



JUMBO Group Limited  
Incorporated in the Republic of Singapore  
Registration No. 201503401Z

## UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

### FOR THE FIRST QUARTER ENDED 31 DECEMBER 2017

This announcement has been prepared by Jumbo Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) and its contents have been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of the announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.

**PART 1 – INFORMATION REQUIRED FOR QUARTERLY, HALF-YEAR AND FULL-YEAR ANNOUNCEMENTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comprehensive statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Group		Increase/ (Decrease) %
	Q1 FY2018 \$'000	Q1 FY2017 \$'000	
<b>Revenue</b>	35,748	32,709	9.3
Cost of sales	(13,334)	(11,695)	14.0
<b>Gross profit</b>	22,414	21,014	6.7
Other income	661	378	74.9
Employee benefits expense	(11,293)	(10,065)	12.2
Operating lease expenses	(3,524)	(3,253)	8.3
Utilities expenses	(873)	(765)	14.1
Depreciation expense	(1,094)	(1,077)	1.6
Other operating expenses	(3,506)	(2,967)	18.2
Finance costs	-	(3)	N.M.
Share of results of associates	(231)	14	N.M.
<b>Profit before tax</b>	2,554	3,276	(22.0)
Income tax expense	(431)	(528)	(18.4)
<b>Profit for the period</b>	2,123	2,748	(22.7)
<b>Other comprehensive (loss)/ income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations	(82)	108	N.M.
<b>Other comprehensive (loss)/ income for the period, net of tax</b>	(82)	108	N.M.
<b>Total comprehensive income for the period</b>	2,041	2,856	(28.5)
<b>Profit attributable to:</b>			
Owners of the Company	2,102	2,622	(19.8)
Non-controlling interests	21	126	(83.3)
	2,123	2,748	(22.7)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	2,020	2,701	(25.2)
Non-controlling interests	21	155	(86.5)
	2,041	2,856	(28.5)

N.M. : Not meaningful

**1(a)(ii) Notes to consolidated statement of profit or loss and other comprehensive income**

The Group's net profit was arrived after crediting / (charging) the following:

	<b>Group</b>		Increase/ (Decrease)
	<b>Q1 FY2018</b>	<b>Q1 FY2017</b>	(Decrease)
	\$'000	\$'000	%
Government grants	73	102	(28.4)
Interest income	13	77	(83.1)
Fair value gain on short-term investments	47	-	N.M.
Gain on disposal of property, plant and equipment	1	-	N.M.
Loss on property, plant and equipment written off	-	(1)	N.M.
Foreign exchange (loss)/ gain	(13)	31	N.M.
Depreciation of property, plant and equipment	(1,094)	(1,077)	1.6
Finance costs	-	(3)	N.M.
Over provision of tax in respect of prior years	77	-	N.M.

N.M. : Not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	As at 31 Dec 2017 \$'000	As at 30 Sep 2017 \$'000	As at 31 Dec 2017 \$'000	As at 30 Sep 2017 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	51,892	51,262	15,631	15,764
Trade and other receivables	10,234	9,036	20	17
Due from subsidiaries	-	-	35,709	27,709
Short-term investments	473	426	-	-
Inventories	1,474	1,479	-	-
<b>Total current assets</b>	<b>64,073</b>	<b>62,203</b>	<b>51,360</b>	<b>43,490</b>
<b>Non-current assets</b>				
Investment in associates	1,427	550	-	-
Investment in subsidiaries	-	-	5,424	5,424
Available-for-sale investment	75	75	-	-
Goodwill	782	782	-	-
Property, plant and equipment	20,610	19,382	-	-
Club memberships	238	238	-	-
<b>Total non-current assets</b>	<b>23,132</b>	<b>21,027</b>	<b>5,424</b>	<b>5,424</b>
<b>Total assets</b>	<b>87,205</b>	<b>83,230</b>	<b>56,784</b>	<b>48,914</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	11,615	10,085	206	175
Provision for reinstatement costs	1,933	1,829	-	-
Income tax payable	2,835	2,535	-	-
<b>Total current liabilities</b>	<b>16,383</b>	<b>14,449</b>	<b>206</b>	<b>175</b>
<b>Non-current liability</b>				
Deferred tax liability	301	301	-	-
<b>Total non-current liability</b>	<b>301</b>	<b>301</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves</b>				
Share capital	48,550	48,550	48,550	48,550
Currency translation reserve	(192)	(110)	-	-
Merger reserve	(2,828)	(2,828)	-	-
Retained earnings	21,741	19,639	8,028	189
Equity attributable to owners of the Company	67,271	65,251	56,578	48,739
Non-controlling interests	3,250	3,229	-	-
<b>Total equity</b>	<b>70,521</b>	<b>68,480</b>	<b>56,578</b>	<b>48,739</b>
<b>Total liabilities and equity</b>	<b>87,205</b>	<b>83,230</b>	<b>56,784</b>	<b>48,914</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

