

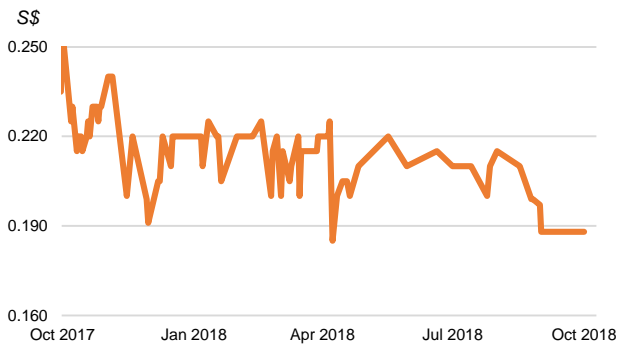
Tung Lok Restaurants (2000) Ltd

Date: 17 October 2018

Non-Rated

Tung Lok SP

Price: S\$0.188 (as at 16 October 2018)



Share price	1M	3M	6M	1Y
Tung Lok Restaurants	(10%)	(13%)	(13%)	(25%)
Catalist Index	(6%)	(13%)	(23%)	(23%)

Market capitalisation	S\$51.6 million		
Current price	S\$0.188		
Shares outstanding	274,400,000		
Free Float	13.91%		
Top three shareholders	Andrew Tjioe Ka Men 39.23% ⁽¹⁾ Goodview Properties Pte Ltd 19.69% Goi Seng Hui 19.62% ⁽²⁾		
Recommendation of other brokers	N/A		

Source: Annual Report, Information accurate as at 18 June 2018

(1) Deemed to be interested in the 104,272,000 shares held by Zhou Holdings Pte Ltd and 2,898,840 shares held by Ang Tjia Leng @ Widjaja Linda Anggraini (spouse)

(2) Deemed to be interested in the 53,440,180 shares held by Tee Yih Jia Food Manufacturing Pte Ltd

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Key Historical Financials

Year ended 31 March	FY2014	FY2015	FY2016	FY2017	FY2018
Revenue (S\$)	77,920,965	84,985,261	86,064,974	85,059,907	85,723,243
% Growth	(4.4%)	9.1%	1.3%	(1.2%)	0.8%
Gross profit (S\$)	56,144,729	60,783,745	62,131,257	61,176,012	61,821,531
Gross profit margin	72.1%	71.5%	72.2%	71.9%	72.1%
Profit/(loss) before tax (S\$)	(10,030,536)	(1,009,249)	299,606	314,886	(1,768,714)
Profit/(loss) before tax margin	(12.9%)	(1.2%)	0.3%	0.4%	(2.1%)
Profit/(loss) attributable to owners	(6,777,200)	574,172	611,231	422,377	(1,399,264)
EPS/(LPS) (Singapore cents)	(3.55)	0.23	0.22	0.15	(0.51)
P/E (x)	n/a	81.7	85.5	125.3	n/a
P/B (x)	14.3	3.6	3.4	3.3	3.7
Net Debt/Equity	Net cash	Net cash	Net cash	Net cash	Net cash

[^]EPS is computed based on the profit from continuing operations attributable to owners of the company divided by total shares outstanding

A Home-Grown Signature

Strength in branding. Tung Lok Restaurants (2000) Ltd ("Tung Lok", the "Company", and together with its subsidiaries, the "Group"), has been successful in its branding as a highly recognised name in the local food and beverage industry. Since the founding of its flagship Tung Lok Restaurant in 1984, which served gourmet Chinese cuisine, the Group has accelerated its efforts to produce refreshing dining concepts to expand and engage an increasingly younger target market. Tung Lok's ability to license its brands overseas is also testament to its strong reputation and branding.

Industry veteran with abilities to branch out into more businesses. Horizontal expansion is a strategic path adopted by the Group to maximise its growth wherein its strengths lie. Being a pioneer of Singapore's restaurant scene affords the Group its' wealth of industry connections and market knowledge. Tung Lok's strength in branding is leverage for the Group in its running and starting up of new restaurants.

Bringing promising brands to new geographical markets. Within its' cluster of restaurant brands, the Group has also been actively bringing promising Tung Lok brands to new geographical markets. These brands are identified to have thrived locally in difficult economic environments, with potential for overseas success. If demands and results encourages, the Group will explore launching more outlets under Singapore Seafood by Tung Lok, in Beijing and possibly other first and second-tier cities in China.

Expanding services and capabilities to offer greater convenience and choice. Tung Lok has been active in moulding its business concepts in pursuit of the modern consumers' changing palettes and dining preferences. The Group also started to adopt a shift towards quick-service restaurants ("QSRs"), which is a highly scalable model with a lean workforce within technology-centric outlets.

Key risks: (i) Labour shortage, (ii) Online food delivery services and (iii) Cost overruns.

Investment Highlights

Business Overview:

Tung Lok Group operates a total of 43 food and beverage outlets, as at 31 March 2018. Amongst which, 24 outlets are directly owned by the Group, 8 outlets are held by associates and 11 others under management. These restaurants are spread across Singapore, Indonesia, Japan, China and Vietnam. Each outlet bears the hallmark values of superior quality food, excellent service and unique interior design. The Group's business operations can be grouped into 3 segments: restaurateur, catering services and manufacturing.

