

TUNG LOK RESTAURANTS (2000) LTD

(Incorporated in Singapore)

(Registration No. 200005703N)

INTERESTED PERSON TRANSACTION – RENEWAL OF TENANCY AGREEMENT ENTERED INTO WITH ORCHARD CENTRAL PTE. LTD. (“OCPL”)

1 INTRODUCTION

The Board of Directors of the Company (the “**Board**”) wishes to announce that its 60%-owned subsidiary, Tung Lok Xihe Restaurant Pte. Ltd. (“**TLXH**”), which operates in the Premise (defined herein) has renewed the lease term of the existing tenancy agreement (“**Tenancy Agreement**”) entered with OCPL for one (1) year (the “**Renewal**”). Pursuant to the Tenancy Agreement, TLXH currently leases Unit #07-07/08/09, 181 Orchard Road, Singapore 238896 known as Orchard Central (the “**Premise**”).

OCPL is 54% and 36% beneficiary owned by the Estate of Ng Teng Fong (“**ENTF**”) and Mr Philip Ng Chee Tat (“**NCT**”) respectively. ENTf and NCT are controlling shareholders of the Company as defined in the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”):

- ENTf is a controlling shareholder of the Company as it has a controlling interest in Goodview Properties Pte Ltd (“**Goodview Properties**”) which in turn holds 19.69% shareholding interest in the Company.
- NCT is a controlling shareholder of the Company as he is a beneficiary of ENTf.

OCPL would be considered an “interested person” for the purposes of Chapter 9 of the Catalist Rules, as it is an associate of the Company’s controlling shareholders – ENTf and NCT.

Accordingly, the Renewal would constitute an Interested Person Transaction (“**IPT**”) pursuant to Chapter 9 of the Catalist Rules.

2 THE RENEWAL AS IPT AND CATALIST RULE 916(1)

The estimated rental fees of the Premise payable during the Renewal is approximately S\$350,000. The estimated value of the Renewal to the Company (based on the effective equity interest of the Company in TLXH) amounts to approximately S\$210,000 which represents 1.80% of the latest audited net tangible assets (“**NTA**”) of the Company and its subsidiaries (collectively, the “**Group**”). The Group’s latest audited NTA as at 31 March 2020 was S\$11,669,092.

The Renewal is for a period not exceeding three (3) years and the terms of the Renewal are supported by independent valuation report from TEHO Property Consultants Pte Ltd (“**TEHO**”) dated 18 August 2020 (supplementing the independent valuation report on the Premise issued by TEHO dated 16 December 2019), which is of the opinion that

the rental value is within the reasonable range of the prevailing market rental as at 18 August 2020.

Accordingly, the Renewal and the lease thereunder will not require the approval of the shareholders of the Company (“**Shareholders**”) as it is exempted under Catalist Rule 916(1).

3 DETAILS OF THE TENANCY AGREEMENT AND THE RENEWAL

Under the Tenancy Agreement, the Premise occupies a floor area of 5,102.13 square feet. The rental rates of the Renewal were arrived at after negotiation between the parties and are computed based on a combination of fixed rates and percentage of the gross monthly sales turnover generated from the Premise.

In accordance with the terms of the Renewal, security deposit amounting to S\$85,716 shall be maintained with OCPL by way of banker’s guarantee.

4 RATIONALE FOR THE TENANCY AGREEMENT AND THE RENEWAL

The Premise will be used to operate “Tung Lok Xihe Peking Duck” restaurant.

5 TOTAL IPTS WITH THE SAME INTERESTED PERSON FOR THE FINANCIAL YEAR ENDING 31 MARCH 2021 (“FY2021”) AND THE TOTAL IPTS FOR FY2021

The estimated value of the Renewal entered into by TLXH with OCPL during the financial year-to-date amounts to approximately S\$390,000 (representing 3.34% of the Group’s latest audited NTA as at 31 March 2020), which includes:

- Renewal of tenancy agreement (as announced by the Company on 30 June 2020) entered into with OCPL, for tenancy of Unit #07-14/15, 181 Orchard Road, Singapore 238896 known as Orchard Central. The estimated value of the renewal of tenancy agreement to the Company amounted to approximately S\$180,000 (representing 1.54% of the Group’s latest audited NTA as at 31 March 2020)

Save for the abovementioned renewals with OCPL, the other IPTs entered into between the Company and Goodview Properties and its associates (as defined in Catalist Rules) since the beginning of FY2021 is as follows:

- Letter of offer (as announced by the Company on 1 April 2020) entered into with China Classic Pte Ltd, for the tenancy of Unit #04-01 and #05-01, at 10 Cross Street, Singapore 048417 known as The Clan Hotel. The estimated value of the letter of offer to the Company amounted to approximately S\$800,000 (representing 6.86% of the Group’s latest audited NTA as at 31 March 2020); and
- Renewal of the lease term of the existing tenancy agreement (as announced by the Company on 14 August 2020) entered with Riverhub Pte Ltd, for tenancy of Unit #02-80/81/87/88/89/93/94/95 and designated outdoor refreshment areas at 6 Eu Tong Sen Street Singapore 059817 known as The Central. The estimated value of the renewal of tenancy agreement to the Company amounted to approximately S\$500,000 (representing 4.28% of the Group’s latest audited NTA as at 31 March 2020).

The total value during the current financial year-to-date of all transactions with Goodview Properties and its associates is S\$1,690,000 representing 14.48% of the Group's latest audited NTA.

The Company has not during the current financial year-to-date, entered into any other transaction (excluding transactions less than S\$100,000) with any other interested persons apart from those IPTs with Tee Yih Jia Food Manufacturing Pte Ltd ("TYJ") and its associates covered by the IPT mandate granted by the Shareholders during the Company's Annual General Meeting on 31 July 2019. The total approximate value of transactions entered with TYJ and its associates pursuant to the IPT mandate during the financial year-to-date is S\$250,000.

6 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Renewal and the independent valuation reports issued by TEHO dated 16 December 2019 and 18 August 2020 are available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Tjioe Ka Men
President/Chief Executive Officer
Date: 18 September 2020

*This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited. This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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