The Group had no borrowings or debt securities as at 31 December 2017 and 30 September 2017.

**1(c) A statement of cash flows (for the group), together with a comparative statement, for the corresponding period of the immediately preceding financial year.**

	Group	
	Q1 FY2018	Q1 FY2017
	\$'000	\$'000
<b>Operating activities</b>		
Profit before income tax	2,554	3,276
Adjustments for:		
Depreciation expense	1,094	1,077
Interest income	(13)	(77)
Finance costs	-	3
Loss on property, plant and equipment written off	-	1
Gain on disposal of property, plant and equipment	(1)	-
Fair value gain on short-term investments	(47)	-
Share of results of associates	231	(14)
Unrealised foreign exchange (gain)/ loss	(111)	43
Operating cash flows before movements in working capital	3,707	4,309
Trade and other receivables	(1,198)	(1,173)
Inventories	5	(69)
Trade and other payables	1,530	1,473
Cash generated from operations	4,044	4,540
Interest income	13	77
Finance costs	-	(3)
Income tax paid	(131)	(395)
Net cash from operating activities	3,926	4,219
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(2,218)	(2,008)
Proceeds from disposal of property, plant and equipment	1	-
Acquisition of investment in an associate	(1,108)	-
Net cash used in investing activities	(3,325)	(2,008)
<b>Financing activities</b>		
Repayment of bank borrowings	-	(24)
Net cash used in financing activities	-	(24)
Net increase in cash and cash equivalents	601	2,187
Cash and cash equivalents at beginning of the period	51,262	59,264
Effect of foreign exchange rate changes	29	-
<b>Cash and cash equivalents at end of the period</b>	<b>51,892</b>	<b>61,451</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Group (\$'000)	Share capital	Currency translation reserve	Merger reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
<b>Balance at 1 October 2016</b>	<b>48,441</b>	<b>(109)</b>	<b>(2,828)</b>	<b>19,277</b>	<b>64,781</b>	<b>1,727</b>	<b>66,508</b>
Total comprehensive income for the period							
Profit for the period	-	-	-	2,622	2,622	126	2,748
Other comprehensive income	-	79	-	-	79	29	108
<b>Balance at 31 December 2016</b>	<b>48,441</b>	<b>(30)</b>	<b>(2,828)</b>	<b>21,899</b>	<b>67,482</b>	<b>1,882</b>	<b>69,364</b>
<b>Balance at 1 October 2017</b>	<b>48,550</b>	<b>(110)</b>	<b>(2,828)</b>	<b>19,639</b>	<b>65,251</b>	<b>3,229</b>	<b>68,480</b>
Total comprehensive income for the period							
Profit for the period	-	-	-	2,102	2,102	21	2,123
Other comprehensive loss	-	(82)	-	-	(82)	-	(82)
<b>Balance at 31 December 2017</b>	<b>48,550</b>	<b>(192)</b>	<b>(2,828)</b>	<b>21,741</b>	<b>67,271</b>	<b>3,250</b>	<b>70,521</b>



