



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

Condensed Interim Financial Statements
For the six months ended 30 September 2021

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). 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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TUNG LOK RESTAURANTS (2000) LTD
Condensed Interim Financial Statements
For the six months ended 30 September 2021



Table of Contents		Page
A.	Condensed interim consolidated income statement and statement of comprehensive income	3
B.	Condensed interim statements of financial position	4
C.	Condensed interim statements of changes in equity	5
D.	Condensed interim consolidated statement of cash flow	6
E.	Notes to the condensed interim consolidated financial statements	7 - 14
F.	Other information required by Appendix 7C of the Catalist Rules	15 - 21

**A. Condensed Interim Consolidated Income Statement And Statement Of Comprehensive Income
For the Financial Period ended 30 September 2021**

	Note	Group		Increase/ (decrease) %	
		6 months ended 30 September			
		2021 S\$'000	2020 S\$'000		
Revenue	4	20,301	22,568	(10.0)	
Cost of sales		(6,334)	(7,095)	(10.7)	
Gross profit		13,967	15,473	(9.7)	
<i>Gross profit margin</i>		68.8%	68.6%	0.2	<i>percentage points</i>
Other operating income		4,262	7,041	(39.5)	
Administrative expenses		(10,763)	(10,404)	3.5	
Other operating expenses		(11,132)	(11,648)	(4.4)	
Share of losses of associates		(7)	(253)	(97.2)	
Finance costs		(212)	(196)	8.2	
(Loss)/profit before tax	6	(3,885)	13	N.M.	
Income tax benefit	7	131	9	>100%	
(Loss)/profit for the period		(3,754)	22	N.M.	
Other comprehensive loss:					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		(13)	(1)	>100%	
Total comprehensive (loss)/income for the period		(3,767)	21	N.M.	
(Loss)/profit attributable to:					
Owners of the Company		(3,433)	200	N.M.	
Non-controlling interests		(321)	(178)	80.3	
		(3,754)	22	N.M.	
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(3,446)	199	N.M.	
Non-controlling interests		(321)	(178)	80.3	
		(3,767)	21	N.M.	
(Losses)/earnings per share (cents)					
Basic and diluted		(1.25)	0.07	N.M.	

N.M. : percentage not meaningful.

B. Condensed Interim Statements Of Financial Position

	Note	Group		Company	
		30 Sep 21 S\$'000	31 Mar 21 S\$'000	30 Sep 21 S\$'000	31 Mar 21 S\$'000
ASSETS					
Current assets:					
Cash and bank balances		6,934	12,504	441	1,460
Trade receivables		1,820	1,662	-	-
Other receivables and prepayments		2,633	2,892	599	595
Inventories		1,848	1,684	-	-
Total current assets		13,235	18,742	1,040	2,055
Non-current assets:					
Other receivables and prepayments		13	99	-	-
Long-term security deposits		959	1,158	-	-
Interests in subsidiaries		-	-	17,489	16,273
Associates		489	496	-	-
Deferred tax assets		489	364	-	-
Property, plant and equipment	9	7,298	7,256	-	-
Right-of-use assets	10	10,227	12,289	-	-
Total non-current assets		19,475	21,662	17,489	16,273
Total assets		32,710	40,404	18,529	18,328
LIABILITIES AND EQUITY					
Current liabilities:					
Trade payables		2,143	2,271	-	-
Other payables		3,996	5,437	192	206
Lease liabilities	10	4,578	6,273	-	-
Bank loans	11	851	485	-	-
Income tax payable		18	21	-	-
Total current liabilities		11,586	14,487	192	206
Net current assets		1,649	4,255	848	1,849
Non-current liabilities:					
Other payables		2,863	2,966	-	-
Lease liabilities	10	5,946	6,321	-	-
Bank loans	11	3,592	4,050	-	-
Total non-current liabilities		12,401	13,337	-	-
Total liabilities		23,987	27,824	192	206
Capital, reserves and non-controlling interests:					
Share capital	12	28,450	28,450	28,450	28,450
Currency translation reserve		(71)	(58)	-	-
Accumulated losses		(18,303)	(14,870)	(10,113)	(10,328)
Equity attributable to owners of the Company		10,076	13,522	18,337	18,122
Non-controlling interests		(1,353)	(942)	-	-
Net equity		8,723	12,580	18,337	18,122
Total liabilities and equity		32,710	40,404	18,529	18,328

