



Tung Lok Restaurants (2000) Ltd
(Company Registration Number: 200005703N)

Condensed Interim Financial Statements
For the six months ended 30 September 2023

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TUNG LOK RESTAURANTS (2000) LTD
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For the six months ended 30 September 2023



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**A. Condensed Interim Consolidated Income Statement And Statement Of Comprehensive Income
For the Financial Period ended 30 September 2023**

	Note	Group		Increase/ (decrease) %	
		6 months ended 30 September			
		2023 S\$'000	2022 S\$'000		
Revenue	4	42,556	39,057	9.0	
Cost of sales		(12,560)	(11,091)	13.2	
Gross profit		29,996	27,966	7.3	
<i>Gross profit margin</i>		70.5%	71.6%	(1.1)	<i>percentage points</i>
Other operating income		1,451	936	55.0	
Administrative expenses		(16,030)	(14,597)	9.8	
Other operating expenses		(14,273)	(12,601)	13.3	
Share of loss of joint venture		(78)	-	N.M.	
Share of (losses)/profits of associates		(79)	80	N.M.	
Finance costs		(412)	(277)	48.7	
Profit before tax	6	575	1,507	(61.8)	
Income tax benefit/(expense)	7	110	(47)	N.M.	
Profit for the period		685	1,460	(53.1)	
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Deregistration of a subsidiary		59	-	N.M.	
Total comprehensive income for the period		744	1,460	(49.0)	
Profit attributable to:					
Owners of the Company		267	1,018	(73.8)	
Non-controlling interests		418	442	(5.4)	
		685	1,460	(53.1)	
Total comprehensive income attributable to:					
Owners of the Company		326	1,018	(68.0)	
Non-controlling interests		418	442	(5.4)	
		744	1,460	(49.0)	
Earnings per share					
Basic and diluted		0.10	0.37	(73.0)	

N.M. : percentage not meaningful.

B. Condensed Interim Statements Of Financial Position

	Note	Group		Company	
		30 Sep 23 S\$'000	31 Mar 23 S\$'000	30 Sep 23 S\$'000	31 Mar 23 S\$'000
ASSETS					
Current assets:					
Cash and bank balances		11,731	16,700	1,769	1,362
Trade receivables		4,199	2,096	-	-
Other receivables and prepayments		2,689	2,312	17	1,260
Inventories		2,126	2,009	-	-
Total current assets		20,745	23,117	1,786	2,622
Non-current assets:					
Other receivables and prepayments		8	31	-	-
Long-term security deposits		991	898	-	-
Interests in subsidiaries		-	-	14,859	16,341
Interests in a joint venture		122	1	-	-
Interests in associates		466	545	-	-
Deferred tax assets		466	299	-	-
Property, plant and equipment	10	8,970	8,511	-	-
Right-of-use assets	11	22,050	14,643	-	-
Total non-current assets		33,073	24,928	14,859	16,341
Total assets		53,818	48,045	16,645	18,963
LIABILITIES AND EQUITY					
Current liabilities:					
Trade payables		3,189	2,821	-	-
Other payables		7,427	7,688	132	164
Lease liabilities	11	6,013	6,363	-	-
Bank loans	12	1,224	1,225	-	-
Total current liabilities		17,853	18,097	132	164
Net current assets		2,892	5,020	1,654	2,458
Non-current liabilities:					
Other payables		3,375	3,277	-	-
Lease liabilities	11	16,773	8,974	-	-
Bank loans	12	2,059	2,627	-	-
Deferred tax liabilities		57	-	-	-
Total non-current liabilities		22,264	14,878	-	-
Total liabilities		40,117	32,975	132	164
Capital, reserves and non-controlling interests:					
Share capital	13	28,450	28,450	28,450	28,450
Currency translation reserve		-	(59)	-	-
Accumulated losses		(14,353)	(12,507)	(11,937)	(9,651)
Equity attributable to owners of the Company		14,097	15,884	16,513	18,799
Non-controlling interests		(396)	(814)	-	-
Net equity		13,701	15,070	16,513	18,799
Total liabilities and equity		53,818	48,045	16,645	18,963

