



JUMBO GROUP LIMITED

(Company Registration Number: 201503401Z)

Condensed Interim Consolidated Financial Statements

For the six months ended 31 March 2023 ("1H2023")

This announcement has been prepared by Jumbo Group Limited (the "**Company**") and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**"). This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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.

The contact persons for the Sponsor are Mr David Tham, Senior Director, Equity Capital Markets and Ms Priscilla Ong, Vice President, Equity Capital Markets who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.

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A. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group		
		6 months ended		Change
		31 March		
		2023	2022	
		\$'000	\$'000	%
Revenue	4	85,920	49,591	73.3
Cost of sales		(29,091)	(18,318)	58.8
Gross profit		56,829	31,273	81.7
Other income		3,692	1,310	181.8
Employee benefits expenses		(26,591)	(18,387)	44.6
Operating lease expenses		(3,090)	(772)	300.3
Utilities expenses		(2,420)	(1,647)	46.9
Depreciation and amortisation:				
- Property, plant and equipment		(2,758)	(2,961)	(6.9)
- Right-of-use assets		(5,753)	(6,117)	(6.0)
- Intangible assets		(10)	(14)	(28.6)
Interest expense:				
- Leases		(517)	(495)	4.4
- Loans		(195)	(199)	(2.0)
Other operating expenses		(9,226)	(6,411)	43.9
Share of results of associates		5	-	N.M.
Profit/(Loss) before tax	6	9,966	(4,420)	N.M.
Income tax expense	7	(1,980)	(16)	N.M.
Profit/(Loss) for the period		7,986	(4,436)	N.M.
Other comprehensive income for the period:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences arising on translation of foreign operations		(935)	204	N.M.
Other comprehensive income for the period, net of tax		(935)	204	N.M.
Total comprehensive income/(loss) for the period		7,051	(4,232)	N.M.
Profit/(Loss) for the period, attributable to:				
Owners of the Company		7,941	(4,475)	N.M.
Non-controlling interests		45	39	N.M.
		7,986	(4,436)	N.M.
Total comprehensive income/(loss) for the period, attributable to:				
Owners of the Company		6,805	(4,118)	N.M.
Non-controlling interests		246	(114)	N.M.
		7,051	(4,232)	N.M.
Profit/(Loss) per share (cents)				
Basic and diluted	20	1.2	(0.7)	N.M.

N.M. : Not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 31 March 2023 \$'000	As at 30 September 2022 \$'000	As at 31 March 2023 \$'000	As at 30 September 2022 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		22,315	17,014	267	8
Trade and other receivables		10,449	11,719	23	12
Short-term investments	10	24,326	18,013	4,762	4,662
Inventories		2,249	2,730	-	-
Total current assets		59,339	49,476	5,052	4,682
Non-current assets					
Due from subsidiaries		-	-	39,703	41,053
Investment in associates		760	754	-	-
Investment in subsidiaries		-	-	5,424	5,424
Other investments		244	250	-	-
Investments at fair value through profit or loss	11	2,049	1,881	-	-
Goodwill	12	3,383	3,405	-	-
Intangible assets	13	432	447	-	-
Right-of-use assets		24,637	24,597	-	-
Property, plant and equipment		28,711	22,882	-	-
Club memberships		238	238	-	-
Deferred tax assets	14	1,281	3,181	-	-
Total non-current assets		61,735	57,635	45,127	46,477
Total assets		121,074	107,111	50,179	51,159
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables		18,075	13,640	170	290
Provision for reinstatement costs	15	3,899	3,741	-	-
Lease liabilities	16	10,643	10,517	-	-
Bank borrowings	17	5,150	4,833	990	980
Income tax payable		-	23	-	-
Total current liabilities		37,767	32,754	1,160	1,270
Non-current liabilities					
Lease liabilities	16	15,555	15,756	-	-
Bank borrowings	17	14,126	11,869	2,562	3,060
Deferred tax liability		13	-	-	-
Total non-current liabilities		29,694	27,625	2,562	3,060
Capital and reserves					
Share capital	18	49,436	49,436	49,436	49,436
Treasury shares	19	(609)	(439)	(609)	(439)
Currency translation reserve		(929)	207	-	-
Merger reserve		(2,828)	(2,828)	-	-
Accumulated profits /(losses)		6,080	(1,861)	(2,370)	(2,168)
Equity attributable to owners of the Company		51,150	44,515	46,457	46,829
Non-controlling interests		2,463	2,217	-	-
Total equity		53,613	46,732	46,457	46,829
Total liabilities and equity		121,074	107,111	50,179	51,159