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 2020	28,450	(46)	(15,874)	12,530	(861)	11,669
Profit/(loss) for the period	-	-	200	200	(178)	22
<u>Other comprehensive income</u>						
Foreign currency translation, net of tax	-	(1)	-	(1)	-	(1)
	-	(1)	-	(1)	-	(1)
Total comprehensive (loss)/income for the period, net of tax	-	(1)	200	199	(178)	21
At 30 September 2020	28,450	(47)	(15,674)	12,729	(1,039)	11,690
At 1 April 2021	28,450	(58)	(14,870)	13,522	(942)	12,580
Loss for the period	-	-	(3,433)	(3,433)	(321)	(3,754)
<u>Other comprehensive income</u>						
Foreign currency translation, net of tax	-	(13)	-	(13)	-	(13)
	-	(13)	-	(13)	-	(13)
Total comprehensive loss for the period, net of tax	-	(13)	(3,433)	(3,446)	(321)	(3,767)
<u>Contributions by and distributions to owners</u>						
Dividend paid to non-controlling interest in a subsidiary	-	-	-	-	(90)	(90)
Total transactions with owners in their capacity as owners	-	-	-	-	(90)	(90)
At 30 September 2021	28,450	(71)	(18,303)	10,076	(1,353)	8,723

	COMPANY		
	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 April 2020	28,450	(10,450)	18,000
Profit for the period, representing total comprehensive income for the period	-	5	5
At 30 September 2020	28,450	(10,445)	18,005
At 1 April 2021	28,450	(10,328)	18,122
Profit for the period, representing total comprehensive income for the period	-	215	215
At 30 September 2021	28,450	(10,113)	18,337

D. Condensed Interim Consolidated Statement Of Cash Flow

	Group	
	6 months ended 30 September 2021 S\$'000	2020 S\$'000
Operating activities:		
(Loss)/profit before tax	(3,885)	13
Adjustments for:		
Share of losses of associates	7	253
Depreciation of property, plant and equipment	892	832
Depreciation of right-of-use assets	4,060	4,588
Write-off of property, plant and equipment	3	-
Loss on disposal of property, plant and equipment	4	-
Interest income	(1)	(8)
Interest expense	212	196
Foreign exchange gain	(13)	-
Rent concessions from Singapore Government:		
- Rent concessions granted for lease component	(630)	(1,355)
- Rent concessions granted for non-lease component	(183)	-
Rent concessions from landlords:		
- Rent concessions granted for lease component	(618)	(1,895)
- Rent concessions granted for non-lease component	(32)	-
Rebate on lease rental of kitchen equipment	(21)	-
Loss on early termination of leases	38	-
Reversal of provision for reinstatement cost	(20)	-
Operating cash flows before changes in working capital	<u>(187)</u>	<u>2,624</u>
Changes in working capital:		
Increase in trade receivables	(158)	(264)
Decrease in other receivables and prepayments	433	1,596
Increase in inventories	(164)	(58)
Decrease in long-term security deposits	199	29
(Decrease)/increase in trade payables	(128)	225
Decrease in other payables	(1,502)	(727)
Cash flows (used in)/generated from operations	<u>(1,507)</u>	<u>3,425</u>
Interest paid	(48)	(22)
Interest received	2	11
Net income tax received/(paid)	3	(6)
Net cash flows (used in)/generated from operating activities	<u>(1,550)</u>	<u>3,408</u>
Investing activities		
Purchase of property, plant and equipment (see Note A)	(886)	(377)
Capital reduction from an associate	-	100
Proceeds from disposal of property, plant and equipment	11	-
Net cash flows used in investing activities	<u>(875)</u>	<u>(277)</u>
Financing activities		
Dividend paid to non-controlling interest of a subsidiary (see Note B)	(90)	-
Payment of principal portion of lease liabilities	(2,815)	(1,494)
Interest paid in relation to lease liabilities	(148)	(157)
Repayment of bank loans	(92)	(14)
Net cash flows used in financing activities	<u>(3,145)</u>	<u>(1,665)</u>
Net (decrease)/increase in cash and bank balances	(5,570)	1,466
Cash and bank balances at the beginning of the financial period	12,504	9,750
Effect of foreign exchange rate changes	-	-
Cash and bank balances at the end of the financial period	<u>6,934</u>	<u>11,216</u>

Note A

During HY22, the Group recorded additions to property, plant and equipment with an aggregate cost of S\$952,000 (HY21: S\$343,000) of which S\$99,000 (HY21: S\$75,000) remains unpaid as at 30 September 2021. Cash payments of S\$886,000 (HY21: S\$377,000) were made to the purchase of property, plant and equipment.