C. Condensed Interim Statements Of Changes In Equity

	GROUP					
	Share capital S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the Company, total S\$'000	Non-controlling interests S\$'000	Total S\$'000
At 1 April 2022	28,450	(60)	(16,710)	11,680	(1,473)	10,207
Profit for the period	-	-	1,018	1,018	442	1,460
Total comprehensive income for the period, net of tax	-	-	1,018	1,018	442	1,460
<u>Contributions by and distributions to owners</u>						
Dividends paid to a non-controlling interest in a subsidiary	-	-	-	-	(21)	(21)
Repayment of quasi-equity loan to a non-controlling interest in a subsidiary	-	-	-	-	(7)	(7)
Return of share capital to non-controlling interests in subsidiaries	-	-	-	-	(284)	(284)
Total transactions with owners in their capacity as owners	-	-	-	-	(312)	(312)
At 30 September 2022	<u>28,450</u>	<u>(60)</u>	<u>(15,692)</u>	<u>12,698</u>	<u>(1,343)</u>	<u>11,355</u>
At 1 April 2023	28,450	(59)	(12,507)	15,884	(814)	15,070
Profit for the period	-	-	267	267	418	685
<u>Other comprehensive income</u>						
Deregistration of a subsidiary	-	59	-	59	-	59
	-	59	-	59	-	59
Total comprehensive income for the period, net of tax	-	59	267	326	418	744
<u>Contributions by and distributions to owners</u>						
Dividend paid to Owners of the Company (Note 8)	-	-	(2,113)	(2,113)	-	(2,113)
Total transactions with owners in their capacity as owners	-	-	(2,113)	(2,113)	-	(2,113)
At 30 September 2023	<u>28,450</u>	<u>-</u>	<u>(14,353)</u>	<u>14,097</u>	<u>(396)</u>	<u>13,701</u>

	COMPANY		
	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 April 2022	28,450	(10,185)	18,265
Profit for the period, representing total comprehensive income for the period	-	27	27
At 30 September 2022	<u>28,450</u>	<u>(10,158)</u>	<u>18,292</u>
At 1 April 2023	28,450	(9,651)	18,799
Loss for the period, representing total comprehensive income for the period	-	(173)	(173)
Dividend paid to Owners of the Company (Note 8)	-	(2,113)	(2,113)
At 30 September 2023	<u>28,450</u>	<u>(11,937)</u>	<u>16,513</u>

D. Condensed Interim Consolidated Statement Of Cash Flow

	Group	
	6 months ended 30 September 2023 S\$'000	2022 S\$'000
Operating activities:		
Profit before tax	575	1,507
Adjustment for:		
Share of loss of joint venture	78	-
Share of losses/(profits) of associates	79	(80)
Depreciation of property, plant and equipment	1,322	1,190
Depreciation of right-of-use assets	3,305	3,294
Write-off of property, plant and equipment	-	16
Loss arising from the deregistration of a subsidiary	59	-
Interest income	(193)	(10)
Interest expense	412	277
Dividend income from an unquoted equity	-	(63)
Foreign exchange loss	3	1
Rent concessions from landlords:		
- Rent concessions granted for lease component	-	(34)
Rebate on lease rental of kitchen equipment	(1)	(6)
Reversal of lease liabilities	(35)	-
Reversal of provision for reinstatement cost	(111)	-
Operating cash flows before changes in working capital	<u>5,493</u>	<u>6,092</u>
Changes in working capital:		
Increase in trade receivables	(2,106)	(538)
Increase in other receivables and prepayments	(425)	(426)
Increase in inventories	(117)	(163)
(Increase)/decrease in long-term security deposits	(93)	41
Increase in trade payables	368	189
(Decrease)/increase in other payables	(438)	1,625
Cash flows generated from operations	<u>2,682</u>	<u>6,820</u>
Interest paid	(49)	(79)
Interest received	209	2
Net cash flows generated from operating activities	<u>2,842</u>	<u>6,743</u>
Investing activities		
Purchase of property, plant and equipment (see Note A)	(1,510)	(2,778)
Proceeds from disposal of property, plant and equipment	95	-
Advances to a joint venture	(199)	-
Dividend received from an unquoted equity	-	63
Return of share capital to non-controlling interests in subsidiaries	-	(284)
Net cash flows used in investing activities	<u>(1,614)</u>	<u>(2,999)</u>
Financing activities		
Dividends paid to Owners of the Company	(2,113)	-
Dividends paid to a non-controlling interest in a subsidiary (see Note B)	-	(21)
Payment of principal portion of lease liabilities	(3,172)	(2,917)
Interest paid in relation to lease liabilities	(343)	(182)
Repayment of quasi-equity loan to a non-controlling interest in a subsidiary	-	(7)
Repayment of bank loans	(569)	(457)
Repayment of loan to a non-controlling interest in a subsidiary	-	(53)
Net cash flows used in financing activities	<u>(6,197)</u>	<u>(3,637)</u>
Net (decrease)/increase in cash and bank balances	(4,969)	107
Cash and bank balances at the beginning of the financial period	16,700	12,883
Cash and bank balances at the end of the financial period	<u>11,731</u>	<u>12,990</u>

D. Condensed Interim Consolidated Statement Of Cash Flow (Continued)

Note A

During HY24, the Group recorded additions to property, plant and equipment with an aggregate cost of S\$1,876,000 (HY23: S\$2,849,000) of which S\$106,000 (HY23: S\$171,000) relates to provision for reinstatement costs of premises and S\$421,000 (HY23: S\$234,000) remains unpaid as at 30 September 2023. Cash payments of S\$1,510,000 (HY23: S\$2,778,000) were made to the purchase of property, plant and equipment.

