

**TUNG LOK RESTAURANTS (2000) LTD**  
**Half Year Financial Statement and Dividend Announcement for the Period Ended 30 September 2017**



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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 2018 Apr 17 - Sep 17 S\$'000	HY 2017 Apr 16 - Sep 16 S\$'000	
Revenue	37,295	39,728	(6.1)
Cost of sales	(10,794)	(11,767)	(8.3)
<b>Gross profit</b>	<b>26,501</b>	<b>27,961</b>	<b>(5.2)</b>
<i>Gross profit margin</i>	<i>71.1%</i>	<i>70.4%</i>	<i>0.7 percentage points</i>
Other operating income	779	1,365	(42.9)
Administrative expenses	(14,645)	(15,059)	(2.7)
Other operating expenses	(16,008)	(16,284)	(1.7)
Share of profit of joint venture	414	408	1.5
Share of profit of associates	167	77	116.9
Finance costs	(94)	(93)	1.1
<b>Loss before tax</b>	<b>(2,886)</b>	<b>(1,625)</b>	<b>77.6</b>
Income tax benefits	50	223	(77.6)
<b>Loss for the period</b>	<b>(2,836)</b>	<b>(1,402)</b>	<b>102.3</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations representing total other comprehensive income for the period, net of tax	(13)	65	N.M.
Total comprehensive loss for the period	<b>(2,849)</b>	<b>(1,337)</b>	<b>113.1</b>
<b>Loss attributable to:</b>			
Owners of the Company	(2,170)	(989)	119.4
Non-controlling interests	(666)	(413)	61.3
	<b>(2,836)</b>	<b>(1,402)</b>	<b>102.3</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company	(2,180)	(939)	132.2
Non-controlling interests	(669)	(398)	68.1
	<b>(2,849)</b>	<b>(1,337)</b>	<b>113.1</b>

*N.M.: 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 period.

	Group		
	HY 2018 Apr 17 - Sep 17 S\$'000	HY 2017 Apr 16 - Sep 16 S\$'000	Increase/ (decrease) %
<b>Loss for the period includes the following (charges)/credits:</b>			
Government grants	176	363	(51.5)
Interest income from:			
- Cash at bank	32	15	113.3
- Related parties	10	10	-
Interest expenses on:			
- Bank loans	(34)	(42)	(19.0)
- Obligations under finance leases	(16)	(14)	14.3
- Others	(44)	(37)	18.9
Depreciation of property, plant and equipment	(1,819)	(2,312)	(21.3)
Loss on disposal of plant and equipment	-	(1)	(100.0)
Foreign exchange gain/(loss)	9	(66)	N.M.
Loss arising from striking off of a subsidiary	(22)	-	N.M.
Rental expenses - operating leases	(6,790)	(6,530)	4.0
Staff costs	(12,932)	(13,246)	(2.4)
Current tax benefit	9	205	(95.6)
Deferred tax benefit	33	17	94.1
Overprovision in preceding financial period for			
- Current tax	8	1	700.0