Note B

During HY22, the Group declared dividend amounting to S\$90,000 (HY21: S\$Nil) to non-controlling interest in a subsidiary.

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 2021 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 2021 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 year ended 31 March 2021.

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 2021, as well as applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") which became effective for financial years beginning on or after 1 April 2021. 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 year ended 31 March 2021.

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:

- 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.

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

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 2021. 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 2021 to September 2021						
Revenue						
Revenue from external customers	17,921	1,353	963	64	-	20,301
Inter-segment revenue	44	147	2,362	1,600	(4,153)	-
Total segment revenue	17,965	1,500	3,325	1,664	(4,153)	20,301
Results						
(Loss)/profit from operations	(2,500)	(903)	132	(396)	-	(3,667)
Finance costs	(157)	(23)	(20)	(12)	-	(212)
Finance income	-	-	-	1	-	1
Share of losses of associates	(7)	-	-	-	-	(7)
Segment (loss)/profit before tax	(2,664)	(926)	112	(407)	-	(3,885)
Income tax benefits						131
Loss for the period						(3,754)
Loss for the period has been arrived at after charging:						
Depreciation of property, plant and equipment	(625)	(114)	(82)	(71)	-	(892)
Depreciation of right-of-use assets	(3,526)	(273)	(83)	(178)	-	(4,060)
Write-off of property, plant and equipment	(3)	-	-	-	-	(3)
(Loss)/gain on disposal of property, plant and equipment	(6)	2	-	-	-	(4)
Gain on foreign exchange - unrealised	13	-	-	-	-	13
Total assets for reportable segments	20,326	2,271	4,761	5,352	-	32,710
Total liabilities for reportable segments	17,973	1,551	2,438	2,025	-	23,987
Other information						
Investment in associates	489	-	-	-	-	489
Capital expenditure on plant and equipment	426	15	18	493	-	952
April 2020 to September 2020						
Revenue						
Revenue from external customers	14,289	7,112	1,069	98	-	22,568
Inter-segment revenue	102	20	1,684	1,160	(2,966)	-
Total segment revenue	14,391	7,132	2,753	1,258	(2,966)	22,568
Results						
(Loss)/profit from operations	(885)	1,697	123	(481)	-	454
Finance costs	(155)	(14)	(23)	(4)	-	(196)
Finance income	5	-	-	3	-	8
Share of losses of associates	(253)	-	-	-	-	(253)
Segment (loss)/profit before tax	(1,288)	1,683	100	(482)	-	13
Income tax benefits						9
Profit for the period						22
Profit for the period has been arrived at after charging:						
Depreciation of property, plant and equipment	(577)	(112)	(95)	(48)	-	(832)
Depreciation of right-of-use assets	(4,052)	(274)	(83)	(179)	-	(4,588)
Total assets for reportable segments	26,058	2,441	4,429	7,220	-	40,148
Total liabilities for reportable segments	22,653	1,496	2,386	1,923	-	28,458
Other information						
Investment in associates	705	-	-	-	-	705
Capital expenditure on plant and equipment	106	49	3	185	-	343

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 2021 to September 2021						
Types of goods or services:						
Sales of food and beverages	16,752	1,497	3,325	-	(2,554)	19,020
Service charges	1,204	3	-	-	-	1,207
Management fees	9	-	-	1,664	(1,599)	74
Total	17,965	1,500	3,325	1,664	(4,153)	20,301
Timing of transfer of goods or services:						
At a point in time	17,956	1,500	3,325	-	(2,554)	20,227
Over time	9	-	-	1,664	(1,599)	74
Total	17,965	1,500	3,325	1,664	(4,153)	20,301
Geographical Information:						
Singapore	17,965	1,500	3,325	1,664	(4,153)	20,301
April 2020 to September 2020						
Types of goods or services:						
Sales of food and beverages	13,308	7,132	2,753	-	(1,807)	21,386
Service charges	1,067	-	-	-	-	1,067
Management fees	16	-	-	1,258	(1,159)	115
Total	14,391	7,132	2,753	1,258	(2,966)	22,568
Timing of transfer of goods or services:						
At a point in time	14,375	7,132	2,753	-	(1,807)	22,453
Over time	16	-	-	1,258	(1,159)	115
Total	14,391	7,132	2,753	1,258	(2,966)	22,568
Geographical Information:						
Singapore	14,391	7,132	2,753	1,258	(2,966)	22,568