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Company (\$'000)	Share capital	Retained earnings	Total
<b>Balance at 1 October 2016</b>	48,441	12,337	60,778
Total comprehensive income for the period			
Loss for the period	-	(90)	(90)
<b>Balance at 31 December 2016</b>	<b>48,441</b>	<b>12,247</b>	<b>60,688</b>
<b>Balance at 1 October 2017</b>	48,550	189	48,739
Total comprehensive income for the period			
Profit for the period	-	7,839	7,839
<b>Balance at 31 December 2017</b>	<b>48,550</b>	<b>8,028</b>	<b>56,578</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issues, bonus issues, share buy-backs, exercises of share options or warrants, conversion of other issues of equity securities, issues of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the corresponding period of the immediately preceding financial year.**

	Number of shares	Issued and paid-up share capital (\$)
As at 30 September 2017 and 31 December 2017	641,483,000	48,550,148

There are no outstanding convertibles or treasury shares held by the Company and there were no subsidiary holdings as at 31 December 2017 and 31 December 2016.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year.**

	As at 30 Sep 2017 and 31 Dec 2017
Total number of issued shares excluding treasury shares	641,483,000

**1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and /or use of treasury share as at the end of the current financial period reported on.**

There were no treasury shares held by the Company.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There were no subsidiary shareholdings.

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

The figures have not been audited or reviewed by the auditors of the Company.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the Group's financial statements for the first quarter ended 31 December 2017 as its most recently audited financial statements for the financial year ended 30 September 2017, except as disclosed in paragraph 5.



**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group and the Company have adopted the applicable new and revised Financial Reporting Standards (“FRS”) and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on or after 1 October 2017. The adoption of these new and revised FRS and INT FRS has no material financial impact on the financial statements of the Group.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

**Earnings per share (“EPS”)**

	Group	
	Q1 FY2018	Q1 FY2017
Profit attributable to owners of the Company (\$'000)	2,102	2,622
Weighted average number of shares ('000)	641,483	641,333
Basic and diluted EPS (cents)	0.3	0.4

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares of the issuer at the end of the:-**

- (a) Current financial period reported on; and
- (b) Immediately preceding financial year.

**Net asset value (“NAV”)**

	Group		Company	
	As at		As at	
	31 Dec 2017	30 Sep 2017	31 Dec 2017	30 Sep 2017
NAV (\$'000)	67,271	65,251	56,578	48,739
Number of shares ('000)	641,483	641,483	641,483	641,483
NAV per share (cents)	10.5	10.2	8.8	7.6

**8. 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 that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**REVIEW OF THE GROUP'S PERFORMANCE**

Revenue

Revenue increased by 9.3% or \$3.0 million, from \$32.7 million in the first quarter ended 31 December 2016 (“Q1 FY2017”) to \$35.7 million in the first quarter ended 31 December 2017 (“Q1 FY2018”). Revenue from our Singapore operations increased by \$1.3 million while revenue from our Jumbo Seafood outlets in the People’s Republic of China (“PRC”) increased by \$1.7 million due mainly to contributions from our first Jumbo Seafood restaurant in Beijing, PRC and fourth Jumbo Seafood restaurant in Shanghai, PRC, which commenced operations in July 2017 and November 2017 respectively.

#### Cost of sales

Cost of sales which comprised raw materials and consumables used increased by 14.0% or \$1.6 million, from \$11.7 million in Q1 FY2017 to \$13.3 million in Q1 FY2018, in line with the increase in revenue.

#### Gross profit

Gross profit increased by 6.7% or \$1.4 million, from \$21.0 million in Q1 FY2017 to \$22.4 million in Q1 FY2018, due to the increase in revenue.

Gross profit margin was lower at 62.7% in Q1 FY2018 as compared to 64.2% in Q1 FY2017. This was mainly due to promotional discounts given for the sale of Alaskan crabs in our Jumbo Seafood restaurants in Singapore and promotional prices offered during the launch of our fourth Jumbo Seafood restaurant in Shanghai, PRC during Q1 FY2018.