*N.M. : 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 17	31 Mar 17		30 Sep 17	31 Mar 17	
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and bank balances	11,153	15,041	1	3,341	3,326	
Trade receivables	2,511	1,279	2	-	-	
Other receivables and prepayments	1,285	1,288		15	8	
Inventories	2,078	1,839	3	-	-	
<b>Total current assets</b>	<b>17,027</b>	<b>19,447</b>		<b>3,356</b>	<b>3,334</b>	
<b>Non-current assets:</b>						
Other receivables and prepayments	450	441		-	-	
Long-term security deposits	1,756	1,737		-	-	
Interests in subsidiaries	-	-		16,379	16,488	4
Associates	1,000	833	5	-	-	
Joint venture	1,111	697	6	-	-	
Deferred tax assets	331	299		-	-	
Property, plant and equipment	8,931	10,010	7	-	-	
<b>Total non-current assets</b>	<b>13,579</b>	<b>14,017</b>		<b>16,379</b>	<b>16,488</b>	
<b>Total assets</b>	<b>30,606</b>	<b>33,464</b>		<b>19,735</b>	<b>19,822</b>	
<b>LIABILITIES AND EQUITY</b>						
<b>Current liabilities:</b>						
Trade payables	3,493	2,980	8	-	-	
Other payables	6,793	7,001	9	390	415	
Finance leases	228	234	10a	-	-	
Bank loans	533	558	11a	-	-	
Income tax payable	23	49		-	-	
<b>Total current liabilities</b>	<b>11,070</b>	<b>10,822</b>		<b>390</b>	<b>415</b>	
<b>Net current assets</b>	<b>5,957</b>	<b>8,625</b>		<b>2,966</b>	<b>2,919</b>	
<b>Non-current liabilities:</b>						
Other payables	4,250	4,232		-	-	
Finance leases	336	382	10b	-	-	
Bank loans	1,925	2,176	11b	-	-	
<b>Total non-current liabilities</b>	<b>6,511</b>	<b>6,790</b>		<b>-</b>	<b>-</b>	
<b>Total liabilities</b>	<b>17,581</b>	<b>17,612</b>		<b>390</b>	<b>415</b>	
<b>Capital, reserves and non-controlling interests:</b>						
Share capital	28,450	28,450		28,450	28,450	
Currency translation reserve	37	32		-	-	
Accumulated losses	(13,377)	(11,207)		(9,105)	(9,043)	
Equity attributable to owners of the company	15,110	17,275		19,345	19,407	
Non-controlling interests	(2,085)	(1,423)	12	-	-	
<b>Net equity</b>	<b>13,025</b>	<b>15,852</b>		<b>19,345</b>	<b>19,407</b>	
<b>Total liabilities and equity</b>	<b>30,606</b>	<b>33,464</b>		<b>19,735</b>	<b>19,822</b>	

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

**NOTE: EXPLANATION OF THE FIRST HALF FINANCIAL YEAR 2018 ("HY18") VS FINANCIAL YEAR 2017 ("FY17")**

- 1) Decrease in cash and bank balances at Group level was mainly due to the following:
    - (a) S\$0.3 million repayment of loan to non-controlling interest of subsidiary;
    - (b) S\$0.4 million repayment of bank borrowings and finance leases;
    - (c) S\$0.7 million cash outlay to acquire plant and equipment; and
    - (d) operational cash outflow of S\$2.5 million.
  - 2) Increase in trade receivables was mainly due to more credit sales from catering events and mooncake sales during the month of September 2017.
  - 3) Increase in inventories was mainly due to the inclusion of the mooncake stock since the Mooncake Festival falls on October 2017.
  - 4) Decrease in interests in subsidiaries at Company level was mainly due to repayment of S\$0.1 million advance from subsidiaries.
  - 5) Increase in associates was due to share of profit of associates amounting to S\$167,000 during HY18.
  - 6) Increase in joint venture was due to share of profit of joint venture amounting to S\$0.4 million during HY18.
  - 7) Decrease in property, plant and equipment was mainly due to S\$1.8 million depreciation charge for the period HY18 offset by acquisition of plant and equipment amounting to S\$0.7 million.
  - 8) Increase in trade payables was mainly due to more purchases of raw food materials and mooncakes on credit towards period end.
  - 9) Decrease in other payables (current) was mainly due to repayment of loan to non-controlling interest of a subsidiary amounting to S\$0.3 million, but partially offset by S\$0.1 million increase in refundable deposit collected from customers.
  - 10(a)&(b) Decrease in finance leases in HY18 was due to repayment of S\$124,000, but offset by new finance lease of S\$72,000 entered to purchase plant and equipment during HY18.
  - 11(a)&(b) Decrease in bank borrowings in HY18 was due to repayment of S\$0.3 million during HY18.
  - 12) Decrease in non-controlling interests was mainly due to share of net losses associated with non wholly-owned subsidiaries of S\$0.7 million.
- Total assets of the Group decreased by S\$2.9 million (8.7%) to S\$30.6 million as at 30 September 2017 from S\$33.5 million as at 31 March 2017 mainly due to the following:
- (i) decrease in plant and equipment of S\$1.1 million; and
  - (ii) decrease in cash and bank balance of S\$3.9 million.
- However, this was partially offset by higher trade and other receivables of S\$1.3 million, higher inventory of S\$0.2 million and increase in net assets of a joint venture and associates of S\$0.6 million.
- Total liabilities of the Group remained at S\$17.6 million as at 30 September 2017 and 31 March 2017 with reduction in bank borrowings and finance leases amounting to S\$0.4 million due to repayments but offset by increase in trade and other payables amounting to S\$0.4 million.
- The Group's net working capital decreased by S\$2.6 million to S\$6.0 million as at 30 September 2017 from S\$8.6 million as at 31 March 2017.