Note B

During HY24, certain subsidiaries of the Group declared dividends amounting to S\$Nil (HY23: S\$21,000) to their non-controlling interests.

E. Notes To The Condensed Interim Consolidated Financial Statements

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").

These condensed interim consolidated financial statements as at and for the six months ended 30 September 2023 comprise the Company and its subsidiaries (the "Group").

The principal activity of the Company is that of investment holding. The principle activities of the subsidiaries are:

- i. Restaurateur
- ii. Central kitchen support function
- iii. Investment holding

Both of its principal place of business and registered office are located at 26 Tai Seng Street, #02-01, Singapore 534057.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 September 2023 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The unaudited condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2023.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

The Group has adopted the same accounting policies and methods of computation in the condensed interim financial statements as compared to the most recently audited financial statements for the financial year ended 31 March 2023, as well as applicable new and revised SFRS(I) which became effective for financial years beginning on or after 1 April 2023. The adoption of the applicable new and revised SFRS(I) did not require any significant change to the accounting policies, measurement methods or make retrospective adjustments as a result of adopting those SFRS(I).

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 March 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as follows:

E. Notes To The Condensed Interim Consolidated Financial Statements (Continued)

2.2 Use of judgements and estimates (Continued)

a. Impairment of interests in subsidiaries

Determining whether interests in subsidiaries are impaired requires an estimation of 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.

b. Impairment of property, plant and equipment and right-of-use assets

Determining whether property, plant and equipment and right-of-use assets are impaired requires an estimation of the value in use. 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.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

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 that are used to make strategic decisions.

The Group is organised into business units based on their products, 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 the latest audited annual financial statements for the financial year ended 31 March 2023. Segment profit or loss represents the profit or loss earned/incurred by each segment without allocation of control administration costs and directors' salaries.

E. Notes To The Condensed Interim Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

4.1 Reportable segments

	Operation of restaurants S\$'000	Operation of catering S\$'000	Operation of manufacturing S\$'000	Others S\$'000	Elimina- tion S\$'000	Total S\$'000
April 2023 to September 2023						
Revenue						
Revenue from external customers	36,496	4,913	971	176	-	42,556
Inter-segment revenue	123	824	2,796	1,864	(5,607)	-
Total segment revenue	<u>36,619</u>	<u>5,737</u>	<u>3,767</u>	<u>2,040</u>	<u>(5,607)</u>	<u>42,556</u>
Results						
Profit/(loss) from operations	1,252	139	171	(611)	-	951
Finance costs	(237)	(86)	(31)	(58)	-	(412)
Finance income	106	-	-	87	-	193
Share of loss of joint venture	(78)	-	-	-	-	(78)
Share of losses of associates	(79)	-	-	-	-	(79)
Segment profit/(loss) before tax	<u>964</u>	<u>53</u>	<u>140</u>	<u>(582)</u>	<u>-</u>	<u>575</u>
Income tax benefit						110
Profit for the period						<u>685</u>
Profit for the period has been arrived at after charging:						
Depreciation of property, plant and equipment	(1,092)	(111)	(76)	(43)	-	(1,322)
Depreciation of right-of-use assets	(2,753)	(237)	(103)	(212)	-	(3,305)
Total assets for reportable segments	<u>34,590</u>	<u>5,072</u>	<u>6,051</u>	<u>8,105</u>	<u>-</u>	<u>53,818</u>
Total liabilities for reportable segments	<u>28,957</u>	<u>4,314</u>	<u>2,342</u>	<u>4,504</u>	<u>-</u>	<u>40,117</u>
Other information						
Interests in a joint venture	122	-	-	-	-	122
Interests in associates	466	-	-	-	-	466
Capital expenditure on plant and equipment	<u>1,695</u>	<u>25</u>	<u>105</u>	<u>51</u>	<u>-</u>	<u>1,876</u>
April 2022 to September 2022						
Revenue						
Revenue from external customers	35,653	2,376	908	120	-	39,057
Inter-segment revenue	190	522	2,976	1,632	(5,320)	-
Total segment revenue	<u>35,843</u>	<u>2,898</u>	<u>3,884</u>	<u>1,752</u>	<u>(5,320)</u>	<u>39,057</u>
Results						
Profit/(loss) from operations	3,302	(822)	181	(967)	-	1,694
Finance costs	(236)	(15)	(18)	(8)	-	(277)
Finance income	-	-	-	10	-	10
Share of profits of associates	80	-	-	-	-	80
Segment profit/(loss) before tax	<u>3,146</u>	<u>(837)</u>	<u>163</u>	<u>(965)</u>	<u>-</u>	<u>1,507</u>
Income tax expense						(47)
Profit for the period						<u>1,460</u>
Profit for the period has been arrived at after charging:						
Depreciation of property, plant and equipment	(937)	(109)	(71)	(73)	-	(1,190)
Depreciation of right-of-use assets	(2,775)	(244)	(97)	(178)	-	(3,294)
Total assets for reportable segments	<u>32,986</u>	<u>1,752</u>	<u>4,736</u>	<u>6,933</u>	<u>-</u>	<u>46,407</u>
Total liabilities for reportable segments	<u>29,741</u>	<u>1,377</u>	<u>2,313</u>	<u>1,621</u>	<u>-</u>	<u>35,052</u>
Other information						
Interests in associates	576	-	-	-	-	576
Capital expenditure on plant and equipment	<u>2,582</u>	<u>77</u>	<u>44</u>	<u>146</u>	<u>-</u>	<u>2,849</u>

