同乐 TungLok

TUNG LOK RESTAURANTS (2000) LTD

ANNUAL REPORT 2019

For the financial year ended 31 March 2019

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This Annual Report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Annual Report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is: -
Name: Mr Ong Hwee Li (Registered Professional, SAC Capital Private Limited)
Address: 1 Robinson Road, #21-00 AIA Tower, Singapore 048542
Tel: +65 6232 3210

Tóng Lè Private Dining

Sushi Mieda

同樂 TÓNG LÈ PRIVATE DINING

SUSHI MIEDA

"One Iconic Location, Two Exquisite Cuisines" is what makes this location unique. Tóng Lè Private Dining sits on the revolving platform at the 10th floor of the heritage OUE Tower, presenting its diners with world-class Chinese recipes in a fine dining setting. In the heart of the tower sits Sushi Mieda, possibly the smallest Sushi restaurant in town with 8 exclusive counter seats where diners relish the best of premium sushi omakase.

OUE Tower
60 Collyer Quay, Level 8 & 10, Singapore 049322
Tel: 6634 3233

同樂軒 TUNGLOK HEEN

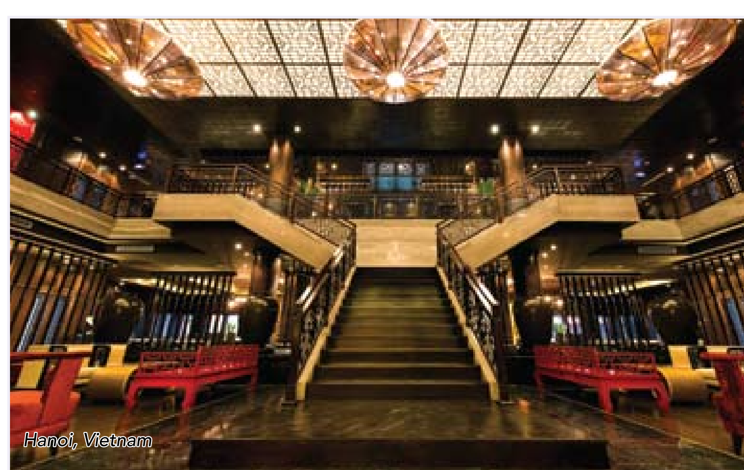
Helmed by internationally acclaimed Celebrity Chef Susur Lee, TungLok Heen is a pavilion of retreat for lovers of traditional, authentic, quality Chinese cuisine. Together with resident Senior Executive Chef Ken Ling, the team of chefs present an array of award-winning culinary creations.

Resorts World Sentosa
Hotel Michael, Lobby Level, 26 Sentosa Gateway,
Singapore 098138
Tel: 6884 7888

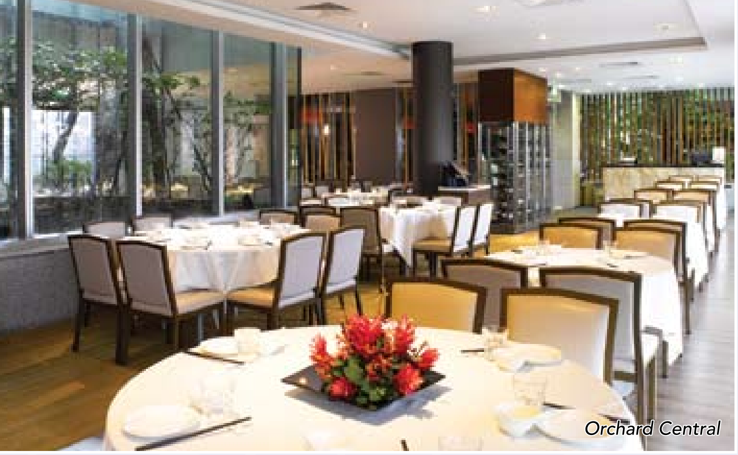
LICENSED OUTLET:

HANOI, VIETNAM
Hoa Lan, Vinhomes Riverside Long Bien,
10000 Vietnam
Tel: +84-94-9898222

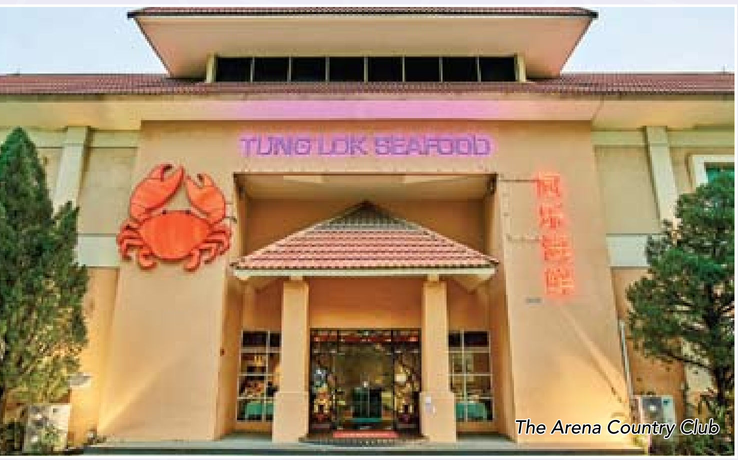
Resorts World Sentosa



Hanoi, Vietnam



Orchard Central



The Arena Country Club

TUNG LOK SEAFOOD
同乐海鲜

Specialising in the best of Singapore-style seafood, TungLok Seafood is a must-go for visitors and locals alike, who seek a true experience of perennial favourites such as Chilli Crab, White Pepper Crab, the original Deep-fried Prawns with Wasabi-mayo, Cold Seafood Platter, and more.

Orchard Central
181 Orchard Road, #11-05, Singapore 238896
Tel: 6834 4888

The Arena Country Club
511 Upper Jurong Road, Singapore 638366
Tel: 6262 6996

Paya Lebar Quarter (Coming Soon)

BEIJING, CHINA (Singapore Seafood)

China World Mall
No.1, Jian Guo Men Wai Road, Unit L4-NL4010,
Chao Yang District, Beijing 100600
Tel : +86-10-8595 0251 / +86-10-8595 0361

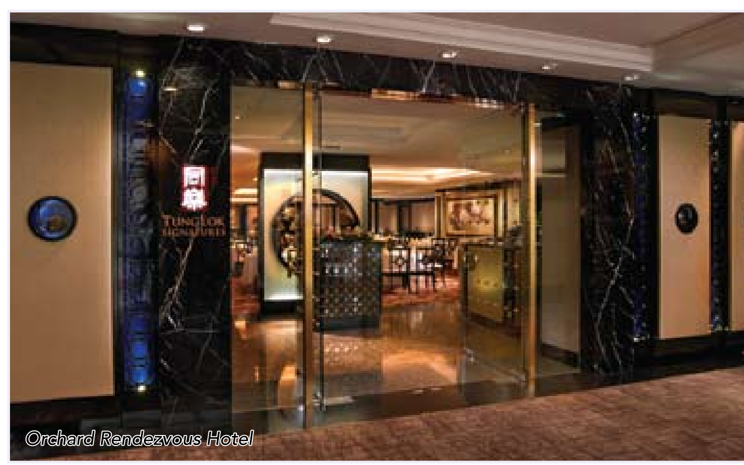
同樂 經典
TUNGLOK SIGNATURES

TungLok Signatures is the epitome of fine Cantonese cuisine and the soul of Chinese tradition. Our masterchefs' skilful execution and innovative vision have produced a unique dining concept that has impressed many. A highly popular venue for corporate dinners and special occasion celebrations.

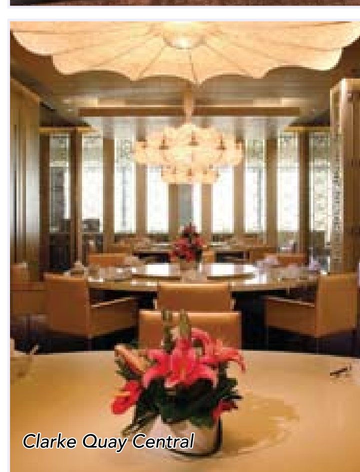
Orchard Rendezvous Hotel
1 Tanglin Road, #02-18, Singapore 247905
Tel: 6834 0660

Clarke Quay Central
6 Eu Tong Sen Street, #02-88/89, Singapore 059817
Tel: 6336 6022

Changi City Point
5 Changi Business Park Central 1, #01-26/27,
Singapore 486038
Tel: 6636 0606



Orchard Rendezvous Hotel



Clarke Quay Central

Changi City Point

The Grandstand

Orchard Central

同樂•羲和
TUNGLOK XIHÉ
PEKING DUCK

A culinary collaboration between TungLok Group and Beijing's renowned XiHé Group, the restaurant specializes in the all-time favourite Peking Duck, amongst other delectable dishes which represent the team's commitment to authentic Chinese cuisine and innovative culinary methods.

The Grandstand
200 Turf Club Road, #01-23/26, Singapore 287994
Tel: 6466 3363

Orchard Central
181 Orchard Road #07-07/08/09, Singapore 238896
Tel: 6736 0006

OPERATED BY ASSOCIATES
BEIJING, CHINA (XiHé Yayuan Peking Duck)

CapitaMall Crystal
No.51 Fuxing Road, Haidian District,
5th Floor, Beijing 100036
Tel : +86-10-8819 7502 / +86-10-8819 7503

同樂
小聚
DIMSUM HAVEN
TUNGLOK
TEAHOUSE

As the first Chinese restaurant to launch the automated tray delivery system, TungLok Teahouse offers 100% authentic, high quality, handmade dim sum, made on the spot, steam to order. There's also an exquisite range of Chinese favourites and Teochew fare curated by a team of highly-skilled chefs. Reminisce memories of yesteryears with simple pleasures, heavenly treasures at TungLok Teahouse today.

Square 2
10 Sinaran Drive, #01-73, Singapore 307506
Tel: 6893 1123

FRANCHISED OUTLET:

SINGAPORE
(Changi International Airport)
Terminal 2, Departure/Transit Lounge Central,
Level 2, #026-109/109-01

Square 2 - Entrance

Square 2 - Interior

THE SEAFOOD PLACE

DANCING CRAB

A casual concept where the spirit of fun dining and its country-style seafood takes centre stage. Great tasting fresh seafood boil, lobster rolls, crab cakes, thirst-quenching lemonades, cocktails, imported beers, coupled with a lively and vibrant atmosphere, give you every reason to party everyday.

The Grandstand
200 Turf Club Road, #01-20/21, Singapore 287994
Tel: 6466 3303

Orchard Central
181 Orchard Road #07-14/15, Singapore 238896
Tel: 6509 1878

VivoCity
1 Harbourfront Walk, #03-10, Singapore 098585
Tel: 6222 7377

LICENSED OUTLETS:

TOKYO, JAPAN
2F Shinjuku NOWA Bldg. 3-37-12 Shinjuku-ku
Tel: +81-3-6380-5151

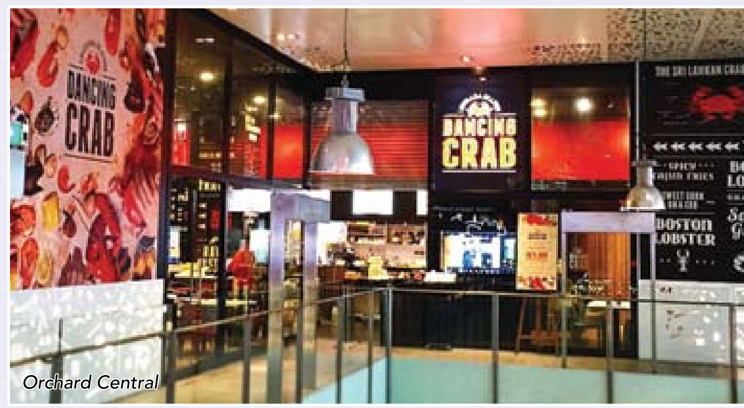
OSAKA, JAPAN
8F Grand Front Osaka South, 4-20 Ofuka-cho,
Kita-ku, Osaka-shi,
Tel: +81-6-6485-7325

FUKUOKA, JAPAN
Canal Grand Plaza, Grand Bldg.B1F, 1-2-82,
Sumiyoshi, Hakata-ku, Fukuoka-shi
Tel: +81-92-292-7715

BANDUNG, INDONESIA
Jalan Sumatera No.21 Bandung-40111, West Java
Tel: +022-4235 935

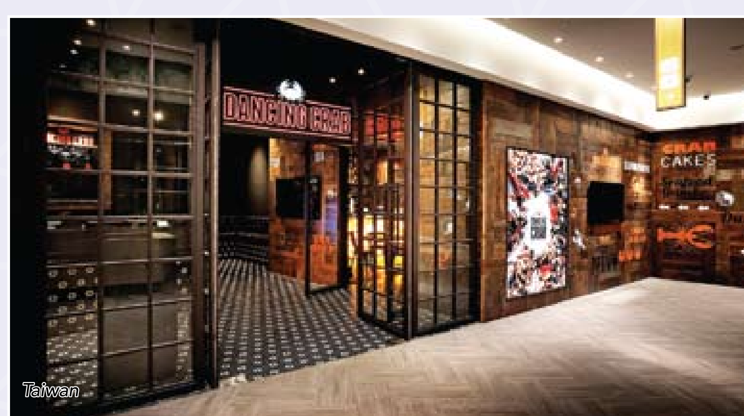
TAIWAN
110 Taiwan, Taipei City, Xinyi District,
Songzhu Road, No.17 4F
Tel: +886-2-8786-8988

VivoCity



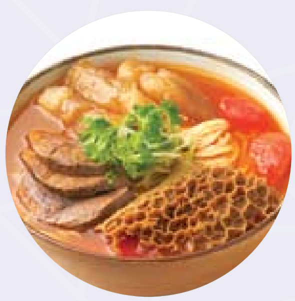
Orchard Central

The Grandstand



Taiwan

老北京 LAO BEIJING



Lao Beijing charms diners with a combination of friendly service and authentic Northern Chinese fare. Xiao Long Bao, Guo Tie, Jiao Zi, Roast Duck, and Noodles are but a few of the favourites found here. A highly popular venue for family dining and cosy group gatherings.

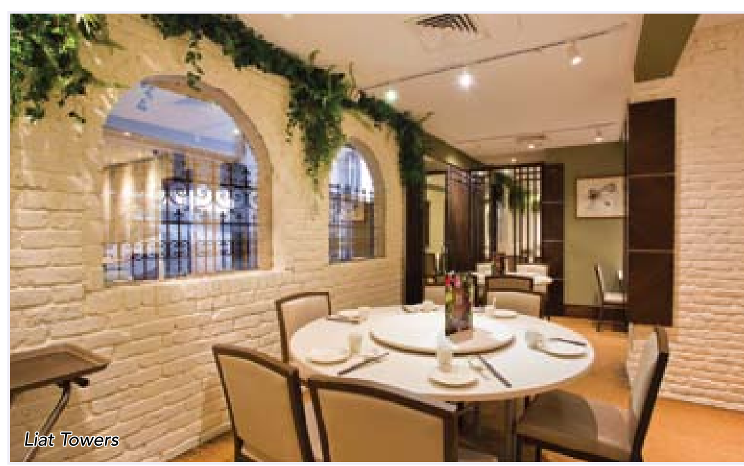
Velocity@Novena Square
238 Thomson Road, #02-11/12, Singapore 307683
Tel: 6358 4466

靈芝 Ling Zhi Vegetarian

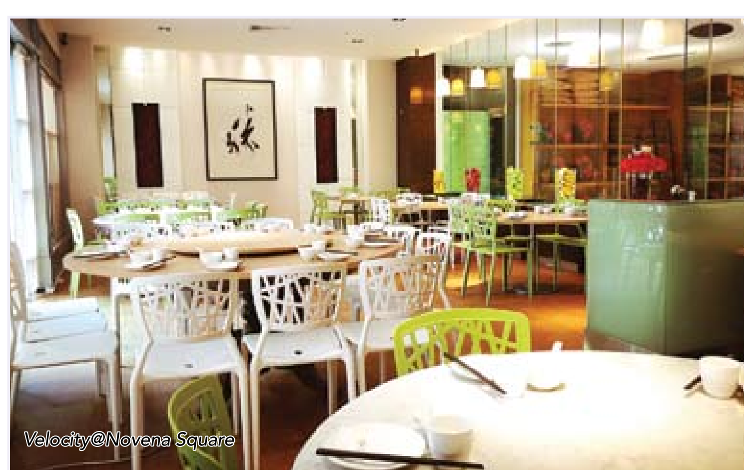
The creative Chinese Vegetarian delicacies at LingZhi have kept many coming back for more since 1991. Gone are the primitive, conservative style of preparing vegetarian dishes with artificial colouring and additives. In its place, is a range of dishes filled with wholesome goodness, and tonifying fare prepared from the finest, freshest, natural as well as organic ingredients.

Liat Towers
541 Orchard Road, #05-01, Singapore 238881
Tel: 6734 3788

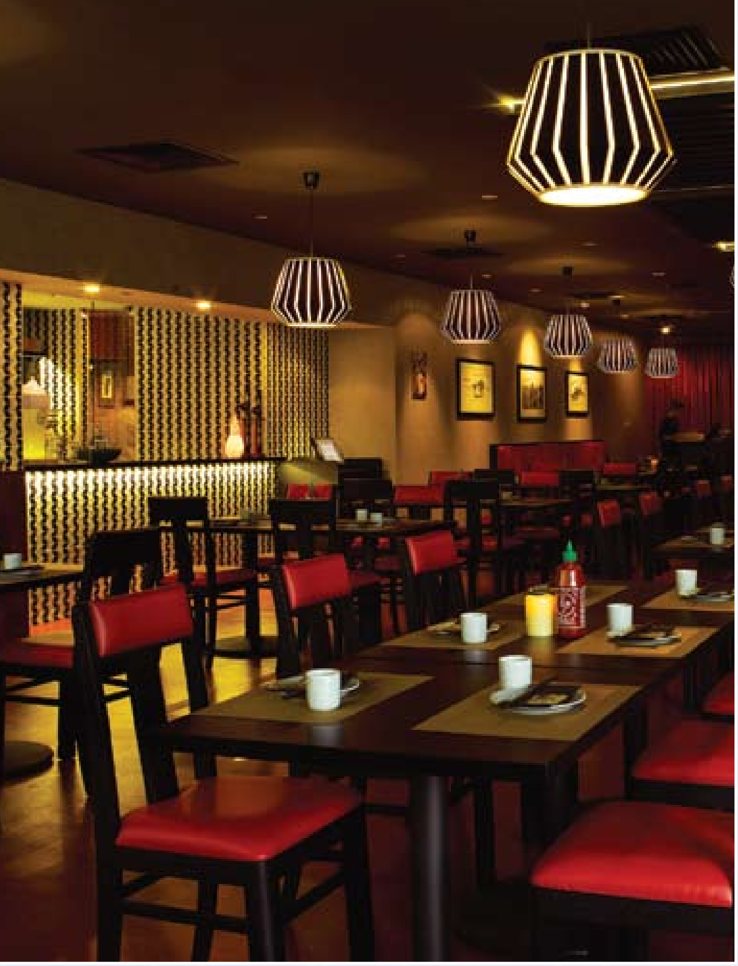
Velocity@Novena Square
238 Thomson Road, #03-09/10, Singapore 307683
Tel: 6538 2992



Liat Towers



Velocity@Novena Square



LOKKEE 樂記

The restaurant breaks out from the classic Chinese dining mould to offer a modern, global Chinese concept. Recipes are uniquely tweaked to include a dash of Western influence. Lokkee adds diversity to Singapore's restaurant landscape and celebrates the style of cuisine commonly found in the Chinatowns of western cities such as Los Angeles, New York, London and Sydney.

Plaza Singapura
68 Orchard Road, #03-01, Singapore 238839
Tel: 6884 4566

duckland

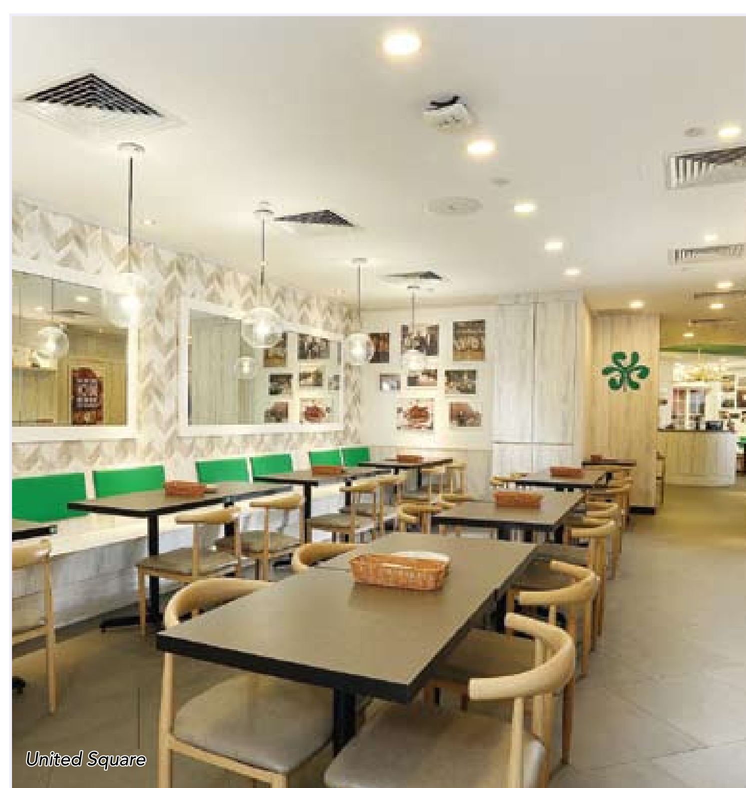
Duckland is born out of a 'farm to fork' concept emphasising on serving robust dishes using only fresh and premium quality ducks direct from the one and only Silver Hill Farm in Ireland. The star on our menu – the Irish Duck – is in fact a unique and cultivated hybrid of the Peking Duck and Aylesbury Duck that are specially bred for its density and porous skin.

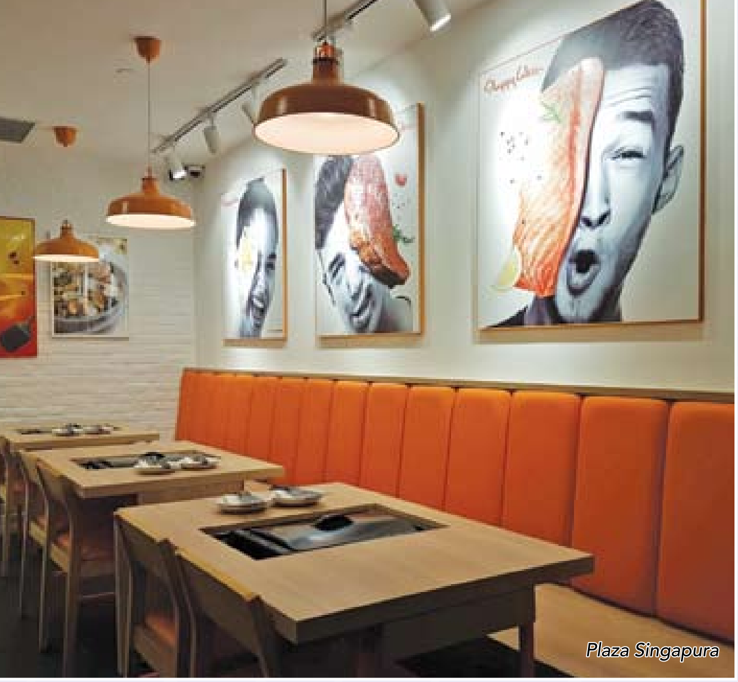
The menu specialises in roast duck and other duck-related delicacies. Signature dishes include Roast Duck, Duck Confit & Waffle, Duck Broth, Duck Fried Rice. Duck Pie, Spaghetti Duck Bolognese. Equally delectable are other non-duck dishes, using excellent Irish produce, such as Irish Lamb Stew, Babyback Ribs, Irish Oysters and more. A selection of beverages such as refreshing lemonades, Irish beers and whiskeys complete the dining experience.

United Square Shopping Mall
101 Thomson Road, B1-09&64/65, Singapore 307591
Tel: 6259 5668

Paya Lebar Quarter (Coming Soon)

Resorts World Sentosa (Coming Soon)




Plaza Singapura

A fun and interactive dining concept, Slappy Cakes was born out of Portland, Oregon in 2009. It was first introduced in Singapore in 2013 and has since proven to be a welcomed concept amongst diners young and "young at heart".

Besides allowing diners to customise their pancakes using built-in griddles at their table with bottles of batter to continue the fun, its artisan menu also includes an impressive selection of creative all-day breakfast choices, refreshing salads and classic western favourites such as Black Angus Ribeye, Country Fried Chicken, Seafood Aglio Olio and more.

The Grandstand
200 Turf Club Road, #01-20/21, Singapore 287994
Tel: 6465 1814

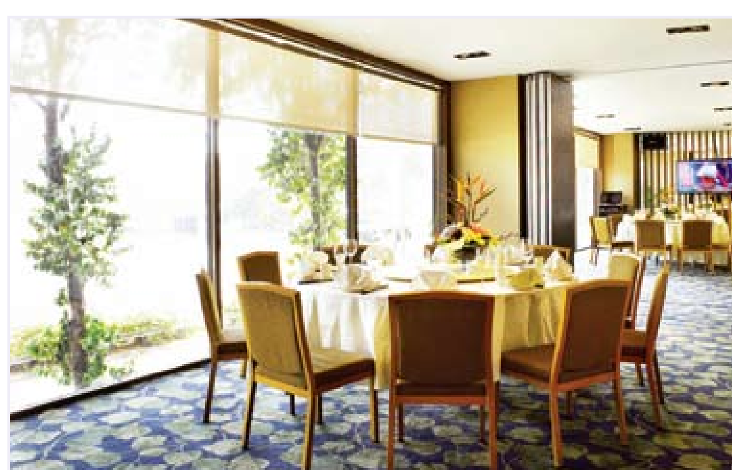
Resorts World Sentosa
26 Sentosa Gateway, #01-29, Singapore 098138
Tel: 6795 0779

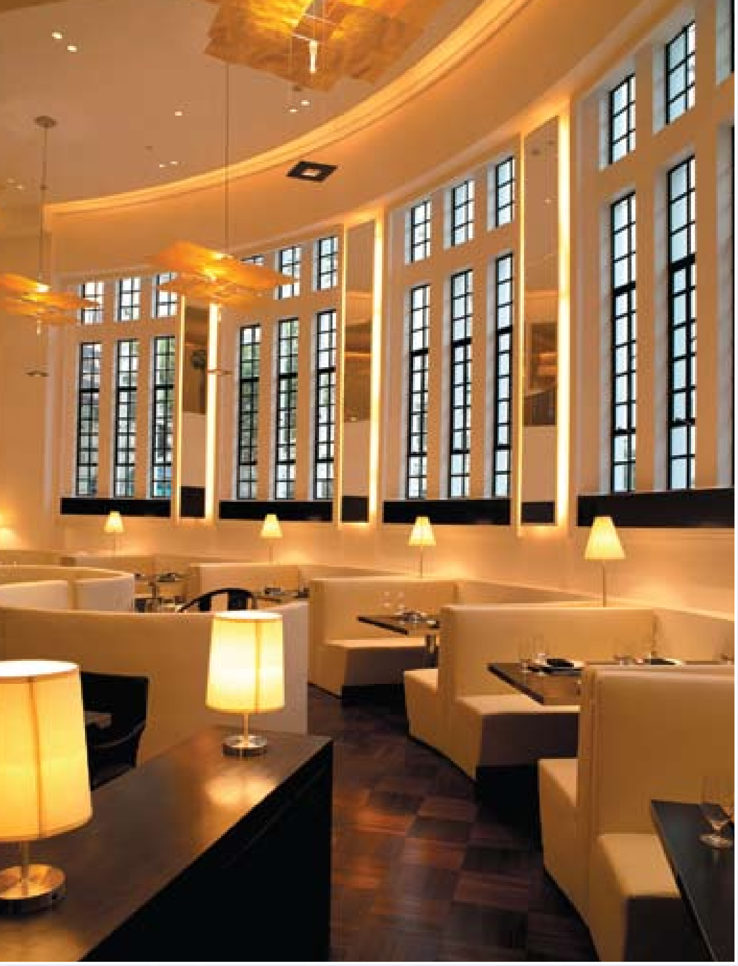
Plaza Singapura
68 Orchard Road, #03-02, Singapore 238839
Tel: 6738 7207

欣葉
SHIN YEH

This restaurant is a collaboration with Taiwan's renowned Shin Yeh Group, which was founded in 1977. The menu presents once-forgotten home-cooked recipes rich in Taiwan's gastronomic heritage and prides itself in its well-executed traditional dishes using only the freshest ingredients. Some of the restaurant's private rooms are equipped with karaoke facilities, which provide for a complete dining and entertainment experience for both family and corporate events.

Liang Court Shopping Centre
177 River Valley Road, #02-19, Singapore 179030
Tel: 6338 7337





錦廬 THE CHINOISE STORY

A joint venture between TungLok Group and Shanghai Jin Jiang International Group, Jin Lu – The Chinoise Story is located within the 5-star Jin Jiang Hotel on Maoming South Road.

The restaurant brings to Shanghai an exquisite selection of Creative Chinese specialities and a variety of traditional Shanghainese cuisine, recreated and given a creative twist. Its contemporary Chinese dining concept is highly elaborate and aims to touch and impress the six senses of all diners.

SHANGHAI, CHINA
No. 59 Mao Ming South Road,
Jin Jiang Hotel, Shanghai 200020
Tel: +86-21-6445 1717

Singapore Seafood Republic

Singapore Seafood Republic is the brainchild of four of Singapore's best-loved seafood dining brands – TungLok Seafood, The Seafood International, Palm Beach Seafood and Jumbo Seafood – together with its Japanese partner, M.R.S. (Maruha Restaurant Systems) Restaurant Wonderland Group.

With a combined market presence of more than 150 years, these partners have successfully established the brand since 2008.

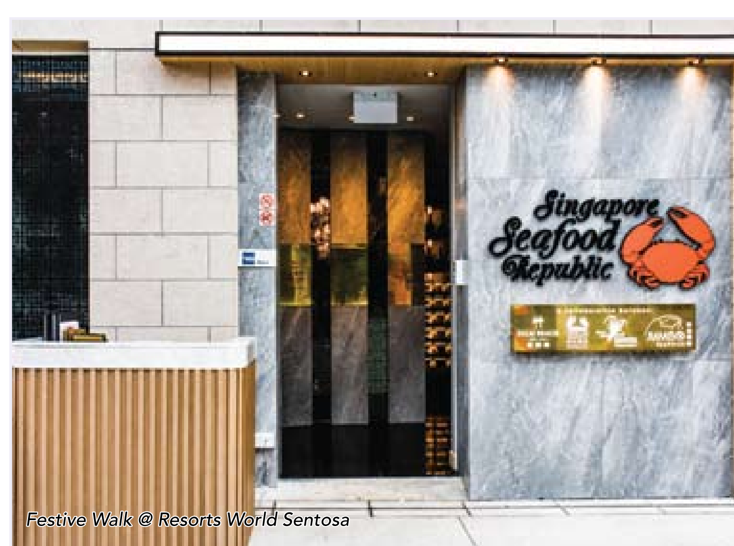
The restaurant draws a loyal following of seafood lovers with its fresh ocean catches and innovative culinary creations that encapsulate Singapore's rich heritage in seafood cuisine. Signature dishes featured include the Singapore Chilli Crab, Seafood Platter and Wasabi-mayo Prawns.