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**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 2017 (S\$'000)		As at 31 Mar 2017 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
761	-	792	-

**Amount repayable after one year**

As at 30 Sep 2017 (S\$'000)		As at 31 Mar 2017 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
2,261	-	2,558	-

**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 17 - Sep 17 S\$'000	Apr 16 - Sep 16 S\$'000
<b>Operating activities:</b>		
Loss before tax	(2,886)	(1,625)
Adjustments for:		
Share of profit of joint venture	(414)	(408)
Share of profit of associates	(167)	(77)
Depreciation of property, plant and equipment	1,819	2,312
Loss on disposal of property, plant and equipment	-	1
Loss arising from striking off of a subsidiary	22	-
Foreign exchange (gain)/loss	(9)	66
Interest income	(42)	(25)
Interest expense	94	93
<b>Operating cash flows before movements in working capital</b>	<u>(1,583)</u>	<u>337</u>
Changes in working capital:		
Increase in trade receivables	(1,237)	(1,294)
Increase in other receivables and prepayments	(58)	(396)
(Increase)/decrease in inventories	(239)	398
(Increase)/decrease in long-term security deposits	(18)	5
Increase in trade payables	512	113
Increase/(decrease) in other payables	71	(1,802)
<b>Cash used in operations</b>	<u>(2,552)</u>	<u>(2,639)</u>
Interest paid	(51)	(48)
Interest received	33	15
Net income tax refund	73	130
<b>Net cash used in operating activities</b>	<u>(2,497)</u>	<u>(2,542)</u>
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	8	-
Purchase of property, plant and equipment (see Note A)	(692)	(977)
Advance payment for capital expenditures (see Note A)	(18)	(235)
Repayment of loan from an associate	-	275
Dividend received from an associate	-	136
<b>Net cash used in investing activities</b>	<u>(702)</u>	<u>(801)</u>
<b>Financing activities</b>		
Advances from non-controlling interests of subsidiaries	-	169
Repayment of loan to non-controlling interests of subsidiary	(290)	-
Repayment of loan from a corporate shareholder	-	(44)
Repayment of bank loans	(276)	(268)
Repayment of obligations under finance leases	(125)	(107)
<b>Net cash used in financing activities</b>	<u>(691)</u>	<u>(250)</u>
Net decrease in cash and cash equivalents	(3,890)	(3,593)
Cash and cash equivalents at beginning of the financial period	15,041	14,025
Effect of foreign exchange rate changes	2	(5)
<b>Cash and cash equivalents at the end of the financial period</b>	<u>11,153</u>	<u>10,427</u>

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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 (continued).**

**Note A**

During HY18, the Group recorded additions to property, plant and equipment with an aggregate cost of S\$746,000 (HY17: S\$1,136,000), of which S\$72,000 (HY17: S\$Nil) was acquired under finance lease arrangements, S\$Nil (HY17: S\$7,000) relates to provision for reinstatement costs of premises and S\$11,000 (HY17: S\$186,000) remained unpaid as at 30 September 2017. Cash payments of S\$692,000 (HY17: S\$977,000) were made to the purchase of property, plant and equipment. In addition, an advance payment of S\$18,000 (HY17: S\$235,000) was made for capital expenditures.

