

TUNG LOK RESTAURANTS (2000) LTD

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

INTERESTED PERSON TRANSACTION – 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 entered into a tenancy agreement (the "**Tenancy Agreement**") with OCPL to lease Unit #07-07/08/09 at 181 Orchard Road Singapore 238896 known as Orchard Central (the "**Premise**") for a term of three (3) years.

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 Tenancy Agreement would constitute an Interested Person Transaction ("**IPT**") pursuant to 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\$1,030,000. The estimated value of the Tenancy Agreement to the Company (based on the effective equity interest of the Company in TLXH) amounts to approximately S\$618,000 which represents 4.91% 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 2021 was S\$12,579,525.

The lease is for a period not exceeding three (3) years and the terms of the Tenancy Agreement are supported by independent valuation reports from TEHO Property Consultants Pte Ltd ("**TEHO**") dated 19 July 2021, which is of the opinion that the rental values are within the reasonable range of the prevailing market rental as at 30 June 2021.

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 5,102.13 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 monthly sales turnover generated from the Premise.

In accordance with the terms of the Tenancy Agreement, security deposit amounting to S\$64,287 shall be maintained with OCPL by way of banker’s guarantee.

4 RATIONALE FOR THE TENANCY AGREEMENT

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 2022 (“FY2022”) AND THE TOTAL IPTS FOR FY2022

The estimated value of the Tenancy Agreement entered into by TLXH with OCPL during the financial year-to-date amounts to approximately S\$618,000 (representing 4.91% of the Group’s latest audited NTA as at 31 March 2021).

Save for the abovementioned Tenancy Agreement, the other IPTs entered into between the Company and Goodview Properties and its associates (as defined in Catalist Rules) since the beginning of FY2022 is as follows:

- A tenancy agreement (as announced by the Company on 30 June 2021) entered into with OCPL, for tenancy of unit #07-14/15 at the Premise. The estimated value of this tenancy agreement to the Company amounted to approximately S\$876,000 (representing 6.96% of the Group’s latest audited NTA as at 31 March 2021)

The total value during the current financial year-to-date of all transactions with Goodview Properties and its associates is S\$1,494,000 representing 11.88% 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 30 July 2021. 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\$70,000.

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: 13 August 2021

*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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