Festive Walk @ Resorts World Sentosa
26 Sentosa Gateway, #02-138, Singapore 098138
Tel: 6265 6777

TOKYO, JAPAN (Shinagawa)
3-13-3 Takanawa Minato-ku,
Tel: +81-3-5449-8080

TOKYO, JAPAN (Ginza)
Marronnier Gate 11F, 2-2-14 Ginza Chuo-ku,
Tel: +81-3-5524-7615

OSAKA, JAPAN
Daimaru Umeda 14F, 3-1-1 Umeda Kita-ku Osaka-shi,
Tel: +81-6-6347-1160



Festive Walk @ Resorts World Sentosa

OTHER LICENSED OUTLETS

TOKYO, JAPAN (Ginza)
Tokyo Ginza Chou-ku B1F, Zoe Ginza 3-3-1
Tel: +81-3-5524 6166

JAKARTA, INDONESIA
Lindeteves Trade Centre, 5th Floor, Jl. Hayam Wuruk,
No.127, Hayam Wuruk, Jakarta 11180
Tel: +62 21 6220 1900

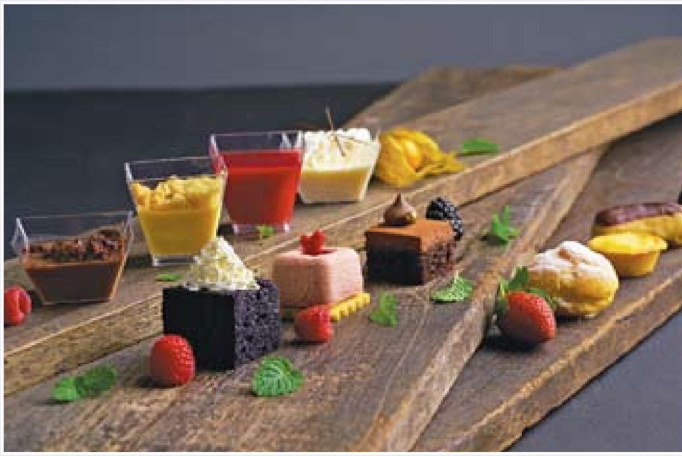
MEDAN, INDONESIA
Capital Building Lantai 1, Jalan Putri Hijau No.1A
Sumatera Utara 20111, Medan
Tel: +62 61 4556 333

SINGAPORE
2 Circular Road, Singapore 049358
Tel: 6805 8181

TUNG LOK CATERING

CATERING SERVICES

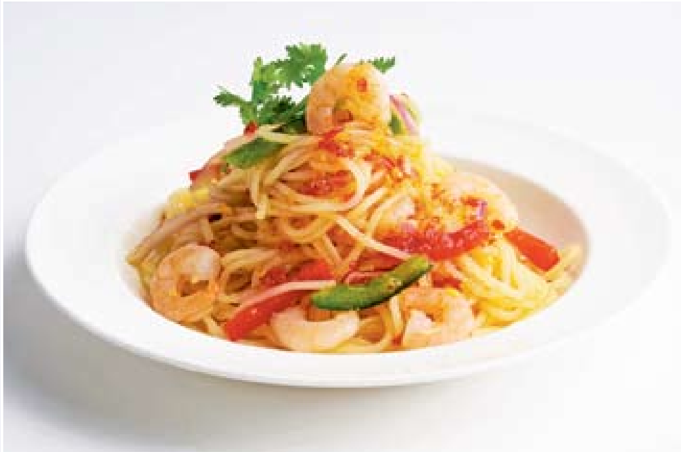
TungLok Catering Services, the Group's catering arm has almost 20 years of experience in providing outdoor catering services. It operates from a central kitchen which is halal-certified to produce halal food. A team of well-trained and specialized senior chefs and service staff are on hand to ensure that all food is professionally prepared and handled according to the required hygiene standards, and six dedicated vehicles for efficient transportation. TungLok Catering Services also provide one-stop institutional catering services.



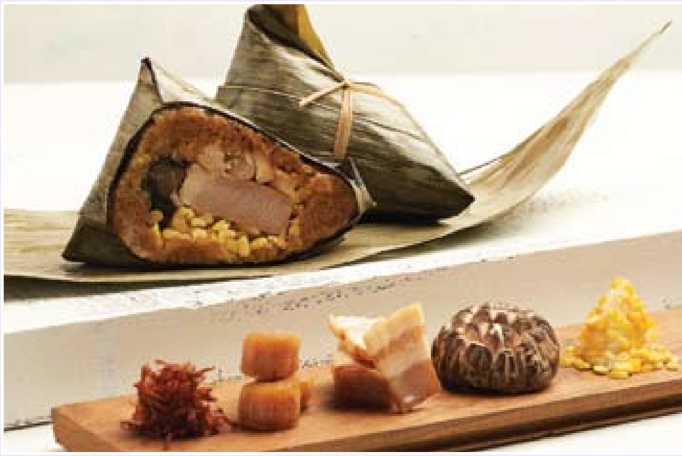
belly good By TUNGLOK

TLG CATERING SERVICES

ARTISTRY EVENTS • CONCEPTS • DINE

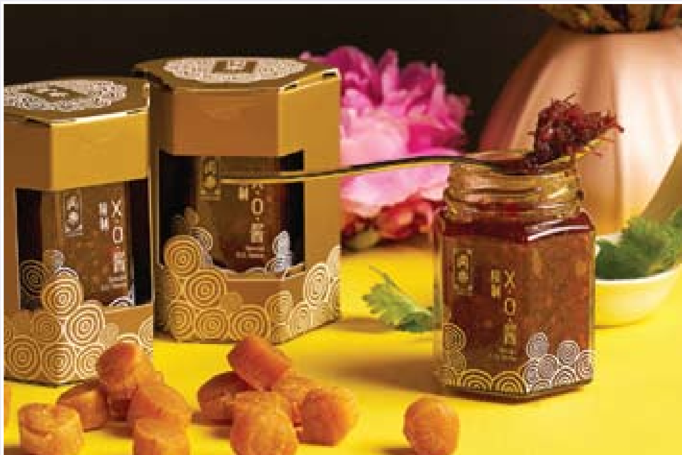


MANUFACTURING



Delectable and high quality products such as fresh Dim Sum, Rice Dumplings, Mooncakes, Chinese New Year pastries and Festive foods are meticulously created and produced at the Group's manufacturing facilities. These TungLok specialities are hot favourites, and the festive goodies are a sell-out every year during the festive season. Since 1988, TungLok has been the largest local producer of mooncakes in Singapore. Some of our products are also exported overseas.

In 2005, T&T Gourmet Cuisine Pte Ltd was formed through a joint venture between TungLok Group and Tee Yih Jia Food Manufacturing Pte Ltd. The T&T Gourmet factory is located in Tee Yih Jia building in Senoko where ongoing developments and research are always conducted to explore new products.



MESSAGE FROM INDEPENDENT NON-EXECUTIVE CHAIRMAN AND PRESIDENT/CHIEF EXECUTIVE OFFICER

Dear Shareholders,

On behalf of the Board of Directors (the "**Board**"), we would like to present to you the Annual Report of Tung Lok Restaurants (2000) Ltd ("**Tung Lok**" or the "**Group**") for the financial year ended 31 March 2019 ("**FY19**").

FINANCIAL REVIEW

Singapore's overall economy grew by 3.1% in 2018, down from 3.6% in the previous year. Moving forward, the global economic slowdown arising from the ongoing US-China trade war which caused geopolitical uncertainties is likely to lead to slower growth in 2019, with forecasts ranging from 1.5% to 2.5%, and is expected to influence consumer and business spending. This is already evident in the first quarter of 2019 where the growth rate of 1.2% is the slowest in nearly a decade, in comparison to 4.6% during the first quarter of 2018.

The food and beverage ("**F&B**") industry in Singapore, the Group's main market, is expected to remain challenging as restaurant operators continue to face intense competition, tight manpower supply, high operating costs and ever-changing consumer tastes. These challenges will continue to exert pressure on the profitability of F&B companies.

Against this challenging backdrop, the Group's revenue for FY19 decreased by S$5.1 million or 5.9% to S$80.6 million from S$85.7 million in the previous financial year ended 31 March 2018 ("**FY18**"). In FY18, the Group conducted a business and operation review to rationalise and streamline its non-performing outlets (the "**Rationalisation Exercise**") with the purpose of building sustainable growth in revenue and profits. This resulted in the closure of four (4) non-performing outlets in FY18 and FY19, which led to a loss of revenue in FY19 amounting to S$7.3 million. Our existing outlets have worked significantly harder to deliver higher revenue contributions of S$2.5 million in FY19 to partially offset the revenue decline.

In line with the lower revenue, gross profit decreased by S$4.0 million or 6.5% to S$57.8 million in FY19 from S$61.8 million in FY18. Gross profit margin remained relatively steady for FY19 at 71.7%, as compared to 72.1% in FY18.

Other operating income increased by S$1.5 million or 76.6% to S$3.3 million in FY19 from S$1.8 million in FY18, mainly due to the waiver of S$1.5 million of liabilities by a non-controlling interest in a subsidiary which had ceased operation.

Administrative expenses, decreased by S$0.6 million or 1.8% to S$30.9 million in FY19 from S$31.5 million in FY18, mainly due to the decrease in the number of employees stemming from the closure of outlets, leading to lower manpower-related expenses.

Other operating expenses decreased by S$5.0 million or 14.4% to S$29.5 million in FY19 from S$34.5 million in FY18, mainly due to lower rental expenses of S$2.1 million, lower depreciation expenses of S$1.5 million, lower advertising and promotion expenses, credit card commission expenses and professional fee expenses amounting to S$0.3 million. In addition, the decrease in other operating expenses was due to the absence of the following exceptional charges undertaken in FY18:

(i) S$1.0 million impairments and write-off of property, plant and equipment as well as closure costs relating to non-performing outlets; and
(ii) S$0.1 million of allowance for doubtful debt relating to a loan for an associate that closed an outlet.

Total share of profits from our joint venture and associates declined to S$0.6 million in FY19 from S$0.7 million in FY18 due to lower profitability.

Income tax expenses increased by S$29,000 to S$33,000 in FY19 from S$4,000 in FY18 mainly due to higher profits of subsidiaries which are taxable.

The Group reported a profit of S$1.0 million in FY19 (after taking into account the waiver of liabilities by a non-controlling interest in a subsidiary amounting to S$1.5 million) as compared to a loss of S$1.8 million in FY18 which was an improvement of S$2.8 million. Further to the Rationalisation Exercise, the restaurant division has shown positive results and delivered better performance in FY19 where profits improved S$4.1 million (from a loss of S$1.9 million in FY18 to a profit of S$2.2 million in FY19), but this was partially offset by the S$1.3 million decline in results from the catering division (from a profit of S$0.2 million in FY18 to a loss of S$1.1 million in FY19).

MESSAGE FROM INDEPENDENT NON-EXECUTIVE CHAIRMAN AND PRESIDENT/CHIEF EXECUTIVE OFFICER

The Group reported a loss attributable to Owners of the Company of S$0.7 million in FY19, mainly due to the S$1.5 million of liabilities waived by the non-controlling interest in a subsidiary and S$0.2 million net profits of non wholly-owned subsidiaries being accounted as attributable to non-controlling interests, compared to a loss attributable to Owners of the Company of S$1.4 million in FY18.

Total assets of the Group decreased by S$2.6 million or 8.0% to S$29.8 million as at 31 March 2019 from S$32.4 million as at 31 March 2018. This was mainly due to a decrease in cash and bank balances of S$3.3 million and a decrease in long-term security deposit of S$0.3 million, partially offset by an increase in (i) trade and other receivables of S$0.3 million; (ii) inventories of S$0.1 million; (iii) net assets of joint ventures and associates of S$0.1 million; (iv) plant and equipment of S$0.4 million; and (v) deferred tax asset of S$0.1 million.

Total liabilities of the Group decreased by S$3.7 million or 20.0% to S$14.8 million as at 31 March 2019 from S$18.5 million as at 31 March 2018, mainly due to a decrease in trade and other payables amounting to S$3.4 million and a reduction in bank borrowings and finance lease amounting to S$0.4 million, but partially offset by an increase in income tax payable of S$0.1 million.

The Group's net working capital has remained healthy, although it has decreased by S$0.8 million to S$7.9 million as at 31 March 2019 from S$8.7 million as at 31 March 2018, mainly due to operational cash outflows during FY19 arising from lower revenue generated and faster creditor payments, as well as settlement of liabilities relating to the ceased non-performing outlets in FY19. The Group's cash position decreased by S$3.3 million during FY19 to S$12.1 million as at 31 March 2019 from S$15.5 million as at 31 March 2018, mainly due to higher operational cash outlays and payment for acquisitions of plant and equipment.

Net asset value per share as at 31 March 2019 was 5.51 Singapore cents compared to 5.76 Singapore cents as at 31 March 2018 and the Group's gearing ratio improved to 0.15 times as at 31 March 2019 from 0.19 times as at 31 March 2018 due to the reduction in bank borrowings and finance leases.

OPERATIONS

The Group has established its footprint as a renowned and trusted home grown global brand through the years.

As at 31 March 2019, the Group operates a total of 42 outlets. These comprise 23 outlets we directly own, 7 held by our associates and 12 others under license/franchise. These restaurants are spread across Singapore, Indonesia, Japan, China, Vietnam and Taiwan.

The Group continues to stay relevant and strive to satisfy our customers' changing tastes by growing its portfolio of brands. In January 2019, our new concept "*Duckland*" opened at United Square to much fanfare. Duckland is a casual dining restaurant born out of a 'farm to fork' concept, emphasizing on serving robust dishes using only fresh and premium quality ducks and other produce direct from Ireland.

In addition, the Group ensures it is kept abreast of industry trends to better serve our customers. Among other things, the Group introduced a new range of mooncakes last year which contained less sugar and more dietary fibre while not compromising on taste, and has been certified by the Health Promotion Board (HPB) as a healthier choice. Going forward, the Group will continue to explore and introduce more healthy products.

The expansion of the Group's geographical presence in the region will be through licensing or franchising its brands. The Group was appointed the exclusive master licensee of Slappy Cakes for Asia, excluding Japan, in May 2018, and our first licensed Dancing Crab outlet opened in Taipei in January 2019.

Besides the ongoing efforts to contain costs, improve efficiency and drive sales, the Group will not lose sight of the importance of food safety, which remains the most vital cornerstone of our business. As a testament to our commitment towards food safety, all our restaurants, as well as our central kitchen at Bukit Batok and catering kitchens at Tai Seng and Singapore Expo, have been awarded Grade 'A' by the National Environment Agency (NEA)/Agri-Food and Veterinary Authority of Singapore (AVA) or Singapore Food Agency (SFA).

MESSAGE FROM INDEPENDENT NON-EXECUTIVE CHAIRMAN AND PRESIDENT/CHIEF EXECUTIVE OFFICER

OUTLOOK

Amid the strong headwinds from macro-environmental factors and the challenging operating environment of the F&B industry in Singapore, the Group believes the Rationalisation Exercise and optimisation of the portfolio of brands/outlets will bring the performance of the Group back on track to pursue sustainable growth in revenue and profits. The Group will remain steadfast in its commitment to ensure exemplary food and service quality through optimal resource utilisation and allocation.

The Dependency Ratio Ceiling for the services sector (which sets out the maximum permitted ratio of foreign workers to the total workforce that a company is allowed to hire) will be reduced from 40% to 35% in two phases by 1 January 2021, and will further impact F&B operators' staffing efforts and raising costs. To combat the challenging manpower issues and upcoming cut to the foreign worker quota, the Group has been actively right-sizing its workforce at all of its outlets and improving operational efficiency. The Group will continue to focus on improving sales and optimising its existing resources so as to further enhance productivity and manage operating costs.

Our business strategy, moving forward, includes focusing on opportunities to expand both locally and overseas through the licensing and franchising of the Group's brands, while continuing to innovate and reinvent current food concepts and brands.

To leverage on the significant growth trends in Singapore's online food delivery sector, where revenue for the sector is expected to grow to US$316.0 million by 2022, we will continue to explore more options and additional revenue streams, such as satellite kitchens and ready-meal businesses. The Group believes that Singapore is uniquely positioned to experience and explore the scalability opportunities made available by the paradigm shifts in the F&B industry.

The Company's wholly-owned subsidiary, Tung Lok Millennium Pte Ltd, had on 18 June 2019 entered into a conditional sale and purchase agreement for the disposal of its entire 50% shareholding interests in its joint venture company, T&T Gourmet Cuisine Pte Ltd ("**T&T**"), to Maker Food Manufacturing Pte Ltd which is a subsidiary of our controlling shareholder, Tee Yih Jia Manufacturing Pte Ltd, for a total cash consideration of S$1,150,000 based on the market value evaluated by an independent valuer [(1)]. The disposal of T&T was proposed after taking into consideration the increasingly challenging operating environment which requires substantial investment sums so that T&T can remain sustainable as well as the future growth and expansion prospects of T&T. Henceforth, the proposed disposal of T&T will allow the Group to avoid over-extending itself, and at the same time, allow the Company with the flexibility to invest in potential new business opportunities that may arise in the future. The proposed disposal of T&T will be conditional upon the approval of the shareholders at the forthcoming Extraordinary General Meeting of the Company to be held on 31 July 2019.

(1) *For more information, please refer to the Company's announcement dated 18 June 2019.*

CORPORATE SOCIAL RESPONSIBILITY

Tung Lok firmly believes in being a responsible corporate citizen and giving back to society.

We took part in the annual Kampong Assisi Charity Fun Day 2018 on 24 June 2018 at St. Joseph's Institution International, where Tung Lok's management and staff had a rewarding time selling food at the charity drive and spreading awareness about terminal illnesses to attendees. The event raised funds for Assisi Hospice, which provides subsidised care for the poor and critically ill.

Our Group believes that grooming the next generation of F&B talents in Singapore is vital to the future growth and innovation in the industry. To that end, we sponsored the Gold and Silver Course Medal Awards for graduating students of Temasek Polytechnic's Diploma in its Baking & Culinary Science programme.

Our brand Lingzhi Vegetarian was the official F&B sponsor for the fourth instalment of Earthfest, which took place on 20 January 2019 at Marina Barrage. A fully volunteer-driven and non-profit community festival, Earthfest showcases and supports local organisations that are committed to sustainable business practices. The one-day festival, which aims to create greater awareness of environmental conservation and sustainable living, drew strong crowds of families, foodies and environmental enthusiasts.

MESSAGE FROM INDEPENDENT NON-EXECUTIVE CHAIRMAN AND PRESIDENT/CHIEF EXECUTIVE OFFICER

The Group collaborated with Project Chulia Street ("**PCS**"), a privately funded initiative that serves as a platform to enhance health and well-being of migrant workers in Singapore, to celebrate Deepavali & International Migrant Day at Westlite Woodlands Dormitory on 25 November 2018, providing meals for over 800 migrant workers. The dormitory houses over 4,000 migrant workers that hail mainly from India, Bangladesh and China.

ACCOLADES

As consumers become more discerning about quality food and service, the string of awards which continued to be won by the Group in FY19 are a testament to our relevance and position in the F&B industry, and how our customers hold our brands in high regard.

In April 2018, the Singapore Chefs' Association ("**SCA**") team led by Chef Nixon Low, the Executive Chef of our Catering Division, scored a gold in the Gourmet Team Challenge and was named the Overall Winner of the Food & Hotel Asia 2018: Gourmet Team Challenge.

In July 2018, our TungLokFirst loyalty membership programme scored a Silver award in the "Best Loyalty Program - F&B/Dining" category at the Loyalty & Engagement Awards 2018 organised by Marketing Magazine. The Awards event is the only one in the Asia-Pacific market to focus completely on customer loyalty and engagement.

In October 2018, Slappy Cakes was awarded the "Promising Licensor of the Year 2018" at the Franchising & Licensing Awards.

In November 2018, the Group won the following accolades at the Restaurant Association of Singapore's Epicurean Star Award 2018:
5S Excellence Award – *Slappy Cakes*
Star Chef Competition, Chinese Professional Category, 2nd Runner-up – *Lokkee*
Best Chinese Restaurant (Casual Dining) – *TungLok Signatures*
Best Vegetarian Restaurant – *Lingzhi Vegetarian*

The Executive Chef of our Catering Division, Chef Nixon Low, also led the Singapore National Culinary Team in the Expogast Culinary World Cup 2018 held in November 2018 at Luxembourg. The team did Singapore proud and was awarded Gold for both the hot and cold categories and ranked second in the overall world ranking.

Our brands, TungLok Signatures and Tóng Lè Private Dining, were both placed in the "La Liste 2019 Top 1000" in January 2019. La Liste, which is sanctioned by France's Foreign Ministry and tourism board, provides a platform to showcase 1,000 best global restaurants handpicked by discerning food critics and expert guides. It is also based on the compilation of hundreds of guidebooks and millions of online reviews. Our brands were 2 of only 10 restaurants representing Singapore in the list.

In April 2019, the Group won the following accolades at The Straits Times and Lianhe Zaobao's Best Asian Restaurants Awards:
Silver Award – *TungLok Signatures at Orchard Rendezvous Hotel*
Bronze Award – *Tóng Lè Private Dining*

ACKNOWLEDGEMENTS

We would also like to express our heartfelt appreciation to our management and staff for their commitment and dedication throughout the years, and our fellow directors on the Board for their active participation in board deliberations, combined wisdom, guidance and wise counsel.

We look forward to the continued and unwavering support and understanding from all our shareholders, customers and business associates.

Dr Foo Say Mui (Bill)
Independent Non-Executive Chairman

Andrew Tjioe
President/Chief Executive Officer

Date: 18 June 2019

CORPORATE INFORMATION

BOARD OF DIRECTORS
Dr Foo Say Mui (Bill)
Independent and Non-Executive Chairman

Dr Tan Eng Liang
Lead Independent Director

Dr Ker Sin Tze
Independent Director

Mr Chee Wai Pong
Independent Director

Mr Goi Seng Hui
Non-Independent and Non-Executive Director

Mdm Ng Siok Keow
Non-Independent and Non-Executive Director

Mdm Juliana Julianti Samudro
Non-Independent and Non-Executive Director

Mr Tjioe Ka Men
President/Chief Executive Officer

AUDIT AND RISK COMMITTEE
Dr Tan Eng Liang (Chairman)
Dr Ker Sin Tze
Mr Chee Wai Pong
Dr Foo Say Mui (Bill)
Mr Goi Seng Hui

NOMINATING COMMITTEE
Dr Ker Sin Tze (Chairman)
Dr Tan Eng Liang (Lead Independent Director)
Mr Chee Wai Pong
Dr Foo Say Mui (Bill)
Mr Goi Seng Hui
Mr Tjioe Ka Men

REMUNERATION COMMITTEE
Mr Chee Wai Pong (Chairman)
Dr Tan Eng Liang
Dr Ker Sin Tze
Dr Foo Say Mui (Bill)

EXECUTIVE COMMITTEE
Mr Goi Seng Hui (Chairman)
Mdm Ng Siok Keow
Dr Tan Eng Liang
Mr Tjioe Ka Men

COMPANY SECRETARY
Mr Lo Kim Seng

REGISTERED OFFICE
1 Sophia Road #05-03
Peace Centre
Singapore 228149
Tel: 6337 1712
Fax: 6337 4225

SHARE REGISTRAR AND SHARE TRANSFER OFFICE
M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

AUDITOR
Ernst & Young LLP
One Raffles Quay, North Tower, Level 18
Singapore 048583
Partner in charge: **Mr Lim Tze Yuen**
Date of appointment: Since financial year ended 31 March 2015

PRINCIPAL BANKERS
United Overseas Bank Ltd
DBS Bank Limited
CIMB Bank Berhad

SPONSOR
SAC Capital Private Limited
1 Robinson Road
#21-00 AIA Tower
Singapore 048542

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HISTORICAL FINANCIAL SUMMARY

OPERATING RESULTS FOR THE GROUP

S$'000	FY2015	FY2016	FY2017	FY2018	**FY2019**
Turnover	84,985	86,065	85,060	85,723	**80,628**
(Loss)/Profit before tax and share of profit of joint venture & associates	(1,733)	14	(286)	(2,460)	**447**
Share of profit of joint venture & associates	724	286	601	692	**598**
Taxation	456	682	171	(4)	**(33)**
(Loss)/Profit after taxation but before non-controlling interests	(553)	982	486	(1,772)	**1,012**
(Loss)/Profit attributable to the owners of the Company	574	611	422	(1,399)	**(694)**

FINANCIAL POSITION FOR THE GROUP

S$'000	31 Mar 2015	31 Mar 2016	31 Mar 2017	31 Mar 2018	**31 Mar 2019**
Property, plant and equipment	13,955	12,052	10,011	7,141	**7,571**
Current assets	20,467	19,247	19,447	20,739	**17,706**
Other non-current assets	3,660	4,652	4,006	4,483	**4,479**
Total assets	38,082	35,951	33,464	32,363	**29,756**
Current liabilities	16,015	13,247	10,822	12,039	**9,777**
Non-current liabilities	7,912	7,387	6,790	6,468	**5,000**
Shareholders' equity	16,000	16,772	17,275	15,792	**15,123**
Non-controlling interests	(1,845)	(1,455)	(1,423)	(1,936)	**(144)**
Total liabilities and equity	38,082	35,951	33,464	32,363	**29,756**
NTA per share (cents)	5.83	6.11	6.30	5.76	**5.51**

BOARD OF DIRECTORS

DR FOO SAY MUI (BILL) was appointed as an Independent Director of our Company on 1 November 2016 and Independent Non-Executive Chairman on 1 August 2017. He was last re-elected on 31 July 2017. He is a Member of Audit and Risk Committee, Nominating Committee and Remuneration Committee.

Dr Foo has over 30 years of experience in financial services including holding senior positions in banks such as ANZ and Schroders. During his tenure at ANZ from 1999 to 2015, his positions included Singapore CEO and Vice Chairman of South and South East Asia. Working with Schroders from 1993 to 1999, Dr Foo held various positions including as President Director Indonesia and Regional Head of Investment Banking. He had also served on the Council of the Association of Banks in Singapore for 9 years and was Deputy Chairman of the Singapore Investment Banking Association for about 3 years.

Dr Foo is currently a director and adviser to several listed and private companies, including Tower Capital Asia Pte Ltd, Business Circle Singapore Pte. Ltd. and Kenon Holdings Ltd. He is currently the lead independent director of Mewah International Inc., M&C REIT Management Limited and M&C Business Trust Management Limited. He was also a Director of Academies Australasia Group Limited, an ASX-listed company which he has since resigned in October 2016.

He is also the chairman of several community and charity organisations including Heartware Network and Salvation Army.

Dr Foo graduated from Concordia University with a Bachelor of Business Administration. He holds a Masters of Business Administration from McGill University and an Honorary Doctorate of Commerce from James Cook University Australia.

ANDREW TJIOE KA MEN was appointed to the Board since 28 September 2000 and is a Member of the Nominating Committee and Executive Committee. He will seek re-election at the forthcoming Annual General Meeting. In July 2006, he was appointed as Executive Chairman and redesignated as President/Chief Executive Officer with effect from 1 August 2017 to spearhead the Group's overall direction. He founded Tung Lok Shark's Fin Restaurant Pte Ltd in 1984 and has since established a chain of reputable restaurants in Singapore, Indonesia, Japan, China and Vietnam.

In 2008, Mr Tjioe was honoured with the International Star Diamond Lifetime Achievement Award from the New York-based American Academy of Hospitality Sciences. At the World Gourmet Summit Awards of Excellence 2011, Mr Tjioe was named *Restaurateur of the Year (Regional)*. He was the winner of *Ernst & Young's Entrepreneur Of The Year Award 2011 (Lifestyle)*, and also the recipient of the *Epicure Excellence Award 2013*.

Mr Tjioe is currently the President Advisor of the Restaurant Association of Singapore (RAS); a director of the SHATEC Institute; Vice President of the Franchising and Licensing Association of Singapore; Vice-President of World Federation of Chinese Catering Industry (WFCCI); a member of the Board of Governors of Temasek Polytechnic as well as Patron of Joo Chiat Citizens' Consultative Committee, among others.

Mr Tjioe is a Hwa Chong alumni and a graduate in Business Administration from Oklahoma State University, USA.

DR TAN ENG LIANG was appointed as an Independent Director of our Company on 1 March 2001 and was last re-elected on 31 July 2018. Dr Tan was appointed the Lead Independent Director on 31 May 2013. He is the Chairman of the Audit and Risk Committee and also a Member of the Nominating Committee, Remuneration Committee and Executive Committee.

Dr Tan was a Member of Parliament from 1972 to 1980, the Senior Minister of State for National Development from 1975 to 1978 and Senior Minister of State for Finance from 1978 to 1979. He also served as the Chairman of the Urban Redevelopment Authority, Singapore Quality & Reliability Association and the Singapore Sports Council. Dr Tan has a Doctorate from Oxford University, England. Dr Tan was awarded the Public Service Star (BBM), Public Service Star – Bar (BBM(L)) and the Meritorious Service Medal by the Singapore Government.

Dr Tan currently sits on the board of Progen Holdings Ltd. He also serves as Vice President in the Singapore National Olympic Council. His past directorship in the last three years includes SunMoon Food Company Limited (resigned in August 2017).

DR KER SIN TZE was appointed as an Independent Director of our Company on 1 March 2001 and was last re-elected on 31 July 2018. He is the Chairman of the Nominating Committee and also a Member of the Audit and Risk Committee and Remuneration Committee.

BOARD OF DIRECTORS

Dr Ker holds a Bachelor of Commerce degree from Nanyang University, M.A. (Economics) and Ph.D (Economics) degree from the University of Manitoba, Canada. He lectured at the then University of Singapore from 1974 to 1980. He joined Liang Court Pte Ltd as Managing Director in 1980 until September 1991. In September 1990, he was appointed as the Executive Chairman of Superior Multi-Packaging Limited (formerly known as Superior Metal Printing Limited), a public listed company. In August 1991, Dr Ker was elected to Parliament. He resigned from Liang Court Pte Ltd and Superior Multi-Packaging Limited at the end of 1991 to take up his appointment as Minister of State for Information and the Arts and Minister of State for Education in January 1992. He resigned from his government posts and returned to the private sector in September 1994. He served as Member of Parliament (1991-2001), Trade Representative of Singapore in Taipei (2002-2007) and Consul-General of Singapore Consulate in Hong Kong (2008-2012). He is currently an Adjunct Professor of both National University of Singapore and Nanyang Technological University. Dr Ker also serves as an Independent Director and Chairman of MS First Capital Insurance Limited.

NG SIOK KEOW was appointed as a Non-Executive Director of the Company on 1 November 2013 and was last re-elected on 31 July 2018. She is a Member of the Executive Committee.

Mdm Ng is currently an Executive Director of Far East Organization and a director of various unlisted companies in the Far East Organization Group. She is a director of JurongHealth Fund and Patron of the Cairnhill Community Club, Bukit Timah Community Club and Ng Teng Fong General Hospital, and was the Chairman of the Management Committee of Cairnhill Community Club from June 1994 to June 2007. She was also a Director of Singapore Symphonia Company Ltd. She was a Director of the Singapore Dance Theatre from 1999 to 2003 and a Resource Panel Member of the Government Parliamentary Committee (National Development) from 2001 to 2002. Mdm Ng served as Executive Director of Far East Orchard Limited from 1987 and was re-designated as Non-Executive Director in 2014. She retired from the Board of Far East Orchard Limited in 2016.

Mdm Ng was awarded the Pingat Bakti Masyarakat (PBM) in 1995, the Orchid Award by the Singapore Girl Guides Association in 1996 and the Bintang Bakti Masyarakat (BBM) in 2001. In 2015, Mdm Ng was conferred the SG50 Outstanding Chinese Business Pioneers Award by the Singapore Chinese Chamber of Commerce & Industry in recognition of her exemplary contribution to Singapore in the real estate sector and to the community.

Mdm Ng obtained her Bachelor of Science (Honours) degree in Chemistry from the University of Singapore.

GOI SENG HUI was appointed as a Non-Executive Director of our Company on 23 June 2011 and was last re-elected on 31 July 2017. He will seek re-election at the forthcoming Annual General Meeting. He is the Chairman of the Executive Committee and also a Member of the Audit and Risk Committee and Nominating Committee.

Mr Goi is the Executive Chairman of Tee Yih Jia Group, a global food and beverage group with operations in Singapore, Malaysia, USA, Europe and China, and SGX Mainboard-listed GSH Corporation Limited, a regional developer of premium residential and commercial properties, as well as the owner and operator of the 5-Star Sutera Harbour Resort, Marina and Golf Course in Kota Kinabalu, Malaysia. In 2017, GSH Corporation Limited expanded into China via an investment in Henan Zhongyuan Group, operating the largest frozen food logistics and warehousing hub in Zhengzhou with an annual turnover of more than RMB60 billion.

Mr Goi serves on the board of two other Mainboard-listed companies – as Non-Executive Vice Chairman of both Envictus International Holdings Limited and JB Foods Limited. He also has investments across a range of listed and private entities in numerous industries, such as food and beverage, leisure real estate, consumer essentials, recycling, distribution and logistics. Mr Goi was also Vice-Chairman of Super Group Limited which was delisted on 6 June 2017.

In April 2018, Mr Goi was appointed Singapore's Non-Resident Ambassador to the Federative Republic of Brazil.

In 2014, Mr Goi was named Businessman of the Year by Singapore's Business Times and at the 49th National Day Awards, Mr Goi was conferred the Public Service Star (Bar) – Bintang Bakti Masyarakat (Lintang), BBM (L) – by the President of Singapore for his contributions to the community. In 2015, he received the Long Service Award from Singapore's People's Action Party. He was also conferred the State Award of Panglima Gemilang Darjah Kinabalu (PGDK), which carries the title of Datuk, from the Head of State of Sabah, for his social and business contributions to Kota Kinabalu. In recognition of his numerous philanthropy works, he was awarded the SG50 Outstanding Chinese Business Pioneers Award and Enterprise Asia's Lifetime

Achievement Award in 2015, as well as the Asian Strategy & Leadership Institute's Lifetime Achievement Award in 2016. In 2017, he was honoured for his contributions and success as an overseas Chinese by People's Tribune Magazine in Beijing, China. In 2018, he was conferred the Distinguished Business Leader Award at the World Chinese Economic Forum.