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 2021 and 31 March 2021:

	Group		Company	
	30 Sep 21 S\$'000	31 Mar 21 S\$'000	30 Sep 21 S\$'000	31 Mar 21 S\$'000
Financial assets				
At amortised cost:				
Cash and bank balances	6,934	12,504	441	1,460
Trade receivables	1,820	1,662	-	-
Other receivables	1,738	1,344	587	589
Loans to subsidiaries	-	-	9,343	8,127
Long-term security deposits	959	1,158	-	-
Total	<u>11,451</u>	<u>16,668</u>	<u>10,371</u>	<u>10,176</u>
Financial liabilities				
At amortised cost:				
Trade payables	2,143	2,271	-	-
Other payables	4,154	4,781	32	33
Bank loans	4,443	4,535	-	-
Lease liabilities	10,524	12,594	-	-
Total	<u>21,264</u>	<u>24,181</u>	<u>32</u>	<u>33</u>
Financial guarantee contracts	-	-	160	173

6. (Loss)/profit before taxation

6.1 Significant items

	Group		
	6 months ended 30 September		
	2021 S\$'000	2020 S\$'000	Increase/ (decrease) %
Income			
Government grants:			
- Jobs Support Scheme	2,113	2,922	(27.7)
- Rent concession granted for lease component	630	1,355	(53.5)
- Rent concession granted for non-lease component	183	-	N.M.
- Other government grants	178	523	(66.0)
Rent concessions from landlords			
- Rent concessions granted for lease component	618	1,895	(67.4)
- Rent concessions granted for non-lease component	32	-	N.M.
Interest income from:			
- Cash at bank and short-term deposits	1	8	(87.5)
Gain on foreign exchange	13	-	N.M.
Expenses			
Interest expenses on:			
- Bank loans	(48)	(22)	>100%
- Shareholders' loans	(16)	(17)	(5.9)
- Lease liabilities	(148)	(157)	(5.7)
Depreciation of property, plant and equipment	(892)	(832)	7.2
Depreciation of right-of-use assets	(4,060)	(4,588)	(11.5)
Write-off of property, plant and equipment	(3)	-	N.M.
Loss on disposal of property, plant and equipment	(4)	-	N.M.
Loss on early termination of leases	(38)	-	N.M.
Rental expenses - operating leases	(1,235)	(1,403)	(12.0)
Staff costs	(9,818)	(9,228)	6.4

N.M. : percentage not meaningful.

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

6. (Loss)/profit before taxation (Continued)

6.2 Related party transactions

	Group 6 months ended 30 September	
	2021 S\$'000	2020 S\$'000
<u>With Corporate shareholder of certain subsidiary</u>		
Sales of food and beverages	13	8
<u>With Corporate shareholders of the Company</u>		
Sale of food and beverages	517	176
Purchase of food, beverages and services	449	283
Rental expenses	308	424
Payment of principal portion of lease liabilities	688	145
Interest paid in relation to lease liabilities	18	20
<u>With a shareholder of the Company</u>		
Recovery of expenses from a shareholder	122	141
<u>Compensation of key management personnel</u>		
Short-term employee benefits	668	606
Central Provident Fund Contributions	54	53
Total	722	659
Comprise amounts paid to:		
Directors of the Company	347	324
Other key management personnel	375	335
Total	722	659

7. Income tax benefits

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

	Group 6 months ended 30 September	
	2021 S\$'000	2020 S\$'000
Current income tax		
- Current year	(1)	-
- Over provision in respect of prior years	7	-
	6	-
Deferred income tax		
- Origination and reversal of temporary differences	125	9
	125	9
	131	9

8. Net asset value

	Group		Company	
	30 Sep 21	31 Mar 21	30 Sep 21	31 Mar 21
(Singapore cents)				
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	3.67	4.93	6.68	6.60

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

9. Property, plant and equipment

During the six months ended 30 September 2021, the Group acquired plant and equipment amounting to S\$952,000 (30 September 2020: S\$343,000) as well as disposed and written off plant and equipment (mainly due to closure of outlets during the reporting period) amounting to S\$1,919,000 (30 September 2020: S\$280,000) with net carrying amount of S\$18,000 (30 September 2020: S\$Nil).

