

TUNG LOK RESTAURANTS (2000) LTD

(Incorporated in Singapore)
(Registration No. 200005703N)

INTERESTED PERSON TRANSACTION – TENANCY AGREEMENT ENTERED INTO WITH FAR EAST HOSPITALITY REAL ESTATE INVESTMENT TRUST (“FEHREIT”)

1 INTRODUCTION

The Board of Directors of the Company (the “**Board**”) wishes to announce that its direct 75%-owned subsidiary, Club Chinois Pte Ltd (“**CC**”), which operates in the Premise (defined herein) under the name of “Tung Lok Signatures” has entered into a tenancy agreement (the “**Tenancy Agreement**”) with DBS Trustee Limited in its capacity as trustee of FEHREIT on 5 November 2018.

Pursuant to the Tenancy Agreement, CC will lease Unit #02-18/19 at 1 Tanglin Road Orchard Rendezvous Hotel Singapore 247905, formerly known as Orchard Parade Hotel (the “**Premise**”) for a term of three (3) years. As part of the Tenancy Agreement, CC is allowed to lease the hotel’s function rooms as and when required during the period of lease.

The Estate of Ng Teng Fong (“**ENTF**”), Mr Philip Ng Chee Tat (“**NCT**”) and Mr Ng Chee Siong (“**NCS**”) have deemed holdings of 58.02% in FEHREIT and they are controlling shareholders of the Company as defined in the Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”):

- ENTF is a controlling shareholder of the Company as it has controlling interest in Goodview Properties Pte Ltd (“**Goodview Properties**”) which in turn holds 19.69% shareholding interest in the Company.
- NCT and NCS are controlling shareholders of the Company as they are beneficiaries of ENTF.

FEHREIT 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, NCT and NCS.

Accordingly, the Tenancy Agreement would constitute an Interested Person Transaction (“**IPT**”) under the purpose of Chapter 9 of the Catalist Rules.

2 TENANCY AGREEMENT AS IPT AND CATALIST RULE 916(1)

The estimated rental fees of the Premise payable during the duration of the lease is approximately S\$3,422,000. The estimated value of the Tenancy Agreement to the Company (based on the effective equity interest of the Company in CC) amounts to approximately S\$2,566,500 which represents 16.25% 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 2018 was S\$15,792,184.

The lease is for a period not exceeding three (3) years and the terms of the Tenancy Agreement are supported by an independent valuation report from TEHO Property Consultants Pte Ltd ("**TEHO**") dated 18 September 2018, which is of the opinion that the rental values are within the reasonable range of the prevailing market rental.

Accordingly, the Tenancy Agreement 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

Under the Tenancy Agreement, the Premise occupies a floor area of 9,999 square feet. The rental rates were arrived at after negotiation between the parties and are computed based on a combination of fixed rates and percentage of the gross sales turnover generated from the Premise and the use of hotel's function rooms.

In accordance with the terms of the Tenancy Agreement, security deposit amounting to S\$239,589 shall be maintained with FEHREIT by way of banker's guarantee.

4 RATIONALE FOR THE TENANCY AGREEMENT

The Premise will be used to operate "Tung Lok Signatures" restaurant.

5 TOTAL IPTS WITH THE SAME INTERESTED PERSON FOR THE FINANCIAL YEAR ENDING 31 MARCH 2019 (“FY2019”) AND THE TOTAL IPTS FOR FY2019

The estimated value of the Tenancy Agreement to the Company during the financial year-to-date amounts to approximately S\$2,566,500 (representing 16.25% of the Group’s latest audited NTA as at 31 March 2018).

Save for the above Tenancy Agreement which constitute IPTs under Chapter 9 of the Catalist Rules:

- there was no other IPT entered into between the Company and Goodview Properties and its associates (as defined in the Catalist Rules) since the beginning of the current financial year ending 31 March 2019; and
- 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 2018. 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\$1,720,000.

6 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Tenancy Agreement and the independent valuation report issued by TEHO 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: 5 November 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, SAC Capital Private Limited (the “Sponsor”), for compliance with the relevant rules of the SGX-ST. The Company’s Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by SGX-ST and SGX-ST 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.

The details of the contact person for the Company’s Sponsor are set out below:

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