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group (\$'000)	Share capital	Treasury shares	Currency translation reserve	Merger reserve	Retained earnings / (Accumulated losses)	Equity attributable to owners of the Company	Non-controlling interests	Total
Balance at 1 October 2021	49,436	(405)	174	(2,828)	(1,770)	44,607	2,462	47,069
Total comprehensive income for the period:								
(Loss) / Profit for the period	-	-	-	-	(4,475)	(4,475)	39	(4,436)
Other comprehensive income/(loss)	-	-	357	-	-	357	(153)	204
Balance at 31 March 2022	49,436	(405)	531	(2,828)	(6,245)	40,489	2,348	42,837
Balance at 1 October 2022	49,436	(439)	207	(2,828)	(1,861)	44,515	2,217	46,732
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	7,941	7,941	45	7,986
Other comprehensive (loss)/ income	-	-	(1,136)	-	-	(1,136)	201	(935)
Transactions with owners, recognised directly in equity:								
Repurchase of treasury shares	-	(170)	-	-	-	(170)	-	(170)
Balance at 31 March 2023	49,436	(609)	(929)	(2,828)	6,080	51,150	2,463	53,613

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company (\$'000)	Share capital	Treasury shares	Accumulated losses	Total
Balance at 1 October 2021	49,436	(405)	(1,259)	47,772
Total comprehensive loss for the period				
Loss for the period	-	-	(459)	(459)
Balance at 31 March 2022	49,436	(405)	(1,718)	47,313
Balance at 1 October 2022	49,436	(439)	(2,168)	46,829
Total comprehensive loss for the period				
Loss for the period	-	-	(202)	(202)
Transactions with owners, recognised directly in equity:				
Repurchase of treasury shares	-	(170)	-	(170)
Balance at 31 March 2023	49,436	(609)	(2,370)	46,457

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	6 months ended 31 March	
	2023	2022
	\$'000	\$'000
Operating activities		
Profit/(loss) before income tax	9,966	(4,420)
Adjustments for:		
Depreciation expense	2,758	2,961
Depreciation of right-of-use assets	5,753	6,117
Amortisation of intangible assets	10	14
Interest expense: leases	517	495
Interest expense: bank borrowings	195	199
Interest income	(170)	(169)
Loss on disposal of property, plant and equipment	19	44
Fair value (gain)/loss on investments at fair value through profit or loss	(168)	502
Property, plant and equipment written off	200	-
Fair value (gain)/loss on short-term investments	(313)	328
Rental rebate and concessions	-	(993)
Share of results of associates	(5)	-
Fair value loss on other investments	6	-
Provision for reinstatement costs	182	
Net foreign exchange differences	(1,081)	137
Operating cash flows before movements in working capital	17,869	5,215
Trade and other receivables	1,270	(399)
Inventories	481	(117)
Trade and other payables	4,435	(180)
Cash generated from operations	24,055	4,519
Interest income received	170	169
Interest paid	(712)	(694)
Income tax paid	(10)	(29)
Net cash from operating activities	23,503	3,965
Investing activities		
Acquisition of property, plant and equipment	(8,905)	(2,092)
Acquisition of short-term investments	(6,000)	(6,096)
Repurchase of treasury shares	(170)	-
Proceeds from disposal of property, plant and equipment	99	223
Reinstatement cost paid	-	(17)
Net cash used in investing activities	(14,976)	(7,982)
Financing activities		
Proceeds from bank borrowings	4,400	5,000
Repayment of bank borrowings	(1,826)	(1,726)
Repayment of lease obligations	(5,868)	(5,046)
Net cash used in financing activities	(3,294)	(1,772)
Net increase/(decrease) in cash and cash equivalents	5,233	(5,789)
Cash and cash equivalents at beginning of the period	17,014	20,462
Effect of foreign exchange rate changes	68	133
Cash and cash equivalents at end of the period	22,315	14,806

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Jumbo Group Limited (Registration No. 201503401Z) (the “Company” and, together with its subsidiaries, the “Group”) is incorporated in Singapore with its principal place of business and registered office at 4 Kaki Bukit Avenue 1, #03-08, Singapore 417939. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the Group are:

- (a) operation and management of restaurants;
- (b) manufacturer of food stuff; and
- (c) investment holding.