10. Right-of-use assets and lease liabilities

During the six months ended 30 September 2021, the Group had non-cash additions to right-of-use assets and lease liabilities of S\$1,998,000 and S\$1,976,000 (HY21: S\$823,000 and S\$794,000) respectively.

The carrying amounts of lease liabilities are disclosed as below:

	Group	
	30 Sep 21 S\$'000	31 Mar 21 S\$'000
Current	4,578	6,273
Non-current	5,946	6,321

The above lease liabilities included finance lease payable of \$244,000 (FY21: S\$314,000) 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 2021 and 31 March 2021 pursuant to SFRS(I) 16 Leases .

	Group	
	30 Sep 21 S\$'000	31 Mar 21 S\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	104	126
Unsecured	-	-
	104	126
<u>Amount repayable after one year</u>		
Secured	140	188
Unsecured	-	-
	140	188

11. Bank loans

	Group	
	30 Sep 21 S\$'000	31 Mar 21 S\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	851	485
Unsecured	-	-
	851	485
<u>Amount repayable after one year</u>		
Secured	3,592	4,050
Unsecured	-	-
	3,592	4,050

Details of any collateral

As at balance sheet date, the total borrowings of the Group are secured by way of:

1. A charge over the leasehold property of a subsidiary situated at No 20, Bukit Batok Crescent #11-05 to 09/18 Enterprise Centre Singapore 658080; and
2. Corporate guarantees issued by the Company.

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

12. Share Capital

	Group and Company			
	30 Sep 21	31 Mar 21	30 Sep 21	31 Mar 21
	Number of ordinary shares		\$	\$
Issued and paid up	274,400,000	274,400,000	28,450,434	28,450,434

There were no outstanding convertibles, treasury shares and subsidiary holdings as at 30 September 2021 and 31 March 2021.

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 2021.

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

13. Events occurring after the reporting period

There are no known subsequent events (after 30 September 2021) which have led to adjustments to this set of interim financial statements.

The following events had occurred subsequent to the current reporting period:

- a) As announced by the Company on 8 October 2021 and 28 October 2021, its indirect wholly-owned subsidiaries, Tung Lok Signatures (2006) Pte. Ltd. and Tung Lok Central Restaurant Pte. Ltd., have procured and accepted new credit facilities amounting to S\$1.0 million each from United Overseas Bank Limited for their general working capital purposes.
- b) As announced by the Company on 1 November 2021, its wholly-owned subsidiary, Tung Lok Millennium Pte Ltd ("TLM"), had acquired the remaining 40% shareholding interests in Tung Lok Xihe Restaurant Pte. Ltd. ("TLXH") from the non-controlling shareholder of TLXH at a consideration of S\$1. Following the completion of the acquisition on 1 November 2021, TLXH has become a wholly-owned subsidiary of TLM.
- c) As announced by the Company on 2 November 2021, its indirect wholly-owned subsidiary, My Humble House in Beijing (Restaurant) Company Ltd. ("MHHB"), had disposed its entire 40% shareholding interests in its associate company, Beijing Xihe Tung Lok Restaurant Company Ltd. ("XHTL") at a consideration of CNY1. Following the completion of disposal on 2 November 2021, the Group has no remaining shareholding interest in XHTL.

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 2021 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 flows 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 2021 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 food and beverage ("F&B") business continues to be adversely disrupted by the COVID-19 pandemic throughout the six-month period ended 30 September 2021 ("HY22") amid tightening of safe management measures such as dine-in prohibitions, limits on group dining size, reduced operating capacity and restrictions on gatherings and events especially during the heightened alert periods starting from 16 May 2021. Between the periods from 16 May 2021 to 20 June 2021 and from 22 July 2021 to 9 August 2021, dine-in services in our outlets were prohibited and only deliveries/takeaways were allowed.