He is also Enterprise 50 Club's Honorary Past President and Vice Chairman of IE Singapore's "Network China" Steering Committee, Regional Representative for Fuzhou City and Fujian Province, council member of the Singapore-Tianjin Economic and Trade Council and Singapore-Jiangsu Cooperation Council, as well as Senior Consultant to Su-Tong Science & Technology Park. He is currently the Honorary Council Member of the Singapore Chinese Chamber of Commerce and Industry, the Honorary Chairman for the International Federation of Fuqing Association, a member of the Singapore University of Technology and Design (SUTD) Board of Trustees, as well as the Honorary Chairman of Dunman High School Advisory Committee and Ulu Pandan Citizens Consultative Committee.

CHEE WAI PONG was appointed as an Independent Director of our Company on 30 September 2013 and was last re-elected on 31 July 2017. He will seek re-election at the forthcoming Annual General Meeting. He is the Chairman of the Remuneration Committee and also a Member of the Audit and Risk Committee and Nominating Committee.

Mr Chee joined the Legal Service and was appointed a Deputy Public Prosecutor/State Counsel from 1971 to 1973. He was appointed a Magistrate and then District Judge and the State Coroner between 1973 and 1976. Mr Chee then joined M/s Osborne Jones & Co as a Partner from August 1976 to December 1978 and was a Partner of M/s Ng Ong & Chee from January 1979 to December 2006. From 1 January 2007, Mr Chee started his own law practice under the name and style of Chee Wai Pong & Co.

Mr Chee is the honorary legal advisor to the Medical Alumni and Ling Kwang Home for Senior Citizens. He is also the Co-Trustee of the Daisy Phay Foundation, Partner of Everlasting Training Services LLP and the Alternate Director to Mr Lee Ee @ Lee Eng of TSKY Balmoral Pte. Ltd.. Mr Chee was a member of both the Management Committee of the Students Care Service (a Voluntary Welfare Organisation under the National Council of Social Services) and Yishun Centre Advisory Committee of the Students Care Service.

Mr Chee currently sits on the board of Progen Holdings Ltd. His past directorship in the last three years includes SunMoon Food Company Limited (resigned in August 2017).

Mr Chee graduated from the University of Singapore with a Bachelor of Law Degree (LL.B. Hons) in 1971.

JULIANA JULIANTI SAMUDRO was appointed as a Non-Executive Director of our Company on 1 November 2016 and was last re-elected on 31 July 2017.

Her working experiences have been mainly in corporate finance where it includes finance, treasury, capital market related matters including investments, merger and acquisitions. She has a vast experience working and managing companies in various industries such as retail, distribution, technologies and manufacturing.

Mdm Juliana currently holds the advisory functions for several companies in the region, including Singapore, Indonesia, Malaysia, Myanmar and New Zealand. Mdm Juliana was also the Executive Director and Chief Financial Officer of Polaris Ltd. which she has since resigned in February 2018.

Mdm Juliana holds a degree in Bachelor of Arts from California State University in Los Angeles, USA.

KEY MANAGEMENT TEAM

TJIOE KA IN

Chief Operating Officer

Tjioe Ka In was redesignated as Chief Operating Officer of the Company on 1 November 2016. Prior to this, she was an Executive Director of the Group. She joined Tung Lok Group since 1988. Her primary responsibilities include strategic planning and ensuring smooth operations of Tung Lok restaurants.

Ka In is instrumental in the operations of Tung Lok's central kitchen, which concentrates on the production of gourmet dim sum and snacks for both local and export markets, premium mooncakes and festive goodies such as Nian Gao and Chinese pastries. Her responsibilities include product development and planning. Ka In is also a certified trainer in several industry related courses and contributes actively towards industry training.

Ka In holds a Bachelor of Science Degree in Hotel and Restaurant Management from Oklahoma State University, USA. Ka In is currently a member of the Ulu Pandan Community Centre Management Committee, a member of the School Management Committee (SMC) of Nanyang Kindergarten and Nanyang Primary School as well as a member of the Executive Committee of Nanyang Schools Alumni Association (NSAA).

TIONG HENG TEE

Chief Financial Officer

Heng Tee, a Fellow Chartered Accountant with Institute of Singapore Chartered Accountants (ISCA), joined the Group in January 2012. Armed with more than 20 years of post-graduation experience in both private and Singapore public-listed companies, he is responsible for providing strategic direction for the finance team and oversees all key financial matters of the Group. Heng Tee holds a Bachelor of Accountancy from Nanyang Technological University of Singapore.

JOCELYN TJIOE

Senior Vice President, Administration

A diploma graduate in Business Studies from Ngee Ann Polytechnic, Jocelyn is armed with many years of experience in purchasing and administration. In her current capacity as Senior Vice President, Jocelyn ensures the constant and prompt supply of quality products and materials crucial to the operations of the restaurants. She also oversees the administrative function and corporate affairs of the Group.

VINCENT PHANG

Senior Vice President, Events and Caterings

Vincent joined the Group in 1998 and is overall responsible for the event and catering operations of the Group.

Prior to joining Tung Lok, Vincent has held key positions in various hotels in Singapore such as Boulevard Hotel, Le Meridien Singapore and Fort Canning Country Club. A graduate from SHATEC, he also holds various certificates from the American Hotels & Motels Association, Premier Sales & Marketing for Hospitality professionals from Asia Connect & HSMAI Asia Pacific and 'More Sales Thru Service Excellence' from Marketing Institute of Singapore. At the Singapore Excellence Service Award 2004 organized by SPRING Singapore & Singapore Tourism Board, he was presented with the Star Award for his outstanding contribution and commitment to providing top quality service.

With a career spanning more than 32 years, Vincent plays a pivotal role in setting strategic goals for the catering team and leading the team towards achieving service excellence and offering complete and innovative event solutions to our customers.

His vast experience and expertise have enabled him to constantly innovate and implement new elements for banquet and catering events which include high-profile events and state functions.

He is currently the President of The Association of Catering Professionals Singapore (ACAPS), being nominated to serve the term 2019/2021.

CAROLYN TAN

Senior Vice President, Marketing & Corporate Communications

Carolyn joined the Group in 2002 as Marketing Communications Manager. Armed with years of experience in the marketing communications field, mainly from the hotel industry, her past employments include top hotel chains such as Westin, Hyatt, Holiday Inn, Raffles and Millennium & Copthorne International. In 2003, she was promoted to Director of Marketing, and in 2007, was appointed Vice President - Marketing & Corporate Communications. In her current capacity as Senior Vice President, she is in charge of the Marketing, Communications, Loyalty Programme, and Graphics Design teams, spearheading the marketing, promotional, public relations, and membership activities of the Group. She is also responsible for strategising plans to maintain the corporate and brand identity of the Group, as well as handling Special Projects. Carolyn holds a Bachelor of Arts in Mass Communications from the Royal Melbourne Institute of Technology.

CHUA POH YORK

Senior Vice President, Operations

Poh York joined the Group in 1985 as Assistant Manager of Tung Lok Restaurant. Subsequently, she became General Manager of Paramount Restaurant in 1993. In her current capacity as Senior Vice President, Operations, she manages and oversees the daily operations of Tung Lok Seafood and LingZhi Vegetarian, as well as spearheads the implementation of the 5-S system to improve workplace organization in the Group's restaurants, and mentoring younger managers.

NG KING CHENG

Senior Vice President, Human Resource & Training

A versatile professional with more than 20 years of experience in Human Resource Management, King Cheng joined the Group in September 2017. He is tasked with implementing HR strategies including talent acquisition, staffing and succession planning, employee relations and retention, as well as training and development.

Prior to joining the Group, King Cheng had worked with a listed property developer in Hong Kong, where he had moved to since 2006. He has had first-hand experience in establishing and building HR infrastructures in the region, particularly in Hong Kong, China and Singapore. His experiences are also gathered from various industries including banking & finance, hospitality, information technology and trading.

King Cheng is a strong advocate of performance management as a key corporate strategy for building and sustaining long-term competitive advantage.

WOODY ACHUTHAN

Senior Vice President, Customer Relationship

Prior to re-joining the Group in April 2013, Woody was heading the Training department of the Group for 12 years. He is currently handling customer relationship management and service excellence, and was previously with United Airlines as its Onboard Services-Chief Purser and Instructor. During his fifteen years at United Airlines, he taught trainees on service excellence, food and beverage presentation skills, onboard marketing, and product offering, amongst other training programmes. His personal achievements include the "Five Star Diamond Award", "Employee of the Year", as well as "Most Valuable Player Corporate Award".

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CORPORATE GOVERNANCE REPORT

TUNG LOK RESTAURANTS (2000) LTD (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to ensure and maintain a high standard of corporate governance with a view of enhancing corporate transparency and safeguarding interests of the shareholders and seeks to comply with the Code of Corporate Governance 2012 (the "**Code**") issued on 2 May 2012 where appropriate. This report describes the corporate governance framework and practices of the Company for the financial year ended 31 March 2019 ("**FY19**") with specific reference made to the principles and guidelines of the Code. In so far as any guideline of the Code has not been complied with, the reason has been provided.

The revised Code of Corporate Governance (the "**2018 Code**") was issued by the Monetary Authority of Singapore on 6 August 2018 which supersedes and replaces the Code. The 2018 Code will be effective for financial years beginning from 1 January 2019. The Group will review and present its compliance with the 2018 Code in the next Annual Report.

The Company will also continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Every Company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Guidelines of the Code	Tung Lok's Corporate Governance Practices
1.1 The Board's role	The Board is accountable to the shareholders and oversees the overall management of the business and affairs of the Group, including providing leadership and supervision to the Management of the Group so as to protect and enhance long-term value and returns for its shareholders. Besides carrying out its statutory responsibilities, the Board's role is to: (1) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the company to meet its objectives; (2) review Management performance (including Group's financial and operating performance); (3) establish a framework of prudent and effective controls which enable risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets; (4) approve major investment and divestment proposals, material acquisitions and disposals of assets (exceeding S$200,000), corporate or financial restructuring and share issuances; (5) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation; (6) set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; (7) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and (8) assume responsibility for corporate governance.
1.2 Directors to objectively discharge their duties and responsibilities	All directors exercise reasonable diligence and independent judgement when making decisions and are obliged to act in good faith and objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company.

1.3 Delegation of authority on certain Board matters	To facilitate effective management, certain functions have been delegated to various Board Committees, namely the Executive Committee ("**EXCO**"), Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Audit and Risk Committee ("**ARC**"), each of which has its own defined scope of duties and written terms of reference setting out the manner in which it is to operate. The Chairman of the respective Board Committees will report to the Board on the outcome of the Board Committee meetings. Minutes of the Board Committee meetings are made available to all Board members. The terms of reference and composition of each Board Committee can be found in this report. The effectiveness of each Board Committee is also constantly reviewed by the Board. They assist the Board operationally without the Board losing authority over major issues. The EXCO assists the Board in the management of the Group as it works toward its objectives. The EXCO will provide entrepreneurial leadership and strategic stewardship, as well as set strategic objectives for the Group. The EXCO comprises four (4) directors of whom two (2) are non-independent and non-executive directors, one (1) is an executive director and one (1) is an independent and non-executive director as follows: - Mr Goi Seng Hui (Chairman) - Mdm Ng Siok Keow - Dr Tan Eng Liang - Mr Tjioe Ka Men
1.4 Board to meet regularly	The Board conducts regular scheduled meetings. Additional or ad-hoc meetings are convened in circumstances deemed appropriate by the Board members. Board papers incorporating sufficient information from Management are forwarded to the Board members in advance of a Board Meeting to enable each member to be adequately prepared. The Company's Constitution allow a board meeting to be conducted by way of tele-conference or by means of a similar communication equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously. At the Board meeting, the directors are free to discuss and openly challenge the views presented by Management and the other directors. In lieu of physical meetings, written resolutions are circulated for approval by members of the Board. The frequency of meetings and attendance of each director at every Board and Board Committee meeting for FY19 are disclosed below:-

	ATTENDANCE AT BOARD & BOARD COMMITTEE MEETINGS									
	Board		**Executive**		**Audit & Risk**		**Nominating**		**Remuneration**	
Directors	**No. of Meetings**	**Attendance**	**No. of Meetings**	**Attendance**	**No. of Meetings**	**Attendance**	**No. of Meetings**	**Attendance**	**No. of Meetings**	**Attendance**
Tjioe Ka Men	5	5	2	2	NA	NA	1	1	NA	NA
Tan Eng Liang	5	5	2	1	4	4	1	1	1	1
Ker Sin Tze	5	5	NA	NA	4	4	1	1	1	1
Chee Wai Pong	5	5	NA	NA	4	4	1	1	1	1
Foo Say Mui (Bill)	5	5	NA	NA	4	4	1	1	1	1
Ng Siok Keow	5	4	2	2	NA	NA	NA	NA	NA	NA
Goi Seng Hui	5	4	2	2	4	3	1	0	NA	NA
Juliana Julianti Samudro	5	0	NA	NA	NA	NA	NA	NA	NA	NA

NA – not applicable.

1.5 Matters requiring Board approval	Matters which are specifically reserved for decision by the Board include those involving material acquisitions and disposals of assets, corporate or financial restructuring and share issuance, interim dividends and other returns to shareholders, and substantial transactions which have a material effect on the Group. Specific Board approval is required for any investments or expenditure exceeding S$200,000.
1.6 and 1.7 Directors to receive appropriate training; Formal letter to be provided to directors, setting out duties and obligations upon appointment	There was no new director appointed in FY19. Upon appointment of a new director, the Company provides a formal letter to the director, setting out the Director's duties and obligations; policies on disclosure of interests in securities, prohibitions on dealings in the Company's securities and restriction on disclosure of price-sensitive information; Annual Report and Code; Company's constitutional documents; terms of references of Board Committees, the Catalist Rules and relevant legislations; and other pertinent information for his/her reference. New directors are briefed on the Group's structure, businesses, governance policies and regulatory matters. For newly-appointed directors who do not have prior experience as a director of a public listed company in Singapore, pursuant to the amended Rule 406(3)(a) of the Catalist Rules, which was revised to be consistent with the 2018 Code and effective from 1 January 2019, the Company will arrange for the SGX-ST's prescribed training courses organised by the Singapore Institute of Directors on the roles and responsibilities of a director of a listed company, or other training institutions in areas such as management, accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties. The President/Chief Executive Officer ensures that Board members are provided with complete, adequate and timely information on a regular basis to enable them to be fully cognizant of the affairs of the Group. From time to time, the Company's internal and external auditors, legal advisors, financial advisors and the Company Secretary will advise the directors or if necessary, conduct briefings to the directors on relevant regulations, new accounting standards and corporate governance practices as well as updates on any changes in the Companies Act and the Catalist Rules. Directors also have the opportunities to visit the Group's operation facilities in order to have a better understanding of its business operations. The Company has available budget for directors to receive further training to enhance their skills and knowledge, particularly on relevant new laws, regulations, changing commercial risks and financial literacy from time to time. Relevant courses include programmes conducted by the Singapore Institute of Directors or other training institutions. Directors and senior executives participated in relevant trainings. During FY19, the Directors had received updates on regulatory changes to the Catalist Rules, the 2018 Code and the accounting standards.

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Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and substantial shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

2.1 and 2.2 Strong and independent element on the Board, with independent directors making up at least one-third of the Board where the Chairman and CEO are separate persons.	The Board currently comprises eight (8) directors, of whom one (1) is an executive director, four (4) are independent and non-executive directors and three (3) are non-independent and non-executive directors. As at the date of this report, the Board comprises the following members: - Dr Foo Say Mui (Bill) (Independent and Non-Executive Chairman) - Dr Tan Eng Liang (Independent Non-Executive Director/Lead Independent Director) - Dr Ker Sin Tze (Independent and Non-Executive Director) - Mr Chee Wai Pong (Independent and Non-Executive Director) - Mr Tjioe Ka Men (President/Chief Executive Officer) - Mr Goi Seng Hui (Non-Independent and Non-Executive Director) - Mdm Ng Siok Keow (Non-Independent and Non-Executive Director) - Mdm Juliana Julianti Samudro (Non-Independent and Non-Executive Director) Currently, the Board has a strong and independent element with four (4) out of eight (8) board members (or 50%) are independent where the Chairman and CEO are separate persons. The composition of the Board complies with the recommendation that Non-Executive Directors makes up a majority of the Board. This enables the Board to exercise independent judgement on corporate affairs and provide Management with a diverse and objective perspective on issues.
2.3 and 2.4 Board and NC to assess independence of directors; rigorous review of directors who served on the Board beyond nine years from the date of his appointment	The independence of each director is reviewed annually by the NC. The NC adopts the definition of what constitutes an independent director from the Code, the 2018 Code and the Catalist Rules in its review. The Board, after taking into account the views of the NC, is satisfied that Dr Tan Eng Liang ("**Dr Tan**"), Dr Ker Sin Tze ("**Dr Ker**"), Mr Chee Wai Pong and Dr Foo Say Mui (Bill) ("**Dr Bill Foo**") are considered independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Directors' judgement. Following the recent revision to the Code, the Catalist Rules has been amended to be consistent with the 2018 Code. In relation to the assessment of the independence of the Directors, specific tests of Directors' independence have been hardcoded into the Catalist Rules to clarify that these circumstances which deemed Directors not to be independent should be applied without any exceptions. Under Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules which took effect on 1 January 2019, it stipulates that a Director will not be considered as independent if he is employed by the issuer or any of its related corporations for the current or any of the past three financial years; or if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporation for the past three financial years, and whose remuneration is determined by the remuneration committee of the issuer. In this regard, the Independent Directors have confirmed that they and their respective associates do not have any employment relationships with the Company or any of its related corporations for the current or any of the past three financial years. Particular rigorous review is applied in assessing the continued independence of a Director having served beyond nine years from the date of his first appointment, with attention to ensure that his allegiance remains clearly aligned with shareholders' interests. Although both Dr Tan and Dr Ker have served on the Board for more than nine years from the date of their first appointments, they have continued to demonstrate strong independence in character and judgement over the years in the discharge of their duties and responsibilities as Independent Directors of the Company, with the utmost commitment to protect and uphold the interests of the Company and all shareholders, not just the substantial shareholders.

CORPORATE GOVERNANCE REPORT

	Dr Tan and Dr Ker have also contributed significantly to the discussion on matters before the Board, which includes matters relating to the strategic direction and corporate governance of the Group, expressed individual viewpoints, debated issues, sought clarification and amplification as they deemed necessary including through direct access to the Management, and objectively scrutinising the Management. Further, having gained in-depth understanding of the business, operating environment and direction of the Group, they provided the Group with much needed experience and knowledge of the industry and offered valuable advice. Their objective leadership, depth of experience and skills, make them invaluable members of the Board. Both have independent income source apart from the fixed fees received from the Company. Accordingly, the NC, with the concurrence of the Board, is satisfied that both Dr Tan and Dr Ker have remained independent in their judgement and can continue to discharge their duties objectively. The NC and the Board are of the view that no individual or small group of individuals dominates the Board's decision making process. Independent Directors constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.
2.5 Board composition and size	The size and composition of the Board is reviewed from time to time by the NC to ensure that the size of the Board is conducive for effective discussion and there is sufficient diversity without interfering with efficient decision-making. The NC also reviewed and ensure that the Board has an appropriate balance of independent directors. The Board is of the view that the current board size and composition is appropriate, taking into account the nature and scope of the Group's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.
2.6 Board to comprise directors with core competencies	The Board proactively seeks to maintain an appropriate balance in its composition and size. To assist the NC in its annual review of the Directors' mix of skills and experiences which the Board requires to function competently and efficiently, the Management compiled a Board of Directors competency matrix form, providing information of the areas of specialisation and expertise of the Directors. The Board and its Board Committees comprise respected individuals from different backgrounds and, as a group, provides core competencies, such as business management experience, industry knowledge, legal, real estate and tenancies, human resource management, financial, banking and strategic planning experience and customer-based knowledge that are extensive and critical to meet the Group's objectives. The Board, taking into account the views of the NC, considers that the Directors provide an appropriate balance and diversity of skills, experiences, gender and knowledge of the Company that will provide effective governance and stewardship for the Group. The Board includes two female directors in recognition of the value of gender diversity. Please refer to the "Board of Directors" section on pages 19 to 21 of the Annual Report for the Directors' profile.
2.7 Role of non-executive directors	The Board comprises seven (7) Non-Executive Directors who review Management's performance and monitor the reporting of performance. They constructively challenge and help develop proposals on strategy.
2.8 Meetings of non-executive directors	Where warranted, the Non-Executive Directors may meet without the presence of the Management or the Executive Director, to review any matters that may be raised privately.

Principle 3: Chairman and Chief Executive Officer ("**CEO**")

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

3.1 Chairman and CEO should be separate persons; division of responsibilities should be clearly established	The Company adopts a dual leadership structure whereby the positions of the Chairman and the CEO are separated. There is a clear division of responsibilities between the Chairman and the President/CEO, which provides a balance of power and authority, increased accountability and greater capacity of the Board for independent decision making. The Chairman and the President/CEO are not immediate family members. The separation of the roles of the Chairman and the President/CEO and the resulting clarity of roles provides a healthy professional relationship between the Board and Management. The President/CEO of the Company is responsible for the overall management, daily operations, strategic planning, implementation of policies and business development of the Group.
3.2 Chairman's role	Dr Bill Foo's duties as Independent Non-Executive Chairman includes: (1) Leading the Board to ensure its effectiveness on all aspects of its role; (2) Setting the agendas for Board meetings and ensuring sufficient allocation of time for thorough discussion; (3) Promoting an open environment for debate at the Board; (4) Ensuring that the Directors receive complete, adequate and timely information; (5) Ensuring effective communication with the shareholders; (6) Encouraging constructive relations within the Board and between the Board and Management; (7) Facilitating the effective contribution of Non-Executive Directors; and (8) Promoting high standards of corporate governance and ensuring that procedures are introduced to comply with the Code and the 2018 Code.
3.3 Appointment of lead independent director where Chairman is part of the Management team.	With the appointment of Dr Bill Foo as Independent Non-Executive Chairman on 1 August 2017, the appointment of a Lead Independent Director ("**LID**") is no longer necessary. However, the Board is of the view that Dr Tan's appointment as the LID should continue so as to assist the Board and the Chairman with the oversight of the business and affairs of the Company. Dr Tan, who is currently an Independent Non-Executive Director, the Chairman of the ARC and a member of the EXCO, NC and RC of the Company, was appointed as the LID since 31 May 2013. The LID is available to shareholders in circumstances where shareholders' concerns raised through normal channels to the President/CEO or Chief Financial Officer have failed to resolve or where such contact is inappropriate.
3.4 Led by the LID, the independent directors meet periodically without the presence of other directors	Dr Tan, the LID, leads and encourages dialogue between independent directors without the presence of the other directors and provides feedback to the Chairman.

Principle 4: Board Membership

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

4.1 NC to comprise at least three directors, majority of whom, including the NC Chairman should be independent; NC should have written terms of reference that describe the responsibilities of its members	The Company's NC comprises six (6) directors of whom four (4) (including the NC Chairman) are independent and non-executive directors, one (1) is a non-independent and non-executive director and one (1) is the executive director as follows: - Dr Ker Sin Tze (Chairman) - Dr Tan Eng Liang (LID) - Mr Chee Wai Pong - Dr Foo Say Mui (Bill) - Mr Goi Seng Hui - Mr Tjioe Ka Men The LID is a member of the NC. The NC is guided by the terms of reference, updated to be in line with the recommendations in the Code. The responsibilities of the NC are described in its written terms of reference and its key responsibilities include the following:- (1) review and recommend to the Board on the appointment and re-appointment of directors (including alternate directors, if applicable) having regard to their contribution and performance (e.g. attendance, preparedness, participation and candour); (2) review the composition and progressive renewal of the Board; (3) review the training and professional development programs for the Board; (4) assess annually whether or not a director is independent; (5) assess whether or not a director, who has multiple board representations, is able to and has been adequately carrying out his/her duties as a director; (6) development of a process for evaluation of the performance of the Board, its Board Committees and contribution of each individual director; and (7) formal assessment of the effectiveness of the Board as a whole, its Board Committees and individual director.
4.2 NC to make recommendations to the Boards on relevant matters	The NC recommends the appointments and re-appointments of directors to the Board. All directors are required to submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years. In accordance with Regulations 91 and 97 of the Company's Constitution, all directors shall retire from office once at least in each three years by rotation and all newly appointed directors will have to retire at the next Annual General Meeting ("**AGM**") following their appointments. The retiring directors are eligible to offer themselves for re-election. In addition, Rule 720(4) of the Catalist Rules requires that all directors shall submit themselves for re-nomination and re-election at least once every three (3) years. At the forthcoming AGM, Mr Tjioe Ka Men, Mr Goi Seng Hui and Mr Chee Wai Pong are due to retire by rotation pursuant to Regulation 91 of the Company's Constitution and Rule 720(4) of the Catalist Rules. The NC has recommended the re-elections of Mr Tjioe Ka Men, Mr Goi Seng Hui and Mr Chee Wai Pong at the forthcoming AGM. These nominations have been accepted by the Board. In considering the nominations, the NC took into account the contribution of the directors with reference to their attendance and participation at Board and other Board Committee meetings as well as the proficiency with which they have discharged their responsibilities. Each member of the NC shall abstain from voting on any resolutions relating to the assessment of his performance or his re-nomination as Director.

	Pursuant to Rule 720(5) of the Catalist Rules, the additional information as set out in Appendix 7F of the Catalist Rules relating to the retiring Directors who are submitting themselves for re-election is disclosed as follows.

Details	**Name of Director**		
	Tjioe Ka Men	**Goi Seng Hui**	**Chee Wai Pong**
Date of Appointment	28 September 2000	23 June 2011	30 September 2013
Date of last re-appointment (if applicable)	N.A.	31 July 2017	31 July 2017
Age	61	73	71
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the NC and assessed Mr Tjioe's overall contributions and performance, is of the view that he is suitable for re-appointment as a Director of the Company.	The Board, having considered the recommendation of the NC and assessed Mr Goi's overall contributions and performance, is of the view that he is suitable for re-appointment as a Director of the Company.	The Board, having considered the recommendation of the NC and assessed Mr Chee's overall contributions and performance, is of the view that he is suitable for re-appointment as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	President/Chief Executive Officer	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	President/Chief Executive Officer, EXCO member and NC member	Non-Independent and Non-Executive Director, EXCO Chairman, NC member and ARC member	Independent and Non-Executive Director, RC Chairman, ARC member and NC member
Professional qualifications	Bachelor of Business Administration, Oklahoma State University, USA	–	Bachelor of Law Degree (LL.B. Hons), University of Singapore
Working experience and occupation(s) during the past 10 years	2000 to Present: President/Chief Executive Officer of Tung Lok Restaurants (2000) Ltd (re-designated from Executive Chairman with effect from 1 August 2017)	1977 to Present: Executive Chairman of Tee Yih Jia Food Manufacturing Pte Ltd 1969 to Present: Managing Director of Sing Siah Electrical Engineering Pte Ltd	2007 to Present: Sole proprietor and practicing lawyer under Chee Wai Pong & Co.
Shareholding interest in the listed issuer and its subsidiaries	463,160 (direct holdings) 107,170,840 (deemed to be interested in the 104,272,000 shares held by Zhou Holdings Pte Ltd and 2,898,840 shares held by Ang Tjia Leng @ Widjaja Linda Anggraini)	377,000 (direct holdings) 53,531,280 (deemed interest through Tee Yih Jia Food Manufacturing Pte Ltd)	None

Details	Name of Director		
	Tjioe Ka Men	Goi Seng Hui	Chee Wai Pong
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Brother of Tjioe Ka In (Chief Operating Officer) and Tjioe Ka Lie (Senior Vice President, Administration)	Mr Goi is the Executive Chairman of Tee Yih Jia Food Manufacturing Pte Ltd, which is a controlling shareholder of the Company	None
Conflict of interest (including any competing business)	None	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules has been submitted to the listed issuer	Yes	Yes	Yes

Details	Name of Director		
	Tjioe Ka Men	Goi Seng Hui	Chee Wai Pong
Other Principal Commitments Including Directorships	**Present** Directorships: • Director & Executive member at Shatec Institute • Director at Shatec Institutes Pte Ltd • Chairman at TP Innovation Holdings Pte Ltd • Board of Governors at Temasek Polytechnic • Director at Amazing Grace Investments Pte Ltd • Director at Zhou Holdings Pte Ltd • Director at Pansum Catering Technology Pte Ltd • Director at Silk & Burlap Pte Ltd • President Advisor at Restaurant Association of Singapore • Vice President at Franchising and Licensing Association of Singapore • Vice-President at World Federation of Chinese Catering Industry Other Principal Commitments: Nil	**Present** Directorships: – Listed companies • GSH Corporation Limited • Envictus International Holdings Limited (Etika) • JB Foods Limited – Group Companies of GSH Corporation Limited • Advanced Prestige Sdn Bhd • Altheim International Limited • City View Ventures Sdn Bhd • Eastworth Source Sdn Bhd • Henan Zhongyuan Four Seasons Aquatic Logistics Harbour Co Ltd • Investasia Sdn.Bhd. • Linyi Properties Sdn Bhd • Mainfield Holdings Limited • Mewabumi Sdn Bhd • Mxim Holdings Pte Ltd • Rainbow Properties Sdn Bhd • Sutera Harbour Golf & Country Club Berhad • Sutera Harbour Travel Sdn Bhd • Sutera Harbour Resort Sdn Bhd • Sutera Yacht Services Sdn Bhd • The Little Shop Sdn Bhd • The Sutera Harbour Group Sdn Bhd • Xing Asia Impel Sdn Bhd	**Present** Directorships: • Independent and Non-executive Director; Chairman of the Nominating Committee; and Member of the Audit and Risk Committee and Remuneration Committee of Progen Holdings Limited Other Principal Commitments: • Honorary Legal Advisor – Medical Alumni • Honorary Legal Advisor – Ling Kwang Home for Senior Citizens • Co-Trustee of the Daisy Phay Foundation • Partner of Everlasting Training Services LLP • Alternate director to Mr Lee Ee @ Lee Eng of TSKY Balmoral Pte. Ltd.

Details	Name of Director		
	Tjioe Ka Men	**Goi Seng Hui**	**Chee Wai Pong**
Other Principal Commitments Including Directorships (cont'd)	**Past (for the last 5 years)** Directorships: • Council member at NPCEC (National Productivity and Continuing Education Council) • Council member of Singapore Business Federation • Council member of National Wages Council • President at Restaurant Association of Singapore Other Principal Commitments: Nil	**Present (cont'd)** – Non-listed companies • Acelink Logistics Pte Ltd • China World Agents Limited • Chinatown Food Corporation Pte Ltd • Desaru Property Development Sdn Bhd • Fujian Guanhui Food Enterprise Co Ltd • Fujian Mingwei Food Enterprise Co Ltd • Fujian Ryushobo Food Co Ltd • Guan Hui Food Enterprise Company Limited • Hydrex International Pte Ltd • Junhe Investment Pte Ltd • Maker Food Manufacturing Pte Ltd • New Straits Holdings Pte Ltd • Oregold Pte Ltd • Ryushobo (S) Pte Ltd • Singapore University of Technology and Design • Super Elite Holdings Pte Ltd • T&T Gourmet Cuisine Pte Ltd • Tee Yih Jia Food Manufacturing Pte Ltd • Tee Yih Jia Food Manufacturing Sdn Bhd • Twin Investment Pte Ltd • TYJ Group Pte Ltd • TYJ Holdings (HK) Ltd • TYJ International Pte Ltd • Yangzhou Junhe Property Development Co Ltd	**Past (for the last 5 years)** Directorships: • HG Metal Manufacturing Ltd – Non-Executive and Independent Director (resigned April 2015) • SunMoon Food Company Limited – Non-Executive Director (resigned August 2017) Other Principal Commitments: • Member Management Committee, Students Care Service • Advisory Member, Yishun Centre, Students Care Service • Member, Disciplinary Panel, Council of Estate Agency

Details	Name of Director		
	Tjioe Ka Men	Goi Seng Hui	Chee Wai Pong
Other Principal Commitments Including Directorships (cont'd)		Other Principal Commitments: • Singapore's Non-Resident Ambassador to the Federative Republic of Brazil • Enterprise 50 Club's Honorary Past President and Vice Chairman of IE Singapore's "Network China" Steering Committee • Regional Representative for Fuzhou City and Fujian Province • Senior Consultant to Su-Tong Science & Technology Park • Honorary Chairman for the International Federation of Fuqing Association • Member of the Singapore University of Technology and Design (SUTD) Board of Trustees • Honorary Chairman of Ulu Pandan Citizens Consultative Committee • Honorary Chairman of Dunman High School Advisory Committee **Past (for the last 5 years)** Directorships: • G City Limited • JSL Foods, Inc. • Main On Foods (USA) Corp. • Plaza Ventures Pte Ltd • Ragri Pte Ltd • Sun Resources Holdings Pte Ltd • Super Group Ltd • Tan Kah Kee Foundation • Tianjin Junhe Industrial Corporation Ltd • Tianjin Junhe Investment Co., Ltd • Yangzhou Junhe Real Estate (Jiangsu) Co., Ltd Other Principal Commitments: Nil	

<table>
<tr><td colspan="5">Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given:</td></tr>
<tr><th colspan="2" rowspan="2">Details</th><th colspan="3">Name of Director</th></tr>
<tr><th>Tjioe Ka Men</th><th>Goi Seng Hui</th><th>Chee Wai Pong</th></tr>
<tr><td>a.</td><td>Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</td><td>No</td><td>No</td><td>No</td></tr>
<tr><td>b.</td><td>Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?</td><td>No</td><td>No</td><td>No</td></tr>
<tr><td>c.</td><td>Whether there is any unsatisfied judgment against him?</td><td>No</td><td>No</td><td>No</td></tr>
<tr><td>d.</td><td>Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?</td><td>No</td><td>No</td><td>No</td></tr>
</table>

Details		Name of Director		
		Tjioe Ka Men	Goi Seng Hui	Chee Wai Pong
e.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
f.	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g.	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h.	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i.	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

Details		Name of Director		
		Tjioe Ka Men	Goi Seng Hui	Chee Wai Pong
j.	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-			
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			

Details		**Name of Director**		
		Tjioe Ka Men	**Goi Seng Hui**	**Chee Wai Pong**
k.	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director only				
Any prior experience as a director of an issuer listed on the Exchange?		This relates to re-appointment of Director.		
If yes, please provide details of prior experience.		Not applicable		
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.		Not applicable		

4.3 NC to determine directors' independence annually	The NC has reviewed the independence of each director in accordance with the Code's definition of independence as well as the "Confirmation of Independence" returns submitted by the directors to the Company Secretary annually. The NC is satisfied that 50% of the Board members are considered to be independent.
4.4 NC to decide if a director who has multiple board representations is able to and has been adequately carrying out his/her duties as a director of the Company; The Board should determine the maximum number of listed company board representations which any director may hold	The NC and the Board are of the view that it is not meaningful to set a limit on the number of listed company board representations a director should have as the contribution of each director would depend on their individual circumstances, including whether they have a full time vocation or other responsibilities. Further, the directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities. Instead, the NC will assess each potential or existing director relative to his/her abilities and known commitments and responsibilities. Specific considerations are also given to their attendance, contactability and responsiveness, as well as contributions and individual capabilities. The NC monitors and determines annually whether directors who have multiple board representations and other principal commitments, give sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual director and his/her actual conduct on the Board, in making this determination. The NC, and with the concurrence of the Board, was satisfied that in FY19, where a director had other listed company board representations and/or other principal commitments, the director was able to carry out and had been adequately carrying out his/her duties as a director of the Company.