2. Basis of preparation

The condensed interim consolidated financial statements for 1H2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The 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 interim financial statements for the financial year ended 30 September 2022.

The accounting policies adopted are consistent with those of the latest audited financial statements for the financial year ended 30 September 2022 which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Singapore dollars 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 30 September 2022, as well as applicable new and revised SFRS(I) which became effective for financial years beginning on or after 1 October 2022. 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 consolidated financial statements, the 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 the management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the financial year ended 30 September 2022.

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 material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

- a) Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts.
- b) Deferred income tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.
- c) Impairment of property, plant and equipment and right-of-use asset of non-performing outlets.

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

4.1 Disaggregation of revenue

	Group	
	6 months ended 31 March	
	2023	2022
	\$'000	\$'000
At a point in time:		
Sale of food and beverages	85,255	49,255
Franchise income	104	80
Over time:		
Royalty income	561	256
Total revenue	85,920	49,591
Geographical information:		
Singapore	70,170	30,042
People's Republic of China ("PRC")	13,356	16,852
Taiwan	2,394	2,697
	85,920	49,591

5. Financial assets and financial liabilities

The following table sets out the financial instruments as at 31 March 2023 and 30 September 2022:

	Group		Company	
	31 March 2023	30 September 2022	31 March 2023	30 September 2022
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at amortised cost	52,276	26,626	39,970	41,061
Financial assets at fair value through other comprehensive income ("FVTOCI"):				
Debt instruments classified as at FVTOCI	244	250	-	-
Financial assets measured at fair value through profit or loss ("FVTPL")	26,375	19,894	4,762	4,662
Financial liabilities				
Financial liabilities at amortised cost	29,982	26,787	3,722	4,330
Lease liabilities	26,198	26,273	-	-

6. Profit/(loss) before taxation

Significant items

	Group	
	6 months ended 31 March	
	2023	2022
	\$'000	\$'000
Income		
Interest income	170	169
Rental rebates and concessions	-	993
Government grant and credit scheme:		
Jobs support scheme	-	513
Progressive wage credit scheme	946	-
Enterprise Singapore development grant	989	-
Others	193	192
Fair value gain/(loss) on investments at FVTPL classified under other income	168	(502)
Fair value gain/(loss) on short-term investments	313	(328)
Loss on disposal of property, plant and equipment	(19)	(44)
Property, plant and equipment written off	(200)	-
Expenses		
Credit card and delivery commission	1,388	984
General supplies	988	895
Cleaning services, repairs and maintenance	1,491	1,065
Professional fees	425	607
Transportation fees	368	185
Marketing expense	612	744
Insurance	234	211
Other receivables written off	235	-

7. Taxation

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 consolidated statement of profit or loss are:

	Group	
	31 March 2023	31 March 2022
	\$'000	\$'000
Tax expense comprises:		
Current tax		
- Current period	31	-
Withholding tax	49	16
Deferred tax	1,900	-
	1,980	16

8. Net asset value ("NAV")

	Group		Company	
	As at		As at	
	31 March 2023	30 September 2022	31 March 2023	30 September 2022
NAV attributable to owners of the Company (\$'000)	51,150	44,515	46,457	46,829
Number of shares ('000)	641,620	642,194	641,620	642,194
NAV per share (cents)	8.0	6.9	7.2	7.3

9. Financial assets at fair value through other comprehensive income

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

<u>Group</u>	<u>Total</u> \$'000	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000
Financial assets				
31 March 2023				
Other investments				
- Debt instruments classified as at FVTOCI	244	244	-	-
Financial assets at fair value through profit or loss:				
- Structured deposits	19,044	-	19,044	-
- Unquoted equity investments	2,049	-	-	2,049
- Quoted equity shares	5,282	5,282	-	-
30 September 2022				
Other investments				
- Debt instruments classified as at FVTOCI	250	250	-	-
Financial assets at fair value through profit or loss:				
- Structured deposits	12,853	-	12,853	-
- Unquoted equity investments	1,881	-	-	1,881
- Quoted equity shares	5,160	5,160	-	-

