

Note:

* These refer to IPTs that are categorised as transactions under Catalist Rule 916(1), which are in connection with leases of certain commercial units owned by related companies of our controlling shareholder, Goodview Properties Pte. Ltd. Please refer to announcements dated 30 April 2013, 3 June 2013, 12 September 2013 and 16 May 2014.

BY ORDER OF THE BOARD

Tjioe Ka Men
Executive Chairman
14 November 2014

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 2014 to 30 September 2014 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 2014