Strength in branding. Since the founding of its flagship Tung Lok Restaurant in 1984, the Company has accelerated its efforts to refresh its dining concepts and to streamline operations. The strength of Tung Lok restaurants' reputation successfully pulled acclaimed celebrity chefs as guests. These chefs included Jean George Vongerichten, Susur Lee, Yim Jungsik, Hal Yamashita, George Calombaris and more¹. Tung Lok's licensing business is also testament to its monetising abilities attributed to the brand name.

An industry veteran with abilities to branch out into related businesses. Horizontal expansion is one strategy adopted by the Group to maximise its growth wherein its strengths lie. Being a pioneer of Singapore's restaurant scene affords the Group its' wealth of industry connections and market knowledge. In a competitive consumer market, experiences and knowledge forms leverage for the Group in its running and starting up of new restaurants.

Bringing promising brands to new geographical markets¹. Tung Lok has been relatively aggressive in its local expansion, unveiling a string of new dining concepts. Within its' cluster of restaurant brands, the Group has also been actively bringing promising brands to new geographical markets. Successful restaurant concepts that prevail and expand despite economic headwinds are often centred around a strong unique selling point of the local Singaporean cuisine. From 2017, Tung Lok's focus was on brands that can thrive even in tough operating environments in Singapore and also having potential to be launched abroad. If demands and results encourages, the Group will explore launching more outlets under Singapore Seafood by Tung Lok, in Beijing and possibly other first and second-tier cities in China.

Expanding services and capabilities to offer greater convenience and choice. Tung Lok has been active in moulding its business concepts in pursuit of the modern consumers' changing palettes and dining preferences. In 2015, it launched an online store offering ready-to-eat dishes. Tung Lok has also jumped on the trend of partnering up with leading e-commerce and food delivery platforms such as Qoo10, Food Panda and Deliveroo to expand its sales channels and customer base. The Group also started to adopt a shift towards quick-service restaurants, which is a highly scalable business model enabling a lean workforce within technology-centric outlets². One example is Tung Lok's headquarters at Upper Paya Lebar that has started using robots to streamline operations and boosting productivity³.

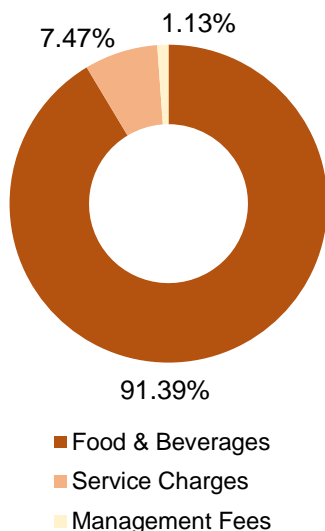
¹ Information extracted from Tung Lok's website, September 2018

² Information extracted from Tung Lok's Annual Report 2018

³ Information extracted from www.straittimes.com, September 2018

Company Background

Revenue Breakdown² (FY2018)



- The Tung Lok brand was built on the foundations of specialised Asian Chinese gourmet cuisine. Its success in becoming a recognisable household name can be attributed to its values of providing superior quality food, excellent service and unique interior design¹. Since its founding, the Group has transitioned from high-end branding, to also targeting mid-market consumers. The Group's efforts to expand its consumer reach can be seen through its increasing number of casual dining concepts of differing cuisines such as Dancing Crab, Slappy Cakes and more².

- The Group's core business can now be categorised into 3 business segments¹:

- Restaurateur (operations, franchise, consulting, manufacturing);
- Catering Services; and
- Manufacturing food products.

Restaurants



Over 40 restaurants owned and managed by Tung Lok², offering variations of Chinese cuisines. Tung Lok's portfolio of restaurants also includes licensed outlets across Asia.

Catering Services



The Group's Catering business, which has more than 15 years of experience, provides services for in-house banquets (weddings, ROMs, corporate and private events) and outdoor events. This service is provided through Bellygood by Tung Lok and TLG Catering Services.

Manufacturing



Source: Company's website

Tung Lok utilises its central kitchen to manufacture fresh Dim Sum, Rice Dumplings, Mooncakes, Chinese New Year Pastries and Festive foods. These products are also exported overseas. In line with segment expansion, the Group formed T&T Gourmet Cuisine Pte Ltd, in 2005, which is a joint venture between Tung Lok and Tee Yih Jia Food Manufacturing Pte Ltd.

¹ Information extracted from Tung Lok's website on 17 September 2018

² Information extracted from Tung Lok's Annual Report 2018

Company Overview

History ¹

Tung Lok owns and manages more than 40 prominent restaurants in Singapore and the region. The Group is led by President and Chief Executive Officer, Andrew Tjioe. In 2001 the Company became listed on the Singapore Exchange (“SGX”).

Tung Lok was founded when the late Mr Tjioe Ji Nan, father of the current President and Chief Executive Officer, Andrew Tjioe, initially ran Oceanic, a textile business, but decided to diversify into the food industry. He opened the Charming Garden restaurant at Orchid Inn in 1980, which served Hunan cuisine. After the success of the first restaurant, the late Mr Tjioe started the second restaurant in Liang Court.