10. Short-term investments

	<u>Group</u>	
	<u>31 March</u> <u>2023</u>	<u>30 September</u> <u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at FVTPL:		
Held for trading non-derivative financial assets		
- Structured deposits	18,951	12,853
- Quoted equity shares	5,282	5,160
	<u>24,326</u>	<u>18,013</u>

11. Investments at fair value through profit or loss

	Group	
	31 March 2023	30 September 2022
	\$'000	\$'000
Equity investments:		
At beginning of period/year	1,881	2,629
Fair value gain/(loss) included in profit or loss for the period/year as part of other income	168	(748)
At end of period/year	2,049	1,881

12. Goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (“CGU”) that are expected to benefit from that business combination.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

	Group \$'000
Cost:	
At 1 October 2021	3,466
Exchange loss	(61)
At 30 September 2022	3,405
Exchange loss	(22)
At 31 March 2023	3,383

The carrying amount of goodwill is allocated to the respective CGUs:

	Group	
	31 March 2023	30 September 2022
	\$'000	\$'000
CGUs:		
Ng Ah Sio Bak Kut Teh business in Singapore	782	782
Jumbo F&B Services (Taiwan) Co Ltd	787	809
Kok Kee Wanton Noodle Pte Ltd	1,814	1,814
Total	3,383	3,405

The recoverable amount of each CGU is determined from a value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

12. Goodwill (cont'd)

Cash flow projections used in the value-in-use calculations were based on the most recent financial budgets approved by the management for the next five years.

For 1H2023 and the financial year ended 30 September 2022, the management has assessed that no allowance for impairment was required.

13. Intangible assets

Group	Franchise rights \$'000	Trademark \$'000	Total \$'000
Cost:			
At 1 October 2021	252	285	537
Exchange loss	(12)	-	(12)
At 30 September 2022	240	285	525
Exchange loss	(5)	-	(5)
At 31 March 2023	235	285	520
Amortisation:			
At 1 October 2021	57	-	57
Amortisation for the year	21	-	21
At 30 September 2022	78	-	78
Amortisation for the period	10	-	10
At 31 March 2023	88	-	88
Carrying amount:			
At 31 March 2023	147	285	432
At 30 September 2022	162	285	447

14. Deferred tax assets

Deferred income tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

15. Provision for reinstatement costs

	Group	
	31 March 2023 \$'000	30 September 2022 \$'000
At beginning of period/year	3,741	3,534
Provision during the period/year	182	324
Utilisation of provision	-	(16)
Write-back during the year	-	(79)
Exchange difference	(24)	(22)
At end of period/year	3,899	3,741

16. Lease liabilities

	Group	
	31 March 2023 \$'000	30 September 2022 \$'000
Maturity analysis:		
Year 1	11,439	11,245
Year 2	8,519	7,585
Year 3	3,827	4,524
Year 4	1,732	1,403
Year 5 onwards	2,419	3,152
	<u>27,936</u>	<u>27,909</u>
Less: Future charges	(1,738)	(1,636)
	<u>26,198</u>	<u>26,273</u>
Analysed as:		
Current	10,643	10,517
Non-current	15,555	15,756
	<u>26,198</u>	<u>26,273</u>

17. Bank borrowings

	Group		Company	
	31 March 2023 \$'000	30 September 2022 \$'000	31 March 2023 \$'000	30 September 2022 \$'000
Amount repayable within one year or on demand				
Secured	108	-	-	-
Unsecured	5,042	4,833	990	980
	<u>5,150</u>	<u>4,833</u>	<u>990</u>	<u>980</u>
Amount repayable after one year				
Secured	4,265	-	-	-
Unsecured	9,861	11,869	2,562	3,060
	<u>14,126</u>	<u>11,869</u>	<u>2,562</u>	<u>3,060</u>

As at 31 March 2023 and 30 September 2022, the Group's unsecured borrowings comprise external bank loans, for tenures ranging from 3 months to 5 years and bear an average effective interest rate of between 2.00% to 2.38% per annum.