#### Other income

Other income increased by 74.9% or \$0.3 million, from \$0.4 million in Q1 FY2017 to \$0.7 million in Q1 FY2018, largely due to franchise income of \$0.2 million from our new franchisee in Taiwan.

#### Employee benefits expense

Employee benefits expense increased by 12.2% or \$1.2 million, from \$10.1 million in Q1 FY2017 to \$11.3 million in Q1 FY2018. This was mainly due to an increase in the number of employees for our new outlets in Shanghai and Beijing, PRC as well as an overall increase in headcount and remuneration to support our regional expansion.

#### Operating lease expenses

Operating lease expenses increased by 8.3% or \$0.2 million, from \$3.3 million in Q1 FY2017 to \$3.5 million in Q1 FY2018 mainly due to the leases for our new outlets in Shanghai and Beijing, PRC, and expansion of our PRC corporate office.

#### Utilities expenses

Utilities expenses increased by 14.1% or \$0.1 million, from \$0.8 million in Q1 FY2017 to \$0.9 million Q1 FY2018, in line with the increase in number of outlets, as well as the expansion of our PRC corporate office.

#### Depreciation expense

Depreciation expense remained stable at \$1.1 million in Q1 FY2018 and Q1 FY2017.

#### Other operating expenses

Other operating expenses increased by 18.2% or \$0.5 million, from \$3.0 million in Q1 FY2017 to \$3.5 million in Q1 FY2018 mainly due to the increase in the number of outlets and the expansion of our PRC corporate office, coupled with pre-operating and promotional expenses for our fourth Jumbo Seafood outlet in Shanghai, PRC which opened in November 2017, and marketing expenses relating to the Group's 30<sup>th</sup> Anniversary celebrations.

#### Share of results of associates

Share of results of associates amounted to a loss of \$0.2 million in Q1 FY2018, due mainly to pre-operating and promotional expenses incurred by our franchisee in Taiwan prior to the opening of our first franchised Jumbo Seafood outlet in Taiwan in December 2017. The franchisee is a joint venture company held by the Group (49%) and a local partner in Taiwan (51%).

#### Income tax expense

Income tax expense decreased by 18.4% or \$0.1 million, from \$0.5 million in Q1 FY2017 to \$0.4 million in Q1 FY2018 mainly due to lower taxable profits from our PRC operations.

#### Profit after tax

As a result of the above, profit after tax decreased by 22.7% or \$0.6 million, from \$2.7 million in Q1 FY2017 to \$2.1 million in Q1 FY2018.

#### Profit attributable to owners of the Company

Profit attributable to owners of the Company decreased by 19.8% or \$0.5 million, from \$2.6 million in Q1 FY2017 to \$2.1 million in Q1 FY2018.

## REVIEW OF THE GROUP'S FINANCIAL POSITION

### Current assets

The Group's current assets increased by \$1.9 million from \$62.2 million as at 30 September 2017 to \$64.1 million as at 31 December 2017 mainly due to higher trade and other receivables, in line with the increase in revenue.

### Non-current assets

The Group's non-current assets increased by \$2.1 million from \$21.0 million as at 30 September 2017 to \$23.1 million as at 31 December 2017, mainly due to an increase in property, plant and equipment of \$1.2 million resulting from the establishment of new outlets in Shanghai and Beijing, PRC, as well as an increase in investment in associates of \$0.9 million due to establishment of the new joint venture company in Taiwan.

### Current liabilities

The Group's current liabilities increased by \$1.9 million from \$14.5 million as at 30 September 2017 to \$16.4 million as at 31 December 2017 mainly due to an increase in trade and other payables, in line with the increase in purchases.

### Non-current liabilities

The Group's non-current liabilities remained the same as at 30 September 2017 and 31 December 2017.

## REVIEW OF THE GROUP'S CASH FLOW STATEMENT

The Group generated net cash from operating activities before movements in working capital of \$3.7 million in Q1 FY2018. Net cash generated from movements in working capital amounted to \$0.3 million mainly due to an increase in trade and other payables of \$1.5 million and partially offset by an increase in trade and other receivables of \$1.2 million. The Group paid income tax of \$0.1 million. As a result, net cash from operating activities was \$3.9 million in Q1 FY2018.