In 1984, Tung Lok opened Tung Lok Shark’s Fin Restaurant in Liang Court serving Cantonese cuisine, including the titular shark’s fin. This restaurant was the first Chinese restaurant to employ European neoclassical décor.

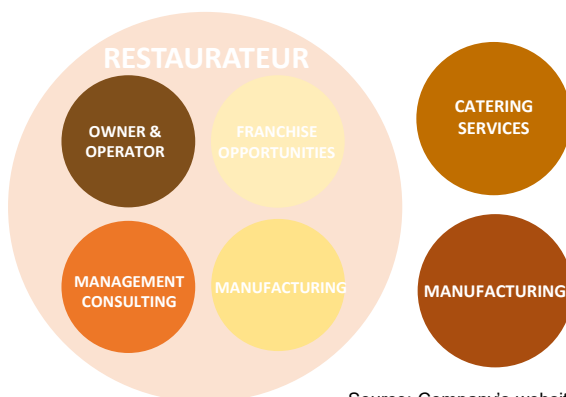
In 1993, Tung Lok opened its first restaurant overseas in Jakarta, Indonesia and continued expansion overseas into China, Japan and Vietnam. In line with its objectives to remain relevant in the market, Tung Lok has since grown its cuisine and business offerings.

Shown in the map below, the Group continued its local expansion from 1980 till today.



Source: Google

Company Structure*



Source: Company's website

¹ Information extracted from National Library Board's eResources Infopedia , September 2018

*Categories not drawn to scale

*Segment breakdown available in preceding and following pages

Corporate Structure

Corporate Developments

Tung Lok's expansion within Singapore's restaurants sector has since gone across borders into neighbouring regions. Although Jakarta was the first city abroad that the Group ventured into, the steady increase in outlets opening in Japan and China reflects its highest success rates for the Group's growing presence there.

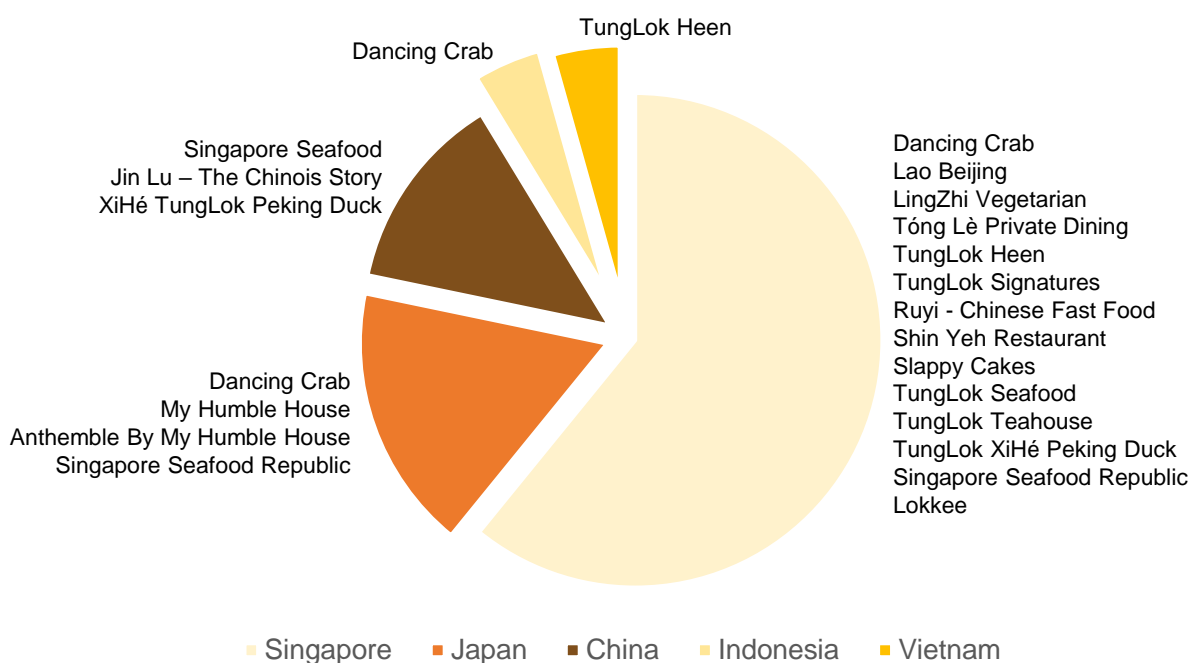
Plans for China

The Straits Times reported in 2017 that Singapore Seafood by Tung Lok was the result of a rebranding from My Humble House. This concept was launched in Beijing in 2004 and operated via a 70% owned subsidiary, My Humble House XiHe (Beijing) Restaurant, which was set up in collaboration with Beijing-based Chinese restaurant operator XiHe Group.

President and Chief Executive Officer, Andrew Tjioe, said that the Group believes Singapore cuisine is a better prospect in China as running Chinese restaurants was like "trying to sell ice to Eskimos".

"We may not hold majority stakes (in overseas joint ventures) but at least we can continue to expand market presence in this very competitive, but very lucrative, market of China," said Mr Tjioe¹.