As at 31 March 2023, the Group's secured borrowing is secured by a charge on the leasehold property of a subsidiary located at 208 Rangoon Road, Hong Building, Singapore 218453 and bears an effective interest rate of 3.82% per annum.

18. Share capital

	Group and Company			
	31 March 2023	30 September 2022	31 March 2023	30 September 2022
	Number of shares		\$'000	
Issued and paid-up:				
At the beginning of the period/year	643,658,465	643,658,465	49,436	49,436
At the end of the period/year	643,658,465	643,658,465	49,436	49,436

There were no outstanding convertibles and subsidiary holdings held by the Company as at 31 March 2023 and 31 March 2022.

19. Treasury shares

	Group and Company			
	2023	2022	2023	2022
	Number of shares		\$'000	
As at beginning of period/year	1,464,300	1,338,100	439	405
Purchase of treasury shares	574,000	126,200	170	34
As at period/year	2,038,300	1,464,300	609	439

The number of shares held as treasury shares by the Company as at 31 March 2023 and 31 March 2022 were 2,038,300 and 1,338,100 respectively, representing 0.32% and 0.21% of the total number of issued shares excluding treasury shares that was listed as at the respective dates.

	As at 31 March 2023	As at 30 September 2022
Total number of issued shares excluding treasury shares	641,620,165	642,194,165

20. Earnings/(loss) per share

The calculation of the earnings/(loss) per share is based on the following data:

	Group	
	6 months ended 31 March	
	2023	2022
Profit/(Loss) attributable to owners of the Company (\$'000)	7,941	(4,475)
Weighted average number of shares ('000)	641,967	642,320
Earnings/(loss) per share – Basic and diluted (cents)	1.2	(0.7)

There were no dilutive equity instruments outstanding as at 31 March 2023 and 31 March 2022.

The weighted average number of shares used for the calculation of earnings/(loss) per share for the comparatives have been adjusted for the weighted average effect of changes in treasury shares transactions during the financial period.

21. Subsequent events

There are no known subsequent events after the financial period which have led to adjustments to this set of condensed interim financial statements.

F. Other information required by Appendix 7C of the Catalyst Rules

1. Review

The condensed interim consolidated statement of financial position of the Group as at 31 March 2023 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for 1H2023 and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Revenue

Group revenue increased by 73.3% or \$36.3 million, from \$49.6 million for the six months ended 31 March 2022 ("1H2022") to \$85.9 million in 1H2023 largely due to the lifting of COVID-19 measures in Singapore.

The return of corporate events, business entertainment, family gatherings, wedding events and inbound tourism resulted in the revenue from our Singapore operations to increase by 133.6% or \$40.2 million, from \$30.0 million in 1H2022 to \$70.2 million in 1H2023. The popularity and strong demand for our Jumbo Seafood brand resulted in the conversion of our Sui Yi Gastrobar at The Riverwalk to a Jumbo Seafood outlet in January 2023.

However, the relaxation of zero-COVID policy in the PRC in December 2022 caused a surge in COVID-19 cases which resulted in the revenue from our PRC operations to decrease by 20.7% or \$3.5 million, from \$16.9 million in 1H2022 to \$13.4 million in 1H2023. Revenue for our Taiwan operations decreased by 11.2% or \$0.3 million, from \$2.7 million in 1H2022 to \$2.4 million in 1H2023 largely due to a one-week shutdown of operations in our Taipei outlet for renovation.

Cost of sales

Cost of sales, which comprised raw materials and consumables, increased by 58.8% or \$10.8 million, from \$18.3 million in 1H2022 to \$29.1 million in 1H2023, in-line with the increase in revenue.

Gross profit

Gross profit increased by 81.7% or \$25.5 million, from \$31.3 million in 1H2022 to \$56.8 million in 1H2023. Gross profit margin improved to 66.1% in 1H2023 from 63.1% in 1H2022.