Net cash used in investing activities amounted to \$3.3 million in Q1 FY2018. \$2.2 million was used for the acquisition of property, plant and equipment, mainly for the establishment of our fourth outlet in Shanghai, PRC and purchase of equipment for our central kitchen in Singapore. In addition, the Group contributed \$1.1 million in capital to subscribe for a 49% equity interest in the Taiwan joint venture company.

As a result, cash and cash equivalents increased by \$0.6 million in Q1 FY2018.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

### **10. 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 food and beverage ("F&B") industry is expected to continue to be challenging due to pressure on operating costs and keen competition.

The Group will continue to explore suitable opportunities to expand our network of F&B outlets and business through the opening of new outlets, acquisitions, joint ventures and/or strategic alliances with partners who can strengthen our market position and add value to our existing business.

Leveraging on our four years of operational success in Shanghai, PRC, the Group intends to continue expanding the Jumbo Seafood brand to other major cities in the PRC. Outside of Singapore and the PRC, the Group will continue to explore franchising opportunities to diversify and grow our business offerings. In this respect, the Group had recently announced its entry into Taiwan through franchising, with a local joint venture partner for our Jumbo Seafood brand.

As the Group continues to grow its core operations, human capital and rising costs will likely be some of the key challenges faced by the Group. Pre-operating expenses and promotional expenses for new outlets and the performance of new outlets during the initial gestation period will also affect the Group's performance. These were reflected in our Q1 FY2018 results. However the Group will continue to focus on cost efficiency and improving work flow processes, manpower utilisation and application of information technology systems to increase productivity, efficiency and lower operating costs.

#### **11. Dividend**

**(a) Any dividend declared for the current financial period reported on?**

Nil

**(b) Corresponding period of the immediately preceding financial year?**

Nil

**(c) The date the dividend is payable.**

Not applicable

**(d) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable

#### **12. If no dividend has been declared/recommended, a statement to the effect.**

No dividend has been declared or recommended by the board of directors ("Board" or "Directors") of the Company in respect of Q1 FY2018.

#### **13. Interested person transactions**

The Group has not obtained a general mandate from shareholders for interested person transactions. There are no interested person transactions of \$100,000 or more in Q1 FY2018.

#### 14. Use of IPO proceeds

The Company received net proceeds from the IPO of approximately \$37.2 million (the “Net Proceeds”). As at the date of this announcement, the Net Proceeds have been utilised as follows:

Purpose	Allocation of Net Proceeds (as disclosed in the Offer Document) (\$'000)	Net Proceeds utilised as at the date of this announcement (\$'000)	Balance of Net Proceeds as at the date of this announcement (\$'000)
Establish new outlets and refurbish existing outlets	12,000	(3,500)	8,500
Acquire new premises, equipment and machinery	11,500	(4,156)	7,344
Working capital and general corporate purposes <sup>(1)</sup>	13,700	(13,700)	-
	<u>37,200</u>	<u>(21,356)</u>	<u>15,844</u>

Note:

(1) Comprises operating expenses

#### 15. Confirmation by the issuer pursuant to Rule 720(1)

The Company has procured the undertakings from all its Directors and executive officer as required under Rule 720(1) of the SGX-ST Listing Manual Section B: Rules of Catalist.

#### 16. Negative confirmation by the board pursuant to Rule 705(5)

To the best knowledge of the Board, nothing has come to the attention of the Board which may render the unaudited financial results of the Group and the Company for Q1 FY2018 to be false or misleading in any material aspect.

#### BY ORDER OF THE BOARD

\_\_\_\_\_  
 Tan Cher Liang  
 Independent Chairman

14<sup>th</sup> February 2018

\_\_\_\_\_  
 Ang Kiam Meng  
 Group CEO and Executive Director

14<sup>th</sup> February 2018