Geographical Segments²



¹ Information extracted from The Straits Times, 2017

² Information extracted from Tung Lok's website on 17 September 2018

Company Overview

The Catering Business¹

In-House Banquet

This service includes catering food to weddings, ROM, Solemnizations, corporate and private events.

Outdoor Events Catering

The Group worked with prominent event venues in Singapore and has since formed meaningful partnerships which would ease future collaborations.



TUNG LOK CATERING



Source: Company's website

The Manufacturing Business¹

Tung Lok's manufacturing facilities produces delectable high quality products like fresh dim sum, rice dumplings, mooncakes, Chinese New Year pastries and Festive foods. Since 1988, Tung Lok has been the largest local producer of mooncakes in Singapore. Some of their products are exported overseas.

In 2005, T&T Gourmet Cuisine Pte Ltd was formed through a joint venture between Tung Lok Group and Tee Yih Jia Food Manufacturing Pte Ltd. The factory is located within the Tee Yih Jia building in Senoko, equipped with advanced technology and facilities. Research and development of new products are conducted there to explore and innovate.



Source: Company's website

¹ Information extracted from Tung Lok's website, September 2018

Management



Andrew Tjioe, President & Chief Executive Officer¹

Andrew Tjioe (“**Mr Tjioe**”) was appointed to the Board since 28 September 2000, and is a Member of the Nominating Committee and Executive Committee. In July 2006, he was appointed as President & CEO, and continues to spearhead the Group’s overall direction. He founded Tung Lok Shark’s Fin Restaurant Pte Ltd in 1984. He has since established a chain of reputable restaurants in Singapore, Indonesia, Japan, China and Vietnam. Mr Tjioe is currently the President Advisor of the Restaurant Association of Singapore (“**RAS**”); a board member of the SHATEC Institute; Vice-President of the Franchising and Licensing Association of Singapore; a member of the Board of Governors – World Gourmet Summit; council member of Singapore Business Federation; council member of National Productivity Council; council member of National Wages Council; a member of the Board of Governors of the Temasek Polytechnic (“**TP**”) as well as the Chairman of TP’s School of Applied Science Advisory Committee; Patron of Joo Chiat Citizens’ Consultative Committee, among others.



Tiong Heng Tee, Chief Financial Officer²

Heng Tee, a Fellow Chartered Accountant with Institute of Singapore Chartered Accountants, joined the Group in January 2012. Armed with more than 20 years of post-graduation experience in both private and Singapore public-listed companies, he is responsible for providing strategic direction for the finance team and oversees all key financial matters of the Group. Heng Tee holds a Bachelor of Accountancy from Nanyang Technological University of Singapore.

Source: Company’s website

¹ Information extracted from Tung Lok’s website, September 2018

² Information extracted from Tung Lok’s Annual Report, 2018

Corporate Developments

Managing Costs & Improvements¹

In order to remain relevant and thriving in a trying consumer sector, the Group made efforts that included reviewing menus regularly, closing under-performing outlets, using central kitchens to maintain quality and consistency, reducing food wastage, executing centralized purchasing and automating certain cooking processes.

Using Grants to Invest in High-Tech Machinery

The Group prides itself as being at the forefront of kitchen innovation. It has 2 central kitchens in Singapore, one of which is halal-certified, make use of equipment that can be pre-programmed to put together a variety of dishes with less dependency on manpower.

The cost of Tung Lok's 3 Artificial Intelligence Cooking Machines ranges from \$50,000 to \$80,000. However, with Spring Singapore's Capability Development Grant and IRAS's Productivity and Innovation Credit, the total cost to the company was only 20% to 30% of the retail cost².

These machines have led to:

- i) Higher worker outputs as efficiency is improved by multitasking via machinery usage;
- ii) Streamlined job scopes because the machines free up manpower, which can be deployed for more value-added tasks;
- iii) Lower energy consumption; and
- iv) Better consistency and quality control.