Other income

Other income increased by 181.8% or \$2.4 million, from \$1.3 million in 1H2022 to \$3.7 million in 1H2023. This was primarily attributed to various grants from the Singapore Government, which amounted to \$2.1 million in 1H2023 compared to \$0.7 million in 1H2022. In addition, the Group recorded fair value gain on short-term investments and investments at fair value through profit or loss of \$0.5 million in aggregate in 1H2023 as compared to a fair value loss of \$0.8 million in aggregate in 1H2022. However, these are partially offset by the lack of grants from the Jobs Support Scheme and no rental rebates and concessions in 1H2023.

Employee benefits expenses

Employee benefits expenses increased by 44.6% or \$8.2 million, from \$18.4 million in 1H2022 to \$26.6 million in 1H2023, mainly due to increases in headcount, basic pay and bonuses in 1H2023.

Operating lease expenses

Operating lease expenses increased by 300.3% or \$2.3 million, from \$0.8 million in 1H2022 to \$3.1 million in 1H2023 due to higher variable rent resulting from higher revenue.

Other information required by Appendix 7C of the Catalyst Rules

Utilities expenses

Utilities expenses increased by 46.9% or \$0.8 million, from \$1.6 million in 1H2022 to \$2.4 million in 1H2023, resulting from the increase in revenue and higher utility rates in general.

Depreciation and amortisation

Depreciation expense for property, plant and equipment ("PP&E") decreased by 6.9% or \$0.2 million, from \$3.0 million in 1H2022 to \$2.8 million in 1H2023, as certain PP&E has been fully depreciated.

Depreciation expense for right-of-use assets decreased by 6.0% or \$0.3 million, from \$6.1 million in 1H2022 to \$5.8 million in 1H2023, as certain leases were renewed on short term basis.

Interest expense

Interest expense for leases increased by 4.4% from \$0.4 million in 1H2022 to \$0.5 million in 1H2023, mainly due to full period recognition of lease for JUMBO Signatures outlet in The Shoppes at Marina Bay Sands which started operations in end-January 2022.

Interest expense for loans was slightly lower due to repayment of bank loans but partially offset by a mortgage loan being drawn down in December 2022.

Other operating expenses

Other operating expenses, which includes cleaning services, repairs & maintenance, credit card & delivery services commission, general supplies and marketing expenses, increased by 43.9% or \$2.8 million, from \$6.4 million in 1H2022 to \$9.2 million in 1H2023 due to the increase in business activities.

Income tax expense

The income tax expense of \$2.0 million in 1H2023 was recognised mainly due to the Singapore operations returning to a taxable position.

Profit attributable to owners of the Company

As a result of the above, profit attributable to owners of the Company stood at \$7.9 million for 1H2023 compared to a loss of \$4.5 million in 1H2022.

Other information required by Appendix 7C of the Catalyst Rules

REVIEW OF THE GROUP'S FINANCIAL POSITION

Current assets

The Group's current assets increased by \$9.9 million to \$59.3 million as at 31 March 2023, largely due to:

- i. an increase in short-term investments of \$6.3 million, as the Group placed its cash generated from operations and contingent funds from bank borrowings to bank managed funds to generate returns to offset interest expense;
- ii. an increase in cash and cash equivalents of \$5.3 million from operations during the period; and partially offset by
- iii. a decrease in trade and other receivables of \$1.3 million mainly due to lower revenue recorded at the end of March 2023 which resulted in lower trade receivables; and
- iv. a decrease in inventories of \$0.5 million.

Non-current assets

The Group's non-current assets increased by \$4.1 million to \$61.7 million as at 31 March 2023, largely due to:

- i. an increase in property, plant and equipment of \$5.8 million mainly due to the acquisition of a property by our subsidiary for restaurant operations and renovations in a couple of our outlets during the period; and partially offset by
- ii. a decrease in deferred tax assets of \$1.9 million due to its utilization as the Singapore operations was profitable in 1H2023.

Current liabilities

The Group's current liabilities increased by \$5.0 million to \$37.8 million as at 31 March 2023 mainly due to:

- i. an increase in trade and other payables of \$4.4 million mainly due to higher business activities during the period; and
- ii. an increase in bank borrowings of \$0.3 million due to drawn down of a mortgage loan to fund the acquisition of a property by a subsidiary.