**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 S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the company, total S\$'000	Non-controlling interests S\$'000	Net S\$'000
<b>At 1 April 2016</b>	28,450	(49)	(11,629)	16,772	(1,455)	15,317
Loss for the period	-	-	(989)	(989)	(413)	(1,402)
<u>Other comprehensive income</u>						
Foreign currency translation representing other comprehensive income for the period, net of tax	-	50	-	50	15	65
<b>Total comprehensive income for the period, net of tax</b>	-	50	(989)	(939)	(398)	(1,337)
<u>Contributions by and distributions to owners</u>						
Fair value adjustment on interest-free loans from non-controlling interests in subsidiaries	-	-	-	-	29	29
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	29	29
<b>At 30 September 2016</b>	<b>28,450</b>	<b>1</b>	<b>(12,618)</b>	<b>15,833</b>	<b>(1,824)</b>	<b>14,009</b>
<b>At 1 April 2017</b>	28,450	32	(11,207)	17,275	(1,423)	15,852
Loss for the period	-	-	(2,170)	(2,170)	(666)	(2,836)
<u>Other comprehensive income</u>						
Foreign currency translation representing other comprehensive income for the period, net of tax	-	(10)	-	(10)	(3)	(13)
<b>Total comprehensive income for the period, net of tax</b>	-	(10)	(2,170)	(2,180)	(669)	(2,849)
<u>Changes in ownership interest in subsidiaries</u>						
Striking off of a subsidiary, representing total changes in ownership interests in subsidiaries	-	15	-	15	7	22
<b>Total transactions with owners in their capacity as owners</b>	-	15	-	15	7	22
<b>At 30 September 2017</b>	<b>28,450</b>	<b>37</b>	<b>(13,377)</b>	<b>15,110</b>	<b>(2,085)</b>	<b>13,025</b>

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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
At 1 April 2016	28,450	(9,048)	19,402
<i>Loss for the period, representing total comprehensive income for the period</i>	-	(34)	(34)
At 30 September 2016	28,450	(9,082)	19,368
At 1 April 2017	28,450	(9,043)	19,407
<i>Loss for the period, representing total comprehensive income for the period</i>	-	(62)	(62)
At 30 September 2017	28,450	(9,105)	19,345

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 30 September 2017.

There have been no changes in the Company's issued share capital since the end of the previous financial year reported on 31 March 2017.

There are no outstanding convertibles, treasury shares and subsidiary holdings as at the end of the financial period ended 30 September 2017 and 30 September 2016 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 17	31 Mar 17
Total number of issued shares excluding treasury shares	274,400,000	274,400,000

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

The Company does not have any treasury shares.



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**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

The Company does not have any subsidiary holdings.

**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 2017, except for the adoption of new and revised Financial Reporting Standards (FRS) which are effective for financial periods beginning on or after 1 April 2017.

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 2017 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 2018 Apr 17 - Sep 17	HY 2017 Apr 16 - Sep 16
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	(0.79) cents	(0.36) cents
(b) On a fully diluted basis	(0.79) cents	(0.36) cents
Weighted average number of ordinary shares	274,400,000	274,400,000

**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 17	31 Mar 17	30 Sep 17	31 Mar 17
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	5.51 cents	6.30 cents	7.05 cents	7.07 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**

Revenue for the six months period ended 30 September 2017 ("HY18") decreased by S\$2.4 million (6.1%) to S\$37.3 million from S\$39.7 million for the six months period ended 30 September 2016 ("HY17"), mainly due to the following:

(a) loss of contract to provide food service to a hotel amounting to S\$0.6 million;

(b) lower mooncake revenue amounting to S\$0.2 million; and

(c) lower revenue contributed by restaurants amounting to S\$1.6 million.

**Gross profit margin**

Gross profit decreased by S\$1.5 million (5.2%) to S\$26.5 million in HY18 from S\$28.0 million in HY17 which is in line with the decrease in revenue. Gross profit margin increased marginally by 0.7 percentage points to 71.1% from 70.4% due to better control of food costs.

**Other operating income**

Other operating income decreased by S\$0.6 million (42.9%) to S\$0.8 million in HY18 from S\$1.4 million in HY17 mainly due to lower marketing and promotional funds of S\$0.4 million received and lower grants/credits of S\$0.2 million received from various government schemes.

**Administrative expenses**

Administrative expenses, mainly manpower-related expenses, decreased by S\$0.4 million (2.7%) to S\$14.6 million in HY18 from S\$15.0 million in HY17 mainly due to reduction in headcounts and related staff costs of approximately S\$0.2 million and lower casual labour costs of S\$0.2 million, in line with lower revenue in HY18.

**Other operating expenses**

Other operating expenses decreased by S\$0.3 million (1.7%) to S\$16.0 million in HY18 from S\$16.3 million in HY17, mainly due to the following:

(i) lower depreciation expenses of S\$0.5 million;

(ii) lower credit card commission expense of S\$0.1 million; and

(iii) lower upkeep and cleaning expense of S\$0.1 million.

This was partially offset by:

(i) higher utility expense of S\$0.1 million; and

(ii) higher rental expense of S\$0.3 million.