Consequently, the Group's revenue decreased by S\$2.3 million (10.0%) to S\$20.3 million in HY22 compared to S\$22.6 million for the six-month period ended 30 September 2020 ("HY21"), due to:

- a) S\$5.8 million lower revenue contribution from catering business;
- b) S\$0.6 million loss of revenue contribution from 2 outlets which were closed during second half of the financial year ended 31 March 2021 ("FY21");
- c) S\$0.2 million loss of revenue contribution from 4 outlets which were closed in HY22; and
- d) S\$0.2 million lower revenue from the sales of ready-to-eat frozen food.

This is partially compensated by:

- i) S\$3.5 million higher revenue contribution from existing outlets;
- ii) S\$0.6 million higher revenue from mooncake sales; and
- iii) S\$0.4 million revenue contribution from a new outlet which opened in February 2021.

Gross profit margin

Gross profit decreased by S\$1.5 million (9.7%) to S\$14.0 million in HY22 from S\$15.5 million in HY21, in line with the lower revenue. Gross profit margin increased marginally by 0.2 percentage points to 68.8% from 68.6% due to higher restaurant revenue achieved in HY22 that generated better gross profit margin.

Other operating income

Other operating income decreased by S\$2.7 million (39.5%) to S\$4.3 million in HY22 from S\$7.0 million in HY21 mainly due to lower rebates and subsidies received from the following:

- (i) S\$0.8 million lower Jobs Support Scheme ("JSS") grants; and
- (ii) S\$1.8 million lower rent concessions from Singapore Government and landlords.

Administrative expenses

Administrative expenses, mainly manpower-related expenses, increased by S\$0.4 million (3.5%) to S\$10.8 million in HY22 from S\$10.4 million in HY21 as 3-month temporary salary cuts ranging from 10% to 30% were implemented in HY21.

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

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)

Other operating expenses

Other operating expenses decreased by S\$0.5 million (4.4%) to S\$11.1 million in HY22 from S\$11.6 million in HY21 mainly due to S\$0.5 million lower depreciation of right-of-use assets and S\$0.2 million lower rental expenses consequent to the closure of outlets in FY21 and HY22. This was partially offset by S\$0.1 million higher upkeep and cleaning expenses and S\$0.1 million higher depreciation of property, plant and equipment.

Share of losses of associates

Share of losses of associates decreased by S\$246,000 (97.2%) to S\$7,000 in HY22 from S\$253,000 in HY21 mainly due to the closure of outlet operated by an associate in HY22.

Income tax benefit

Income tax benefit increased by S\$122,000 (>100%) to S\$131,000 in HY22 from S\$9,000 in HY21 mainly due to higher deferred tax benefits recorded in HY22.

(Loss)/profit attributable to Owners of the Company

The Group's operations continued to be severely and adversely disrupted by the COVID-19 pandemic during HY22 which resulted in declined revenue. With the support measures from the Singapore Government and the landlords tapering off, the Group reported a loss attributable to Owners of the Company amounting to S\$3.4 million in HY22 compared to a profit of S\$0.2 million in HY21.

(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\$1.6 million operational cash outflow;
- (b) S\$3.0 million repayment of lease obligations (net of rent concessions);
- (c) S\$0.9 million cash outlays to acquire plant and equipment; and
- (d) S\$0.1 million dividend paid to a non-controlling interest of a subsidiary.

Decrease in cash and bank balances at Company level was mainly due to advances to a wholly-owned subsidiary amounting to S\$1.0 million as additional working capital.

Trade receivables

Increase in trade receivables at Group level was mainly due to higher credit sales from mooncake sales during the month of September 2021.

Other receivables and prepayments (current)

Decrease in other receivables and prepayments (current) at Group level was mainly due to S\$0.6 million reduction in receivables from various grants and rebates from the Singapore Government and landlords but partially offset by (i) reclassification of S\$0.2 million security deposits from long-term security deposit; and (ii) reclassification of S\$0.1 million staff loan granted to an existing staff from other receivables and prepayments (non-current).

Inventories

Increase in inventories at Group level was mainly due to more bulk purchase of raw food materials to ensure stock continuity.

Other receivables and prepayments (non-current)

Decrease in other receivables and prepayments (non-current) at Group level was mainly due to the reclassification of S\$0.1 million staff loan granted to an existing staff to other receivables and prepayments (current).