4.5 Appointment of alternate directors	The Board provides for appointment of alternate director only in exceptional cases such as when a Director has a medical emergency. The Board will take into consideration the same criteria for selection of directors such as his qualifications, competencies and independence. Currently, there is no alternate director on the Board.
4.6 Description of process for selection, appointment and re-appointment of directors, including the search and nomination process	The search and nomination process for new directors, if any, will be through search companies, contacts and recommendations to cast its net as wide as possible for the right candidate. The NC determines the selection criteria in consultation with the Board and identifies candidates with the appropriate expertise and experience for the appointment as new director. The NC will shortlist candidates for interview before nominating the most suitable candidate to the Board for approval. The NC will evaluate a director in accordance with a set of criteria approved by the Board before recommending him/her to the Board for re-election.
4.7 Key information regarding directors should be disclosed in the Company's annual report	Other key information of the Directors who held office during the financial year up to the date of this report are disclosed in the "Board of Directors" section on pages 19 to 21 of the Annual Report.

Principle 5: Board Performance

There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.

5.1 Board to implement process to assess board performance as a whole and its board committees and for assessing the contribution by each individual director to the effectiveness of the Board; Assessment process should be disclosed in the Company's annual report	The NC is responsible for recommending and implementing a process to assess the performance and effectiveness of the Board as a whole and its Board Committees, as well as assessing the contribution of each individual Director to the overall effectiveness of the Board. An assessment system and evaluation forms have been established and adopted for the evaluation of the Board as a whole, its Board Committees and the individual directors annually. The objective of the performance evaluation exercise is to uncover strengths and challenges so that the Board and Board Committees are in a better position to provide the required expertise and oversight. Following the review, the Board is of the view that the Board and its Board Committees are performing effectively, and each director is contributing to the overall effectiveness of the Board.
5.2 NC should decide how the Board's performance may be evaluated and propose objective performance criteria; Performance criteria, which allow for comparison with industry peers, should be approved by Board and address how the Board has enhanced long term shareholders' value	The NC has conducted a formal assessment of the effectiveness of the Board and its Board Committees for FY19. The performance criteria for the Board/Board Committees evaluation are in respect of size and composition, attendance, directors' independence, team spirit, open line of communication, degree of constructive discussion, quality of decision making, quality of agenda/board papers, timeliness of board papers, assessment of performance against specific targets, standard of conduct, risk management and internal controls etc. The NC is satisfied with the effectiveness of the Board as a whole and its Board Committees. The Board, collectively, possesses the necessary core competencies to direct the Company and Management to perform efficiently and effectively.

5.3 Individual evaluation to assess directors' effectiveness in contributions and commitment to the role; Chairman should act on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of directors, in consultation with the NC	The NC conducts an evaluation of the performance of individual directors annually and for the re-election of any director. The assessment of each director's performance is undertaken by the NC Chairman. The criteria for assessment include, but not limited to, attendance record at meetings of the Board and Board Committees, intensity of participation at meetings, quality of discussions, maintenance of independence and any special contributions. The NC, in concurrence with the NC Chairman, is satisfied that each director is contributing to the overall effectiveness of the Board.

Principle 6: Access to Information

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

6.1 Board members to be provided with complete and adequate information in timely manner; Board to have separate and independent access to the Management	Board members are provided with adequate and timely information prior to Board meetings and Board Committee meetings, and on an ongoing basis. The Board papers provide sufficient background and explanatory information from the Management on financial impact, business strategies, risk analysis, regulatory implications and corporate issues to enable the directors to be properly briefed on issues to be considered at Board and Board Committee meetings. Such explanatory information may also be in the form of briefings to provide additional insights to the directors or formal presentations made by the Management in attendance at the meetings, or by external consultants engaged on specific projects. Requests for information from the Board are dealt with promptly by Management. Board interaction with and independent access to the Management are encouraged. Whenever necessary, management staff will be invited to attend the Board meetings and Board Committee meetings to answer queries and provide detailed insights into their areas of operations. However, sensitive matters may be tabled at the meeting itself or discussed without papers being distributed.
6.2 To include board papers and related materials, background or explanatory information relating to matters brought before the Board	The Board is provided with quarterly management reports, financial statements, cash flow projections, annual budgets and explanation on material variances from forecasts and budgets to enable the directors to oversee the Group's operational and financial performance. Directors are also informed on an ongoing basis as and when there are significant developments or events relating to the Group's business operations. Proposals to the Board for decision or mandate sought by Management are in the form of memorandums or board papers that provide the facts, analysis, resources needed, expected outcome, conclusions and recommendations, required to support the decision making process.

6.3 Directors to have access to Company Secretary; Role of Company Secretary	The Directors have separate and independent access to the Company Secretary. The Company Secretary attends all Board and Board Committee meetings of the Company. The Company Secretary also assists the Chairman and the Board to ensure that Board procedures are followed and that applicable rules and regulations (in particular the Code, 2018 Code, Companies Act, Cap 50 and the Catalist Rules) are complied with.
6.4 Appointment and removal of the Company Secretary should be a matter for the Board as a whole	The appointment and removal of the Company Secretary are subjected to the Board's approval.
6.5 Procedure for directors, in the furtherance of their duties, to take independent professional advice, if necessary, at the Company's expense	The Directors, whether as a group or individually, may seek or obtain legal and other independent professional advice, concerning any aspect of the Group's operations or undertakings in order to fulfill their roles and responsibilities as directors. The cost of obtaining such professional advice will be borne by the Company.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his/her own remuneration.

7.1 RC to consist entirely of non-executive directors; Majority including RC Chairman should be independent	The RC currently comprises the following four (4) members, all of whom (including the RC Chairman) are independent and non-executive directors: - Mr Chee Wai Pong (Chairman) - Dr Tan Eng Liang - Dr Ker Sin Tze - Dr Foo Say Mui (Bill)
7.2 RC to recommend a framework of remuneration for the Board and key management personnel; Recommendations should be submitted for endorsement by the entire Board	The RC is regulated by its terms of reference. The duties of the RC include the following:- (a) to review and recommend to the Board:- (i) a framework of remuneration and to determine the specific remuneration packages for each executive director/key management personnel; (ii) a framework of remuneration and specific remuneration packages for non-executive directors; and (iii) remuneration of employees related to the directors and controlling shareholders of the Group; (b) to recommend to the Board, in consultation with Management and the Chairman of the Board, the Executives'/Employees' Share Option Schemes or any long term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith; and (c) to carry out its duties in the manner that it is deemed expedient and subjected to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time.

	The Company sets remuneration packages to ensure it is competitive and sufficient to attract, retain and motivate Directors and key executives of the required experience and expertise to run the Group successfully. As part of its review, the RC shall ensure that: (a) all aspects of remuneration, including and not limited to director's fees, salaries, allowances, bonuses, options and benefits-in-kinds should be covered for each director and key executive; (b) the remuneration packages should be comparable within the industry and comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual executive directors' and key executives' performances; and (c) the remuneration package of employees related to executive directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities. No director is involved in deciding his/her own remuneration.
7.3 RC should seek expert advice, if necessary	Where necessary, the RC shall seek expert advice inside and/or outside the Company on remuneration of all directors. The RC shall ensure that any relationship between the appointed consultant and any of its director or the Company will not affect the independence and objectivity of the remuneration consultant. The RC, in considering the remuneration of all directors for FY19, has not sought external advice nor appointed remuneration consultants.
7.4 RC to review Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service	The Company had entered into a service agreement ("**Service Agreement**") with the Executive Director, Mr Tjioe Ka Men. The Service Agreement may be terminated by not less than 6 months' notice in writing served by either party and does not contain onerous removal clauses. The termination clauses contained in contracts of service of key management personnel are fair and reasonable, and not overly generous.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the Company; and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

8.1 Appropriate proportion of remuneration package for executive directors and key management personnel to align with shareholders' interests and long-term success of the Company; it should take account of the risk policies of the Company; there should be appropriate and meaningful measures for the purpose of assessing executive directors and key management personnel's performance	In determining the level of remuneration, the RC shall: • give due consideration to the Code's principles and guidelines on the level and mix of remuneration so as to ensure that the level of remuneration is appropriate to attract, retain and motivate directors and key management personnel needed to run the Company successfully; • ensure that a proportion of the remuneration is linked to corporate and individual's performance; • ensure that the remuneration packages are designed to align interest of the executive director and key management personnel with those of shareholders and long-term success of the Company; and • take account of the risk policies of the Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks. Annual reviews are carried out by the RC to ensure that the remuneration of the executive director and key management personnel commensurate with the Company's and their performance, giving due regard to the financial and commercial health and business needs of the Group. The performance of the President/CEO is reviewed periodically by the RC and the Board. The Board will respond to any queries raised at AGMs pertaining to such policies. Accordingly, it is the opinion of the Board that there is no necessity for such policies to be approved by the shareholders.
8.2 Long term incentive schemes are generally encouraged	The Company does not have any employee share option scheme or other long-term incentive schemes for directors or key management personnel at the moment.
8.3 and 8.4 Remuneration for non-executive directors should be appropriate to level of contribution, effort, time spent and responsibilities; contractual provisions are encouraged to be used to allow Company to reclaim incentive components in exceptional circumstances	The non-executive directors do not have any service contracts. They are paid a basic fee and additional fees for chairing any of the Board Committees. The RC and Company ensure that the non-executive directors are not overcompensated to the extent that their independence is compromised. These fees are subject to approval by shareholders at the AGM of the Company. At the moment, the Company does not use any contractual provisions to reclaim incentive components of remuneration from the executive director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Principle 9: Disclosure on Remuneration

Every Company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the Company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

9.1, 9.2 and 9.3 Remuneration of directors and at least the top 5 key management personnel (who are not directors) should be reported to shareholders annually	The remuneration of each individual Director and key management personnel is, however, not fully disclosed as the Company believes that disclosure may be prejudicial to its business interests given the highly competitive environment it is operating in. **Directors' Remuneration** There are both fixed and variable components to the Executive Director's remuneration. The variable components are tied to Group performance. A breakdown showing the level and percentage mix of each individual director's remuneration paid/payable for FY19 are as follows:

	Remuneration Band	Salary & Fees %	Performance Related Income/ Bonuses %	Termination, Retirement and Post-employment benefits %	Other Benefits %	Total Remuneration %
Executive Director						
Tjioe Ka Men	A	91	3	–	6	100
Non-Executive Directors						
Dr Tan Eng Liang	B	100	–	–	–	100
Dr Ker Sin Tze	B	100	–	–	–	100
Chee Wai Pong	B	100	–	–	–	100
Dr Foo Say Mui (Bill)	B	100	–	–	–	100
Ng Siok Keow	B	100	–	–	–	100
Goi Seng Hui	B	100	–	–	–	100
Juliana Julianti Samudro	B	100	–	–	–	100

Remuneration Band "A" = >S$250,000 but <S$500,000
Remuneration Band "B" = <S$250,000

	Top 5 Key Management Personnel The remuneration of top five (5) key management personnel (who are not directors or the CEO of the Company) are set out below in bands of S$250,000. The names of the key management personnel and breakdown are not disclosed to maintain the confidentiality of the remuneration packages. No of Executives Below S$250,000 5 The aggregate total remuneration paid to or accrued to the top five (5) key executives (who are not Directors or the CEO) amounted to S$828,872. No termination, retirement and post-employment benefits is granted to the top five (5) key management personnel.

9.4 Disclose remuneration details of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year	Two key management personnel of the Company, Mdm Tjioe Ka In and Mdm Tjioe Ka Lie, are sisters of Mr Tjioe Ka Men (President/CEO). Mdm Tjioe Ka In's remuneration was between S$150,000 and S$200,000 whereas Mdm Tjioe Ka Lie's remuneration was between S$100,000 and S$150,000 during FY19.
9.5 Details of employee share scheme	The Company does not have any employee share scheme.
9.6 Disclose information on the link between remuneration paid to the executive directors and key management personnel, and performance	The Executive Director and key management personnel are paid discretionary bonus based on Group's results and individual performance. Such performance related remuneration is aligned with the interests of shareholders and promote the long-term success of the Company. It also takes into account the risk policies of the Company, and to be symmetric with risk outcomes and sensitive to the time horizon of the risks. The Executive Director is currently not subject to performance target incentives. Certain key management personnel are paid incentives based on achievement of targeted performance of their respective business units set at the beginning of the financial year. In setting the targets, due regards are given to the financial and commercial health and business needs of the Group. The Group has not implemented any share based compensation scheme or any long-term incentive schemes involving the offer of shares or grant of options in place or any other forms of deferred remuneration. In evaluating long-term incentives, the RC takes into consideration the costs and benefits of such schemes. The RC is of the view that the remuneration policy and amounts paid to the Directors and key management personnel are adequate and are reflective of the present market conditions.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

10.1 and 10.2 Board's responsibility to provide balanced and understandable assessment of Company's performance, position and prospects; Board should take adequate steps to ensure compliance with legislative and regulatory requirements	The Board is accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to shareholders. The Board provides shareholders with half-year and annual financial reports. Half-year results are released to shareholders within 45 days of the end of the period. Annual financial results are released within 60 days of the financial year-end. In our financial results announcements to shareholders, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects. Price sensitive information will be publicly released via SGXNET, followed by press release and meeting with any group of investors or analysts (where appropriate). All announcements and the half-yearly and full year financial results are also uploaded on the Group's website at www.tunglok.com.

	The Board takes adequate steps to ensure compliance with legislative and statutory requirements, including requirements under the Catalist Rules. The Board provides a negative assurance statement to the shareholders in its half-yearly financial statements announcements in accordance with Rule 705(5) of the Catalist Rules. For the financial year under review, the President/CEO and the Chief Financial Officer have provided assurance to the Board on the integrity of the Group's financial statements. The Board also provides an opinion on the adequacy and effectiveness of the Group's risk management and internal controls (including financial, operational, compliance and information technology controls) systems in place.
10.3 Management should provide Board with management accounts on a monthly basis	Management provides the Executive Director with monthly financial reports. Weekly meetings are conducted involving the senior management and the business units heads. Additional or ad-hoc meetings are conducted, when required. Management presents the financial performance of the Group to the Board on a quarterly basis.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

11.1 Board should determine the Company's level of risk tolerance and risk policies, and oversee risk management and internal control systems	The Board acknowledges that it is responsible for the governance of risks. It oversees the Management in the design, implementation and monitoring of the risk management and internal control systems.
11.2 and 11.4 Board should, at least annually review the adequacy and effectiveness of the risk management and internal control systems, including financial, operational, compliance and information technology controls; Board may establish a separate board risk committee to oversee risk management framework and policies	The Group has in place a system of internal control and risk management policies and systems for ensuring proper keeping of accounting records and reliable financial information, as well as managing business risks with a view to safeguard shareholders' investments and the Company's assets. The risk management framework provides for systematic and structured review as well as reporting on the assessment of the degree of risk, evaluation and effectiveness of controls in place to mitigate the risk. Following the nomination of the ARC to assist the Board in its risk management role, the ARC reviews the adequacy of the Group's risk management framework to ensure that a robust risk management process, structure and framework is in place. The process of risk management is undertaken by the President/CEO and senior management under the purview of the ARC and the Board.

The Company has a structured Enterprise Risk Management ("**ERM**") Framework to facilitate the Board in identifying and assessing key operational, financial, compliance and information technology risks with reference to the business goals, strategies and critical success factors of the Group. Under the ERM Framework, which is developed with reference to the ISO 31000:2009 Risk Management – Principles and Guidelines, Committee of Sponsoring Organisations of the Treadway Commission (COSO) Model and Risk Governance Guidance for Listed Board 2012, Management and executives of all levels are expected to constantly review the business operations and the operating environment to identify risk areas and ensure mitigating measures are promptly developed to minimise these risks. The ERM Framework outlines the Group's approach to managing enterprise-wide risks and sets out a systematic process for identifying, evaluating, monitoring, managing and reporting risks faced by the Group. Thus, it allows the Group to address the changes and challenges in the business environment, reduce uncertainties and facilitates the shareholder value creation process on an ongoing basis.

Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies, strategy as well as risk appetite. Management is accountable to the ARC for ensuring the effectiveness of risk management and adherence to risk appetite limits. On a day-to-day basis, business units have primary responsibility for risk management. The various business units provide senior management with a timely assessment of key risk exposures and the associated management responses. These units also recommend risk appetite and control limits.

A risk monitoring, review and reporting framework has been established to deploy the ongoing monitoring tools and processes of the Group which includes monitoring of risk score changes, ongoing assessment of risk treatment action plans and quarterly ERM reporting to the ARC. Management reviews all significant control policies and procedures and highlights all significant matters to the ARC and the Board.

The Group's risk factors and management are set out in the notes to the financial statements in the Annual Report.

The Group will engage an independent internal audit firm to independently review the Group's internal controls and practices as and when deemed required. During the financial year ended 31 March 2016, the Company has appointed Foo Kon Tan Advisory Services Pte Ltd to carry out an independent internal audit review on the Group's key operational processes in Singapore based on the ARC approved internal audit plans.

The Company's external auditor, Messrs Ernst & Young LLP ("**EY**"), has also in the course of their annual audit carried out a review of the effectiveness of the Group's material internal controls over financial reporting as laid out in their audit plans. Any material non-compliance and internal control weakness noted during the audits and auditor's recommendations are reported to the ARC.

The Company has an in-house internal audit division that perform regular reviews of the Group's internal controls. The Company's in-house internal auditor follows up on the recommendations and monitors the timely and proper implementation of required corrective, preventive and improvement measures so as to strengthen the Group's internal controls and practices.

The auditors have also evaluated the effectiveness of the financial, operational, compliance and information technology internal controls implemented to manage the identified risks based on the results of the ERM process executed.

11.3 Board's comment on the adequacy of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems in the Company's annual report	During the financial year, the ARC has reviewed the internal and external audit reports. Management has also taken appropriate and timely countermeasures to remedy the internal control weaknesses identified and sought ways to continuously improve the Group's internal control systems. Based on the reports submitted by the auditors, and the various management controls/improvements put in place by Management, the Board with the concurrence of the ARC, is of the opinion that the Group's system of internal controls (addressing financial, operational, compliance and information technology controls, and risk management systems) maintained by the Management during FY19 are adequate and effective. While acknowledging their responsibility for the system of internal controls, the Board is aware that such a system is designed to minimise, rather than eliminate all risks, and therefore cannot provide an absolute assurance in this regard, or absolute assurance against the occurrence of occasional errors, poor judgement in decision making, fraud and irregularities. The ARC is satisfied that the Company's internal audit function is effective, adequately resourced, independent, and has appropriate standing within the Company. The Board has also received assurance from the President/CEO and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances and the Company's risk management and internal control systems are effective.

Principle 12: Audit & Risk Committee

The Board should establish an ARC with written terms of reference which clearly set out its authority and duties.

12.1, 12.2 and 12.9 ARC should comprise at least three directors, all non-executive, and the majority of whom including the chairman, are independent; At least two members, including AC Chairman, should have recent and relevant accounting or related financial management expertise experience; A former partner or director of the Company's existing auditing firm should not act as a member of the ARC	The ARC comprises five (5) non-executive directors, majority of whom including the ARC Chairman, are independent. The members of the ARC are:- - Dr Tan Eng Liang (Chairman) - Dr Ker Sin Tze - Mr Chee Wai Pong - Mr Goi Seng Hui - Dr Foo Say Mui (Bill) The Board considers that the members of the ARC are qualified to discharge the responsibilities of the ARC as at least two members of the ARC, including the ARC Chairman, have accounting or related financial management expertise or experience. Please refer to the profile in the "Board of Directors" section of the Annual Report. None of the members of the ARC were former partner or director of the Company's external auditor, EY. The members of the ARC also do not hold any financial interest in EY.

12.3 ARC to have explicit authority to investigate and have full access to and co-operation by management, and reasonable resources to discharge its functions	The ARC is authorised by the Board to investigate into any activity within its terms of reference. It has unrestricted access to information relating to the Group, to both internal and external auditors and has full discretion to invite any director or executive officer to attend its meetings. The ARC has expressed power to commission investigations into any matter, which has or is likely to have material impact on the Group's operating results and/or financial position. The ARC has adequate resources to enable it to discharge its responsibilities properly.
12.4 Duties of ARC	The ARC is regulated by its terms of reference and meets at least two times a year and as warranted by circumstances, to perform the following functions:- (1) review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any announcements relating to the Company's financial performance; (2) review with the internal and external auditors the audit plans and their evaluation of the systems of risk management and internal controls; (3) review the scope and results of the external audit and its cost effectiveness, and the independence and objectivity of the external auditor; (4) review the cooperation given by management and Group's officers to the external auditor; (5) review and discuss with the external auditor any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on the Company or the Group's operating results or financial position and management's responses; (6) review the financial statements of the Group, external auditor's reports and the result announcements before submission to the Board for approval; (7) make recommendations to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor; (8) review interested person transactions, if any, and potential conflict of interests; (9) review arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial report or other matters and ensure that arrangements are in place for independent investigation of the same and for appropriate follow up actions; (10) oversee the Company's risk management systems, practices and procedures to ensure effectiveness of risk identification and management, and compliance with internal guidelines and external requirements; and (11) review the adequacy and effectiveness of the Group's material internal controls (compliance, financial, operational and information technology) and risk management policies and systems, as well as the effectiveness of the Group's internal audit function. Minutes of the ARC meetings are submitted to the Board for its information and review.
12.5 ARC to meet internal and external auditors, without presence of Management, at least annually	For FY19, the ARC met once with the internal auditor and external auditor, EY, without the presence of the Management for the purpose of facilitating discussion of the responses by Management on audit matters. The ARC has reviewed the findings of the auditors and the assistance given to the auditors by Management.

12.6 ARC to review independence of external auditors annually	The ARC has received the requisite information from the external auditors evidencing the latter's independence. The ARC has noted that there are no non-audit related work carried out by the external auditors during FY19 and is satisfied with the independence and objectivity of the external auditor. The audit fees paid to the external auditors of the Company for FY19 was approximately S$205,000. There was no non-audit fee paid to the external auditors. The ARC is satisfied with the independence and objectivity of EY and has recommended to the Board that EY be nominated for re-appointment as external auditors at the forthcoming AGM. The Group has complied with Rules 712, 715 and 716 of the Catalist Rules in relation to the external auditors.
12.7 ARC to review arrangements for staff and any other persons to raise concerns about possible improprieties to ARC	The Group has in place, a whistle-blowing policy where employees of the Group and any other persons may, in confidence, raise concerns about possible improprieties. Such a policy serves to encourage and provide a channel for staff to report in good faith and without fear of reprisals, concerns about possible improprieties in financial reporting or other matters to the ARC Chairman, President/CEO or the Head of Human Resource. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action to be taken. Details of the whistle-blowing policies and arrangements have been made available to all employees. The public, our customers and other stakeholders can also report possible improprieties or provide other feedbacks through the Company's website at www.tunglok.com. The Management reviews each correspondence received and escalates to the President/CEO or ARC Chairman on any instances of potential improprieties. Independent investigations will be conducted and follow-up actions taken, if warranted.
12.8 Disclose the details of the ARC's activities and measures taken to keep abreast of changes to accounting standards and issues	The ARC is guided by the terms of reference which stipulate its principal functions. The Company will arrange to send the members of the ARC to seminars on updates of SFRS(I), if required. The external auditors provides regular updates and briefings to the ARC on changes or amendments to accounting standards to enable the members of the ARC to keep abreast of such changes and its corresponding impact on the financial statements, if any. In the review of the financial statements for FY19, the ARC is of the view that the financial statements are fairly presented in conformity with the relevant SFRS(I) in all material aspects. In line with the recommendations by Accounting and Corporate Regulatory Authority (ACRA), Monetary Authority of Singapore and Singapore Exchange that the ARC can help to improve transparency and enhance the quality of corporate reporting by providing a commentary on key audit matters ("**KAM**"), the ARC deliberated the KAM presented by EY together with Management. The ARC reviewed the KAM and concurred with EY and Management on their assessment, judgements and estimates on the significant matters reported by EY as set out under the Independent Auditor's Report on pages 60 to 61 of the Annual Report.

Principle 13: Internal Audit

The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

13.1, 13.2 and 13.3 IA function to report to ARC chairman, and to CEO administratively; ARC to ensure IA function is adequately resourced; IA function is staffed with persons with relevant qualifications and experience	The Company has an in-house internal audit team that primarily reports to the ARC Chairman, and also to the Chief Financial Officer on administrative matters. The ARC reviews and approves the hiring of internal auditor ("**IA**"), internal audit plans, resources and reports, and the internal audit fees. The IA has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC. If deemed required, the Group outsources certain internal audit works to an independent auditing firm for independent review on internal controls and practices. The engagement of the auditing firm is subject to ARC approval. The ARC has full access to and the cooperation of the Management and internal auditor, and ensures that the internal audit function is adequately resourced, staffed with persons with the relevant qualifications and experience, and has appropriate standing within the Company to perform its function.
13.4 and 13.5 Internal auditor should carry out its function according to standards set by nationally or internationally recognised professional bodies; ARC should, at least annually, review the adequacy and effectiveness of the internal audit function	An annual review of the in-house internal audit functions is carried out. The in-house IA team is supported by independent internal auditor if required. The ARC ensures, amongst others, the adequacy and effectiveness of the internal audit functions by examining the independence of the IA, the scope of work, the quality of the reports, fees (if applicable), resources as mentioned earlier and that the internal auditors carried out its function according to standards set by internationally recognised professional bodies.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitable, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

14.1, 14.2 and 14.3 Company should facilitate the exercise of ownership rights by all shareholders; Ensure all shareholders have the opportunity to participate and vote; Allow corporations which provide nominee or custodial services to appoint more than two proxies	The Group recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected. The Group is committed to provide shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price. The Group strongly encourages shareholder participation during the AGM which will be held in a central location in Singapore, where relevant rules and procedures governing the meetings are clearly communicated. Shareholders are able to proactively engage the Board and Management on the Group's business activities, financial performance and other business related matters. All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company will conduct poll voting for all resolutions tabled at the general meetings.

	The Company's Constitution allows corporation holding licences in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors ("**Relevant Intermediaries**") to appoint more than two proxies to vote at the general meetings.

Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

15.1 and 15.2 Company to regularly convey pertinent information to shareholders; information should be disclosed on a timely basis	The Board is mindful of the obligation to keep shareholders informed of all major developments that affect the Group in accordance with the Catalist Rules. Price sensitive information is publicly released via SGXNET. Information is communicated to shareholders on a timely and non-selective basis through: • annual reports that are prepared and issued to all shareholders within the mandatory period; • half-year and full-year financial statements containing a summary of the financial information and affairs of the Group for the period, released via SGXNET; • public announcements via SGXNET; • press releases on major developments; • Company's corporate website at www.tunglok.com at which shareholders can access information on the Group; and • notices of shareholders' meetings advertised in a newspaper in Singapore.
15.3 and 15.4 Board should establish and maintain regular dialogue with shareholders; steps to be taken to solicit and understand shareholders' views	To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meetings. At these meetings, shareholders are given the opportunity to voice their views and raise issues either formally or informally. These meetings provide excellent opportunities for the Board to engage with shareholders to solicit their feedback. In addition, the Company has engaged WeR1 Consultants Pte Ltd to address any queries that the investors, analysts, press or public might have on the Company's affairs. The investor relations team can be reached at info@wer1.net. The Company's website at www.tunglok.com is another channel to solicit and understand views, inputs and concerns from shareholders.
15.5 Companies are encouraged to have a dividend payment policy	The Board does not have a fixed dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit, growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth, general business condition, and other factors as the Board may deem appropriate. No dividend is declared for FY19 as the Group has not generated profit attributable to owners of the Company for FY19. Any dividend payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNET when the Company discloses its financial results.

Principle 16: Conduct of Shareholder Meetings

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

16.1, 16.3 and 16.4 Shareholders have the opportunity to participate and vote at general meetings; All directors should attend general meetings; minutes are available to shareholders upon request	All shareholders will receive the Annual Report and the notice of any general meetings. Notice of AGM is dispatched to shareholders together with explanatory notes or circular on items of special business (if necessary), at least 14 days before the meeting. At the AGM, shareholders will be given the opportunity to voice their views and to direct questions regarding the Group to the Directors including the chairman of each of the Board Committees. The Management and the external auditor are also present to assist the Directors in addressing any relevant queries from the shareholders. Shareholders are encouraged to attend the AGM of the Company to ensure a high level of accountability and to stay informed of the Company's strategy and goals. If the shareholders are unable to attend the meetings, the Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. Relevant Intermediaries are entitled to appoint more than two proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to different shares held by the member. Minutes of general meetings include substantial and relevant queries or comments from shareholders relating to the agenda of the meeting and responses from the Board and Management. These minutes would be available to shareholders upon their request.
16.2 and 16.5 Separate resolutions on each substantially separate issue; Resolutions to vote by poll	Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for each separate issue at the meeting. The Company acknowledges that voting by poll in all its general meetings is integral to the enhancement of corporate governance. To ensure greater transparency, all resolutions at the Company's general meetings are put to vote by poll and the detailed results of each resolution showing the number of votes cast for and against each resolution and the respective percentages will be announced via SGXNET after the general meetings.

Internal Code on Dealing in Securities

Catalist Rule 1204(19)	In line with Catalist Rule 1204(19), the Company has adopted an internal Code of Dealing in Securities by Officers of the Company. All Directors and officers of the Group are not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Company's half-year and full year results and ending on the date of the announcement of the relevant results. In addition, all Directors and officers of the Group are required to observe insider trading laws at all times and are prohibited from dealing with the Company's shares whilst in possession of unpublished price-sensitive information of the Group. They should also not deal in the Company's securities on short-term considerations.

Material Contracts

Catalist Rule 1204(8)	Save for the interested persons transactions as disclosed in this Annual Report, there are no material contracts of the Company or its subsidiaries involving the interest of the President/CEO, each director or controlling shareholder subsisting at the end of FY19 or have been entered into since the end of the previous financial year except for subsidiaries and a joint venture that have entered into rental contracts with our controlling shareholders as announced by the Company on 5 November 2018 and 22 March 2019.