E. Notes To The Condensed Interim Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

4.2 Disaggregation of revenue

	Operation of restaurants S\$'000	Operation of catering S\$'000	Operation of manufacturing S\$'000	Others S\$'000	Elimination S\$'000	Total S\$'000
April 2023 to September 2023						
Types of goods or services:						
Sales of food and beverages	33,480	5,722	3,767	-	(3,743)	39,226
Service charges	3,139	15	-	-	-	3,154
Management fees	-	-	-	2,040	(1,864)	176
Total	36,619	5,737	3,767	2,040	(5,607)	42,556
Timing of transfer of goods or services:						
At a point in time	36,619	5,737	3,767	-	(3,743)	42,380
Over time	-	-	-	2,040	(1,864)	176
Total	36,619	5,737	3,767	2,040	(5,607)	42,556
Geographical information:						
Singapore	36,619	5,737	3,767	2,040	(5,607)	42,556
April 2022 to September 2022						
Types of goods or services:						
Sales of food and beverages	32,773	2,889	3,884	-	(3,688)	35,858
Service charges	3,070	9	-	-	-	3,079
Management fees	-	-	-	1,752	(1,632)	120
Total	35,843	2,898	3,884	1,752	(5,320)	39,057
Timing of transfer of goods or services:						
At a point in time	35,843	2,898	3,884	-	(3,688)	38,937
Over time	-	-	-	1,752	(1,632)	120
Total	35,843	2,898	3,884	1,752	(5,320)	39,057
Geographical information:						
Singapore	35,843	2,898	3,884	1,752	(5,320)	39,057

E. Notes To The Condensed Interim Consolidated Financial Statements (Continued)

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2023 and 31 March 2023:

	Group		Company	
	30 Sep 23 S\$'000	31 Mar 23 S\$'000	30 Sep 23 S\$'000	31 Mar 23 S\$'000
Financial assets				
At amortised cost:				
Cash and bank balances	11,731	16,700	1,769	1,362
Trade receivables	4,199	2,096	-	-
Other receivables	1,578	1,514	8	1,253
Loans to subsidiaries	-	-	6,981	8,437
Long-term security deposits	991	898	-	-
Total	<u>18,499</u>	<u>21,208</u>	<u>8,758</u>	<u>11,052</u>
Financial liabilities				
At amortised cost:				
Trade payables	3,189	2,821	-	-
Other payables	7,310	6,656	25	43
Bank loans	3,283	3,852	-	-
Lease liabilities	22,786	15,337	-	-
Total	<u>36,568</u>	<u>28,666</u>	<u>25</u>	<u>43</u>
Financial guarantee contracts	-	-	107	121

6. Profit before tax

6.1 Significant items

	Group		
	6 months ended 30 September		
	2023 S\$'000	2022 S\$'000	Increase/ (decrease) %
Income			
Government grants	410	196	>100.0
Dividend income from an unquoted equity	-	63	(100.0)
Rent concessions from landlords			
- Rent concessions granted for lease component	-	34	(100.0)
Interest income from:			
- Cash at bank and short-term deposits	193	10	>100.0
Reversal of provision for reinstatement cost	111	-	N.M.
Reversal of lease liabilities	35	-	N.M.
Expenses			
Interest expenses on:			
- Bank loans	(54)	(79)	(31.6)
- Shareholders' loans	(15)	(16)	(6.3)
- Lease liabilities	(343)	(182)	88.5
Depreciation of property, plant and equipment	(1,322)	(1,190)	11.1
Depreciation of right-of-use assets	(3,305)	(3,294)	0.3
Write-off of property, plant and equipment	-	(16)	(100.0)
Loss on foreign exchange	(3)	(1)	>100.0
Loss arising from the deregistration of a subsidiary	(59)	-	N.M.
Rental expenses - operating leases	(1,794)	(1,591)	12.8
Staff costs	(13,695)	(12,656)	8.2
Withholding tax	(13)	(7)	85.7

N.M. : percentage not meaningful.