Long-term security deposits

Decrease in long-term security deposits at Group level was mainly due to the reclassification of S\$0.2 million security deposits to other receivables and prepayments (current),

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

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 subsidiaries

Increase in interests in subsidiaries at Company level was mainly due to advances of S\$1.0 million to a wholly-owned subsidiary and fair value adjustment on deemed investment of subsidiaries amounting to S\$0.2 million.

Deferred tax assets

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

Right-of-use assets

Decrease in right-of-use assets at Group level was mainly due to S\$4.1 million depreciation charge but partially offset by addition of right-of-use assets amounting to S\$2.0 million in HY22.

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\$0.95 million but partially offset by depreciation charge of S\$0.9 million during HY22.

Trade payables

Decrease in trade payables at Group level was in line with the lower revenue amid fewer operating outlets during HY22.

Other payables (current)

Decrease in other payables (current) at Group level was mainly due to S\$0.6 million decrease in staff-related accrued expenses consequent to reduced headcounts amid fewer operating outlets and S\$0.8 million decrease in deferred revenue arising from lower deferred Jobs Support Scheme ("JSS") income in line with reduced JSS payout rate towards the end of current reporting period.

Other payables (non-current)

Decrease in other payables (non-current) at Group level was mainly due to utilisation of S\$0.1 million reinstatement costs relating to outlets which had ceased operation in HY22.

Lease liabilities

Decrease in lease liabilities at Group level was mainly due to S\$4.1 million settlement of lease obligations (out of which S\$1.3 million related to rent concessions granted), but partially offset by S\$2.0 million addition of lease liabilities in HY22.

Bank loans

Decrease in bank borrowings at Group level was mainly due to loan repayments of S\$0.1 million during HY22.

Non-controlling interests

Decrease in non-controlling interests at Group level was mainly due to increased share of losses associated with non wholly-owned subsidiaries during HY22.

Total assets

Total assets of the Group decreased by S\$7.7 million (19.1%) to S\$32.7 million as at 30 September 2021 from S\$40.4 million as at 31 March 2021 mainly due to:

- (i) decrease in cash and bank balances of S\$5.6 million;
- (ii) decrease in right-of-use assets of S\$2.1 million; and
- (iii) decrease in other receivables, prepayments and security deposit of S\$0.5 million.

However, this was partially offset by increase in trade debtors of S\$0.2 million, inventories of S\$0.2 million and deferred tax assets of S\$0.1 million.

Total liabilities

Total liabilities of the Group decreased by S\$3.8 million (13.7%) to S\$24.0 million as at 30 September 2021 from S\$27.8 million as at 31 March 2021 mainly due to the following:

- (i) decrease in lease liabilities of S\$2.1 million;
- (ii) decrease in trade and other payables of S\$1.6 million; and
- (iii) decrease in bank borrowings of S\$0.1 million.

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

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 outflow of S\$1.6 million in HY22 compared to net inflow of S\$3.4 million in HY21. The decrease is mainly due to the suppressed revenue amid the re-tightening of the safe management measures as well as reduced grants from the Singapore Government.

The Group's **investing cashflow** recorded a net outflow of S\$0.9 million in HY22 compared to S\$0.3 million in HY21. The increase was mainly due to increase in acquisitions of plant and equipment in HY22.

The Group's **financing cashflow** recorded a net outflow of S\$3.1 million in HY22 compared to S\$1.7 million in HY21. The increase was mainly due to less rental rebates granted by the Singapore Government and landlords in HY22.

Overall, the Group's cash position decreased by S\$5.6 million to S\$6.9 million in HY22 from S\$12.5 million in FY21 mainly due to reduced operating receipts in HY22 caused by the ongoing COVID-19 pandemic as well as lowered grants and rental rebates.

Working capital

The resurgence of COVID-19 cases in HY22 which resulted in re-tightening of safe management measures to contain the spread of the Delta variant of COVID-19 virus had affected our Group's operations adversely. The operational loss in HY22 due to the suppressed revenue as well as reduced grants/rebates from the Singapore Government and landlords had resulted in a decrease of the Group's net current assets amounting to S\$2.6 million (S\$1.6 million as at 30 September 2021 compared to S\$4.2 million as at 31 March 2021). Given the evolving situation of the COVID-19 pandemic, the Group has just secured S\$2.0 million new credit facilities from a bank to boost its liquidity.