Interested Person Transaction (IPT) Policy

Catalist Rule 907	The Company adopted an internal policy in respect of any transactions with interested persons and has established procedures for review and approval of the interested person transactions entered into by the Group. The ARC has reviewed the rationale and terms of the Group's interested person transactions and is of the view that the interested person transactions are on normal commercial terms and not prejudicial to the interests of the Company and minority shareholders. The aggregate value of interested person transactions for FY19 are as follows:-

Name of Interested Person and Transactions	Aggregate value of all interested person transactions during FY19 (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during FY19 conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	S$'000	**S$'000**
T & T Gourmet Cuisine Pte Ltd - Sale of food items to Tee Yih Jia Food Manufacturing Pte Ltd	–	1,698
T & T Gourmet Cuisine Pte Ltd - Sale of food items to Chinatown Food Corporation Pte Ltd	–	7
T & T Gourmet Cuisine Pte Ltd - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	–	12
Tung Lok Group - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	–	97
Tung Lok Group - Purchase of food items from Chinatown Food Corporation Pte Ltd	–	50
Tung Lok Group - Purchase of food items from T & T Gourmet Cuisine Pte Ltd	–	98
Tung Lok Group - Purchase of mooncakes from T & T Gourmet Cuisine Pte Ltd	–	399
Tee Yih Jia Food Manufacturing Pte Ltd - Purchase of mooncakes from Tung Lok Group	–	18
Tung Lok Group – Sale of catering food and services to hotels related to a substantial shareholder	137	–
Far East Hospitality Real Estate Investment Trust *	3,422	–
Orchard Central Pte Ltd *	1,682	–

The Group confirms that there were no other discloseable interested person transactions during FY19 pursuant to Catalist Rule 907.

** 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 5 November 2018 and 22 March 2019 released by the Company.*

Use of Proceeds from Rights Issue

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.

As announced by the Company in its announcements dated 1 October 2014 and 25 August 2015, the net proceeds raised from the Rights Issue have been utilized 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. Usage of the net proceeds raised from the Rights Issue is consistent with the intended use as disclosed in the Offer Information Statement dated 29 July 2014.

The unutilised net proceeds from Rights Issue approximated S$3.3 million as of 31 March 2019.

Sponsorship

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company during FY19 is SAC Capital Private Limited (the "**Sponsor**"). There was no non-sponsor fee paid to the Sponsor during FY19.

DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of Tung Lok Restaurants (2000) Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2019.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Foo Say Mui (Dr)
Tan Eng Liang (Dr)
Ker Sin Tze (Dr)
Chee Wai Pong
Goi Seng Hui
Ng Siok Keow
Juliana Julianti Samudro
Tjioe Ka Men

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<u>Ordinary shares</u>				
The Company				
Tjioe Ka Men	463,160	463,160	107,170,840	107,170,840
Goi Seng Hui	377,000	377,000	53,374,180	53,440,180

Directors' interests in shares and debentures (cont'd)

By virtue of Section 7 of the Singapore Companies Act, Mr Tjioe Ka Men is deemed to have an interest in the Company and all the related corporations of the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2019.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Share options

(a) *Options to take up unissued shares*

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under options*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

Audit and Risk Committee

The Audit and Risk Committee ("ARC") carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the internal and external auditors
- Reviewed the half-yearly and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators

Audit and Risk Committee (cont'd)

- Reviewed the cost effectiveness and the independence and objectivity of the external auditor
- Reviewed the nature and extent of non-audit services provided by the external auditor
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit
- Reported actions and minutes of the ARC to the board of directors with such recommendations as the ARC considered appropriate
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual

The ARC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The ARC has also conducted a review of interested person transactions.

The ARC convened four meetings during the financial year and met with external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the ARC are disclosed in the Corporate Governance Report.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Tjioe Ka Men Director	Tan Eng Liang (Dr) Director

Singapore
17 June 2019

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INDEPENDENT AUDITOR'S REPORT

To the members of Tung Lok Restaurants (2000) Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tung Lok Restaurants (2000) Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2019, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment assessment of property, plant and equipment

At 31 March 2019, the carrying value of the Group's property, plant and equipment was $7,571,499, which represented 63% of the Group's total non-current assets. The Group has several restaurant outlets that have been reporting losses during the financial year ended 31 March 2019. Accordingly, management identified that these outlets' property, plant and equipment have indicator of impairment and performed impairment test on these property, plant and equipment. As disclosed in Note 3(b), management determined the recoverable amount of the property, plant and equipment of these loss-making outlets based on value in use calculations. This area was significant to our audit due to the size of the carrying amount of property, plant and equipment. In addition, in determining the value in use, management is required to make assumptions and estimation in the underlying projected cash flows.

We assessed the method used by management and evaluated the key assumptions used in the impairment analysis, in particular the sales growth rates and discount rates. We reviewed the robustness of management's budgeting process by comparing the actual financial performance against previously forecasted results. We evaluated the sales growth rates to assess if they are consistent with the Group's historical growth rates and industry outlook. We involved our internal valuation specialists to assess reasonableness of the discount rates used by management. We reviewed the adequacy of the disclosures made on the impairment of property, plant and equipment in Note 3(b) and Note 20 to the financial statements.

Impairment assessment of interests in subsidiaries

As at 31 March 2019, the Company's interests in subsidiaries was $15,489,648, which represented 100% of the Company's total non-current assets. The interests in subsidiaries comprise investment of $7,046,185, and loans and advances to subsidiaries of $8,443,463. The main operations of the subsidiaries are that of restaurateur. The interests in subsidiaries are subject to impairment and expected credit loss assessments at year end. These assessments are significant to our audit because they involve significant management judgement relating to projected future cash flows that are affected by expected future market and economic conditions.

Management identified investments in certain loss-making subsidiaries for impairment testing. The impairment testing requires management to determine the recoverable amounts of each restaurant outlet within the respective subsidiary. As described in the key audit matter above - Impairment assessment of property, plant and equipment, management's estimation is required in determining the value in use of the restaurant outlets. Therefore, we identified this to be a key audit matter. In addition to the procedures on key assumptions as described in the previous section, we also assessed the reasonableness of the terminal growth rate used by management.

For the loans and advances to subsidiaries, we reviewed management's process of monitoring the collectability and credit risks of subsidiaries. We evaluated management's determination of whether there has been significant increase in the loans' and advances' credit risk since initial recognition and whether the expected credit loss is material to the financial statements. In particular, we considered the historical and future cash flows generating ability of the subsidiaries and outlook observed from external information sources.

We also reviewed the adequacy of the disclosures made on the impairment of interest in subsidiaries in Note 3(a) and Note 16 to the financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Tze Yuen.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
17 June 2019

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	2019 $	2018 $
Revenue	4	80,627,653	85,723,243
Cost of sales		(22,856,398)	(23,901,712)
Gross profit		57,771,255	61,821,531
Other operating income	5	3,264,253	1,847,677
Administrative expenses		(30,912,273)	(31,478,502)
Other operating expenses	6	(29,490,877)	(34,467,315)
Share of profit of joint venture	17	194,592	212,557
Share of profit of associates		403,313	479,731
Finance costs	7	(184,984)	(184,393)
Profit/(loss) before tax		1,045,279	(1,768,714)
Income tax expense	8	(33,203)	(3,763)
Profit/(loss) for the year	9	1,012,076	(1,772,477)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		62,653	(134,100)
Strike off of a subsidiary		–	22,096
Total comprehensive income for the year		1,074,729	(1,884,481)
Profit/(loss) attributable to:			
Owners of the Company		(693,703)	(1,399,264)
Non-controlling interests		1,705,779	(373,213)
		1,012,076	(1,772,477)
Total comprehensive income attributable to:			
Owners of the Company		(668,912)	(1,483,121)
Non-controlling interests		1,743,641	(401,360)
		1,074,729	(1,884,481)
Loss per share (cents)			
Basic	10	(0.25)	(0.51)
Diluted	10	(0.25)	(0.51)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2019

	Note	Group		Company	
		2019	2018	2019	2018
		$	$	$	$
ASSETS					
Current assets					
Cash and bank balances	11	12,134,376	15,466,862	3,326,506	6,731,782
Trade receivables	12	2,181,235	2,414,615	–	–
Other receivables and prepayments	13	1,520,004	1,038,922	10,806	12,072
Inventories	14	1,870,694	1,818,443	–	–
Total current assets		17,706,309	20,738,842	3,337,312	6,743,854
Non-current assets					
Other receivables and prepayments	13	490,140	447,236	–	–
Long-term security deposits	15	1,411,510	1,711,867	–	–
Interests in subsidiaries	16	–	–	15,489,648	12,109,778
Joint venture	17	653,597	909,005	–	–
Associates	18	1,493,884	1,097,320	–	–
Available-for-sale investments	19	–	–	–	–
Property, plant and equipment	20	7,571,499	7,141,123	–	–
Deferred tax assets	25	429,382	317,892	–	–
Total non-current assets		12,050,012	11,624,443	15,489,648	12,109,778
Total assets		29,756,321	32,363,285	18,826,960	18,853,632
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	21	2,350,087	3,459,593	–	–
Other payables	22	6,960,741	7,887,671	255,523	315,332
Finance leases	23	181,628	214,309	–	–
Bank loans	24	160,314	421,252	–	–
Income tax payable		124,263	56,450	–	–
Total current liabilities		9,777,033	12,039,275	255,523	315,332
Net current assets		7,929,276	8,699,567	3,081,789	6,428,522

BALANCE SHEETS

As at 31 March 2019

	Note	Group		Company	
		2019	2018	2019	2018
		$	$	$	$
Non-current liabilities					
Other payables	22	3,151,499	4,481,484	–	–
Finance leases	23	257,157	232,552	–	–
Bank loans	24	1,591,208	1,753,788	–	–
Total non-current liabilities		4,999,864	6,467,824	–	–
Total liabilities		14,776,897	18,507,099	255,523	315,332
Net assets		14,979,424	13,856,186	18,571,437	18,538,300
Capital, reserves and non-controlling interests					
Share capital	26	28,450,434	28,450,434	28,450,434	28,450,434
Currency translation reserve		(27,619)	(52,410)	–	–
Accumulated losses		(13,299,543)	(12,605,840)	(9,878,997)	(9,912,134)
Equity attributable to owners of the Company		15,123,272	15,792,184	18,571,437	18,538,300
Non-controlling interests		(143,848)	(1,935,998)	–	–
Net equity		14,979,424	13,856,186	18,571,437	18,538,300
Total liabilities and equity		29,756,321	32,363,285	18,826,960	18,853,632

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Group	Share capital	Foreign currency translation reserve	Accumulated losses	Equity attributable to owners of the Company, total	Non-controlling interests	Total
	Attributable to owners of the Company					
	$	$	$	$	$	$
At 1 April 2018	28,450,434	(52,410)	(12,605,840)	15,792,184	(1,935,998)	13,856,186
(Loss)/profit for the year	–	–	(693,703)	(693,703)	1,705,779	1,012,076
<u>Other comprehensive income</u>						
Foreign currency translation, net of tax	–	24,791	–	24,791	37,862	62,653
	–	24,791	–	24,791	37,862	62,653
Total comprehensive income for the year, net of tax	–	24,791	(693,703)	(668,912)	1,743,641	1,074,729
<u>Contributions by and distributions to owners</u>						
Dividends paid to non-controlling interests in subsidiaries	–	–	–	–	(260,000)	(260,000)
Reclassification of shareholder loan granted by non-controlling interest in a subsidiary as quasi-equity loan	–	–	–	–	308,509	308,509
Total transactions with owners in their capacity as owners	–	–	–	–	48,509	48,509
At 31 March 2019	28,450,434	(27,619)	(13,299,543)	15,123,272	(143,848)	14,979,424

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

Group	Attributable to owners of the Company					
	Share capital	Foreign currency translation reserve	Accumulated losses	Equity attributable to owners of the Company, total	Non-controlling interests	Total
	$	$	$	$	$	$
At 1 April 2017	28,450,434	31,447	(11,206,576)	17,275,305	(1,422,954)	15,852,351
Loss for the year	–	–	(1,399,264)	(1,399,264)	(373,213)	(1,772,477)
<u>Other comprehensive income</u>						
Foreign currency translation, net of tax	–	(99,324)	–	(99,324)	(34,776)	(134,100)
Strike off of a subsidiary	–	15,467	–	15,467	6,629	22,096
	–	(83,857)	–	(83,857)	(28,147)	(112,004)
Total comprehensive income for the year, net of tax	–	(83,857)	(1,399,264)	(1,483,121)	(401,360)	(1,884,481)
<u>Contributions by and distributions to owners</u>						
Dividends paid to non-controlling interests in subsidiaries	–	–	–	–	(140,000)	(140,000)
Fair value adjustment on interest-free loan from a non-controlling interest in a subsidiary	–	–	–	–	28,316	28,316
Total transactions with owners in their capacity as owners	–	–	–	–	(111,684)	(111,684)
At 31 March 2018	28,450,434	(52,410)	(12,605,840)	15,792,184	(1,935,998)	13,856,186

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

Company	Share capital $	Accumulated losses $	Total $
At 1 April 2017	28,450,434	(9,043,024)	19,407,410
Loss for the year, representing total comprehensive income for the year	–	(869,110)	(869,110)
At 31 March 2018 and 1 April 2018	28,450,434	(9,912,134)	18,538,300
Profit for the year, representing total comprehensive income for the year	–	33,137	33,137
At 31 March 2019	28,450,434	(9,878,997)	18,571,437

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2019

	Note	2019 $	2018 $
Operating activities			
Profit/(loss) before tax		1,045,279	(1,768,714)
Adjustment for:			
Allowance for doubtful debt - non-trade receivable	6	–	100,548
Share of profit of joint venture	17	(194,592)	(212,557)
Share of profits of associates		(403,313)	(479,731)
Depreciation of property, plant and equipment	6	1,948,356	3,467,999
Interest income	5	(93,325)	(78,553)
Interest expense	7	184,984	184,393
Dividend income from an available-for-sale investment	5	(28,463)	(58,140)
(Gain)/loss on disposal of property, plant and equipment	5,6	(2,296)	55,850
Write-off of property, plant and equipment	6	7,962	75,723
Foreign exchange loss/(gain)	5,6	85,509	(114,114)
Loss arising from strike off of a subsidiary	6	–	22,096
Reversal of provision for reinstatement costs	5	(10,610)	(9,807)
Impairment loss of plant and equipment	6	–	794,076
Waiver of liabilities by a non-controlling shareholder in a subsidiary	5	(1,561,699)	–
Operating cash flows before changes in working capital		977,792	1,979,069
Changes in working capital:			
Decrease/(increase) in trade receivables		226,802	(1,141,600)
(Increase)/decrease in other receivables and prepayments		(383,902)	197,427
(Increase)/decrease in inventories		(54,581)	22,487
Decrease in long-term security deposits		221,950	33,641
(Decrease)/increase in trade payables		(717,197)	462,020
(Decrease)/increase in other payables		(1,116,382)	918,586
Cash flows (used in)/from operations		(845,518)	2,471,630
Interest paid		(62,791)	(99,238)
Interest received		79,786	53,939
Net income tax (paid)/refund		(74,461)	73,129
Net cash flows (used in)/from operating activities		(902,984)	2,499,460
Investing activities			
Purchase of property, plant and equipment (Note A)		(2,065,823)	(1,122,225)
Advance payment for capital expenditures		(34,651)	(4,400)
Proceeds from disposal of property, plant and equipment		3,500	30,000
Dividend received from an available-for-sale investment	5	28,463	58,140
Dividend received from joint venture	17	450,000	–
Capital reduction of an associate	18	–	220,000
Advances to an associate		(99,176)	(100,548)
Net cash flows used in investing activities		(1,717,687)	(919,033)

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2019

	Note	2019	2018
		$	$
Financing activities			
Advances from non-controlling interests in subsidiaries		190,662	165,062
Dividends paid to non-controlling interests in subsidiaries (Note B)		(260,000)	(140,000)
Repayment of loan due from an associate		56,000	–
Repayment of loan from a non-controlling interest in a subsidiary		–	(390,000)
Repayment of bank loans		(423,518)	(559,148)
Repayment of obligations under finance leases		(237,896)	(241,872)
Net cash flows used in financing activities		(674,752)	(1,165,958)
Net (decrease)/increase in cash and bank balances		(3,295,423)	414,469
Cash and bank balances at the beginning of the financial year		15,466,862	15,041,195
Effect of foreign exchange rate changes		(37,063)	11,198
Cash and bank balances at the end of the financial year	11	12,134,376	15,466,862

Note A:

During the financial year, the Group recorded additions to property, plant and equipment with an aggregate cost of $2,387,615 (2018: $1,552,909) of which $21,204 (2018: $371,224) relates to provision for reinstatement costs of premises, $229,820 (2018: $72,382) was acquired under finance lease arrangements, $87,754 (2018: $16,986) remains unpaid at the end of the reporting period. Cash payments of $2,065,823 (2018: $1,122,225) were made to the purchase of property, plant and equipment.

Note B:

During the financial year, the Group declared dividends amounting to $260,000 (2018: $140,000) to non-controlling interests in subsidiaries at the end of the reporting period.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

1. Corporate information

Tung Lok Restaurants (2000) Ltd (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board ("Catalist") of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Its principal place of business is at 26 Tai Seng Street, #02-01, Singapore 534057 and its registered office is at 1 Sophia Road, #05-03 Peace Centre, Singapore 228149.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, associates and joint venture are disclosed in Note 16 to 18 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

For all periods up to and including the year ended 31 March 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards in Singapore ("FRS"). These financial statements for the year ended 31 March 2019 are the first the Group has prepared in accordance with SFRS(I). Refer to Note 2.2 for information on how the Group adopted SFRS(I).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD" or "$").

2.2 *First-time adoption of Singapore Financial Reporting Standards (International) (SFRS(I))*

These financial statements for the year ended 31 March 2019 are the first the Group and the Company have prepared in accordance with SFRS(I). Accordingly, the Group and the Company have prepared financial statements that comply with SFRS(I) applicable as at 31 March 2019, together with the comparative period data for the year ended 31 March 2018, as described in the summary of significant accounting policies. On preparing the financial statements, the Group's and the Company's opening balance sheets were prepared as at 1 April 2017, the Group and the Company's date of transition to SFRS(I).

The principal adjustments made by the Group on adoption of SFRS(I) and the adoption of the new standards that are effective on 1 April 2018 are disclosed below.

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2. Summary of significant accounting policies (cont'd)

2.2 ***First-time adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) (cont'd)***

Exemptions applied on adoption of SFRS(I)

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemptions:

- SFRS(I) 3 *Business Combinations* has not been applied to either acquisitions of subsidiaries that are considered businesses under SFRS(I), or acquisitions of interests in associates and joint ventures that occurred before 1 April 2017. The carrying amounts of assets and liabilities at the date of transition to SFRS(I) is the same as previously reported under FRS.

- SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* has not been applied retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I). Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

- The comparative information do not comply with SFRS(I) 9 *Financial Instruments* or SFRS(I) 7 *Financial Instruments: Disclosures* to the extent the disclosures relate to items within the scope of SFRS(I) 9.

New accounting standards effective on 1 April 2018

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 April 2018. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

SFRS(I) 9 Financial Instruments

On 1 April 2018, the Group adopted SFRS(I) 9 Financial instruments, which is effective for annual periods beginning on or after 1 April 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) 1 and has not restated comparative information in the year of initial application. The comparative information was prepared in accordance with the requirements of FRS 39.

Classification and measurement

SFRS(I) 9 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL"). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

2. Summary of significant accounting policies (cont'd)

2.2 ***First-time adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) (cont'd)***

SFRS(I) 9 Financial Instruments (cont'd)

Classification and measurement (cont'd)

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 April 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 April 2018.

The Group's debt instruments have contractual cash flows that are solely payments of principal and interest. Debt instruments that were measured at amortised cost previously are held to collect contractual cash flows, and accordingly measured at amortised cost under SFRS(I) 9. There is no significant impact arising from measurement of these instruments under SFRS(I) 9.

SFRS(I) 9 requires all equity instruments to be carried at fair value through profit or loss, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income.

For equity securities, the Group elects to measure its currently held AFS unquoted equity securities at FVPL. Accordingly, there is no significant impact arising from measurement of these instruments under SFRS(I) 9.

Impairment

SFRS(I) 9 requires the Group to record expected credit losses on all of its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired.

The loss allowance on trade receivables arising from the adoption of SFRS(I) 9 did not have any material effect on the financial statements of the Group and the Company.

SFRS(I) 15 Revenue from Contracts with Customers

The Group adopted SFRS(I) 15 which is effective for annual periods beginning on or after 1 April 2018.

The Group is in a business of restaurateur, catering services and food manufacturing. The Group applied SFRS(I) 15 retrospectively and has assessed that there was no material impact with the adoption of SFRS(I) 15.

2.3 ***Standards issued but not yet effective***

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
SFRS(I) 16 *Leases*	1 January 2019
SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to SFRS(I) *1-28 Long-term Interests in Associates and Joint Ventures*	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

Except for SFRS(I) 16, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 is described below.

SFRS(I) 16 *Leases*

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 April 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 April 2019.

On the adoption of SFRS(I) 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

(i) its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 April 2019; or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

In addition, the Group plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 16 in 1 April 2019.

On the adoption of SFRS(I) 16, the Company expects to recognise right-of-use assets and lease liabilities in a range of $20,000,000 to $23,000,000 for its leases previously classified as operating leases as of 1 April 2019.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations*

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2. Summary of significant accounting policies (cont'd)

2.5 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) **Transactions and balances**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) **Consolidated financial statements**

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

2. Summary of significant accounting policies (cont'd)

2.8 ***Associates and joint ventures***

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.9 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture, fixtures and equipment	-	3 to 5 years
Kitchen equipment	-	5 years
Leasehold property	-	50 years
Motor vehicles	-	5 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

2. Summary of significant accounting policies (cont'd)

2.9 ***Property, plant and equipment (cont'd)***

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.10 ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 ***Financial instruments***

(a) **Financial assets**

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes a party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. Summary of significant accounting policies (cont'd)

2.11 ***Financial instruments (cont'd)***

(a) **Financial assets (cont'd)**

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.11 ***Financial instruments (cont'd)***

(b) **Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.12 ***Impairment of financial assets***

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. Summary of significant accounting policies (cont'd)

2.13 **Cash *and cash equivalents***

Cash and cash equivalents comprise cash at bank and on hand, and short-term deposit which are subject to an insignificant risk of changes in value.

2.14 ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 ***Leases***

As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.16 ***Inventories***

Inventories comprising mainly food and beverages are stated at the lower of cost and net realisable value. Cost comprises all costs of purchase and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and estimated costs to make the sale.

2.17 ***Customer loyalty programme***

This relates to loyalty points redeemable by cardholders during the valid redemption period at the Group's restaurants. Revenue is recognised when the loyalty points are redeemed.

2. Summary of significant accounting policies (cont'd)

2.18 *Government grants*

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received. Where the grant relates to an asset, the fair value is recognized as against the carrying amount of the asset on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Other government grants are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

2.19 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.12 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.20 *Revenue recognition*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of food and beverages

Revenue from sale of food and beverages is recognised at a point in time upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of the food and beverages.

The amount of revenue recognised is based on the estimated transaction price, which comprises of the contractual price, net of deferred revenue arising from loyalty points. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is highly probable that a significant reversal in the cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes.

2. Summary of significant accounting policies (cont'd)

2.20 ***Revenue recognition (cont'd)***

(b) **Service charges**

Revenue from service charges is recognised when the services are rendered.

(c) **Service income**

Revenue from service contracts is recognised when the service is provided in accordance with the substance of the relevant agreement.

(d) **Management fees**

Revenue from management contracts is recognised over the management period on a straight-line basis.

(e) **Interest income**

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

(f) **Dividend income**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

2.21 ***Borrowing costs***

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 ***Employee benefits***

(a) **Defined contribution plans**

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(b) **Employee leave entitlement**

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2. Summary of significant accounting policies (cont'd)

2.23 *Taxes*

(a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. Summary of significant accounting policies (cont'd)

2.23 ***Taxes (cont'd)***

(b) **Deferred tax (cont'd)**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) **Sales tax**

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.24 ***Fair value of assets and liabilities***

Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

– Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

– Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

– Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2. Summary of significant accounting policies (cont'd)

2.25 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.26 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 *Reportable segment*

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is specifically focused on the restaurant business which forms the basis of identifying the operating segments of the Group under SFRS(I) 8 *Operating Segments*. The aggregated restaurant business is therefore the Group's reportable segment.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

There are no critical judgements made by management at the end of the reporting period that have a significant effect on the amounts recognised in the financial statements.

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of interests in subsidiaries

Determining whether interests in subsidiaries are impaired requires an estimation of the value in use of these subsidiaries. The value in use calculation requires the management to estimate the future cash flows expected from the cash-generating unit and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverable amount of those investments based on such estimates. The carrying amounts of these investments at the end of the reporting period are stated in Note 16 to the financial statements.

The key assumptions used in value in use calculation are as follows:

(i) Discount rate of 10.5% per annum

(ii) Weighted average sales growth of 3.8%

(iii) Terminal growth rate of 0%

There is no impact to the carrying amount of interests in subsidiaries if the estimated discount rate used in the calculation had increased by 0.5% or if the estimated sales growth rate had dropped by 0.5%, respectively.

(b) Impairment of property, plant and equipment

Determining whether property, plant and equipment is impaired requires an estimation of the value in use. The value in use calculation requires the management to estimate future cash flows and a suitable discount rate in order to calculate the present value of the cash flows. The carrying amount of property, plant and equipment at the end of the reporting period is $7,571,499 (2018: $7,141,123) as set out in Note 20 to the financial statements.

The key assumptions are disclosed in Note 20. There is no impact to the carrying amount of property, plant and equipment if the estimated discount rate used in the calculation had increased by 0.5% or if the estimated sales growth rate had dropped by 0.5%, respectively.

4. Revenue

	Group	
	2019	2018
	$	$
Sale of food and beverages	73,595,734	78,344,779
Service charges	6,223,731	6,406,000
Management fees	808,188	972,464
Total	80,627,653	85,723,243

5. Other operating income

	Group	
	2019	2018
	$	$
Credit from various government schemes	208,571	277,613
Sundry income from promotional events	178,132	168,658
Catering service income	697,392	740,369
Service income	–	50,403
Government grants	53,235	47,169
Interest income from:		
Cash at bank and short-term deposits	81,326	57,934
Related parties (Note 27)	11,999	20,619
Dividend income from an available-for-sale investment	28,463	58,140
Reversal of provision for reinstatement costs	10,610	9,807
Foreign exchange gain	–	114,114
Recovery of expenses from a shareholder (Note 27)	149,417	–
Waiver of liabilities by a non-controlling shareholder in a subsidiary	1,561,699	–
Net gain on disposal of property, plant and equipment	2,296	–
Consultancy fee	102,000	84,722
Others	179,113	218,129
Total	3,264,253	1,847,677

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6. Other operating expenses

	Group	
	2019	**2018**
	$	$
Rental expense	12,088,202	14,180,229
Depreciation (Note 20)	1,948,356	3,467,999
Upkeep, repair and maintenance	3,705,675	3,848,509
Utilities charges	3,783,671	3,739,641
Commission expense	1,554,073	1,654,570
Utensils	1,264,206	1,198,319
Advertising and promotions	881,572	984,721
Professional fees	670,610	798,742
Impairment loss of plant and equipment (Note 20)	–	794,076
Lease rental	630,522	753,829
Printing expense	257,323	291,266
Decorations	219,656	232,060
Foreign exchange loss	85,509	–
Allowance for doubtful debt – non-trade receivable	–	100,548
Write-off of property, plant and equipment	7,962	75,723
Net loss on disposal of property, plant and equipment	–	55,850
Loss arising from strike off of a subsidiary	–	22,096
Others	2,393,540	2,269,137
Total	29,490,877	34,467,315

7. Finance costs

	Group	
	2019	**2018**
	$	$
Interest on:		
Bank loans	31,945	62,197
Obligations under finance leases	33,798	31,962
Shareholders' loans	119,241	90,234
Total	184,984	184,393

8. Income tax expense

(a) Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2019 and 2018 are:

	Group	
	2019	**2018**
	$	$
Current income tax	144,693	23,071
Deferred income tax:		
- Benefits from previously unrecognised deferred tax assets	(608,616)	(29,213)
- Origination and reversal of temporary differences	497,126	9,905
	(111,490)	(19,308)
Income tax expense recognised in profit or loss	33,203	3,763

(b) Relationship between tax expense and accounting profit/(loss)

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 March 2019 and 2018 is as follows:

	Group	
	2019	**2018**
	$	$
Profit/(loss) before tax	1,045,279	(1,768,714)
Income tax calculated at 17% (2018: 17%)	177,697	(300,681)
Adjustments:		
Tax effect on the share of results of joint venture and associates which is shown after tax	(101,644)	(117,689)
Non-deductible expenses	392,109	311,817
Benefits from deferred tax assets previously not recognised	(608,616)	(29,213)
Deferred tax assets not recognised	42,135	337,042
Effect of different tax rate of a subsidiary operating in other jurisdiction	167,321	(119,202)
Effect of partial tax exemption and tax relief	(35,699)	(77,467)
Others	(100)	(844)
Income tax expense recognised in profit or loss	33,203	3,763

Domestic income tax is calculated at 17% (2018: 17%) of the estimated assessable profit/(loss) for the financial year. Taxation for other jurisdiction is calculated at the rate prevailing in the relevant jurisdiction.

8. Income tax expense (cont'd)

(c) Unrecognised tax losses and other temporary differences

As at the end of the reporting period, the Group has the following unused tax losses and temporary differences which are available for offsetting against future taxable income as follows:

	Group	
	2019	**2018**
	$	$
(a) Tax losses carry forward		
At the beginning of the financial year	7,917,845	6,279,730
Adjustment to prior year	(2,036,660)	(53,698)
(Utilisation)/addition	(2,676,120)	1,691,813
At the end of the financial year	3,205,065	7,917,845
Deferred tax benefit not recorded	544,861	1,346,034

	Group	
	2019	**2018**
	$	$
(b) Other temporary differences		
At the beginning of the financial year	3,313,519	2,610,231
Adjustment to prior year	(307,093)	584,344
(Utilisation)/addition	(656,120)	118,944
At the end of the financial year	2,350,306	3,313,519
Deferred tax benefit not recorded	399,552	563,298

The above tax losses carry forward and other temporary differences are subject to agreement with the tax authorities in Singapore and in the jurisdiction in which the Group operates. In addition, the Singapore tax losses carry forward and other temporary differences are subject to the retention of majority shareholders and have no expiry date. The amounts of unutilised tax losses with expiry dates which arise from the subsidiaries in People's Republic of China are set out below:

	Group			
	2019		**2018**	
	$	**Expiry date**	**$**	**Expiry date**
Unrecognised tax losses	2,667	31 Dec 2020	903,104	31 Dec 2019
	2,775	31 Dec 2021	214,487	31 Dec 2020
	2,153	31 Dec 2022	376,959	31 Dec 2021
	3,261	31 Dec 2023	859,366	31 Dec 2022

The above unrecognised tax losses have not been recognised in the financial statements due to the uncertainty of future profit.

9. Profit/(loss) for the year

Profit/(loss) for the year has been arrived at after charging:

	Group 2019 $	Group 2018 $
Staff costs (including directors' remuneration) [(a)]	26,424,405	26,919,752
Cost of defined contribution plans (included in staff costs)	2,106,294	2,145,575
Cost of inventories recognised as expense	22,856,398	23,901,712
Audit fees (auditor of the Company)	205,000	205,000
Directors' fees	275,000	260,000

(a) Included in administrative expenses.

10. Losses per share

	Group 2019 $	Group 2018 $
Losses per share is based on:		
Loss attributable to owners of the Company	(693,703)	(1,399,264)

	2019 Number of shares	2018 Number of shares
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	274,400,000	274,400,000
Losses per share (cents)	(0.25)	(0.51)

11. Cash and bank balances

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Cash at bank	5,422,533	5,585,912	26,506	21,072
Cash on hand	130,895	105,460	–	–
Short-term deposits	6,580,948	9,775,490	3,300,000	6,710,710
Total	12,134,376	15,466,862	3,326,506	6,731,782

11. Cash and bank balances (cont'd)

Short-term deposits are made for varying periods of between one month and three months (2018: 1 month to 3 months) and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 31 March 2019 for the Group and the Company were 1.41% (2018: 1.09%) and 1.24% (2018: 1.05%) respectively. The carrying amounts of these assets approximate their fair values.

Cash and bank balances of $16,986 (2018: $208,437) held in The People's Republic of China are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported other than through dividends and trade related settlements.

12. Trade receivables

	Group	
	2019	**2018**
	$	$
Related parties	121,657	95,074
Outside parties	2,059,578	2,319,541
Total	2,181,235	2,414,615

The average credit term on sale of goods is 30 days (2018: 30 days). No interest is charged on the outstanding balance.

<u>Receivables that are past due but not impaired</u>

The Group has trade receivables amounting to $832,285 as at 31 March 2018 and $256,873 as at 1 April 2017 that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	31 March 2018	**1 April 2017**
	$	$
<3 months	681,105	243,531
3 months to 6 months	108,191	8,696
6 months to 12 months	42,979	–
>12 months	10	4,646
Total	832,285	256,873

12. Trade receivables (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	Individually impaired	
	31 March 2018	**1 April 2017**
	$	$
Trade receivables – nominal amounts	–	320,106
Less: Allowance for impairment	–	(320,106)
	–	–
Movement in the allowance for doubtful debts:		
At the beginning of the financial year	320,106	282,899
Charge for the year	–	37,207
Write-off for the year	(320,106)	–
At the end of the financial year	–	320,106

Before accepting any new customer, the Group obtains customer's general profile to assess the potential customer's credit worthiness and defines credit limit to customer. Credit limits attributed to customers are reviewed periodically. Most of the trade receivables that are neither past due nor impaired relate to customers which the Company has assessed to be creditworthy based on the credit evaluation process performed by management.