Source: www.todayonline.com

¹ Information extracted from Tung Lok's website, September 2018

² Information extracted from www.stjobs.com, September 2018

³ Information extracted from www.todayonline.com, September 2018

Corporate Developments

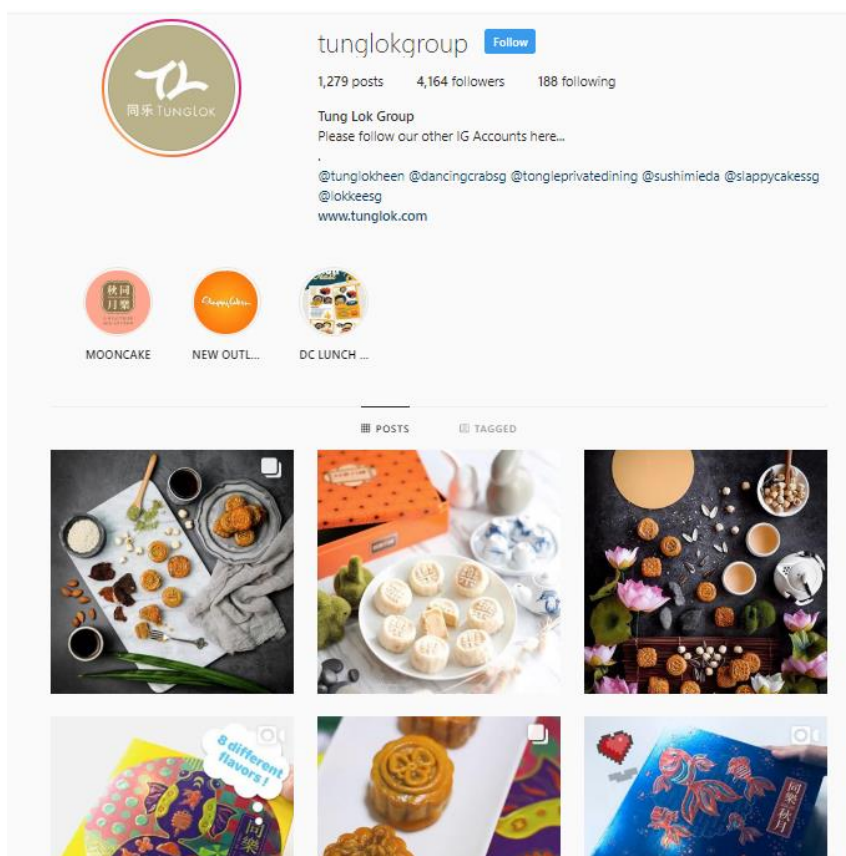
Quality Control¹

Tung Lok holds regular classes for its staff conducted in-house or by the Restaurant Association of Singapore in order to maintain its high service standards. Tung Lok has also consistently been involved in national and international food events; for instance, it has participated in the annual World Gourmet Summit since its inauguration in 1997.

Targeting The Younger Generation

As part of Tung Lok's ongoing efforts to better cater to younger diners, the Group will also step up engagement with them through social media such as Facebook, WeChat and Instagram. Tung Lok has been actively collaborating with social media influencers to promote its brands to their followers.

Instagram accounts created for selected Tung Lok brands is telling of the Group's pursuit of a younger market of digital literates. These brands include TungLok Heen, Dancing Crab, Tong Le Private Dining, Sushi Mieda, Slappy Cakes and Lokkee.



Source: Instagram

¹ Information extracted from Tung Lok's website, September 2018

Corporate Developments

Staying Relevant

Singaporean consumers are getting increasingly health conscious. A 2017 study conducted by Nielsen revealed 79% of Singaporean consumers actively make dietary choices to prevent health conditions, while 75% are willing to pay more for foods that promote health benefits¹.

To meet this demand of the market, Tung Lok made efforts to meet such dietary preferences while ensuring top-quality fare. In early 2018, Tung Lok became the first company in Singapore to join the Health Promotion Board's drive to get F&B firms to replace sugar with healthier alternatives as part of the national war against diabetes campaign.

Corporate Social Responsibility

As part of ongoing efforts to build a sustainable business, the Group joined the Southeast Asia Alliance for Sustainable Palm Oil ("**SASPO**") in early 2018. SASPO is an initiative led by the World Wide Fund for Nature ("**WWF**") Singapore which champions the use of sustainable palm oil in business supply chains. Palm oil is the world's most flexible oil and is widely used in the F&B industry. Tung Lok has pledged its commitment to have all its restaurants switch to using sustainable palm oil as part of collective efforts by companies in the region to help stop the slash-and-burn method of deforestation².



Source: The Straits Times

¹ Information extracted from www.nielson.com, September 2018

² Information extracted from Tung Lok's Chairman's Message, September 2018

Industry Overview

F&B Industry

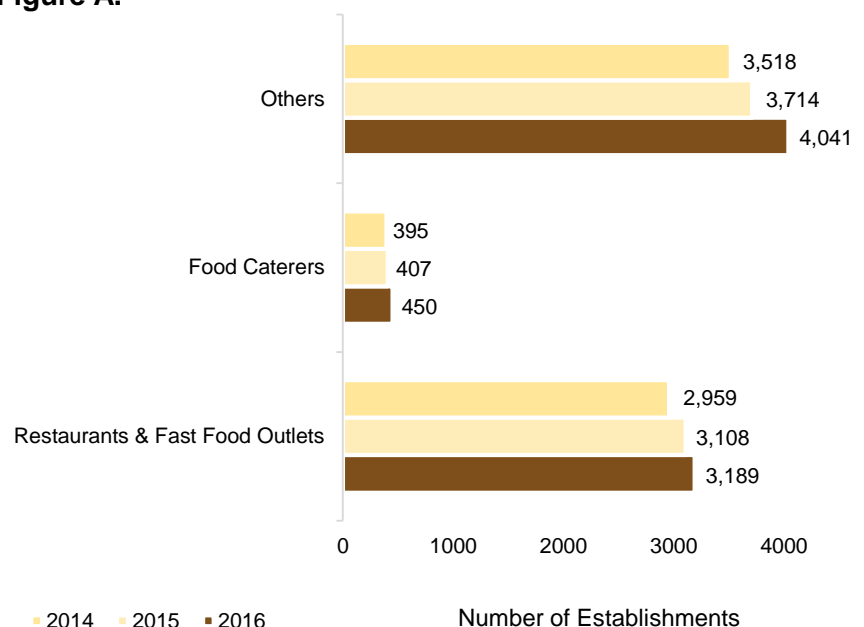
According to data from the Department of Statistics Singapore, the food and beverages industry (“**F&B**”) can be broadly categorized into:

- (a) Restaurants and Fast Food Outlets;
- (b) Food Caterers; and
- (c) Others (this includes cafes, coffee houses, snack bars, food courts, canteens and pubs).