6. Profit before tax (continued)

6.2 Related party transactions

	Group	
	6 months ended 30	
	September	
	2023	2022
	S\$'000	S\$'000
<u>With corporate shareholder of certain subsidiary</u>		
Sales of food and beverages	30	22
<u>With corporate shareholders of the Company</u>		
Sale of food and beverages	1,361	684
Purchase of food, beverages and services	788	602
Rental expenses	961	702
Payment of principal portion of lease liabilities	871	921
Interest paid in relation to lease liabilities	53	34
<u>Compensation of key management personnel</u>		
Short-term employee benefits	924	780
Central Provident Fund Contributions	79	71
Total	1,003	851
Comprise amounts paid to:		
Directors of the Company	440	385
Other key management personnel	563	466
Total	1,003	851

7. Income tax benefit/(expense)

The Group calculates the period income tax benefit/(expense) using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax benefit/(expense) in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended 30	
	September	
	2023	2022
	S\$'000	S\$'000
Current income tax		
- Underprovision in respect of prior years	-	(5)
	-	(5)
Deferred income tax		
- Origination and reversal of temporary differences	30	(42)
- Overprovision in respect of prior years	80	-
	110	(42)
	110	(47)

8. Dividends

	Group		Company	
	6 months ended		6 months ended	
	30 September		30 September	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Ordinary dividends paid:				
- First and final tax exempt dividend of 0.77 Singapore cents per share	2,113	-	2,113	-

9. Net asset value

(Singapore cents)	Group		Company	
	30 Sep 23	31 Mar 23	30 Sep 23	31 Mar 23
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the end of the period reported on	5.14	5.79	6.02	6.85

10. Property, plant and equipment

During the six months ended 30 September 2023, the Group acquired plant and equipment amounting to S\$1,876,000 (30 September 2022: S\$2,849,000) as well as disposed and written off plant and equipment (mainly due to closure of outlets during the reporting period) amounting to S\$1,627,000 (30 September 2022: S\$1,204,000) with net carrying amount of S\$95,000 (30 September 2022: S\$16,000).

11. Right-of-use assets and lease liabilities

During the six months ended 30 September 2023, the Group had non-cash additions to right-of-use assets and lease liabilities of S\$10,712,000 and S\$10,657,000 (HY23: S\$4,925,000 and S\$4,862,000) respectively.

The carrying amounts of lease liabilities are disclosed as below:

	Group	
	30 Sep 23 S\$'000	31 Mar 23 S\$'000
Current	6,013	6,363
Non-current	16,773	8,974

The above lease liabilities included finance lease payable of \$517,000 (FY23: S\$282,000) which are secured over motor vehicles.

Finance leases

Finance lease payable has been disclosed as "Lease Liabilities" in the Condensed Interim Statements Of Financial Position as at 30 September 2023 and 31 March 2023 pursuant to SFRS(I) 16 Leases .

	Group	
	30 Sep 23 S\$'000	31 Mar 23 S\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	140	105
Unsecured	-	-
	140	105
<u>Amount repayable after one year</u>		
Secured	377	177
Unsecured	-	-
	377	177

12. Bank loans

	Group	
	30 Sep 23 S\$'000	31 Mar 23 S\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	1,224	1,225
Unsecured	-	-
	1,224	1,225
<u>Amount repayable after one year</u>		
Secured	2,059	2,627
Unsecured	-	-
	2,059	2,627

Details of any collateral

As at balance sheet date, the total borrowings of the Group are secured by way of corporate guarantees issued by the Company.

13. Share capital

	Group and Company			
	30 Sep 23	31 Mar 23	30 Sep 23	31 Mar 23
	Number of ordinary shares		\$	\$
Issued and paid up	<u>274,400,000</u>	<u>274,400,000</u>	<u>28,450,434</u>	<u>28,450,434</u>

There were no outstanding convertibles, treasury shares and subsidiary holdings as at 30 September 2023 and 31 March 2023.

There have been no changes in the Company's issued share capital since the end of the previous financial period reported on being 31 March 2023.

There were no sales, transfers, cancellation and/or use of treasury shares or subsidiary holdings during the current financial period reported on.

14. Events occurring after the reporting period

There are no known subsequent events (after 30 September 2023) which have led to adjustments to this set of interim financial statements.

F. Other Information Required By Appendix 7C Of The Catalyst Rules

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim statements of financial position of Tung Lok Restaurants (2000) Limited and its subsidiaries as at 30 September 2023 and the related condensed interim consolidated income statement and statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flow for the six-month period then ended and explanatory notes have not been audited or reviewed.

2. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable as the Company's latest audited financial statements for the financial year ended 31 March 2023 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

4. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors affecting turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Revenue

The Group's revenue for the six months ended 30 September 2023 ("HY24") increased by S\$3.5 million (9.0%) to S\$42.6 million compared to S\$39.1 million for the six months period ended 30 September 2022 ("HY23") mainly due to:

- a) S\$2.5 million higher revenue contribution from catering business;
- b) S\$1.4 million higher revenue contribution from existing outlets; and
- c) S\$0.3 million higher revenue contribution from a new outlet which opened in HY24.