Management has assessed the past due debts and noted that as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there are no further credit allowances required in excess of the allowance for doubtful debts.

Expected credit losses

There is no expected credit loss noted for year ended 31 March 2019.

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13. Other receivables and prepayments

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Other receivables and prepayments (current)				
Other receivables from third parties	598,065	561,009	5,260	6,528
Other receivables from a shareholder	149,417	–	–	–
Refundable deposits from a related party	–	58,735	–	–
Advances to an associate	199,724	100,548	–	–
Less: Allowance for doubtful debts	(100,548)	(100,548)	–	–
Sub-total	846,658	619,744	5,260	6,528
Prepayments	673,346	416,759	5,546	5,544
Income tax recoverable	–	2,419	–	–
Total	1,520,004	1,038,922	10,806	12,072
Other receivables and prepayments (non-current)				
Advances to an associate	347,190	405,935	–	–
Advance payment of capital expenditures	39,051	4,400	–	–
Prepayments	103,899	36,901	–	–
Total	490,140	447,236	–	–
Total other receivables and prepayments	2,010,144	1,486,158	10,806	12,072

Analysis of other receivables

Not past due and not impaired	1,193,848	1,025,679	5,260	6,528

The refundable deposits were deposits placed with a corporate shareholder of the Company.

The advance to an associate is unsecured and interest-free. Current advance is repayable on demand and non-current advance has a repayment term of 5 years.

Other receivables from a shareholder pertain to the recovery of expenses from a shareholder. The amount is interest free, unsecured and repayable on demand.

13. Other receivables and prepayments (cont'd)

Movement in the allowance for doubtful debts:

	Group	
	2019	**2018**
	$	$
At the beginning of the financial year	100,548	2,296,615
Write-off for the year	–	(2,296,615)
Charge for the year	–	100,548
At the end of the financial year	100,548	100,548

At the end of the reporting period, the Group has provided an allowance of $100,548 (2018: $100,548) for advance to an associate. In the previous financial year, the Group has written off $2,296,615 provided for other receivables from a related party (which was a former subsidiary), as the former subsidiary suffered significant losses.

Most of the other receivables that are neither past due nor impaired relate to customers that the Company has assessed to be creditworthy based on the credit evaluation process performed by management.

14. Inventories

	Group	
	2019	**2018**
	$	$
At cost		
Food and beverages	1,870,694	1,818,443

15. Long-term security deposits

	Group	
	2019	**2018**
	$	$
Refundable security deposits	1,411,510	1,711,867

These are mainly deposits placed with the landlords and service providers. Management is of the opinion that these deposits have been placed with counterparties who are creditworthy and accordingly no allowance for potential non-recovery of security deposits is required.

Included in the above long-term security deposits are deposits amounting to $102,092 (2018: $144,018) placed with a corporate shareholder of the Company.

The carrying amounts of the above deposits approximate their fair values.

16. Interests in subsidiaries

(A) Investments in subsidiaries

		Company	
		2019	2018
		$	$
(i)	Investment		
	Unquoted equity shares, at cost	6,628,493	6,628,493
	Allowance for impairment (a)	(1,200,001)	(1,200,001)
	Net	5,428,492	5,428,492
(ii)	Deemed investment		
	Fair value adjustment on interest-free loans and advances (b)	4,462,026	4,462,026
	Allowance for impairment (a)	(2,844,333)	(2,844,333)
	Net	1,617,693	1,617,693
	Sub-total	7,046,185	7,046,185
(iii)	Receivables from subsidiaries		
	Loans and advances to subsidiaries (b)	19,923,463	16,093,593
	Allowance for impairment on loans and advances (a)	(11,480,000)	(11,030,000)
	Net	8,443,463	5,063,593
	Total interests	15,489,648	12,109,778

	Company	
	2019	2018
Movement in allowance account for investment:		
At the beginning of the financial year	1,200,001	1,200,000
Charge for the year	–	1
At the end of the financial year	1,200,001	1,200,001
Movement in allowance account for deemed investment:		
At the beginning of the financial year	2,844,333	1,637,220
Reversal for the year	–	(21,750)
Charge for the year	–	1,228,863
At the end of the financial year	2,844,333	2,844,333

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16. Interests in subsidiaries (cont'd)

(A) Investments in subsidiaries (cont'd)

Movement in allowance account for receivables from subsidiaries:

	Company	
	2019	**2018**
	$	$
At the beginning of the financial year	11,030,000	11,030,000
Charge for the year	450,000	–
At the end of the financial year	11,480,000	11,030,000

(a) Investments in subsidiaries which are either restaurant operators or holding interests in entities which are restaurant operators are assessed for impairment when the restaurants are operating losses for more than 3 years. Allowance for impairment is provided on the investment based on value in use. The value in use is based on the available data and the estimated future cash flows discounted to its present value by using a pre-tax discount rate of 10.5% (2018: 10.5%) per annum that reflects current market assessment of the time value of money and the risks specific to the subsidiary. The management has assessed that weighted average growth rate of its subsidiaries is 3.8% (2018: 6.0%) per annum.

(b) The loans and advances are unsecured, interest-free and not expected to be repaid within the next 12 months as loans and advances were used to fund the long-term operations of the subsidiaries. The Day One difference between the fair value of the loans and the notional amount of the loans given is accounted for as "Fair value adjustment" on interest-free loans to subsidiaries.

The Group has the following investments in subsidiaries:

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest and voting power	
			2019	**2018**
			%	%
Held by the Company				
Tung Lok Millennium Pte Ltd	Singapore	Restaurateur	100	100
Tung Lok (China) Holdings Pte. Ltd.	Singapore	Investment holding	100	100
TLG Asia Pte. Ltd.	Singapore	Investment holding	100	100
Club Chinois Pte Ltd	Singapore	Restaurateur	75	75
Tung Lok Arena Pte Ltd	Singapore	Restaurateur	70	70
Olde Peking Dining Hall Pte. Ltd.	Singapore	Restaurateur	60	60

16. Interests in subsidiaries (cont'd)

(A) Investments in subsidiaries (cont'd)

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest and voting power 2019 %	2018 %
Held by Tung Lok Millennium Pte Ltd				
Charming Garden (Asia Pacific) Pte. Ltd.	Singapore	Central kitchen support function	100	100
Tung Lok Central Restaurant Pte. Ltd.	Singapore	Restaurateur	100	100
Tung Lok Signatures (2006) Pte. Ltd.	Singapore	Restaurateur	100	100
Tung Lok Xihe Restaurant Pte. Ltd.	Singapore	Restaurateur	60	60
McBistro Pte. Ltd.	Singapore	Restaurateur	70	70
Slappy Cakes (Singapore) Pte. Ltd.	Singapore	Restaurateur	55	55
Held by Tung Lok (China) Holdings Pte. Ltd.				
My Humble House in Beijing (Restaurant) Company Ltd. [1]	People's Republic of China	Investment holding	100	100
My Humble House Xihe (Beijing) Restaurant Company Ltd. [1]	People's Republic of China	Restaurateur	70	70
Held by TLG Asia Pte. Ltd.				
Tong Le Private Dining Pte. Ltd.	Singapore	Restaurateur	51	51
Garuda Padang Restaurant (Singapore) Pte. Ltd.	Singapore	Dormant	65	65
Shin Yeh Restaurant Pte. Ltd.	Singapore	Restaurateur	55	55
Held by Club Chinois Pte Ltd				
Chinois Pte. Ltd.	Singapore	Restaurateur	100	100

The subsidiaries are audited by Ernst & Young LLP, Singapore except as indicated below:

[1] Not material to the Group and names of auditing firm are not required to be disclosed pursuant to Catalist Listing Rule 717.

16. Interests in subsidiaries (cont'd)

(B) Interests in subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of Subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Profit/(loss) allocated to NCI during the reporting period	Accumulated NCI at the end of the reporting period	Dividends paid to NCI
			$	$	$
31 March 2019:					
Club Chinois Pte Ltd	Singapore	25%	195,492	459,423	150,000
Tung Lok Xihe Restaurant Pte. Ltd.	Singapore	40%	174,562	506,868	56,000
My Humble House Xihe (Beijing) Restaurant Company Ltd.	People's Republic of China	30%	1,422,774	161,071	–
31 March 2018:					
Club Chinois Pte Ltd	Singapore	25%	127,364	413,930	95,000
Tung Lok Xihe Restaurant Pte. Ltd.	Singapore	40%	175,346	388,306	–
My Humble House Xihe (Beijing) Restaurant Company Ltd.	People's Republic of China	30%	(484,010)	(1,276,550)	–

There are no significant restrictions on the Group's ability to use or access assets and settle liabilities of the subsidiaries with material NCI.

16. Interests in subsidiaries (cont'd)

(B) Interests in subsidiaries with material non-controlling interest ("NCI") (cont'd)

Summarised financial information about subsidiaries with material NCI

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below, which has been prepared in accordance with SFRS(I).

Summarised balance sheets

	Club Chinois Pte Ltd		Tung Lok Xihe Restaurant Pte. Ltd.		My Humble House Xihe (Beijing) Restaurant Company Ltd.	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	$	$	$	$	$	$
Current						
Assets	3,224,255	2,991,812	2,283,068	1,717,413	4,730	441,555
Liabilities	(1,529,465)	(1,382,387)	(1,184,354)	(1,071,010)	(9,002)	(4,532,599)
Net current assets/(liabilities)	1,694,790	1,609,425	1,098,714	646,403	(4,272)	(4,091,044)
Non-current						
Assets	300,425	203,091	381,415	547,933	–	307,253
Liabilities	(157,525)	(156,794)	(212,959)	(223,571)	–	(1,012,553)
Net non-current assets/(liabilities)	142,900	46,297	168,456	324,362	–	(705,300)
Net assets/(liabilities)	1,837,690	1,655,722	1,267,170	970,765	(4,272)	(4,796,344)

16. **Interests in subsidiaries (cont'd)**

(B) Interests in subsidiaries with material non-controlling interest ("NCI") (cont'd)

Summarised financial information about subsidiaries with material NCI (cont'd)

Summarised statements of comprehensive income

	Club Chinois Pte Ltd		Tung Lok Xihe Restaurant Pte. Ltd.		My Humble House Xihe (Beijing) Restaurant Company Ltd	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	$	$	$	$	$	$
Revenue	10,101,997	9,656,740	10,404,463	10,026,331	118,627	2,653,415
Profit/(loss) before tax	942,435	648,500	522,147	528,290	4,751,685	(1,613,367)
Income tax (expense)/benefit	(160,467)	(139,045)	(85,742)	(89,926)	(9,105)	–
Profit/(loss) after tax, representing total comprehensive income for the year	781,968	509,455	436,405	438,364	4,742,580	(1,613,367)
Other summarised information						
Net cash flows from/(used in) operations	1,023,825	856,762	755,883	1,039,055	(741,430)	(1,009,015)

17. Joint venture

	Group 2019 $	Group 2018 $
Unquoted equity shares, at cost	800,000	800,000
Share of post-acquisition reserves	(146,403)	109,005
Total	653,597	909,005

Details of the joint venture of the Group are set out below:

Name of Joint venture	Country of incorporation/ operation	Principal activities	Proportion of equity held by the Group 2019 %	Proportion of equity held by the Group 2018 %
Held by Tung Lok Millennium Pte Ltd				
T&T Gourmet Cuisine Pte. Ltd. [(1)]	Singapore	Food manufacturer	50	50

[(1)] Audited by Ernst & Young LLP, Singapore.

Summarised financial information in respect of T&T Gourmet Cuisine Pte. Ltd. based on its SFRS(I) financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	T&T Gourmet Cuisine Pte. Ltd. 2019 $	T&T Gourmet Cuisine Pte. Ltd. 2018 $
Cash and bank balances	500,343	847,238
Trade receivables	480,295	341,055
Other receivables and prepayments	166,052	232,693
Inventories	625,766	590,172
Current assets	1,772,456	2,011,158
Non-current assets	223,373	317,437
Total assets	1,995,829	2,328,595
Current liabilities	653,317	434,663
Non-current liabilities	35,318	75,922
Total liabilities	688,635	510,585
Net assets	1,307,194	1,818,010
Proportion of the Group's ownership	50%	50%
Group's share of net assets representing carrying amount of the investment	653,597	909,005

17. Joint venture (cont'd)

	T&T Gourmet Cuisine Pte. Ltd.	
	2019	**2018**
	$	$
Revenue	6,031,297	5,911,914
Cost of sales and operating expenses [1]	(5,594,631)	(5,347,554)
Interest expense	–	(1,183)
Profit before tax	436,666	563,177
Income tax expense	(47,482)	(138,062)
Profit after tax, representing total comprehensive income for the year	389,184	425,115
Group's share of net results (net of tax)	194,592	212,557

[1] Included in cost of sales and operating expenses is depreciation expense of $157,391 (2018: $147,734).

During the financial year, an interim dividend (exempt one-tier) of $450,000 was received from T&T Gourmet Cuisine Pte. Ltd.

18. Associates

	Group	
	2019	**2018**
	$	$
Unquoted equity shares, at cost	2,418,141	2,418,141
Share of post-acquisition reserves	(924,257)	(1,320,821)
Total	1,493,884	1,097,320

In the previous financial year, there was a reduction of capital by an associate amounting to $220,000.

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18. Associates (cont'd)

Details of the associates of the Group are set out below:

Name of associate	Country of incorporation/ operation	Principal activities	Proportion of equity held by the Group	
			2019	**2018**
			%	%
Held by Tung Lok (China) Holdings Pte. Ltd.				
Shanghai Jinjiang Tung Lok Catering Management Inc. [(1)]	People's Republic of China	Restaurateur	49	49
Beijing Xihe Tung Lok Restaurant Company Ltd. [(1)]	People's Republic of China	Restaurateur	40	40
Held by TLG Asia Pte. Ltd.				
Singapore Seafood Republic Pte. Ltd. ("SSRPL") [(2)]	Singapore	Restaurateur	25	25
Seafood Republic Pte. Ltd. ("SRPL") [(2)]	Singapore	Restaurateur	20	20

(1) Not material to the Group and names of auditing firm are not required to be disclosed pursuant to Catalist Listing Rule 717.
(2) Audited by Deloitte & Touche LLP, Singapore

Aggregate information about the Group's investments in associates that are not individually materials are as follows:

	Group	
	2019	**2018**
	$	$
Profit after tax representing total comprehensive income	1,637,679	1,680,042

The audited financial statements of SSRPL and SRPL are made up to 30 September each year. For the purpose of applying the equity method of accounting, the unaudited management accounts of SSRPL and SRPL for the years ended 31 March 2019 and 2018 have been used.

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19. Available-for-sale investments

(a) Financial instruments as at 31 March 2019

	Group 2019 $
At fair value through profit or loss	
- Equity securities (unquoted)	–

(b) Financial instruments as at 31 March 2018 and 1 April 2017

	31 March 2018 $	1 April 2017 $
Available-for-sale financial assets		
- Equity securities (unquoted)	81,210	81,210
Amount written off in prior years	(81,210)	(81,210)
	–	–

The available-for-sale investments consist of unquoted equity investments in PT Taipan Indonesia and PT Ming Cipta Rasa, incorporated in Indonesia. These companies are engaged in restaurateur activities.

20. Property, plant and equipment

Group	Furniture, fixtures and equipment	Kitchen equipment	Leasehold property	Motor vehicles	Work-in-progress	Total
	$	$	$	$	$	$
Cost:						
At 1 April 2017	28,492,623	9,651,299	4,405,867	1,693,172	–	44,242,961
Additions	742,838	197,698	–	89,088	523,285	1,552,909
Reclassification	1,690	–	–	(1,690)	–	–
Write-off	(721,273)	(723,793)	–	–	–	(1,445,066)
Disposal	(77,643)	(53,170)	–	–	–	(130,813)
Exchange differences	42,484	13,232	–	–	–	55,716
At 31 March 2018 and 1 April 2018	28,480,719	9,085,266	4,405,867	1,780,570	523,285	44,275,707
Additions	1,561,691	577,929	–	247,995	–	2,387,615
Reclassification	523,285	–	–	–	(523,285)	–
Write-off	(2,933,742)	(912,970)	–	–	–	(3,846,712)
Disposal	(1,376)	–	–	(126,405)	–	(127,781)
Exchange differences	(96,930)	(25,648)	–	–	–	(122,578)
At 31 March 2019	27,533,647	8,724,577	4,405,867	1,902,160	–	42,566,251
Accumulated depreciation:						
At 1 April 2017	22,091,371	7,654,120	1,211,685	962,674	–	31,919,850
Depreciation	2,409,900	684,049	88,117	285,933	–	3,467,999
Write-off	(587,658)	(540,845)	–	–	–	(1,128,503)
Disposal	(28,199)	(16,764)	–	–	–	(44,963)
Exchange differences	38,390	11,288	–	–	–	49,678
At 31 March 2018 and 1 April 2018	23,923,804	7,791,848	1,299,802	1,248,607	–	34,264,061
Depreciation	1,135,527	433,572	88,117	291,140	–	1,948,356
Write-off	(2,569,395)	(849,004)	–	–	–	(3,418,399)
Disposal	(172)	–	–	(126,405)	–	(126,577)
Exchange differences	(83,646)	(23,778)	–	–	–	(107,424)
At 31 March 2019	22,406,118	7,352,638	1,387,919	1,413,342	–	32,560,017

20. Property, plant and equipment (cont'd)

Group	Furniture, fixtures and equipment	Kitchen equipment	Leasehold property	Motor vehicles	Work-in-progress	Total
	$	$	$	$	$	$
Impairment:						
At 1 April 2017	1,977,998	334,400	–	–	–	2,312,398
Charge for the year	694,102	99,974	–	–	–	794,076
Write-off	(115,002)	(125,838)	–	–	–	(240,840)
Exchange differences	4,297	592	–	–	–	4,889
At 31 March 2018 and 1 April 2018	2,561,395	309,128	–	–	–	2,870,523
Write-off	(359,071)	(61,280)	–	–	–	(420,351)
Exchange differences	(13,567)	(1,870)	–	–	–	(15,437)
At 31 March 2019	2,188,757	245,978	–	–	–	2,434,735
Carrying amount:						
At 31 March 2018	1,995,520	984,290	3,106,065	531,963	523,285	7,141,123
At 31 March 2019	2,938,772	1,125,961	3,017,948	488,818	–	7,571,499

The recoverable amount of the relevant assets of the restaurants has been determined on the basis of their value in use. The discount rate used in measuring value in use was 10.5% (2018: 10.5%) per annum. The management has assessed that the weighted average growth rate of the relevant restaurants is 3.8% (2018: 6.0%) per annum. In the previous financial year, the Group has provided an allowance of impairment loss amounting to $794,076 as certain subsidiaries have been suffering significant financial losses.

Plant and equipment with the following carrying amounts at the end of the reporting period are under finance leases, which are secured under the finance lease arrangements:

	Group	
	2019	2018
	$	$
Motor vehicles	480,266	519,264

Leasehold property with carrying amount of $3,017,948 (2018: $3,106,065) has been pledged to secure bank loans (Note 24). Management has estimated the fair value of the leasehold property to be approximately $7,800,000 as at 31 March 2019 (2018: $7,800,000).

The valuation of leasehold property is based on comparable market prices that consider similar properties that have been transacted in the open market, which is classified under Level 2 of the fair value hierarchy.

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20. Property, plant and equipment (cont'd)

Details of the leasehold property as at 31 March 2019 are as follows:

Location	Type of premises	Land area (sq ft)	Tenure
20 Bukit Batok Crescent #11-05 to 09, 18 Enterprise Centre Singapore 658080	Office cum factory building	23,659	60 years commencing 13 March 1997

21. Trade payables

	Group	
	2019	2018
	$	$
Outside parties	2,328,258	3,427,735
Related parties	21,829	31,858
Total	2,350,087	3,459,593

The average credit period on purchase of goods is 30 days (2018: 30 days).

22. Other payables

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
<u>Other payables (current)</u>				
Refundable security deposits	264,304	356,964	–	–
Deferred revenue (a)	1,092,654	1,416,232	–	–
Accrued expenses (b)	4,482,251	5,100,299	24,113	42,713
A related party (c)	43,839	8,327		–
Financial guarantee contracts (d)	–	–	230,982	269,926
Purchase of property, plant and equipment	87,754	16,986	–	–
Others (e)	989,939	988,863	428	2,693
Total	6,960,741	7,887,671	255,523	315,332
<u>Other payables (non-current)</u>				
Loans from non-controlling interests in subsidiaries (f)	1,562,135	2,843,842	–	–
Accrued expenses (b)	1,589,364	1,637,642	–	–
Total	3,151,499	4,481,484	–	–
Total other payables	10,112,240	12,369,155	255,523	315,332

22. Other payables (cont'd)

(a) Deferred revenue mainly consists of loyalty points issued on the Group's Tung Lok First Card Scheme. Under the Tung Lok First Card Scheme, card members dining at the Group's restaurants are entitled to receive loyalty points depending on their level of spending, which can be used to offset subsequent spending.

(b) Included in accrued expenses which consist of mainly payroll expenses and utility charges, as well as an amount of $1,558,351 (2018: $1,869,249) being provision for reinstatement costs of premises.

(c) The related party is affiliated to a corporate shareholder of the Company. The amount is unsecured and interest-free.

(d) The Company is a party to certain financial guarantees which it provides to banks in respect of credit facilities extended to these subsidiaries. Deemed guarantee fee has been accrued on guarantees issued to banks.

(e) Included in others, other than those highlighted above, are payables to non-trade creditors for other operating expenses.

(f) The loans from non-controlling interests in subsidiaries are unsecured and interest-free. Current loans are repayable on demand and non-current loans have an average repayment term of 5 years.

23. Finance leases

Group	**Minimum lease payments**		**Present value of minimum lease payments**	
	2019	**2018**	**2019**	**2018**
	$	$	$	$
Amounts payable under finance leases:				
Within one year	208,667	244,573	181,628	214,309
In the second to fifth year inclusive	295,404	267,015	257,157	232,552
	504,071	511,588	438,785	446,861
Less: Future finance charges	(65,286)	(64,727)	–	–
Present value of lease obligations	438,785	446,861	438,785	446,861
Less: Amount due for settlement within 12 months (shown under current liabilities)			(181,628)	(214,309)
Amount due for settlement after 12 months			257,157	232,552

It is the Group's policy to lease certain plant and equipment under finance leases. The average lease term is 5 years (2018: 5 years). For the financial year ended 31 March 2019, the average borrowing rate was 2.98% (2018: 2.88%) per annum. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the Group's lease obligations approximates their carrying amount.

The Group's obligations under finance leases are secured by way of corporate guarantees issued by the Company and plant and equipment (Note 20).

24. Bank loans

	Group 2019 $	Group 2018 $
Bank loans	1,751,522	2,175,040
The borrowings are repayable as follows:		
On demand or within one year	160,314	421,252
After one year but within five years	679,473	658,076
After five years	911,735	1,095,712
	1,751,522	2,175,040
Less: Amount due for settlement within 12 months (shown under current liabilities)	(160,314)	(421,252)
Amount due for settlement after 12 months	1,591,208	1,753,788

The Group has the following principal bank loans:

(a) a loan of $1,361,543 (2018: $1,500,288). The loan was drawn down in August 2013. Repayment commenced in September 2013 and will continue until August 2028. The loan carries effective interest rate at 1.92% (2018: 2.28%) per annum, which is commercial financing rate less 3.77% (2018: commercial financing rate less 4.07%).

(b) a loan of $389,979 (2018: $421,144). The loan was drawn down in December 2010. Repayment commenced in January 2011 and will continue until December 2030. The loan carries effective interest rate at 1.92% (2018: 2.28%) per annum, which is commercial financial rate less 3.77% (2018: commercial financing rate less 4.07%).

The bank loans are secured by way of:

(i) a charge over the leasehold property of a subsidiary as disclosed in Note 20 to the financial statements; and

(ii) a corporate guarantee issued by the Company.

Management estimates the fair value of the above loans to approximate their carrying amounts.

24. Bank loans (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

	2018	Cash flow	Non-cash acquisition of property, plant and equipment	Others	2019
	$	$	$	$	$
Bank loans					
- current	421,252	(423,518)	–	162,580	160,314
- non-current	1,753,788	–	–	(162,580)	1,591,208
Obligation under finance leases (Note 23)					
- current	214,309	(237,896)	71,410	133,805	181,628
- non-current	232,552	–	158,410	(133,805)	257,157
	2,621,901	(661,414)	229,820	–	2,190,307

25. Deferred tax assets

The following are the major deferred tax assets recognised by the Group and the movement thereon during the year:

Group	Accelerated tax depreciation	Others	Tax losses	Total
	$	$	$	$
At 1 April 2017	(37,405)	(198,731)	(62,448)	(298,584)
(Credited)/charged to profit or loss for the year (Note 8)	(32,479)	37,432	(24,261)	(19,308)
At 31 March 2018 and 1 April 2018	(69,884)	(161,299)	(86,709)	(317,892)
(Credited)/charged to profit or loss for the year (Note 8)	(18,890)	(145,745)	53,145	(111,490)
At 31 March 2019	(88,774)	(307,044)	(33,564)	(429,382)

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26. Share capital

	Group and Company			
	2019	2018	2019	2018
	Number of ordinary shares		$	$
Issued and paid up:				
At the beginning and end of the financial year	274,400,000	274,400,000	28,450,434	28,450,434

The Company has only one class of shares which are the ordinary shares. The ordinary shares have no par value, carry one vote per share without restrictions and carry a right to dividends as and when declared by the Company.

The shares issued rank pari passu to the existing shares.

27. Related party transactions

Certain transactions and arrangements of the Group are with related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable upon demand unless otherwise stated.

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and related parties are disclosed below.

Significant intercompany transactions, other than those disclosed elsewhere in the notes to the financial statements, are as follows:

	Group	
	2019	2018
	$	$
With joint venture		
Purchase of food and beverages	994,482	1,067,491
With companies in which certain directors have financial interests		
Interest income	11,999	20,619
With corporate shareholder of certain subsidiary		
Sale of food and beverages	55,025	48,062
With corporate shareholders of the Company		
Sale of food and beverages	154,905	335,533
Purchase of food, beverages and services	333,229	309,748
Rental expenses	3,145,899	3,561,554

27. Related party transactions (cont'd)

	Group	
	2019	2018
	$	$
With a shareholder of the Company		
Recovery of expenses from a shareholder	149,417	–
Compensation of key management personnel		
Short-term employee benefits	1,657,615	1,597,098
Central Provident Fund Contributions	104,206	115,118
Total	1,761,821	1,712,216
Comprise amounts paid to:		
Directors of the Company	565,845	550,154
Other key management personnel	1,195,976	1,162,062
Total	1,761,821	1,712,216

28. Segment information

Reportable segment

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is specifically focused on the restaurant business which forms the basis of identifying the operating segments of the Group under SFRS(I) 8 *Operating Segments*. Management has determined the operating segments based on the reports reviewed by the Board of Directors ("BOD") that are used to make strategic decisions.

For the management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

a. The restaurant segment is in the business of operating restaurants.

b. The catering segment is in the business of providing catering services.

c. The manufacturing segment pertains to central kitchen function that supports the restaurant segment of the Group as well as OEM products to third parties.

d. The others segment comprises of the corporate services, treasury functions, investment holding activities and franchising activities.

Management monitors the operating results of its business units separately by making decision about allocation of resources and assessment of performance of each segment.

Inter-segment sales are measured on the basis that the entity actually uses to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the reportable segment are the same as the Group's accounting policies described in Note 2. Segment profit or loss represents the profit or loss earned/incurred by each segment without allocation of control administration costs and directors' salaries. The segment information provided to the management for the reportable segments are as follows:

28. Segment information (cont'd)

(a) Business segment

2019	Restaurant operations $	Catering operations $	Manufacturing operations $	Others $	Elimination $	Total $
Revenue						
Revenue from external customers	69,130,517	8,462,804	1,333,945	1,700,387	–	80,627,653
Inter-segment revenue	(23,898)	116,249	6,118,340	3,478,792	(9,689,483)	–
Total segment revenue	69,106,619	8,579,053	7,452,285	5,179,179	(9,689,483)	80,627,653
Results						
Profit/(loss) from operations	1,882,782	(1,074,733)	(67,361)	(201,655)	–	539,033
Finance costs	(119,241)	(28,027)	(34,935)	(2,781)	–	(184,984)
Finance income	60,345	–	–	32,980	–	93,325
Share of profit of joint venture	–	–	194,592	–	–	194,592
Share of profit of associates	403,313	–	–	–	–	403,313
Segment profit/(loss) before tax	2,227,199	(1,102,760)	92,296	(171,456)	–	1,045,279
Income tax expense						(33,203)
Profit for the year						1,012,076
Profit for the year has been arrived after charging:						
Depreciation	(1,154,710)	(371,075)	(219,628)	(202,943)	–	(1,948,356)
Waiver of liabilities by a non-controlling shareholder in a subsidiary	1,561,699	–	–	–	–	1,561,699
Write-off of plant and equipment	(7,962)	–	–	–	–	(7,962)
(Loss)/gain on disposal of plant and equipment	(704)	–	–	3,000	–	2,296
Loss on foreign exchange - unrealised	(79,858)	–	–	(403)	–	(80,261)
Total assets for reportable segments	16,719,859	2,601,594	5,136,251	5,298,617	–	29,756,321
Total liabilities for reportable segments	10,773,259	1,218,958	2,046,961	737,719	–	14,776,897
Investment in joint venture	–	–	653,597	–	–	653,597
Investment in associates	1,493,884	–	–	–	–	1,493,884
Capital expenditure on plant and equipment	1,145,879	928,033	39,780	273,923	–	2,387,615

28. Segment information (cont'd)

(a) Business segment (cont'd)

2018	Restaurant operations $	Catering operations $	Manufacturing operations $	Others $	Elimination $	Total $
Revenue						
Revenue from external customers	73,848,877	8,914,698	1,419,518	1,540,150	–	85,723,243
Inter-segment revenue	102,920	181,112	6,311,733	3,455,449	(10,051,214)	–
Total segment revenue	73,951,797	9,095,810	7,731,251	4,995,599	(10,051,214)	85,723,243
Results						
(Loss)/profit from operations	(2,335,770)	203,000	65,843	(288,235)	–	(2,355,162)
Finance costs	(90,244)	(25,636)	(53,933)	(14,580)	–	(184,393)
Finance income	45,169	–	–	33,384	–	78,553
Share of profit of joint venture	–	–	212,557	–	–	212,557
Share of profit of associates	479,731	–	–	–	–	479,731
Segment profit/(loss) before tax	(1,901,114)	177,364	224,467	(269,431)	–	(1,768,714)
Income tax expense						(3,763)
Loss for the year						(1,772,477)
Loss for the year has been arrived after charging:						
Depreciation	(2,410,881)	(348,236)	(265,622)	(443,260)	–	(3,467,999)
Impairment loss on plant and equipment	(794,076)	–	–	–	–	(794,076)
Write-off of plant and equipment	(75,683)	(40)	–	–	–	(75,723)
(Loss)/gain on disposal of plant and equipment	(57,675)	–	–	1,825	–	(55,850)
Gain/(loss) on foreign exchange - unrealised	120,809	–	–	(25)	–	120,784
Loss arising from strike off of a subsidiary	–	–	–	(22,096)	–	(22,096)
Allowance for doubtful debts - non-trade receivables	–	–	–	(100,548)	–	(100,548)
Total assets for reportable segments	14,816,257	2,141,124	5,148,994	10,256,910	–	32,363,285
Total liabilities for reportable segments	13,878,392	1,229,600	2,462,459	936,648	–	18,507,099
Investment in joint venture	–	–	909,005	–	–	909,005
Investment in associates	1,097,320	–	–	–	–	1,097,320
Capital expenditure on plant and equipment	675,210	163,793	45,780	668,126	–	1,552,909

28. Segment information (cont'd)

(b) Geographical information

The Group operates in Singapore and the People's Republic of China.

The following table provides an analysis of the Group's revenue from external customers based on the geographical location where revenue is generated:

	Group Sales revenue by geographical market	
	2019	**2018**
	$	$
Singapore	80,509,026	83,069,828
People's Republic of China	118,627	2,653,415
Total	80,627,653	85,723,243

The following is an analysis of the carrying amount of segment assets (non-current assets excluding financial instruments, investments in joint venture and associates) analysed by the geographical location in which the assets are located:

	Group Non-current assets	
	2019	**2018**
	$	$
Singapore	7,571,499	7,141,123
Total	7,571,499	7,141,123

The non-current assets comprise property, plant and equipment.

Information about major customers

The revenue is spread over a broad base of customers.