**Share of profit of associates**

The Group recorded a share of profit of associates amounting to S\$167,000 in HY18 compared to a share of profit amounting to S\$77,000 in HY17 due to higher profits contributed by associates.

**Income tax benefits**

The Group registered income tax benefits of S\$50,000 in HY18 mainly due to deferred tax credits and tax benefits recognised from Productivity and Innovation Credit ("PIC") scheme. The income tax benefits of S\$0.2 million in HY17 arose from tax benefits recognised from the PIC scheme.

**Loss attributable to Owners of the Company**

The Group reported a loss attributable to owners of the Company of S\$2.2 million in HY18, an increase of S\$1.2 million compared to S\$1.0 million in HY17 due to lower revenue generated and lower income tax credit.

**Cashflow**

The Group's **operational cashflow** recorded a net outflow of S\$2.5 million in both HY17 and HY18 despite lower cash generated arising from reduced revenues in HY18 mainly due to slower creditor payments.

The Group's **investing cashflow** recorded an outflow of S\$0.7 million in HY18 compared to S\$0.8 million in HY17. This was mainly due to decreased acquisition of plant and equipment.

The Group's **financing cashflow** recorded an outflow of S\$0.7 million in HY18 mainly due to repayment of bank loans and finance leases of S\$0.4 million and loan repayment to non-controlling interests of subsidiary of S\$0.3 million. In HY17, the Group recorded an outflow of S\$0.2 million mainly due to repayment of bank loans and finance leases of S\$0.4 million offset by new advances from non-controlling interest of a subsidiary of S\$0.2 million.

Overall, the Group's cash position decreased by S\$3.9 million during HY18 to S\$11.2 million. This was mainly due to operational cash outlay, payment for acquisitions of plant and equipment, repayment of bank loans and finance leases and repayment of loan to non-controlling interests of a subsidiary.

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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 Group expects the operating environment for the food and beverage industry to remain challenging in the next 12 months in light of stiff competition and soft economic conditions. Rising business costs will also continue to exert pressure on profit margins.

Amid these challenges, the Group will press on with the growth strategies highlighted in its corporate and business update provided on 31 July 2017 in order to stay relevant and offer differentiated value to consumers. As disclosed, the strategies entail:

- Bringing promising brands to new geographical markets;
- Expanding services and capabilities to offer greater convenience and choice, particularly for younger diners; and
- Streamlining operations through innovation and automation to 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.

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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 2018	HY 2017	HY 2018	HY 2017
	Apr 17 - Sep 17	Apr 16 - Sep 16	Apr 17 - Sep 17	Apr 16 - Sep 16
	S\$'000	S\$'000	S\$'000	S\$'000
T & T Gourmet Cuisine Pte Ltd - Sale of food items to Tee Yih Jia Food Manufacturing Pte Ltd	-	-	1,003	787
T & T Gourmet Cuisine Pte Ltd - Sale of food items to Chinatown Food Corporation Pte Ltd	-	-	7	8
T & T Gourmet Cuisine Pte Ltd - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	-	-	6	7
Tung Lok Group - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	-	-	44	47
Tung Lok Group - Purchase of food items from Chinatown Food Corporation Pte Ltd	-	-	21	28
Tung Lok Group - Purchase of food items from T & T Gourmet Cuisine Pte Ltd	-	-	43	51
Tung Lok Group - Purchase of mooncakes from T & T Gourmet Cuisine Pte Ltd	-	-	429	455
Tee Yih Jia Food Manufacturing Pte Ltd - Purchase of mooncakes from Tung Lok Group	-	-	15	19
Tung Lok Group - Sale of catering food and services to hotels related to a substantial shareholder	136	134	-	-
China Classic Pte Ltd*	-	900	-	-
Orchard Central Pte Ltd*	1,218	-	-	-

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 announcements dated 3 August 2016 and 17 April 2017.

14. **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.

**BY ORDER OF THE BOARD**

**Tjioe Ka Men**  
**President/Chief Executive Officer**  
**8 November 2017**

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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 Dr Tan Eng Liang, 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 2017 to 30 September 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors:

Tjioe Ka Men  
President/Chief Executive Officer

Dr Tan Eng Liang  
Lead Independent Director

Singapore, 8 November 2017