This is partially offset by S\$0.8 million loss of revenue contribution from 2 outlets which were closed in HY24.

Gross profit margin

Gross profit increased by S\$2.0 million (7.3%) to S\$30.0 million in HY24 from S\$28.0 million in HY23, in tandem with the higher revenue. Gross profit margin decreased by 1.1 percentage points to 70.5% in HY24 from 71.6% in HY23 due to higher food raw material costs.

Other operating income

Other operating income increased by S\$0.5 million (55.0%) to S\$1.4 million in HY24 from S\$0.9 million in HY23 mainly due to S\$0.2 million higher other government grants (Jobs Growth Incentives and Progressive Wage Credit Scheme), S\$0.2 million higher interest income earned and S\$0.2 million higher marketing promotion funds received in HY24. This is partially offset by absence of S\$0.1 million dividend received from an unquoted equity in HY23.

Administrative expenses

Administrative expenses, mainly manpower-related expenses, increased by S\$1.4 million (9.8%) to S\$16.0 million in HY24 from S\$14.6 million in HY23 due to increase in headcount by 46 which was in tandem with the higher revenue and the opening of new outlet during HY24.

Other operating expenses

In tandem with the higher revenue recorded in HY24, other operating expenses increased by S\$1.7 million (13.3%) to S\$14.3 million in HY24 from S\$12.6 million in HY23. The operating expenses which had increased in HY24 include utilities expenses (S\$0.4 million increase), advertising and promotion expenses (S\$0.3 million increase), rental expenses (S\$0.2 million increase), upkeep and cleaning expenses (S\$0.2 million increase), depreciation of property, plant and equipment (S\$0.1 million increase), utensils (S\$0.1 million increase), banquet commissions (S\$0.1 million increase), lease rental expenses (S\$0.1 million increase) and loss on deregistration of a subsidiary (S\$0.1 million increase).

Finance Costs

Finance costs increased by S\$135,000 (48.7%) to S\$412,000 in HY24 from S\$277,000 in HY23 mainly due to increase in interest expenses on lease liabilities driven by higher lease liabilities in HY24.

F. Other Information Required By Appendix 7C Of The Catalyst Rules (Continued)

4. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (continued)

(a) any significant factors affecting turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (continued)

Share of loss of joint venture

Share of loss of joint venture of S\$78,000 recorded in HY24 due to net loss contribution from a joint venture.

Share of (losses)/profits of associates

Share of losses of associates of S\$79,000 in HY24 compared to share of profits of associates of S\$80,000 in HY23 due to loss on disposal of investment in an unquoted equity recorded by an associate in HY24.

Income tax benefit/(expense)

Income tax benefit of S\$110,000 was recorded in HY24 instead of income tax expense of S\$47,000 in HY23 due to increase in deferred tax benefits arising from recognition of unused tax losses and temporary differences of certain subsidiaries as deferred tax asset in HY24.

Profit attributable to Owners of the Company

The Group recorded a lower profit attributable to the Owners of Company amounting to S\$0.3 million in HY24 compared to S\$1.0 million in HY23 despite improved revenue in HY24. The inflationary cost pressures have driven food ingredients, manpower, utilities and other operating costs higher and consequently impacted the margins.

(b) any material factors affecting cash flow, working capital, assets or liabilities of the group during the current period reported on

Cash and bank balances

Decrease in cash and bank balances at Group level was mainly due to:

- (a) S\$3.5 million repayment of lease obligations and interest;
- (b) S\$2.1 million dividend payment to shareholders of the Company;
- (c) S\$1.5 million cash outlays to acquire plant and equipment consequent to the renovation of existing and new outlets;
- (d) S\$0.6 million repayment of bank borrowings; and
- (e) S\$0.2 million advances to a joint venture for working capital.

This is partially offset by S\$2.8 million operational cash inflow.

Increase in cash and bank balances at Company level was mainly due to repayment of advances from a wholly-owned subsidiary.

Trade receivables

Increase in trade receivables at Group level was mainly due to higher credit sales from catering events amid improved revenue generated from catering divisions as well as mooncake sales.

Other receivables and prepayments (current)

Increase in other receivables and prepayments (current) at Group level was mainly due to increase in prepaid insurance premium amounting to S\$0.2 million, prepaid advertising expenses amounting to S\$0.1 million and higher prepayment made for food materials amounting to S\$0.1 million.

Decrease in other receivables and prepayments (current) at Company level was mainly due to repayment of advances from a wholly-owned subsidiary amounting S\$1.3 million.

Inventories

Increase in inventories at Group level was in line with the increase in business volume and revenue.

Long-term security deposits

Increase in long-term security deposits at Group level was mainly due to the higher utility deposits paid which is in line with the increase in utility rates.