29. Contingent liabilities

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$	$	$	$
Corporate guarantees issued for bank facilities, finance lease facilities and corporate loans granted to subsidiaries	–	–	1,751,522	2,175,040
Letters of undertaking to provide financial support to loss making subsidiaries and an associate	–	–	5,072,832	6,429,674
Total	–	–	6,824,354	8,604,714

Management is of the opinion that the fair value of the above corporate guarantees is not material.

30. Operating lease arrangements

	Group	
	2019	2018
	$	$
Minimum lease payments under operating leases recognised as an expense during the financial year	12,088,202	14,180,229

Included in the minimum lease payments during the financial year is an amount of $743,612 (2018: $838,547) which pertained to contingent rental incurred during the financial year as well as an amount of $3,163,216 (2018: $3,562,426) paid to a related party (Note A).

As at the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2019	2018
	$	$
Within one year		
- non-related parties	8,146,617	6,111,786
- a related party (Note A)	2,808,604	2,423,763
Sub-total	10,955,221	8,535,549
In the second to fifth years inclusive		
- non-related parties	10,433,635	4,718,908
- a related party (Note A)	2,453,499	1,529,351
Sub-total	12,887,134	6,248,259
Total	23,842,355	14,783,808

Note A: The related party is a corporate shareholder of the Company.

Operating lease payments represent rentals payable by the Group for its restaurant premises and office lease. Leases are negotiated and rentals fixed for an average of 3 years (2018: 3 years). Most leases contain an option to renew.

According to the terms of the contracts entered into by certain operating subsidiaries at the end of the reporting period, contingent rental would be payable by these subsidiaries based on a percentage of the monthly sales turnover in excess of a specified amount. Contingent rental is not included here as it is currently not determinable.

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31. Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Financial assets				
At amortised cost:				
Cash and bank balances	12,134,376	15,466,862	3,326,506	6,731,782
Trade receivables	2,181,235	2,414,615	–	–
Other receivables	1,193,848	1,025,679	5,260	6,528
Advances to subsidiaries (Note 16(A))	–	–	8,443,463	5,063,593
Long-term security deposits	1,411,510	1,711,867	–	–
Total	16,920,969	20,619,023	11,775,229	11,801,903
Financial liabilities				
At amortised cost:				
Trade payables	2,350,087	3,459,593	–	–
Other payables	7,461,236	9,083,674	24,541	45,406
Finance leases	438,785	446,861	–	–
Bank loans	1,751,522	2,175,040	–	–
Total	12,001,630	15,165,168	24,541	45,406
Financial guarantee contracts	–	–	230,982	269,926

The Company has issued corporate guarantees to banks for borrowings of its subsidiary, where the Company is required to reimburse the banks if the subsidiary fails to make principal or interest payments when due in accordance with the terms of its borrowings.

Financial guarantees are initially recognised at their fair values and are subsequently amortised to profit or loss over the period of the subsidiary's borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount.

Fair value of the financial guarantees is estimated using market lending rate for similar type of loan guarantee arrangement as at the end of the reporting period.

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32. Financial risks management objectives and policies

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. Management provides written principles for overall financial risk management and written policies covering specific areas, such as market risk (including interest rate risk and foreign exchange risk), credit risk, liquidity risk and investing excess cash.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Financial risk exposures are measured using sensitivity analysis indicated below.

(a) Foreign exchange risk management

The Group operates principally in Singapore and has certain operations in the People's Republic of China, giving rise to certain exposures to market risk from changes in foreign exchange rates primarily with respect to Renminbi. The Group relies on the natural hedges between such transactions.

The Group has some investments in foreign entities whose net assets are denominated in Renminbi.

The Group does not enter into any derivative contracts to hedge the foreign exchange risk on such net investments. The Group's monetary assets and monetary liabilities are largely denominated in the respective Group entities' functional currencies.

As the Group's principal operations are in Singapore, it is not significantly exposed to foreign exchange risk and thus foreign currency risk sensitivity analysis has not been disclosed.

(b) Interest rate risk management

The Group's exposure to interest rate risks relate mainly to its bank loans of $1,751,522 (2018: $2,175,040). The interest rates are determined at the respective banks' prime lending rate plus an applicable margin. The Group currently does not use any derivative financial instruments to manage its exposure to changes in interest rates.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit for the year ended 31 March 2019 would decrease/increase by approximately $8,800 (2018: $10,900) respectively. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

32. Financial risks management objectives and policies (cont'd)

(c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk is primarily attributable to its cash and bank balances, trade and other receivables and advances to associates. Liquid funds are placed with banks with high credit ratings. The credit risk with respect to the trade receivables is limited as the Group's revenue is generated mainly from cash and credit card sales. Where transactions are conducted other than on a cash basis, the Group practises stringent credit review.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 180 days when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risks, the Group compares the risk of a default occurring on an asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations

- Actual or expected significant changes in the operating results of the borrower

- Significant increases in credit risk on other financial instruments of the same borrower

- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower

- A breach of contract, such as a default or past due event

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

32. Financial risks management objectives and policies (cont'd)

(c) Credit risk management (cont'd)

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past by grouping of customers based on different customer profile. As at 31 March 2019, there is immaterial credit risk losses noted.

Exposure to credit risk

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses and the exposure to defaults from financial guarantees disclosed in Note 32(d), represents the Group's and the Company's maximum exposure to credit risk without taking into account the value of any collateral obtained.

Other than the amount due from related parties, the Group has no significant concentration of credit risk. Trade receivables are spread over a broad base of customers.

Financial assets that are neither past due nor impaired

Trade and other receivables, including advances to associate that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalent are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due nor impaired

Information regarding financial assets that are either past due or impaired is disclosed in Notes 12 and 13 above.

(d) Liquidity risk management

The Group funds its operations through a mixture of internal funds, bank borrowings and other fund raising exercises. The Group reviews regularly its liquidity reserves comprising free cash flows from its operations and undrawn credit facilities from banks.

The Group has a cash pooling system whereby excess liquidity is equalised internally through intercompany accounts. Depending on the specifics of the funding requirements, funding for its operating subsidiaries may be either sourced directly from the Group's bankers or indirectly through the Company.

The Group and the Company are dependent on the availability of future cash flows from the Group's restaurant operations and any unutilised credit facilities given by the banks.

During the financial year ended 31 March 2019, the directors have taken steps to improve the Group's and Company's working capital position and cash inflow from their operating activities.

In respect of the corporate guarantees in Note 29, the maximum amount the Company would be forced to settle if the full guaranteed amount is claimed by the counterparty is $1,751,522 (2018: $2,175,040). The earliest period that the guarantee could be called is within 1 year (2018: 1 year) from the end of the reporting period. The Company considers that it is more likely than not that no amount will be payable under the arrangement.

32. Financial risks management objectives and policies (cont'd)

(d) Liquidity risk management (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group 2019	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	$	$	$	$	$
Financial assets:					
Cash and bank balances	12,134,376	–	–	–	12,134,376
Trade receivables	2,181,235	–	–	–	2,181,235
Other receivables	846,658	347,190	–	–	1,193,848
Long-term security deposits	–	1,411,510	–	–	1,411,510
Total undiscounted financial assets	15,162,269	1,758,700	–	–	16,920,969
Financial liabilities:					
Trade payables	2,350,087	–	–	–	2,350,087
Other payables	5,899,101	1,595,000	–	(32,865)	7,461,236
Finance leases	208,667	295,404	–	(65,286)	438,785
Bank loans	201,823	807,294	971,419	(229,014)	1,751,522
Total undiscounted financial liabilities	8,659,678	2,697,698	971,419	(327,165)	12,001,630
Total net undiscounted financial assets/ (liabilities)	6,502,591	(938,998)	(971,419)	327,165	4,919,339

32. Financial risks management objectives and policies (cont'd)

(d) Liquidity risk management (cont'd)

Group 2018	**On demand or within 1 year** $	**Within 2 to 5 years** $	**After 5 years** $	**Adjustment** $	**Total** $
Financial assets:					
Cash and bank balances	15,466,862	–	–	–	15,466,862
Trade receivables	2,414,615	–	–	–	2,414,615
Other receivables	619,744	416,800	–	(10,865)	1,025,679
Long-term security deposits	–	1,711,867	–	–	1,711,867
Total undiscounted financial assets	18,501,221	2,128,667	–	(10,865)	20,619,023
Financial liabilities:					
Trade payables	3,459,593	–	–	–	3,459,593
Other payables	6,239,832	3,002,438	–	(158,596)	9,083,674
Finance leases	244,573	267,015	–	(64,727)	446,861
Bank loans	450,405	782,154	1,174,337	(231,856)	2,175,040
Total undiscounted financial liabilities	10,394,403	4,051,607	1,174,337	(455,179)	15,165,168
Total net undiscounted financial assets/ (liabilities)	8,106,818	(1,922,940)	(1,174,337)	444,314	5,453,855

32. Financial risks management objectives and policies (cont'd)

(d) Liquidity risk management (cont'd)

Company 2019	**On demand or within 1 year** $	**Within 2 to 5 years** $	**After 5 years** $	**Adjustment** $	**Total** $
Financial assets:					
Cash and bank balances	3,326,506	–	–	–	3,326,506
Other receivables	5,260	–	–	–	5,260
Loans and advances to subsidiaries (Note 16(A))	–	9,310,079	–	(866,616)	8,443,463
Total undiscounted financial assets	3,331,766	9,310,079	–	(866,616)	11,775,229
Financial liabilities:					
Other payables	24,541	–	–	–	24,541
Total undiscounted financial liabilities	24,541	–	–	–	24,541
Total net undiscounted financial assets	3,307,225	9,310,079	–	(866,616)	11,750,688
2018					
Financial assets:					
Cash and bank balances	6,731,782	–	–	–	6,731,782
Other receivables	6,528	–	–	–	6,528
Loans and advances to subsidiaries (Note 16(A))	–	6,193,402	–	(1,129,809)	5,063,593
Total undiscounted financial assets	6,738,310	6,193,402	–	(1,129,809)	11,801,903
Financial liabilities:					
Other payables	45,406	–	–	–	45,406
Total undiscounted financial liabilities	45,406	–	–	–	45,406
Total net undiscounted financial assets	6,692,904	6,193,402	–	(1,129,809)	11,756,497

32. Financial risks management objectives and policies (cont'd)

(d) Liquidity risk management (cont'd)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

Company 2019	**On demand or within 1 year**	**Within 2 to 5 years**	**After 5 years**	**Adjustment**	**Total**
	$	$	$	$	$
Financial guarantee contracts (notional amount)	1,751,522	–	–	–	1,751,522
2018					
Financial guarantee contracts (notional amount)	2,175,040	–	–	–	2,175,040

(e) Commodity price risk

Certain commodities, principally dried foodstuff, meat, fish and other seafood delicacies, are generally purchased based on market prices established with the suppliers. Although many of the products purchased are subject to changes in commodity prices, certain purchasing contracts or pricing arrangements contain risk management techniques designed to minimise price volatility. Typically, the Group uses these types of purchasing techniques to control costs as an alternative to directly using financial instruments to hedge commodity prices. Where commodity cost increases significantly and appears to be long-term in nature, management addresses the risk by adjusting the menu pricing or changing the product delivery strategy.

(f) Fair value of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other current receivables, trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

(g) Financial instruments subject to off-setting, enforceable master netting arrangements and similar agreements

The Group does not have any financial instruments which are subject to offsetting under enforceable master netting arrangements or similar netting agreements.

33. Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 24, and equity attributable to owners of the Company, comprising issued capital, reserves net of accumulated losses.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

No changes were made in the objectives, policies and processes during the years ended 31 March 2019 and 31 March 2018.

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital and retained earnings):

	Group	
	2019	**2018**
	$	$
Net debt:		
All current and non-current borrowings including finance leases	2,190,307	2,621,901
Less: cash and cash equivalents	(12,134,376)	(15,466,862)
Net cash	(9,944,069)	(12,844,961)
Adjusted capital:		
Total equity	14,979,424	13,856,186
Adjusted capital	14,979,424	13,856,186
Debt-to-adjusted capital ratio	N.M	N.M

N.M – The Group's cash and cash equivalents exceeded its total borrowings. Therefore, the debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk from borrowings.

34. Authorisation of financial statements

The financial statements for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 17 June 2019.

STATISTICS OF SHAREHOLDINGS

As at 26 June 2019

Number of Issued Shares	:	274,400,000
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share

Distribution of Shareholders by size of shareholdings as at 26 June 2019

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1 to 99	6	0.87	42	0.00
100 to 1,000	110	16.06	92,614	0.03
1,001 to 10,000	311	45.40	1,360,384	0.50
10,001 to 1,000,000	245	35.77	17,224,284	6.28
1,000,001 AND ABOVE	13	1.90	255,722,676	93.19
TOTAL	685	100.00	274,400,000	100.00

Shareholdings in the hands of public as at 26 June 2019

The percentage of shareholdings in the hands of the public was approximately 13.88% and hence the Company has complied with Rule 723 of the SGX-ST Listing Manual – Section B: Rules of the Catalist which states that an issuer must ensure that at least 10% of its ordinary shares is at all times held by the public.

The Company did not hold any treasury shares or subsidiary holdings as at 26 June 2019.

Twenty Largest Shareholders as at 26 June 2019

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1	ZHOU HOLDINGS PTE LTD	104,272,000	38.00
2	GOODVIEW PROPERTIES PTE LTD	54,015,780	19.69
3	TEE YIH JIA FOOD MANUFACTURING PTE LTD	53,531,280	19.51
4	UOB KAY HIAN PTE LTD	22,190,000	8.08
5	CITIBANK NOMINEES SINGAPORE PTE LTD	5,212,480	1.90
6	RAFFLES NOMINEES (PTE) LTD	3,069,771	1.12
7	ANG TJIA LENG @ WIDJAJA LINDA ANGGRAINI	2,898,840	1.06
8	GOH CHENG LIANG	2,400,000	0.87
9	DBS NOMINEES PTE LTD	2,149,425	0.78
10	CHIN KAI SENG	1,752,000	0.64
11	PHUA BOON HUAT (PAN WENFA)	1,477,100	0.54
12	RHB SECURITIES SINGAPORE PTE LTD	1,393,000	0.51
13	ZHANG WEN	1,361,000	0.49
14	ZHANG ZHONG YI	695,900	0.25
15	YIO KANG LENG	600,000	0.22
16	SEONG PECK THONG	550,000	0.20
17	LIEW OI PENG (LIU AIPING)	498,000	0.18
18	TJIOE KA MEN	463,160	0.17
19	PHUA YONG SIN	410,700	0.15
20	TAY KWANG THIAM	402,000	0.15
		259,342,436	94.51

STATISTICS OF SHAREHOLDINGS

As at 26 June 2019

Substantial Shareholders

	DIRECT INTEREST		DEEMED INTEREST		TOTAL	
NAME OF SHAREHOLDERS	**NO. OF SHARES**	**%**	**NO. OF SHARES**	**%**	**NO. OF SHARES**	**%**
Zhou Holdings Pte Ltd	104,272,000	38.00	–	–	104,272,000	38.00
Amazing Grace Investments Pte. Ltd.	–	–	104,272,000*	38.00	104,272,000	38.00
Tjioe Ka Men	463,160	0.17	107,170,840**	39.06	107,634,000	39.23
Tres Maria Capital Ltd	–	–	104,272,000*	38.00	104,272,000	38.00
Sugiono Wiyono Sugialam	–	–	104,272,000*	38.00	104,272,000	38.00
Goodview Properties Pte Ltd	54,015,780	19.69	–	–	54,015,780	19.69
Far East Organization Centre Pte. Ltd.	–	–	54,015,780#	19.69	54,015,780	19.69
Estate of Ng Teng Fong, Deceased	–	–	54,482,260##	19.86	54,482,260	19.86
Ng Chee Tat Philip	–	–	54,482,260###	19.86	54,482,260	19.86
Ng Chee Siong	–	–	54,015,780####	19.69	54,015,780	19.69
Tee Yih Jia Food Manufacturing Pte Ltd	53,531,280	19.51	–	–	53,531,280	19.51
Goi Seng Hui	377,000	0.14	53,531,280+	19.51	53,908,280	19.65
Antica Bay Pte. Ltd.	20,300,000	7.40	–	–	20,300,000	7.40
Andre Tanoto	–	–	20,300,000@	7.40	20,300,000	7.40

Notes:

* Deemed to be interested in the 104,272,000 shares held by Zhou Holdings Pte Ltd by virtue of Section 7 of the Companies Act, Cap 50

** Deemed to be interested in the 104,272,000 shares held by Zhou Holdings Pte Ltd and 2,898,840 shares held by Ang Tjia Leng @ Widjaja Linda Anggraini (spouse) by virtue of Section 7 of the Companies Act, Cap 50

Deemed to be interested in the 54,015,780 shares held by Goodview Properties Pte Ltd by virtue of Section 7 of the Companies Act, Cap 50

Deemed to be interested in the 54,015,780 shares held by Goodview Properties Pte Ltd by virtue of its controlling interest in Far East Organization Centre Pte. Ltd., which in turn has a controlling interest in Goodview Properties Pte Ltd; and 466,480 shares held by Kuang Ming Investments Pte. Ltd. as its associate, Mdm Tan Kim Choo, has more than 20% interest in Kuang Ming Investments Pte. Ltd. by virtue of Section 7 of the Companies Act, Cap 50

Deemed to be interested in an aggregate of 54,482,260 shares as follows:

(a) Goodview Properties Pte Ltd has a direct interest in 54,015,780 shares. The Estate of Ng Teng Fong has a controlling interest in Far East Organization Centre Pte. Ltd., which in turn has a controlling interest in Goodview Properties Pte Ltd. Ng Chee Tat Philip is a beneficiary of the Estate of Ng Teng Fong and is therefore deemed to be interested in the 54,015,780 shares in which Goodview Properties Pte Ltd has an interest; and

(b) Kuang Ming Investments Pte. Ltd. has a direct interest in 466,480 shares. Ng Chee Tat Philip has a more than 20% interest in Kuang Ming Investments Pte. Ltd. and is therefore deemed to be interested in the 466,480 shares in which Kuang Ming Investments Pte. Ltd. has an interest

Deemed to be interested in the 54,015,780 shares held by Goodview Properties Pte Ltd. The Estate of Ng Teng Fong has a controlling interest in Far East Organization Centre Pte. Ltd., which in turn has a controlling interest in Goodview Properties Pte Ltd. Ng Chee Siong is a beneficiary of the Estate of Ng Teng Fong and is therefore deemed to be interested in the 54,015,780 shares in which Goodview Properties Pte Ltd has an interest

\+ Deemed to be interested in the 53,531,280 shares held by Tee Yih Jia Food Manufacturing Pte Ltd by virtue of Section 7 of the Companies Act, Cap 50

@ Deemed to be interested in the 20,300,000 shares held by Antica Bay Pte. Ltd. by virtue of Section 7 of the Companies Act, Cap 50

NOTICE OF 19TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of **TUNG LOK RESTAURANTS (2000) LTD** will be held at Orchard Rendezvous Hotel, 1 Tanglin Road, Level 2, Antica Ballroom, Singapore 247905 on Wednesday, 31 July 2019 at 11.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 March 2019 together with the Auditor's Report thereon. **[Resolution 1]**

2. To approve Directors' Fees of S$275,000 for the financial year ending 31 March 2020 to be paid quarterly in arrears (2019: S$275,000). **[Resolution 2]**
   [See Explanatory Note (i)]

3. To re-elect the following Directors who are retiring:-

   (a) Mr Tjioe Ka Men (Pursuant to Rule 720(4) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual – Section B: Rules of Catalist (the "**Catalist Rules**")) **[Resolution 3(a)]**
   (b) Mr Goi Seng Hui (Pursuant to Regulation 91 of the Company's Constitution) **[Resolution 3(b)]**
   (c) Mr Chee Wai Pong (Pursuant to Regulation 91 of the Company's Constitution) **[Resolution 3(c)]**

   Mr Tjioe Ka Men will, upon re-appointment as a Director of the Company, remain as President/Chief Executive Officer, and a member of the Nominating Committee and the Executive Committee, and will be considered an Executive Director.

   Mr Goi Seng Hui will, upon re-appointment as a Director of the Company, remain as Chairman of the Executive Committee and a member of the Nominating Committee and Audit and Risk Committee, and will be considered a Non-Independent and Non-Executive Director.

   Mr Chee Wai Pong will, upon re-appointment as a Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and the Nominating Committee, and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

4. To re-appoint Ernst & Young LLP as Auditor and to authorise the Directors to fix their remuneration. **[Resolution 4]**

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following as Ordinary Resolutions, with or without modifications:-

5. Authority to allot and issue shares **[Resolution 5]**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise, and/or

(ii) make or grant offers, agreements or options that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion deem fit; and

(iii) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors whilst this resolution was in force.

provided THAT:-

(a) the aggregate number of shares to be issued pursuant to this resolution does not exceed 100% of the total number of issued shares in the Company (excluding treasury shares and subsidiary holdings), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 50% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings);

(b) for the purpose of determining the aggregate number of shares that may be issued under paragraph (a) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding at the time this resolution is passed, and (ii) any subsequent bonus issue, consolidation or subdivision of shares; and

(c) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or when it is required by law to be held, whichever is earlier.
[See Explanatory Note (ii)]

6. To approve the renewal of the Shareholders' Mandate for Interested Person Transactions **[Resolution 6]**

   (a) That approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules for any of the Entities at Risk (as defined in the Appendix to this Notice of the Annual General Meeting) to enter into any of the transactions falling within the types of interested person transactions ("**IPTs**") (particulars of which are set out in the Appendix accompanying this Notice) with the Interested Persons in accordance with the guidelines of the Company for IPTs as set out in the Appendix, and subject to the review procedures for such IPTs as set out in the Appendix (the "**IPT Mandate**");

   (b) That such approval shall, subject to the satisfaction of the conditions set out in Explanatory Note (iii) or unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company;

   (c) That the Audit and Risk Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of review procedures for the IPTs and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and

   (d) That the Directors of the Company and each of them be and are hereby authorised to do all such acts and things (including without limitation executing all such documents as may be required) as they may consider expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by the proposed IPT Mandate and/or this Resolution.
   [See Explanatory Note (iii)]

7. To transact any other ordinary business of an Annual General Meeting of which due notice shall have been given.

By Order of the Board

LO KIM SENG
Secretary
Singapore, 15 July 2019

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NOTICE OF 19TH ANNUAL GENERAL MEETING

EXPLANATORY NOTES TO RESOLUTIONS:

(i) Resolution 2 proposed in item 2, if passed will allow the Company to pay Directors' Fees up to S$275,000 (on a quarterly basis in arrears) during the course of the financial year ending 31 March 2020 in which the fees are incurred. In the event of unforeseen circumstances, such as appointment of an additional Director, formation of additional Board Committees, resulting in the amount proposed being insufficient, approval will be sought at the next Annual General Meeting for payments to meet the shortfall.

(ii) Resolution 5 proposed in item 5 above is to authorise the Directors of the Company to issue shares in the capital of the Company up to an amount not exceeding in aggregate one hundred percent (100%) of the total number of issued shares in the capital of the Company, excluding treasury shares and subsidiary holdings, at the time of the passing of this resolution, of which the aggregate number of shares to be issued other than on a pro-rata basis to the shareholders of the Company does not exceed fifty percent (50%) of the total number of issued shares in the capital of the Company, excluding treasury shares and subsidiary holdings.

(iii) Resolution 6 proposed in item 6 above, if passed, will renew the IPT Mandate for certain transactions with the interested persons and empower the Directors of the Company from the date of the above meeting until the date of the next Annual General Meeting to do all acts necessary to give effect to the Resolution. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

The validity of the IPT Mandate is additionally subjected to the following conditions, that **(i)** the ordinary resolution relating to the proposed disposal of 50% of the shareholding interest of T&T Gourmet Cuisine Pte Ltd (the "**Proposed Disposal**") not being approved by the independent Shareholders at the Extraordinary General Meeting to be held on 31 July 2019 (after this Annual General Meeting to be held on the same day); and/or **(ii)** the Proposed Disposal does not complete (for any reason). Accordingly, if the above conditions are not satisfied, the IPT Mandate shall lapse and cease to be of effect. Shareholders are advised to read the circular issued by the Company dated 15 July 2019 for further details.

In accordance with the requirements under Chapter 9 of the Catalist Rules, Mr Goi Seng Hui being an "Interested Person" in relation to the IPT Mandate, will abstain from voting, and will ensure that his respective associates abstain from voting, on Resolution 6 relating to the IPT Mandate.

NOTES :

(1) A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.

(2) The instrument appointing a proxy must be deposited at the Company's Registered Office, 1 Sophia Road, #05-03 Peace Centre, Singapore 228149, not less than 72 hours before the time fixed for holding the Annual General Meeting.

(3) Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the Annual General Meeting. Relevant intermediary is either:-

(a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

(b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or

(c) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

15 July 2019

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Appendix is circulated to Shareholders of Tung Lok Restaurants (2000) Ltd (the "**Company**") together with the Company's Annual Report. Its purpose is to explain to Shareholders the rationale and provide information relating to the renewal of the IPT Mandate (as defined herein) to be tabled at the Annual General Meeting to be held on 31 July 2019 at 11.00 a.m. at Orchard Rendezvous Hotel, 1 Tanglin Road, Level 2, Antica Ballroom, Singapore 247905 (the "**Annual General Meeting**").

If you have sold or transferred all your ordinary shares in the capital of Company, you should immediately forward this Appendix together with the Annual Report and the accompanying Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

This Appendix has been reviewed by the Company's Sponsor, SAC Capital Private Limited. It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**Exchange**") and the Exchange assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix. The details of the contact person for the Sponsor is Mr Ong Hwee Li (Registered Professional, SAC Capital Private Limited), Address: 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, Tel: 6232 3210.

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TUNG LOK RESTAURANTS (2000) LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200005703N)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 15 JULY 2019 IN RELATION TO THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

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CONTENTS

THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

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DEFINITIONS

Unless otherwise stated, the following definitions shall apply throughout this Appendix.

"**Act**" : The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time

"**AGM**" : The Annual General Meeting of the Company

"**Approved Exchange**" : A stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules

"**Appendix**" : This Appendix to the Shareholders dated 15 July 2019

"**Associate**" :

(a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:

   (i) his immediate family;

   (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

   (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;

(b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more

Or such other definition as the Catalist Rules may from time to time prescribe

"**Associated Company**" : A company in which at least 20% but not more than 50% of its shares are held by the Group or the TYJ Group (as the case may be)

"**Audit and Risk Committee**" : The Audit and Risk Committee of the Company, comprising Dr Tan Eng Liang, Dr Ker Sin Tze, Mr Chee Wai Pong, Mr Goi Seng Hui and Dr Foo Say Mui (Bill)

"**Board**" : The Board of Directors of the Company

"**Catalist**" : The Catalist board of the SGX-ST

"**Catalist Rules**" : Section B: Rules of Catalist of the Listing Manual of SGX-ST, as amended, supplemented or modified from time to time

"**CDP**" : The Central Depository (Pte) Limited

"**Company**" : Tung Lok Restaurants (2000) Ltd

"Constitution" : The constitution of the Company, as amended, supplemented or modified from time to time

"Controlling Shareholder" : A person who:

(a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares in the Company (unless the SGX-ST determines that such person is not a Controlling Shareholder of the Company); or

(b) in fact exercises control over a company

and "**Control**" herein means the capacity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of a company

"Directors" : The directors of the Company for the time being

"EGM" : The Extraordinary General Meeting of the Company

"Entity at Risk" : (a) the listed company;

(b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange (as defined in the Catalist Rules); or

(c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange (as defined in the Catalist Rules), provided that the listed group, or the listed group and its interested person(s), has control over the associated company

"FY" : Financial year ended, or ending 31 March, as the case may be

"Group" : The Company and its subsidiaries, collectively

"GSH" : Mr Goi Seng Hui

"GSH Associate" : Means, in relation to GSH:

(i) his immediate family;

(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

shall for the purposes of the IPT Mandate, include (i) the TYJ Group; and (ii) such Associated Companies of the TYJ Group in which GSH and his immediate family together (directly or indirectly) have an interest of 30% or more (this includes T&T)

"Immediate Family" : In relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent

"**Interested Person**"	:	Means, (a) a Director, Chief Executive Officer, or Controlling Shareholder of the Company; or (b) an associate of any such Director, Chief Executive Officer or Controlling Shareholder For the purposes of the IPT Mandate, means GSH and the GSH Associates
"**IPT**"	:	An interested person transaction between any of the Entities at Risk and the Interested Persons
"**IPT Mandate**"	:	The Shareholders' mandate for IPTs pursuant to Rule 920 of the Catalist Rules
"**Latest Practicable Date**"	:	4 July 2019, being the latest practicable date prior to the printing of this Appendix
"**Listing Manual**"	:	The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time
"**NTA**"	:	Net tangible asset
"**President/Chief Executive Officer**"	:	The most senior executive officer who is responsible under the immediate authority of the Board for the conduct of the business of the Company
"**Proposed Disposal**"	:	Shall have the meaning ascribed to it in paragraph 1.3 of this Appendix
"**Recurrent IPTs**"	:	Shall have the meaning ascribed to it in paragraph 4.5 of this Appendix
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP
"**SFA**"	:	The Securities and Futures Act, Chapter 289 of Singapore
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holders of Shares, except that, where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, and where the context admits, mean the persons named as Depositors and whose Securities Accounts are credited with Shares
"**Share(s)**"	:	Ordinary share(s) in the capital of the Company
"**subsidiary**"	:	Shall have the meaning ascribed to it in the Act
"**Substantial Shareholder**"	:	A person has a substantial shareholding in the Company if :- (a) he has an interest or interests in one or more voting shares in the Company; and (b) the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company

"**T&T**"	:	T&T Gourmet Cuisine Pte Ltd, a joint venture company which is owned equally by the Company and TYJ through their respective wholly-owned subsidiaries. T&T is an Associated Company of the Group and a GSH Associate
"**TYJ**"	:	Tee Yih Jia Food Manufacturing Pte Ltd
"**TYJ Group**"	:	TYJ and its subsidiaries, collectively
"**Unaffected Directors**"	:	The Directors who are deemed to be independent for the purposes of making a recommendation to Shareholders in respect of the IPT Mandate, namely Mr Tjioe Ka Men, Dr Tan Eng Liang, Dr Ker Sin Tze, Mr Chee Wai Pong, Dr Foo Say Mui (Bill), Mdm Ng Siok Keow and Mdm Juliana Julianti Samudro
"**2011 EGM**"	:	The extraordinary general meeting of the Company held on 29 July 2011
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively
"**%**"	:	per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act, the Catalist Rules, the SFA or any statutory or regulatory modification thereof and used in this Appendix shall, where applicable, have the same meaning assigned to it under the Act, the Catalist Rules, the SFA or any statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the tables included in this Appendix between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and date in this Appendix shall be a reference to Singapore time and date respectively, unless otherwise stated.

TUNG LOK RESTAURANTS (2000) LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200005703N)

1. INTRODUCTION

1.1 At the 2011 EGM, the Company obtained the IPT Mandate whereby authority was given to the Company and/or its subsidiaries to enter into IPTs with GSH and the GSH Associates (including the TYJ Group and T&T) in the ordinary course of business provided that such transactions are made on normal commercial terms and in accordance with the review procedure of such transactions. The IPT Mandate has been subsequently renewed annually at the Company's AGM. The most recent renewal was approved by the Shareholders at the Company's AGM held on 31 July 2018.

1.2 Resolution 6 in the Notice of Annual General Meeting relates to the renewal of the IPT Mandate. This Appendix is to provide the Shareholders with the relevant information relating to the above. The approval of Shareholders for the renewal of the IPT Mandate will be sought at the AGM to be held on 31 July 2019.

1.3 The validity of the IPT Mandate is subjected to the following conditions, that (i) the ordinary resolution relating to the proposed disposal of 50% of the shareholding interest of T&T to Maker Food Manufacturing Pte Ltd for a consideration of S$1,150,000 (the "**Proposed Disposal**") not being approved by the independent Shareholders at the EGM to be held on 31 July 2019 (after the AGM to be held on the same day); and/or (ii) the Proposed Disposal does not complete (for any reason). Accordingly, if the above conditions are not satisfied, the IPT Mandate shall lapse and cease to be of effect. For more details, Shareholders are advised to read the circular issued by the Company dated 15 July 2019.

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1 The IPT Mandate renewed at the AGM held on 31 July 2018 was expressed to have effect until the next AGM of the Company. As such, the abovesaid IPT Mandate will expire on 31 July 2019. Pursuant to Rule 920 of the Catalist Rules, the Company will seek Shareholders' approval for the proposed renewal of the IPT Mandate.

2.2 The proposed renewal of the IPT Mandate will enable the Company and/or its subsidiaries which are considered to be Entities at Risk within the meaning of Rule 904(2) of the Catalist Rules, in their ordinary course of business, to enter into categories of transactions with specified classes of the Company's interested persons, provided that such transactions are entered into on normal commercial terms and will not be prejudicial to the interests of the Company and/or its minority Shareholders.