In 2016, the F&B industry saw an increase of 11.8% for total food establishments compared to 2014. Figure A¹ shows that other establishments such as cafes, coffee houses, snack bars, food courts, canteens and pubs (“**Other establishments**”) are the front runners in terms of presence and quantity in establishments within the industry. This increase shows that the industry is feeding a demand for casual and quick dining, a trend identified by Tung Lok as they’ve laid out plans to pursue more quick service restaurant concepts².

Industry Breakdown¹

Figure A.



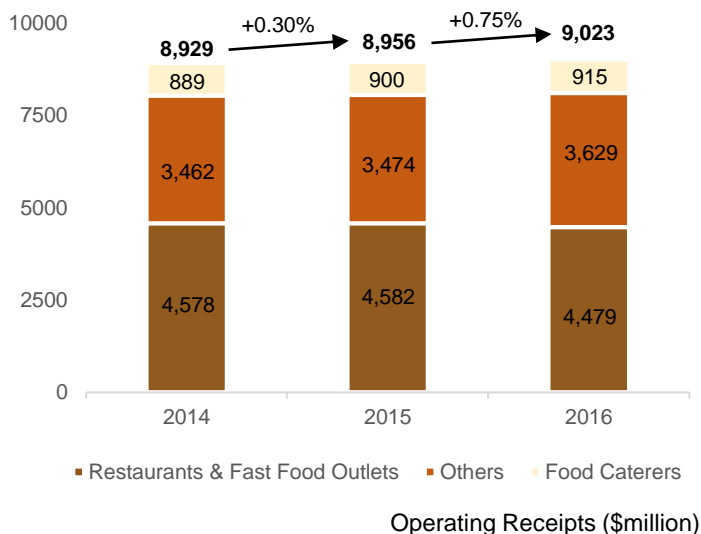
¹ Information extracted from Department of Statistics Singapore, M601621

² Information extracted from Tung Lok’s Annual Report 2018

Industry Overview

Operating Receipts Index¹

Figure B.



Operating receipts¹ is the income earned from business operations which includes income from services rendered, sale of goods, commission fees as well as rental of premises and machinery and equipment.

Restaurants and Fast Food Outlets remained the overall highest contributor of operating receipts, despite Figure A's higher number of Other establishments* versus Restaurants and Fast Food Outlets in Singapore. Restaurants and Fast Food Outlets increased in quantity of establishments, but this segment declined in operating receipts from 2015 to 2016. The decline showed consumers' expenditure retreating from Restaurants and Fast Food Outlets and going towards Other establishments that includes quick and casual dining concepts.

As shown in Figure B, despite the 2016 decrease in operating receipts from Restaurants and Fast Food Outlets, the increase in the other 2 categories pulled overall operating receipts up from S\$8.9 billion in 2014 to S\$9 billion in 2016. Hence, Figure B's 2014 to 2016 exponential trend of F&B's annual operating receipts in Singapore is a sign of consumers' growing affluence through increasing expenditure on food.

Market data versus Tung Lok's Figures

According to the table on page 16, Tung Lok's FY2014, FY2015 and FY2016 revenue figures registered an increase, which contrasted Figure B's FY2014, FY2015 and FY2016 declining operating receipts for Restaurants and Fast Food Outlets segment in Singapore.

* Others includes cafes, coffee houses, snack bars, food courts, canteens and pubs

¹ Information extracted from Department of Statistics Singapore, M601621

² Information gathered from meeting with Tung Lok's Management, June 2018

Industry Overview

Tung Lok's wide scope of target markets

Tung Lok's per customer spending table is shown in the table below. The spectrum of pricing is reflective of the Group's coverage of high-end Tóng Lè Private Dining to a fast food dining concept by Ruyi.

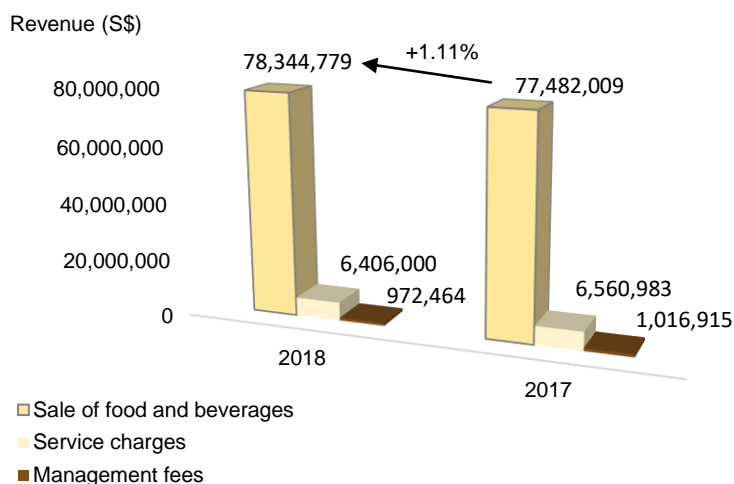
Restaurants	Per Customer Spending (SGD) ¹
Tóng Lè Private Dining	\$150
Tung Lok Signatures	\$80
Dancing Crab	\$60 to \$65
Lao Bei Jing	\$25 to \$30
Ruyi	\$12 to \$30

¹ Information gathered from meeting with Tung Lok's Management, June 2018

Financial Overview

Revenue Drivers¹

Figure C.



