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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Tung Lok Restaurants (2000) Ltd

Stock code: 540

Meeting details:
Date: 31 July 2026
Time: 11.00 a.m.
Venue: Orchard Rendezvous Hotel, 1 Tanglin Road, Level 2 Antica Ballroom, Singapore 247905

Q1. The company was first listed on 21 March 2001, marking more than 25 years as a listed company. While this represents a significant corporate milestone, the group's financial and operating performance has remained challenging. The group reported losses of $(1.66) million in FY2025 and $(1.98) million in FY2026, while its store network has contracted materially over the past decade.

The group currently operates 27 outlets, comprising 19 directly owned outlets, two associate-owned outlets and six licensed or franchised outlets. A decade ago, the group had 45 outlets, comprising 26 directly owned outlets, eight associate-owned outlets and 11 others under management.

For FY2026, revenue declined by $2.5 million (3.1%) to $79.6 million, while gross profit fell by $1.2 million to $57.7 million. Although the gross profit margin improved from 71.7% to 72.5%, management attributed the revenue decline primarily to a $4.6 million reduction in sales from existing outlets, together with weaker contributions from catering services, heat-and-serve products and mooncake sales.

(i) **How does management assess the underlying causes of the decline in same-store sales? To what extent does the board attribute the weaker performance to changing consumer preferences, heightened competition, brand positioning, product relevance or execution at the store level?**

(ii) Singapore's F&B market continues to evolve rapidly, with strong consumer interest in differentiated dining concepts, particularly those introduced by well-capitalised regional and Chinese operators. **How does management evaluate the group's current brand portfolio against these competitors, and what strategic initiatives are being implemented to strengthen customer relevance and restore sustainable same-store sales growth?**

(iii) Many brands have capitalised on the growing "Instagrammable" or "打卡" culture by creating highly shareable dining experiences that generate significant organic exposure on social media. **How has management incorporated this into the group's brand, product and outlet design strategy? What tangible results have been achieved?**

Management noted that the current economic climate had driven consumers to prioritise value over premium concepts. Consequently, demand has noticeably shifted toward mid-tier and casual dining options.

(iv) **How has the board reassessed the group's value proposition in response to these changing consumer behaviours? Does management believe the group's existing brands remain competitively positioned within the current market, or are more fundamental changes to the brand portfolio, operating model or pricing strategy required to restore growth?**

Q2. As disclosed in the corporate governance report, the group engages an independent internal audit firm on a biennial basis to review its internal controls and practices. During FY26, BDO was appointed to carry out an independent internal audit on the group's key operational processes in Singapore. In the intervening years, the group's in-house internal audit function performs regular reviews of internal controls.

(i) Could the audit and risk committee (ARC) explain how the scope, objectives and level of assurance provided by the independent internal audit conducted by BDO differ from those of the in-house internal audit function?

(ii) Could the ARC provide greater clarity on the size, experience and professional qualifications of the in-house internal audit function? What are its principal responsibilities during years when an external internal audit firm is engaged?

(iii) Can the ARC confirm whether it met with BDO without the presence of management at least once in FY2026, and with the in-house internal audit team in FY2025?

(iv) What factors led the ARC to adopt a biennial external internal audit model rather than conducting an independent internal audit annually? Has the ARC benchmarked this approach against prevailing market practices, and how does it satisfy itself that the current arrangement continues to provide adequate assurance over the group's internal control environment?

Q3. Dr Foo Say Mui (Bill) will retire at the conclusion of the forthcoming annual general meeting after serving as an independent director since 1 November 2016 and as independent non-executive chairman since 1 August 2017, following the implementation of the listing rules limiting the tenure of independent directors to nine years.

(i) What are the key attributes, competencies and experience that the nominating committee has identified for the group's next chairman? In particular, what leadership qualities, industry experience, governance expertise and strategic capabilities does the board consider most important in guiding the group's next phase of development?

(ii) How has the chairman search been conducted? Has the nominating committee considered both internal and external candidates, and was an external search firm engaged to broaden the pool of potential candidates?

(iii) What progress has the board made in the succession process, and when does it expect to appoint the new chairman?

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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