2.3 There is no change in the categories of transactions, entities at risk and interested persons in the proposed renewal of the IPT Mandate.

2.4 The renewed IPT Mandate will take effect from the passing of the ordinary resolution relating thereto at the forthcoming AGM and will (unless revoked or varied by the Company in a general meeting) continue in force until the next AGM of the Company. Approval from the Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit and Risk Committee of its continued relevance and application to the transactions with the Interested Persons and confirms that the methods or review procedures for the transactions with Interested Persons are sufficient to ensure that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and/or its minority Shareholders.

3. CHAPTER 9 OF THE CATALIST RULES

Chapter 9 of the Catalist Rules governs transactions by the Company, its subsidiaries or its associated companies who are considered entities at risk, with interested persons. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders. An interested person transaction includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

Pursuant to Rules 905 and 906 of the Catalist Rules, an immediate announcement and/or shareholders' approval is required in respect of an interested person transaction if the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the Group's latest audited consolidated NTA).

(a) An immediate announcement is required where:

  (i) the value of a proposed transaction is equal to or exceeds 3% of the Group's latest audited consolidated NTA ("**Threshold 1**"); or

  (ii) the aggregate value of all transactions entered into with the same interested person during the same financial year, is equal to or more than Threshold 1. In this instance, an announcement will have to be made immediately of the latest transaction and all future transactions entered into with that same interested person during the financial year.

(b) In addition to an immediate announcement, shareholders' approval is required where:

  (i) the value of a proposed transaction is equal to or exceeds 5% of the Group's latest audited consolidated NTA ("**Threshold 2**"); or

  (ii) the aggregate value of all transactions entered into with the same interested person during the same financial year, will be equal to or exceed Threshold 2. The aggregation will exclude any transaction that has been approved by shareholders previously, or is the subject of aggregation with another transaction that has been previously approved by shareholders.

These requirements do not apply to transactions that are below S$100,000 in value or certain transactions which qualify as excepted transactions under Chapter 9 of the Catalist Rules.

Pursuant to Rule 909 of the Catalist Rules, the value of a transaction is the amount at risk to the Company. This is illustrated by the following examples:

(i) in the case of a partly-owned subsidiary or associated company, the value of the transaction is the Company's effective interest in that transaction;

(ii) in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees given by the "*entity at risk*" within the meaning of Chapter 9 of the Catalist Rules; and

(iii) in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. In the case of lending of funds to an interested person, the value of the transaction is the interest payable on the loan and the value of the loan.

Rule 920 of the Catalist Rules allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses, which may be carried out with the listed company's interested persons. A general mandate granted by shareholders is subject to annual renewal.

4. THE IPT MANDATE

4.1 Background and relationship between the parties

The Group and its Associated Companies owns and/or manages more than 40 restaurants.

The TYJ Group and its Associated Companies are, amongst other things, carrying on business as manufacturers and distributors of frozen foods. TYJ is also a Controlling Shareholder of the Company holding 19.51% of the total issued share capital of the Company as at the Latest Practicable Date.

As the Group, the TYJ Group and their respective Associated Companies are in complementary businesses, the Group and its Associated Companies has from time to time, had various business dealings with the TYJ Group and its Associated Companies in their ordinary course of business. In April 2005, the Company's subsidiary, Tung Lok Millennium Pte Ltd, together with TYJ's subsidiary, Maker Food Manufacturing Pte Ltd, set up a joint venture company, T&T, to carry out the manufacturing and sale of various food products. The Company and TYJ each have equal control of the financial and operating policies of T&T through their respective wholly-owned subsidiaries. The joint venture was conceived due to the synergies between the business of the Group and that of the TYJ Group. Such synergies, amongst other things, include the existing distribution network and contacts that the TYJ Group has as a distributor of frozen food products, which T&T can tap on.

GSH has been a Director of the Company since 23 June 2011. GSH is a Controlling Shareholder and has an interest of more than 30% of the total issued shares in the capital of TYJ. As a result, GSH is deemed interested in the shares of the Company owned by TYJ, a Controlling Shareholder of the Company. GSH and the GSH Associates would be "**Interested Persons**" within the meaning of Rule 904 of the Catalist Rules. As such, transactions between the Group and its Associated Companies and GSH and the GSH Associates will constitute "**Interested Person Transactions**" under Chapter 9 of the Catalist Rules.

The IPT Mandate was proposed to enable the Entities at Risk to enter into recurrent transactions (more particularly set out in paragraph 4.4 of this Appendix) in the ordinary course of its business with the Interested Persons (more particularly set out in paragraph 4.2 of this Appendix), provided that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and/or its minority Shareholders.

4.2 Classes of Interested Persons

The IPT Mandate will apply to the following classes of Interested Persons:

(a) GSH; and

(b) the GSH Associates (including the TYJ Group and T&T).

T&T, being (i) an Associated Company of the Company (over which the Group has joint control with the TYJ Group); and (ii) a GSH Associate (being a company in which GSH indirectly has an interest of 30% or more), would be deemed both an "**Entity at Risk**" and an "**Interested Person**" respectively for the purposes of the IPT Mandate.

4.3 Scope of the IPT Mandate

The IPT Mandate will cover a wide range of transactions arising from the ordinary course of business of the Entities at Risk as set out in paragraph 4.4 of this Appendix.

Under the IPT Mandate, transactions below S$100,000 shall be included for the purposes of aggregation under Rules 905 and 906 of the Catalist Rules.

Transactions between the Entities at Risk with interested persons that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules.

4.4 Categories of IPTs

The categories of IPTs which will be covered by the IPT Mandate are as set out below:

(a) Purchase of raw materials, semi-processed products or certain finished products from Interested Persons

(i) *T&T as an Entity at Risk*

Since April 2005, T&T has from time to time made joint purchases with the TYJ Group and its Associated Companies (other than T&T) for purchases of certain raw materials, such as flour, salt and egg powder, required for their day-to-day operations from third party suppliers.

The said arrangement enables T&T to tap on the network of suppliers of the TYJ Group and its Associated Companies (other than T&T), so as to take advantage of the existing goodwill enjoyed by the TYJ Group and its Associated Companies, as well as any preferential rates, rebates or discounts accorded for bulk purchases by T&T and the TYJ Group and its Associated Companies (other than T&T).

(ii) *T&T as one of the Interested Persons*

In addition, the Group and its Associated Companies (other than T&T) may from time to time purchase other raw materials, semi-processed products or certain finished products from the TYJ Group and its Associated Companies.

(b) Purchase of dim sum and mooncakes from Interested Persons

(i) *T&T as an Interested Person*

Since April 2005, the Group and its Associated Companies (other than T&T) have been purchasing certain types of dim sum and mooncakes from T&T. T&T has its own production facilities and is in the business of manufacturing and selling various food products.

(ii) *T&T as an Entity at Risk*

In addition, the TYJ Group and its Associated Companies (other than T&T) may from time to time source for certain products from third party suppliers. In the event that the prices of dim sum procured by T&T through the TYJ Group and its Associated Companies (other than T&T) from third party suppliers are lower than T&T's own cost of production, T&T may procure such dim sum from the TYJ Group and its Associated Companies (other than T&T).

(c) Sale of dim sum and mooncakes to Interested Persons

T&T as one of the Entities at Risk

Since April 2005, T&T has been selling dim sum and mooncakes (for the purposes of export) to the TYJ Group and its Associated Companies (other than T&T). Such sales will enable T&T to tap on the contacts and distribution network of the TYJ Group and its Associated Companies (other than T&T), and allow T&T to enjoy economies of scale in its production as a result of the increase in production volume.

The Group and its Associated Companies (other than T&T) also tap on the local distribution network of the TYJ Group and its Associated Companies (other than T&T) by selling its Tung Lok brand of mooncakes to them.

(d) Receipt of services from Interested Persons

The receipt of the following services by T&T, being the Entity at Risk, from the TYJ Group and its Associated Companies (other than T&T):

(i) Delivery of goods and documents and sub-contracting of labour such as financial bookkeeping; and

(ii) Laboratory test services for food products, and logistics services for food storage and delivery.

4.5 Rationale for and benefits of the IPT Mandate

The Entities at Risk and the Interested Persons are in related businesses, and have been transacting with each other, in the ordinary course of business. The Entities at Risk and the Interested Persons intend to continue with such recurrent transactions (the "**Recurrent IPTs**") in the future.

Accordingly, the IPT Mandate is to enable the Entities at Risk to enter into the Recurrent IPTs with the Interested Persons in the ordinary course of business, provided such transactions will be carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The Directors believe that the IPT Mandate is in the interests of the Group for the following reasons:

(a) It will be beneficial to the Group to allow the IPTs, provided that they are carried out on normal commercial terms, and are not prejudicial to the interests of the Company and/or its minority Shareholders. The IPTs will improve synergies between the Group and its Associated Companies and the TYJ Group and its Associated Companies by enhancing the ability of the Group and its Associated Companies to utilise the resources available to the TYJ Group and its Associated Companies and will allow the Group and its Associated Companies to enjoy economies of scale in the manufacturing of food products (where relevant) and the procurement of materials and services; and

(b) The Recurrent IPTs will occur frequently at differing intervals. The IPT Mandate and any subsequent renewals of the same on an annual basis is intended to facilitate the IPTs in the day-to-day transactions of the Group and will eliminate the need to prepare and make announcements and/or convene separate general meetings on a continual basis to seek prior approval for the entry into these transactions, which will serve to improve operational efficiency in a cost-effective manner. Furthermore, the IPT Mandate will give the Entities at Risk and the Interested Persons the flexibility to conduct the Recurrent IPTs in the ordinary course of business, thereby reducing the time and expenses which would otherwise be incurred to convene general meetings on an *ad hoc* basis, and allow such resources and time to be channeled towards the management of the Group's business.

4.6 Guidelines and review procedures for the Recurrent IPTs under the IPT Mandate

The IPT Mandate incorporates the following guidelines and review procedures for the following IPTs:

(a) Purchase of raw materials, semi-processed products or certain finished products from Interested Persons

The purchase of raw materials, semi-processed products or certain finished products from the Interested Persons will be carried out on terms comparable or more favourable to the relevant Entity at Risk than those offered by unrelated third-party suppliers to the Entities at Risk.

In this regard, prior to any entry of a transaction with an Interested Person, quotes shall be contemporaneously obtained (wherever possible or available) from at least two (2) other unrelated third party suppliers for similar raw materials, semi-processed products or certain finished products, at similar quantities and will be used for comparison. In determining whether the price and terms offered by the Interested Persons are fair and reasonable, pertinent factors (other than price) including, but not limited to, delivery schedules, quality of products, credit terms, customer requirements and specifications, track record of counter-parties, overall services provided, costs and/or expenses (including, *inter alia*, storage, shipment and transportation) borne by each party, availability of preferential rates, rebates or discount and cost of freight will be taken into account.

In the event that two (2) quotations from unrelated third parties are not available, the relevant Approval Authority (as defined below) may at its discretion, determine the reasonableness of the quote offered by the Interested Person in accordance with the Group's usual business practices, pricing policies and/or industry norms (as the case may be), taking into account factors including, but not limited to, the nature of the product, order quantity, delivery schedules, quality of products, credit terms, customer requirements and specifications, track record of counter-parties, overall services provided, costs and/or expenses (including, *inter alia*, storage, shipment and transportation) borne by each party, availability of preferential rates, discounts or rebates and cost of freight. In respect of purchases made by T&T from the TYJ Group and its Associated Companies, the "**Approval Authority**" is any executive director of the Company who is independent of the IPTs. In respect of purchases made by the Group and its Associated Companies (other than T&T), the "**Approval Authority**" is the senior vice president of the Company's purchasing department.

(b) Purchase of dim sum and mooncakes from Interested Persons

The purchase of dim sum and mooncakes from the Interested Persons will be carried out on terms comparable or more favourable to the relevant Entity at Risk than those offered by unrelated third-party suppliers to the Group and its Associated Companies.

(i) *T&T as an Interested Person*

In respect of purchases of certain types of dim sum and mooncakes by the Group and its Associated Companies (other than T&T) from T&T, the purchase price of these dim sum and mooncakes ("**Purchase List Items**") are based on a cost plus basis (the "**Purchase Price Formula**"). The Purchase Price Formula is fixed by a committee (the "**T&T Committee**"), comprising representatives from the Company and TYJ. The representatives from the Company shall be referred to as the "**Tung Lok Representatives**". The Tung Lok Representatives shall comprise persons who are independent of the Interested Persons and approved by the Audit and Risk Committee. Any subsequent adjustment to the Purchase Price Formula or the adoption of any new Purchase Price Formulas shall be approved by the Tung Lok Representatives in the T&T Committee prior to making any purchases from T&T. The Tung Lok Representatives shall inform the Audit and Risk Committee of any adjustments to the Purchase Price Formula or the adoption of any new Purchase Price Formula.

At least two (2) comparable quotations from unrelated third parties for items similar to those listed on the Purchase List Items, at similar quantities will be obtained at least half-yearly for comparison with the quotations from T&T based on the Purchase Price Formula. Prior to entering into a transaction with T&T for the Purchase List Items, the relevant Entity at Risk will take into account pertinent factors (other than price) including, but not limited to, delivery schedules, quality of products, credit terms, customer requirements and specifications, track record of counter-parties, overall services provided, costs and/or expenses (including, *inter alia,* storage, shipment and transportation) borne by each party, availability of preferential rates, rebates or discount and cost of freight.

In the event that two (2) quotations from unrelated third parties are not available, the Tung Lok Representatives will determine the reasonableness of the quote offered by the Interested Person in accordance with the Group's usual business practices and pricing policies or industry norms (as the case may be), taking into account factors including, but not limited to, the nature of the product, order quantity, delivery schedules, quality of products, credit terms, customer requirements and specifications, track record of counter-parties, overall services provided, costs and/or expenses (including, *inter alia,* storage, shipment and transportation) borne by each party, availability of preferential rates, discounts or rebates and cost of freight.

(ii) *T&T as an Entity at Risk*

In respect of purchases of dim sum by T&T from the TYJ Group and its Associated Companies (other than T&T), quotations obtained from the TYJ Group and its Associated Companies (other than T&T) are compared to T&T's cost of producing similar products. T&T shall purchase such dim sum from the TYJ Group and its Associated Companies (other than T&T) when the quotes provided by the TYJ Group and its Associated Companies (other than T&T) are lower than its own cost of production.

(c) Sale of dim sum and mooncakes to Interested Persons

T&T as one of the Entities at Risk

In respect of the sale of dim sum and mooncakes by the Group and its Associated Companies to the TYJ Group and its Associated Companies (other than T&T), the selling price of agreed items of dim sum and moon cakes ("**Sale List Items**") by the Group and its Associated Companies to the TYJ Group and its Associated Companies (other than T&T) are fixed at a cost plus basis and/or at a predetermined percentage discount to the relevant market selling price from time to time (the "**Sale Price Formula**"). The Sale Price Formula for sales to the TYJ Group and its Associated Companies (other than T&T) is fixed by the T&T Committee or an executive director of the Company who is independent of the Interested Persons (as the case may be). Any subsequent adjustment to the Sale Price Formula or the adoption of any new Sales Price Formulas shall be approved by the Tung Lok Representatives in the T&T Committee or an executive director of the Company who is independent of the Interested Persons (as the case may be) prior to making any sales to the TYJ Group and its Associated Companies (other than T&T). The Tung Lok Representatives or the executive director of the Company who is independent of the Interested Persons (as the case may be) shall inform the Audit and Risk Committee of any adjustments to the Sale Price Formula or the adoption of any new Sale Price Formula.

Prior to entering into a sales transaction with the TYJ Group and its Associated Companies (other than T&T) for the Sale List Items, the relevant Entity at Risk will take into account pertinent factors (other than price) including, but not limited to, the strategic reasons for the transaction, volume of the transaction, delivery schedules, quality of products, credit terms, customer requirements and specifications, track record of counter-parties, overall services provided, costs and/or expenses (including, *inter alia,* storage, shipment and transportation) borne by each party and whether the sales are designated for export or for local markets.

(d) Receipt of services from Interested Persons

The receipt of services by T&T, being the Entity at Risk, from the TYJ Group and its Associated Companies (other than T&T) will be carried out on terms which are comparable or more favourable to T&T than those offered by other unrelated third parties.

(i) The receipt of services such as the delivery of goods and documents and subcontracting of labour such as financial bookkeeping, provided by the TYJ Group and/or its Associated Companies (other than T&T) to T&T, are reimbursed on a cost recovery basis. Relevant unrelated third parties invoices or other supporting documents will be provided to support the amount charged.

The Audit and Risk Committee will review, on a half-yearly basis, whether the fees paid to the TYJ Group and its Associated Companies (other than T&T) is fair and reasonable and commensurate with the amount of services provided to T&T.

(ii) In relation to the receipt of services such as laboratory test services for food products, and logistics services for food storage and delivery, two (2) comparable quotations shall be obtained contemporaneously from unrelated third parties in respect of the provision of similar services to T&T. Prior to entering into such a transaction with the TYJ Group and its Associated Companies, T&T will take into account all pertinent factors (other than price) including, but not limited to, the quality of service, track record of the counter-parties, timeliness, convenience, reliability, responsiveness and confidentiality (if applicable).

In the event that two (2) quotations from unrelated third parties are not available, an executive director of the Company who is independent of the Interested Persons may at his discretion, determine the reasonableness of the price offered by the TYJ Group and its Associated Companies (other than T&T), taking into account factors including, but not limited to, the other potential costs which may be incurred by T&T, historical prices offered by the TYJ Group and its Associated Companies (other than T&T), quality of service, track record of counter-parties, convenience, timeliness, reliability, responsiveness and confidentiality (if applicable).

4.7 Threshold Limits

In addition to the review procedures, the following approval procedures will be implemented to supplement existing internal control procedures for the IPTs to ensure that such transactions are undertaken on an arm's length basis and on normal commercial terms:

(a) Threshold for individual IPTs

(i) Transactions between T&T (as an Entity at Risk) and the Interested Persons (excluding T&T):

(1) Where an individual IPT is in excess of S$250,000, such transaction will require the prior approval of the Audit and Risk Committee; and

(2) Where an individual IPT is equal to or below S$250,000, such transaction will be approved by any executive director of the Company who is independent of the Interested Persons.

(ii) Transactions between the Group and its Associated Companies (other than T&T) with the Interested Persons (including T&T):

(1) Where an individual IPT is in excess of S$150,000, such transaction will require the prior approval of the Audit and Risk Committee;

(2) Where an individual IPT is in excess of S$50,000 but equal to or below S$150,000, such transaction will be approved by the senior vice president of the Company's purchasing department, who is independent of the Interested Persons; and

(3) Where an individual IPT is equal to or below S$50,000, such transaction will be approved by the departmental manager or outlet manager (as the case may be), who is independent of the Interested Persons.

(b) Threshold for aggregate value of IPTs

(i) Where the aggregate value of the IPTs in the same financial year is less than 10% of the latest audited NTA of the Group, all IPTs will be reviewed on a monthly basis by the finance manager and the financial controller of the Company to ensure that they have been carried out on normal commercial terms and in accordance with the procedures set out in the IPT Mandate; and

(ii) Where the aggregate value of the IPTs in the same financial year is equal to or in excess of 10% of the latest audited NTA of the Group, the Audit and Risk Committee will also have to review the Interested Person Transaction Register (defined in paragraph 4.8.1 of this Appendix) to ensure that they have been carried out on normal commercial terms and in accordance with the procedures set out in the IPT Mandate. In addition, all IPTs will be reviewed on a monthly basis by the financial controller and the chief financial officer of the Company.

The threshold limits set out above are adopted by the Company taking into account, *inter alia*, the nature, volume, frequency and size of the transactions as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at as a result of a balancing exercise after considering the operational efficiency for the day-to-day business operations of the Group and the internal controls for the IPTs.

4.8 Additional procedures to be taken by the Company in respect of all IPTs

4.8.1 The finance department of the Entities at Risk will maintain a register of transactions carried out with the Interested Persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into) (the "**Interested Person Transactions Register**"). Any discrepancies or significant variances (as determined by the Audit and Risk Committee), from the Group's usual business practices and pricing policies will be highlighted to the Audit and Risk Committee.

4.8.2 The financial controller of the Company will obtain signed letters of confirmation from key management personnel and the Directors on a periodic basis (of not more than half-year intervals) with respect to their interest in any transactions with the Group or its Associated Companies.

4.8.3 The financial controller of the Company will maintain a list of the Directors, President/Chief Executive Officer and Controlling Shareholders and their Associates (which is to be updated immediately if there are any changes) to enable identification of Interested Persons. The master list of Interested Persons which is maintained shall be reviewed by the chief financial officer of the Company at least half-yearly and subject to such verifications or declarations as required by the Audit and Risk Committee from time to time or for such periods as determined by them.

4.8.4 The Company's annual internal audit plan shall incorporate a review of all IPTs, including the established review procedures for monitoring of such IPTs, entered into during the current financial year pursuant to the IPT Mandate. The Group's internal auditor shall, on at least a half-yearly basis, subject to adjustment in frequency, and depending on factors such as, *inter alia*, substantial increment of aggregate transactional value, report to the Audit and Risk Committee on all IPTs, and the basis of such transactions, entered into with the Interested Persons during the preceding period.

4.8.5 The Audit and Risk Committee shall periodically review the Interested Person Transactions Register, at least on a half-yearly basis, to ensure that they are carried out on normal commercial terms and in accordance with the guidelines and review procedures under the IPT Mandate. In its review and/or approval of the IPTs under paragraph 4.7 (where relevant) and paragraph 4.8 of this Appendix, the Audit and Risk Committee will generally only approve an IPT if the terms of the transaction are no less favourable to the Group and its Associated Companies than the terms offered by unrelated third parties or in accordance with usual business practices and pricing policies or industry norms (as the case may be). All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by the Audit and Risk Committee. The Audit and Risk Committee shall, when it deems fit, have the right to require the appointment of independent advisers and/or valuers to provide additional information or review of controls and its implementation pertaining to the transactions under review.

4.8.6 The Audit and Risk Committee has the overall responsibility for determining the review procedures, with the authority to delegate to individuals within the Company as it deems appropriate. The Audit and Risk Committee will conduct periodic reviews (of not more than half-year intervals) of the review procedures for the IPTs. If, during these periodic reviews, the Audit and Risk Committee is of the view that these review procedures are no longer appropriate to ensure that the IPTs are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and/or its minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new review procedures for IPTs.

4.8.7 The Audit and Risk Committee will review (i) the letters of confirmation from key management personnel, the Controlling Shareholders and the Directors of the Company and (ii) all IPTs, on a periodic basis (of not more than half-year intervals) and the outcome of such review shall be minuted.

4.8.8 For purposes of the above review and approval process, any Director who is not considered independent for purposes of the IPT Mandate and/or any IPTs will abstain from and will undertake to ensure that his Associates will abstain from voting in relation to any respective resolutions, and/or abstain from participating in the Audit and Risk Committee's decision during its review of the established review procedures for the IPTs or during its review or approval of any IPT.

4.8.9 The Directors will ensure that all disclosure, approval and other requirements on the IPTs, including those required by prevailing legislation, the Catalist Rules and accounting standards, are complied with.

4.9 Validity Period of the IPT Mandate

If approved at the forthcoming AGM, the renewed IPT Mandate will take effect from the passing of the ordinary resolution relating thereto, and will (unless revoked or varied by the Company in general meeting) continue in force until the conclusion of the next AGM of the Company. Approval from the Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company. The renewal of the IPT Mandate shall be subject to satisfactory review by the Audit and Risk Committee of the continued requirements of the IPT Mandate and the procedures for the transactions.

4.10 Disclosure of the Interested Person Transactions pursuant to the IPT Mandate

The Company will:

(a) announce the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate for the relevant financial periods which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such report while the IPT Mandate remains in force, in accordance with the requirements of Chapter 9 of the Catalist Rules; and

(b) disclose the IPT Mandate in the Company's annual report, giving details of the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate during the financial year, and in the annual reports for the subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Catalist Rules.

The disclosure will include the name of the Interested Persons and the corresponding aggregate value of the IPTs, presented to indicate (a) the aggregate value of all IPTs during the financial year under review; and (b) the aggregate value of all IPTs, conducted under the IPT Mandate.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for GSH and TYJ, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the IPT Mandate.

6. SHAREHOLDING INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1 The details and shareholdings of the Directors and the Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders and Register of Directors' Shareholdings as at the Latest Practicable Date) are as follows:

Directors	**Direct Interest**	**%**	**Deemed Interest**	**%**
Tjioe Ka Men	463,160	0.17	107,170,840**	39.06
Ker Sin Tze	–	–	–	–
Tan Eng Liang	–	–	–	–
Chee Wai Pong	–	–	–	–
Foo Say Mui (Bill)	–	–	–	–
Ng Siok Keow	–	–	–	–
Goi Seng Hui	377,000	0.14	53,531,280+	19.51
Juliana Julianti Samudro	–	–	–	–

Substantial Shareholders	**Direct Interest**	**%**	**Deemed Interest**	**%**
Zhou Holdings Pte Ltd	104,272,000	38.00	–	–
Amazing Grace Investments Pte. Ltd.	–	–	104,272,000*	38.00
Tjioe Ka Men	463,160	0.17	107,170,840**	39.06
Tres Maria Capital Ltd	–	–	104,272,000*	38.00
Sugiono Wiyono Sugialam	–	–	104,272,000*	38.00
Goodview Properties Pte Ltd	54,015,780	19.69	–	–
Far East Organization Centre Pte. Ltd.	–	–	54,015,780#	19.69
Estate of Ng Teng Fong, Deceased	–	–	54,482,260##	19.86
Ng Chee Tat Philip	–	–	54,482,260###	19.86
Ng Chee Siong	–	–	54,015,780####	19.69
Tee Yih Jia Food Manufacturing Pte Ltd	53,531,280	19.51	–	–
Goi Seng Hui	377,000	0.14	53,531,280+	19.51
Antica Bay Pte. Ltd.	20,300,000	7.40	–	–
Andre Tanoto	–	–	20,300,000@	7.40

Notes:

* Deemed to be interested in the 104,272,000 Shares held by Zhou Holdings Pte Ltd by virtue of Section 7 of the Act

** Deemed to be interested in the 104,272,000 Shares held by Zhou Holdings Pte Ltd and 2,898,840 Shares held by Ang Tjia Leng @ Widjaja Linda Anggraini (spouse) by virtue of Section 7 of the Act

Deemed to be interested in the 54,015,780 Shares held by Goodview Properties Pte Ltd by virtue of Section 7 of the Act

Deemed to be interested in the 54,015,780 Shares held by Goodview Properties Pte Ltd by virtue of its controlling interest in Far East Organization Centre Pte Ltd, which in turn has a controlling interest in Goodview Properties Pte Ltd; and 466,480 Shares held by Kuang Ming Investments Pte. Ltd. as its associate, Mdm Tan Kim Choo, has more than 20% interest in Kuang Ming Investments Pte. Ltd. by virtue of Section 7 of the Act

Deemed to be interested in an aggregate of 54,482,260 Shares as follows:

(a) Goodview Properties Pte Ltd has a direct interest in 54,015,780 Shares. The Estate of Ng Teng Fong has a controlling interest in Far East Organization Centre Pte. Ltd., which in turn has a controlling interest in Goodview Properties Pte Ltd. Ng Chee Tat Philip is a beneficiary of the Estate of Ng Teng Fong and is therefore deemed to be interested in the 54,015,780 Shares in which Goodview Properties Pte Ltd has an interest; and

(b) Kuang Ming Investments Pte. Ltd. has a direct interest in 466,480 Shares. Ng Chee Tat Philip has a more than 20% interest in Kuang Ming Investments Pte. Ltd. and is therefore deemed to be interested in the 466,480 Shares in which Kuang Ming Investments Pte. Ltd. has an interest

Deemed to be interested in the 54,015,780 Shares held by Goodview Properties Pte Ltd. The Estate of Ng Teng Fong has a controlling interest in Far East Organization Centre Pte. Ltd., which in turn has a controlling interest in Goodview Properties Pte Ltd. Ng Chee Siong is a beneficiary of the Estate of Ng Teng Fong and is therefore deemed to be interested in the 54,015,780 Shares in which Goodview Properties Pte Ltd has an interest

+ Deemed to be interested in the 53,531,280 Shares held by Tee Yih Jia Food Manufacturing Pte Ltd by virtue of Section 7 of the Act

@ Deemed to be interested in the 20,300,000 Shares held by Antica Bay Pte. Ltd. by virtue of Section 7 of the Act

6.2 Save as disclosed above, none of the Directors has any direct or deemed interest in the Shares.

7. STATEMENT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee confirms that the methods and procedures for determining the transaction prices for the Recurrent IPTs have not changed since the Shareholder's approval of the IPT Mandate in the 2011 EGM.

The Audit and Risk Committee has reviewed the terms of the IPT Mandate and is satisfied that the review procedures of the Recurrent IPTs set up by the Company for determining the transaction prices of the IPTs, if adhered to, are sufficient to ensure that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

8. UNAFFECTED DIRECTORS' RECOMMENDATIONS

Having considered, amongst others, the rationale for and benefits of the IPT mandate to the Group and its Associated Companies set out in paragraph 4.5 of this Appendix, the Unaffected Directors are of the view that the IPT Mandate is in the interests of the Company and, accordingly, recommend that the Shareholders vote in favour of the ordinary resolution relating to the IPT Mandate.

Shareholders should note that the validity of the IPT Mandate is subjected to the following conditions, that (i) the ordinary resolution relating to the Proposed Disposal not being approved by the independent Shareholders at the EGM to be held on 31 July 2019 (after the AGM to be held on the same day); and/or (ii) the Proposed Disposal does not complete (for any reason). Accordingly, if the above conditions are not satisfied, the IPT Mandate shall lapse and cease to be of effect. Shareholders are advised to read the circular issued by the Company dated 15 July 2019 for further details.

9. ABSTENTION FROM VOTING

Abstinence from voting

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, the Interested Persons will abstain and have undertaken to ensure that their Associates will abstain from voting on the resolution approving the IPT Mandate. Furthermore, such Interested Persons shall not act as proxies in relation to such resolution unless voting instructions have been given by a Shareholder.

As GSH is an Interested Person, he will abstain from and has undertaken to ensure that the GSH Associates will abstain from making any recommendations or vote on any matter in connection with the IPTs. Save as disclosed herein, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the IPTs.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 1 Sophia Road #05-03, Peace Centre, Singapore 228149 during normal business hours from the date hereof up to and including the date of the AGM:

(a) the Constitution of the Company; and

(b) the Annual Report of the Company for FY2019.

Yours faithfully

For and on behalf of the Board of Directors of
TUNG LOK RESTAURANTS (2000) LTD
Mr Tjioe Ka Men
President/Chief Executive Officer

Tung Lok Restaurants (2000) Ltd

(Incorporated in the Republic of Singapore)
Registration No. 200005703N

IMPORTANT
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting (please see Note 3 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. Please read the notes to the Proxy Form.

Proxy Form

(Please see notes overleaf before completing this Form)

I/We, ____ (Name)

____ (NRIC/Passport/Company Registration No.)

of ____ (Address) being a member/

members of Tung Lok Restaurants (2000) Ltd (the "**Company**"), hereby appoint

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

as my/our proxy/proxies to vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held at Orchard Rendezvous Hotel, 1 Tanglin Road, Level 2, Antica Ballroom, Singapore 247905 on Wednesday, 31 July 2019 at 11.00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions to be proposed at the Meeting as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Meeting.)

No.	**Ordinary Resolutions relating to:**	**For**	**Against**
1	Directors' Statement, Audited Financial Statements and Auditor's Report for the financial year ended 31 March 2019		
2	Approval of Directors' Fees for the financial year ending 31 March 2020		
3(a)	Re-election of Mr Tjioe Ka Men as a Director (Pursuant to Catalist Rule 720(4))		
3(b)	Re-election of Mr Goi Seng Hui as a Director (Pursuant to Regulation 91)		
3(c)	Re-election of Mr Chee Wai Pong as a Director (Pursuant to Regulation 91)		
4	Re-appointment of Auditor		
5	Authority to Issue Shares (General)		
6	Renewal of the Shareholders' Mandate for Interested Person Transactions		

Dated this ________ day of ______________ 2019

Total number of shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Member(s)/Common Seal

IMPORTANT: Please read notes overleaf

NOTES:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his stead at the Annual General Meeting. Such proxy need not be a member of the Company.

3. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, a relevant intermediary is either:

    (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

    (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or

    (c) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Sophia Road #05-03, Peace Centre, Singapore 228149, not less than 72 hours before the time appointed for the Annual General Meeting. If a shareholder submits a proxy form and subsequently attends the meeting in person and votes, the appointment of the proxy should be revoked.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

7. Where an instrument appointing a proxy is signed on behalf of the appointer by an attorney, the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Singapore Companies Act, Chapter 50.

GENERAL:-

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 July 2019.

26 Tai Seng Street #02-01
Singapore 534057
Tel: 6270 7998 • Fax: 6272 7120

www.tunglok.com

Company Registration No. 200005703N