FY 2018¹

From 2017 to 2018, Tung Lok recorded an increase of 1.1% in revenue in the sale of food and beverage segment, which is the primary revenue driver for the Group. Overall, the Group's revenue grew by a modest 0.8% or S\$0.7 million to S\$85.7 million in FY18 from S\$85.0 million in the previous year ended 31 March 2017 ("FY17"). The increase came mainly from higher restaurant and catering sales, especially in 2H FY18. This helped to offset the loss of revenue arising from the cessation of a contract to provide food service to a hotel and the closure of 2 non-performing outlets in FY18.

Along with the higher revenue, gross profit increased to S\$61.8 million in FY18 from S\$61.2 million in FY17. Gross profit margin improved 0.2 percentage points to 72.1% in FY18 from 71.9% in FY17. Other operating income decreased by S\$0.8 million (28.9%) to S\$1.8 million in FY18 from S\$2.6 million in FY17, mainly due to lower credits of S\$0.3 million received from various government schemes and lower marketing and promotional funds of S\$0.5 million. Administrative expenses, mainly manpower-related expenses, increased by S\$1.2 million (4.0%) to S\$31.5 million in FY18 from S\$30.3 million in FY17, mainly due to salary adjustments and payment of staff incentives in FY18.

¹ Information extracted from Tung Lok's Annual Report 2018

Key Risks

(i) Service staff shortage

Labour shortage faced by retail and F&B industries have affected companies in their abilities for expansion. As reported in The Business Times¹, Singapore's labour shortage is a key challenge for the economy. "Rules on the hiring of foreign workers are being tightened, as part of government efforts to ensure that the quality of the workforce and opportunities for Singaporeans improve." said The Straits Times in March 2018. Businesses are pushed to employ the use of technology to counter labour challenges. Similarly, Tung Lok has started to steer its operations towards embracing automation to achieve productivity and consistency.

(ii) Online food delivery services

Today's consumers are spoilt with convenient options of online food delivery services. Tung Lok has expanded its operations to adopt online delivery capabilities. The Group has also improved on its restaurants' ambience to provide consumers with a dining experience that cannot be enjoyed through online food deliveries.

(iii) Cost overruns

Increasing rents, decreasing sales and high costs of running F&B outlets have affected overall performance of the industry. In Singapore, total F&B sales were estimated to have fallen 3% in April compared to a year ago. The hardest hit were restaurants, with sales falling 10.5%, followed by other eating places, which included cafes, dipping by 0.6%. But sales of fast-food outlets and food caterers grew by 5.6% and 5% respectively². In addition, Tung Lok saw higher rental and utilities expenses in 2018³. The Group's solution to balance cost overruns was to close outlets that were under-performing.

Conclusion

To conclude, many start-ups have tried to replicate the success of household names like Tung Lok. However, the success of running of a restaurant's operations is dependant on meeting the demands of cuisine, taste, quality, dining experiences, manpower and effective operational solutions.

¹ Information extracted from www.businesstimes.com.sg/government-economy/singapores-labour-shortage-is-key-challenge-for-economy

² Information extracted from The Straits Times, 2017

³ Information extracted from Tung Lok's Annual Report 2018

Income Statement (\$\$)

	Fiscal Year Ended 31 March				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenue	77,920,965	84,985,261	86,064,974	85,059,907	85,723,243
Cost of sales	(21,776,236)	(24,201,516)	(23,933,717)	(23,883,895)	(23,901,712)
Gross profit	56,144,729	60,783,745	62,131,257	61,176,012	61,821,531
Other operating income	3,291,317	5,998,592	3,064,788	2,598,786	1,847,677
Other operating expenses	(38,141,021)	(36,462,166)	(33,444,115)	(33,575,656)	(34,467,315)
Admin expense	(31,175,463)	(31,796,176)	(31,491,918)	(30,280,877)	(31,478,502)
Share of profit of joint venture	284,282	655,861	286,044	344,752	212,557
Share of profit/(loss) of associates	(27,756)	67,552	334	255,850	479,731
Finance costs	(406,624)	(256,657)	(246,784)	(203,981)	(184,393)
Profit/(Loss) before tax	(10,030,536)	(1,009,249)	299,606	314,886	(1,768,714)
Income tax (expense) / benefit	74,868	456,482	682,092	170,714	(3,763)
Profit/(Loss) for the year	(9,955,668)	(552,767)	981,698	485,600	(1,772,477)
Minority interests	(3,178,468)	(1,126,939)	370,467	63,223	(373,213)
Profit/(Loss) attributable to owners of company	(6,777,200)	574,172	611,231	422,377	(1,399,264)
Earnings/(Loss) per share:					
-Basic (SG cents)	(3.55)	0.23	0.22	0.15	(0.51)
-Diluted (SG cents)	(3.55)	0.23	0.22	0.15	(0.51)