Non-current liabilities

The Group's non-current liabilities increased by \$2.1 million to \$29.7 million as at 31 March 2023, mainly attributed to an increase in bank borrowings of \$2.3 million due to drawn down of a mortgage loan to fund the acquisition of a property by a subsidiary.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

The Group generated net cash from operating activities before movements in working capital of \$17.9 million for 1H2023. Net cash generated from operations amounted to \$6.2 million due to a decrease in trade and other receivables of \$1.3 million, a decrease in inventories of \$0.5 million and an increase in trade and other payables of \$4.4 million. Including the \$0.7 million paid for interest, net cash generated from operating activities was \$23.5 million for 1H2023.

Net cash used in investing activities amounted to \$15.0 million mainly due to:

- i. acquisition of property, plant and equipment of \$8.9 million, of which \$5.5 million was for the acquisition of a property used for our restaurant operations, renovation for our new Mutiara Seafood outlet at Wisma Geylang Serai and existing outlets, namely the JUMBO Seafood outlets at IFC in Shanghai, and at The Riverwalk and Dempsey in Singapore;
- ii. \$6.0 million deployed to short-term investments to generate returns to offset interest expense on bank borrowings; and
- iii. repurchase of treasury shares amounting to \$0.2 million.

Net cash used in financing activities for 1H2023 of \$3.3 million was mainly from the repayment of lease obligations of \$5.9 million and repayment of bank borrowings of \$1.8 million and partially offset by the drawn down of a \$4.4 million mortgage loan for the acquisition of a property used for our restaurant operations.

As a result, cash and cash equivalents increased by \$5.2 million during the financial period to \$22.3 million as at 31 March 2023.

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

Not applicable

4. 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 operating period and the next 12 months

The lifting of vaccination-differentiated safe management measures in Singapore on 10 October 2022, coupled with the easing of border restrictions worldwide, has had a positive impact on our Singapore operations, particularly for our main brands JUMBO Signatures, JUMBO Seafood, and Zui Teochew Cuisine. The return of corporate events, business entertainment, family gatherings, wedding events and inbound tourism has resulted in operations at many of our outlets in Singapore returning to pre-COVID levels.

Due to the popularity and strong demand for our JUMBO Seafood brand, we have converted our Sui Yi Gastrobar at The Riverwalk back to JUMBO Seafood outlet, hence bringing in higher revenue and profitability. We are also pleased that our new Mutiara Seafood outlet has obtained its halal certification in May 2023. We look forward to serving a more diverse clientele with this halal certification.

While we are encouraged by the sustainability of revenue, we remain cautious about rising operating costs, including raw materials, manpower, rental, and utilities, as well as the ongoing manpower shortage and projected world economic headwinds.

In summary, while the lifting of safe management measures in Singapore and the reopening of borders have had a positive impact on our business, we remain mindful of challenges that may arise, such as rising operating costs and an uncertain economy. We will continue to monitor these developments closely and take necessary measures to maintain sustainable revenue growth and profitability. Barring unforeseen circumstances, the Group is cautiously optimistic on its business performance for the next 12 months.

Other information required by Appendix 7C of the Catalist Rules

5. Dividend information

5a Whether an interim (final) ordinary dividend has been declared (recommended)

No dividend has been declared for the current financial period reported on.

5b Amount per share and corresponding period of the immediate preceding financial year

No dividend has been declared for the immediate preceding financial period reported on.

5c 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

Not applicable

5d The date the dividend is payable

Not applicable

5e 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

5f If no dividend has been declared/recommended, a statement to the effect and the reason(s) for the decision

While the Group achieved profitability in 1H2023, the Group remains cautious of the rising COVID-19 cases and rising operating costs which may affect its performance in the second half of 2023. As such, the board of directors of the Company (the "Board") will not be recommending any interim dividend for 1H2023.

6. 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 1H2023.

7. Disclosure pursuant to Rule 706A

There was no acquisition and/or sale of shares by the Company during 1H2023 which requires disclosure pursuant to Rule 706A of the Catalist Rules.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has procured the undertakings from all its directors and executive officers as required under Rule 720(1) of the Catalist Rules.

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

To the best of knowledge of the Board, nothing has come to the attention of the Board which may render the unaudited results of the Group and the Company for 1H2023 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Cher Liang
Independent Chairman
12 May 2023

Ang Kiam Meng
Executive Director and Group CEO
12 May 2023