Interests in subsidiaries

Decrease in interests in subsidiaries at Company level was mainly due to repayment of advances from a wholly-owned subsidiary amounting S\$1.4 million.

Interests in a joint venture

Increase in interests in a joint venture at Group level was mainly due to advance of S\$199,000 granted to the joint venture, but partially offset by share of loss of joint venture amounting to S\$78,000 in HY24.

F. Other Information Required By Appendix 7C Of The Catalyst Rules (Continued)

4. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (continued)

(b) any material factors affecting cash flow, working capital, assets or liabilities of the group during the current period reported on (continued)

Interests in associates

Decrease in interests in associates at Group level was due to share of loss of associates amounting to S\$79,000 in HY24.

Deferred tax assets

Increase in deferred tax assets at Group level was mainly due to the recognition of additional deferred tax credits of certain subsidiaries.

Property, plant and equipment

Increase in property, plant and equipment at Group level was mainly due to acquisition of plant and equipment for existing and new outlets amounting to S\$1.9 million but partially offset by depreciation charge of S\$1.3 million during HY24.

Right-of-use assets

Increase in right-of-use assets at Group level was mainly due to addition of right-of-use assets amounting to S\$10.7 million but partially offset by S\$3.3 million depreciation charge in HY24.

Trade payables

Increase in trade payables at Group level was in line with higher revenue during HY24.

Other payables (current)

Decrease in other payables (current) at Group level was mainly due to S\$0.3 million decrease in staff-related accrued expenses.

Other payables (non-current)

Increase in other payables (non-current) at Group level was mainly due to S\$0.1 million provision of reinstatement costs relating to a new outlet opened in HY24.

Lease liabilities

Increase in lease liabilities at Group level was mainly due to S\$10.7 million addition of lease liabilities but partially offset by S\$3.2 million settlement of lease obligations in HY24.

Bank loans

Decrease in bank loans at Group level was mainly due to loan repayments of S\$0.6 million during HY24.

Non-controlling interests

Increase in non-controlling interests at Group level was mainly due to share of profits of S\$0.4 million associated with non wholly-owned subsidiaries in HY24.

Total assets

Total assets of the Group increased by S\$5.8 million (12.1%) to S\$53.8 million as at 30 September 2023 from S\$48.0 million as at 31 March 2023 mainly due to:

- (i) increase in right-of-use assets of S\$7.4 million;
- (ii) increase in trade, other receivables and prepayments of S\$2.5 million;
- (iii) increase in property, plant and equipment of S\$0.5 million;
- (iv) increase in deferred tax assets of S\$0.2 million;
- (v) increase in long-term security deposits of S\$0.1 million; and
- (vi) increase in inventories of S\$0.1 million.

This was partially offset by decrease in cash and bank balances of S\$5.0 million.

Total liabilities

Total liabilities of the Group increased by S\$7.1 million (21.5%) to S\$40.1 million as at 30 September 2023 from S\$33.0 million as at 31 March 2023 mainly due to:

- (i) increase in lease liabilities of S\$7.4 million;
- (ii) increase in trade and other payables of S\$0.2 million; and
- (iii) increase in deferred tax liabilities of S\$0.1 million.

This was partially offset by decrease in bank borrowings of S\$0.6 million.

F. Other Information Required By Appendix 7C Of The Catalyst Rules (Continued)

4. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (continued)

(b) any material factors affecting cash flow, working capital, assets or liabilities of the group during the current period reported on (continued)

Cash flow

The Group's **operational cashflow** recorded a net inflow of S\$2.8 million in HY24 compared to net inflow of S\$6.7 million in HY23. The decrease was mainly due to lower profits generated in HY24 as well as higher trade receivables as at reporting date due to more credit sales from catering events and mooncake in September 2023.

The Group's **investing cashflow** recorded a net outflow of S\$1.6 million in HY24 compared to S\$3.0 million in HY23. The decrease was mainly due to reduced acquisition of plant and equipment to renovate existing and new outlets in HY24.

The Group's **financing cashflow** recorded a net outflow of S\$6.2 million in HY24 compared to S\$3.6 million in HY23. The increase was mainly due to payment of S\$2.1 million dividend to shareholders of the Company as well as higher repayment of bank loans and lease liabilities.

Overall, the Group's cash position decreased by S\$5.0 million to S\$11.7 million in HY24 from S\$16.7 million as at 31 March 2023.

Working capital

The Group's net working capital decreased by S\$2.1 million to S\$2.9 million as at 30 September 2023 from S\$5.0 million as at 31 March 2023 despite generating positive operating cash due to payment of S\$2.1 million dividend to shareholders of the Company.

5. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement was disclosed previously.

6. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

While earlier pent-up demand for in-person dining drove business recovery in the previous financial year, the Group expects the operating environment of the food and beverage ("F&B") industry to remain challenging in the next 12 months amid rising costs of operations, intense competition of the F&B industry as well as volatile economic conditions.