Balance Sheet (\$\$)

	Fiscal Year Ended 31 March				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Cash and cash equivalents	11,712,938	15,254,490	14,024,952	15,041,195	15,466,862
Trade receivables	2,281,570	2,193,137	1,784,366	1,278,319	2,414,615
Other receivables and prepayments	1,273,910	690,405	1,153,325	1,288,487	1,038,922
Inventories	2,232,374	2,329,016	2,284,368	1,838,575	1,818,443
Total current assets	17,500,792	20,467,048	19,247,011	19,446,576	20,738,842
Property, plant and equipment	19,157,871	13,955,352	12,051,572	10,010,713	7,141,123
Other assets	1,449,035	2,164,460	3,026,851	2,269,569	2,771,453
Deposits	1,622,261	1,495,494	1,625,401	1,737,111	1,711,867
Total non-current assets	22,229,167	17,615,306	16,703,824	14,017,393	11,624,443
Total assets	39,729,959	38,082,354	35,950,835	33,463,969	32,363,285
Trade payables	7,341,639	3,660,296	3,362,408	2,979,528	3,459,593
Other payables	13,636,299	10,146,805	9,111,025	7,000,535	7,887,671
Finance leases	124,461	170,670	213,815	234,054	214,309
Bank loans	3,390,988	2,018,496	538,056	558,296	421,252
Income tax payable	20,860	19,029	21,485	48,870	56,450
Total current liabilities	24,514,247	16,015,296	13,246,789	10,821,283	12,039,275
Other payables	5,966,060	4,254,211	4,216,819	4,232,146	4,481,484
Finance leases	280,074	409,132	432,296	382,297	232,552
Bank loans	5,258,007	3,230,880	2,738,174	2,175,892	1,753,788
Deferred tax liabilities	87,043	17,916	-	-	-
Total non current liabilities	11,591,184	7,912,139	7,387,289	6,790,335	6,467,824
Share Capital	19,142,045	28,450,434	28,450,434	28,450,434	28,450,434
Currency translation	41,576	(209,531)	(49,157)	31,447	(52,410)
Accumulated losses	(12,814,356)	(12,240,184)	(11,628,953)	(11,206,576)	(12,605,840)
Minority Interest	(2,744,737)	(1,845,800)	(1,455,567)	(1,422,954)	(1,935,998)
Total Equity	3,624,528	14,154,919	15,316,757	15,852,351	13,856,186

Cash Flow Statement (\$\$)

	Fiscal Year Ended 31 March				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Profit/(Loss) before tax	(10,030,536)	(1,009,249)	299,606	314,886	(1,768,714)
Depreciation & amortisation	5,395,108	5,028,468	4,388,154	4,478,175	3,467,999
Change in working capital	1,932,747	(2,207,042)	(633,551)	(2,156,178)	492,561
Others	2,958,589	(735,614)	433,250	(307,908)	307,614
Net Cash (used in)/ from operations	255,908	1,076,563	4,487,459	2,328,975	2,499,460
Purchase of PPE	(7,945,320)	(3,294,638)	(2,964,269)	(1,909,485)	(1,126,625)
Others	(47,497)	198,422	69,230	1,225,470	207,592
Net Cash (used in)/ from investing	(7,992,817)	(3,096,216)	(2,895,039)	(684,015)	(919,033)
Net increase in equity	9,128,397	9,308,389	-	-	-
Net increase in debt	(657,732)	(3,571,952)	(2,202,837)	(770,202)	(801,020)
Others	1,578,203	(23,000)	(615,646)	154,845	(364,938)
Net Cash (used in)/ from financing	10,048,868	5,713,437	(2,818,483)	(615,357)	(1,165,958)

Ratios

	Fiscal Year Ended 31 March				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Profitability (%)					
Gross profit/(loss) margin	72.1%	71.5%	72.2%	71.9%	72.1%
Profit/(loss) before tax margin (continuing ops)	(12.9%)	(1.2%)	0.3%	0.4%	(2.1%)
Liquidity (x)					
Current ratio	0.71	1.28	1.45	1.80	1.72
Quick ratio	0.62	1.13	1.28	1.63	1.57
Interest coverage ratio	12.03	(18.22)	(23.52)	(24.17)	(8.17)
Net Debt to Equity	(73.4%)	(66.6%)	(66.0%)	(73.7%)	(92.7%)
Valuation (x)					
P/S					
P/E	n.m.	81.7	85.5	125.3	n.m.
Core P/E at target price	N/A	N/A	N/A	N/A	N/A
P/B	14.2	3.6	3.4	3.3	3.7
P/NTA	N/A	N/A	N/A	N/A	N/A
Cash Conversion Cycle					
Trade receivable days	10	10	8	7	8
Inventory days	37	35	35	28	28
Trade payable days	123	83	54	48	49
CCC days	(75)	(38)	(10)	(14)	(14)

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