With Singapore's high vaccination rate and anticipated gradual opening of the economy and borders, the Group is hopeful that the safe management measures will progressively be relaxed.

Therefore, the Directors and the Management are satisfied that, barring unforeseen circumstances, with the availability of future cashflows from the Group's operations and unutilised credit lines given by the bank, the Group will be able to meet its short-term obligations for the next 12 months as and when they fall due.

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.

The prolonging effects of the COVID-19 pandemic continue to pose challenges and uncertainties to our F&B business. In addition, the continual rounds of restrictions with limits in group dining size and reduced operating capacity to control the local transmission of COVID-19 virus has suppressed the Group's revenue during the current reported period for the financial period ended 30 September 2021.

Since the beginning of Year 2021, the Group has closed 8 outlets which were significantly affected by the COVID-19 outbreak. The Group believes that the closure of these outlets will allow the Group to better rationalize and streamline its resources as well as manage its business costs and optimize operational efficiency.

The Group operates primarily in Singapore which has a high vaccination rate with 85% of its population fully vaccinated. The Group is cautiously optimistic that the consumer market sentiments will gradually improve with the nation moving towards its endemic phase of the COVID-19 outbreak.

However, the COVID-19 situation remains fluid and possible changes in the governmental measures which evolve with the pandemic situation cannot be ruled out. The Group will continue to closely monitor the COVID-19 pandemic situation and shall adjust and react proactively to the evolving landscape. The Group will also enhance its online sale channels and efforts by exploring new e-commerce platforms to drive up the sales of its heat-and-serve frozen food products while exploring new market opportunities.

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

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 HY22 as the Group has not generated profit attributable to Owners of the Company.

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

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 \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
		HY22	HY21	HY22	HY21
		Apr 21-Sep 21 S\$'000	Apr 20-Sep 20 S\$'000	Apr 21-Sep 21 S\$'000	Apr 20-Sep 20 S\$'000
T&T Gourmet Cuisine Pte Ltd	Mr. Goi Seng Hui 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, Cap 50. 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 as associates of Mr. Goi Seng Hui.				
(i) Tung Lok Group - Purchase of food items from T&T Gourmet Cuisine Pte Ltd		-	-	37	72
(ii) Tung Lok Group - Purchase of mooncakes from T&T Gourmet Cuisine Pte Ltd		-	-	365	163
Tee Yih Jia Food Manufacturing Pte Ltd					
(i) Tung Lok Group - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd		-	-	35	35
Chinatown Food Corporation Pte Ltd					
(i) Tung Lok Group - Purchase of food items from Chinatown Food Corporation Pte Ltd		-	-	12	13
Goodview Properties Pte Ltd and its associates	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.				
(i) Tung Lok Group - Sale of catering food and services to hotels related to a substantial shareholder	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, Cap 50.	80	92	-	-
(ii) China Classic Pte Ltd *	Mr Ng Chee Tat Philip is a controlling shareholder of the Company as he is a beneficiary of ENTF.	-	800	-	-
(iii) Riverhub Pte Ltd *	As explained in the Company's announcements dated 1 April 2020, 30 June 2020, 14 August 2020, 18 September 2020, 30 June 2021, 13 August 2021 and 17 September 2021, China Classic Pte Ltd, Riverhub Pte Ltd and Orchard Central Pte. Ltd. are considered associates of Goodview Properties, ENTF and/or Mr Ng Chee Tat Philip.	474	500	-	-
(iv) Orchard Central Pte. Ltd. *		1,494	390	-	-

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 1 April 2020, 30 June 2020, 14 August 2020, 18 September 2020, 30 June 2021, 13 August 2021 and 17 September 2021.

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

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 HY2022.

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.

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 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.

The Company refers to its announcements dated 1 October 2014, 25 August 2015, 16 September 2019 and 29 September 2021. The net proceeds raised from the Rights Issue has been fully utilised by way of grant of loans amounting to S\$9.3 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 and renovation of outlets in Singapore.

BY ORDER OF THE BOARD

Tjioe Ka Men

President/Chief Executive Officer
12 November 2021

**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 2021 to 30 September 2021 to be false or misleading in any material aspect.

Tjioe Ka Men

President/Chief Executive Officer

Singapore, 12 November 2021

Tjioe Ka In

Executive Director