In response, the Group shall continue to stay agile and adaptive to the economic headwinds and approach revenue growth and expansion opportunities with prudence.

7. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended):

Nil

(b)(i) Amount per share:

Nil

(b)(ii) Previous corresponding period:

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

8. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

There is no dividend declared or recommended for HY24 so as to maintain sufficient liquidity to support our working capital requirements.

F. Other Information Required By Appendix 7C Of The Catalist Rules (Continued)

9. If the group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Catalist Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Persons and Transactions	Nature of relationship	Aggregate value of all interested persons transaction during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Catalist Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Catalist Rule 920 (excluding transactions less than S\$100,000)	
		HY24	HY23	HY24	HY23
		Apr 23-Sep 23	Apr 22-Sep 22	Apr 23-Sep 23	Apr 22-Sep 22
		S\$'000	S\$'000	S\$'000	S\$'000
T&T Gourmet Cuisine Pte Ltd (i) Tung Lok Group - Purchase of food items from T&T Gourmet Cuisine Pte Ltd (ii) Tung Lok Group - Purchase of mooncakes from T&T Gourmet Cuisine Pte Ltd	Dr Goi Seng Hui ("Dr Goi") is a controlling shareholder of the Company as he is deemed to be interested in the 53,531,280 shares of the Company held by Tee Yih Jia Food Manufacturing Pte Ltd by virtue of Section 7 of the Companies Act 1967.	-	-	79	70
		-	-	542	367
Tee Yih Jia Food Manufacturing Pte Ltd (i) Tung Lok Group - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	T & T Gourment Cuisine Pte Ltd and Chinatown Food Corporation Pte Ltd are subsidiaries of Tee Yih Jia Food Manufacturing Pte Ltd and therefore considered associates of Dr Goi.	-	-	46	55
Chinatown Food Corporation Pte Ltd (i) Tung Lok Group - Purchase of food items from Chinatown Food Corporation Pte Ltd	Topseller Pte Ltd is a wholly-owned subsidiary of PSC Corporation Ltd. Dr Goi has direct interests of more than 30% in the shares of PSC Corporation Ltd with effect from 4 May 2023. Topseller Pte Ltd is therefore considered an associate of Dr Goi from this date onwards.	-	-	35	25
Topseller Pte Ltd (i) Tung Lok Group - Purchase of food items from Topseller Pte Ltd		-	-	68	-
Goodview Properties Pte Ltd and its associates (i) Novena Point Pte. Ltd. * (ii) Riverhub Pte Ltd *	Goodview Properties Pte Ltd (" Goodview Properties ") is a controlling shareholder of the Company which has a direct interest in 54,015,780 shares of the Company. The Estate of Ng Teng Fong (" ENTF ") is a controlling shareholder of the Company as he is deemed to be interested in the 54,015,780 shares of the Company held by Goodview Properties by virtue of Section 7 of the Companies Act 1967. Mr Ng Chee Tat Philip is a controlling shareholder of the Company as he is a beneficiary of ENTFF. As explained in the Company's announcements dated 15 April 2022 and 30 August 2022, Novena Point Pte. Ltd. and Riverhub Pte Ltd are considered associates of Goodview Properties, ENTFF and/or Mr Ng Chee Tat Philip.	-	914	-	-
		-	1,867	-	-

Note:

* These refer to IPTs that are categorised as transactions under Catalist Rule 916(1), which are in connection with leases of certain commercial units owned by related companies of our controlling shareholder, Goodview Properties Pte. Ltd. Please refer to the Company's announcements dated 15 April 2022 and 30 August 2022.

F. Other Information Required By Appendix 7C Of The Catalist Rules (Continued)

10. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7(H) under Catalist Rule 720(1)).

The Company confirms that the undertakings from all its directors and executive officers (in the format set out in Appendix 7(H) pursuant to Catalist Rule 720(1) have been procured.

11 Disclosure on acquisition or sale of shares pursuant to Rule 706A of the Catalist Rules.

Not applicable. There were no such acquisition or disposal of shares during the current reporting period, HY24.

12 Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use.

Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must have been disclosed.

Not applicable.

BY ORDER OF THE BOARD

Tjioe Ka Men

President/Chief Executive Officer
6 November 2023

**TUNG LOK RESTAURANTS (2000) LTD
CATALIST RULE 705(5) – NEGATIVE ASSURANCE CONFIRMATION**

Confirmation by the Board of Directors

Pursuant to Catalist Rule 705(5), we, Tjioe Ka Men and Tjioe Ka In, being two Directors of Tung Lok Restaurants (2000) Ltd (the “**Company**”), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Group’s unaudited interim financial statements for the period from 1 April 2023 to 30 September 2023 to be false or misleading in any material aspect.

Tjioe Ka Men

President/Chief Executive Officer

6 November 2023

Tjioe Ka In

Executive Director