

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED

31 DECEMBER 2016

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 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.

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		Increase/ (Decrease) %
	Q1 FY2017 \$'000	Q1 FY2016 \$'000	
Revenue	32,709	30,926	5.8
Cost of sales	(11,695)	(11,482)	1.9
Gross profit	21,014	19,444	8.1
Other income	378	481	(21.4)
Employee benefits expense	(10,065)	(9,190)	9.5
Operating lease expenses	(3,253)	(2,952)	10.2
Utilities expenses	(765)	(891)	(14.1)
Depreciation expense	(1,077)	(795)	35.5
Other operating expenses	(2,967)	(3,605)	(17.7)
Finance costs	(3)	(5)	(40.0)
Share of results of associates	14	21	(33.3)
Profit before tax	3,276	2,508	30.6
Income tax expense	(528)	(471)	12.1
Profit for the period	2,748	2,037	34.9
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations	108	(129)	N.M.
Other comprehensive income for the period, net of tax	108	(129)	N.M.
Total comprehensive income for the period	2,856	1,908	49.7
Profit attributable to:			
Owners of the Company	2,622	2,080	26.1
Non-controlling interests	126	(43)	N.M.
	2,748	2,037	34.9
Total comprehensive income attributable to:			
Owners of the Company	2,701	1,986	36.0
Non-controlling interests	155	(78)	N.M.
	2,856	1,908	49.7

N.M. : Not meaningful

1(a)(ii) Notes to combined statements of profit or loss and other comprehensive income

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

	Group		Increase/ (Decrease)
	Q1 FY2017	Q1 FY2016	
	\$'000	\$'000	%
Government grants	102	163	(37.4)
Interest income	77	31	148.4
Gain on disposal of property, plant and equipment	-	34	N.M.
Loss on property, plant and equipment written off	(1)	(29)	(96.6)
Foreign exchange gain/(loss)	31	(19)	N.M.
Depreciation of property, plant and equipment	(1,077)	(795)	35.5
Finance costs	(3)	(5)	(40.0)
Under provision of tax in respect of prior years	-	(68)	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 2016 \$'000	As at 30 Sep 2016 \$'000	As at 31 Dec 2016 \$'000	As at 30 Sep 2016 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	61,451	59,264	30,552	30,310
Trade and other receivables	7,198	6,025	19	17
Due from subsidiaries	-	-	10,400	10,702
Dividend receivable	-	-	14,500	14,500
Short-term investments	332	332	-	-
Inventories	1,164	1,095	-	-
Total current assets	70,145	66,716	55,471	55,529
Non-current assets				
Investment in associates	430	416	-	-
Investment in subsidiaries	-	-	5,424	5,424
Available-for-sale investment	75	75	-	-
Goodwill	782	782	-	-
Property, plant and equipment	19,021	18,011	-	-
Club memberships	238	238	-	-
Total non-current assets	20,546	19,522	5,424	5,424
Total assets	90,691	86,238	60,895	60,953
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	16,000	14,527	207	175
Bank borrowings	575	87	-	-
Provision for reinstatement costs	1,624	1,618	-	-
Income tax payable	2,827	2,685	-	-
Total current liabilities	21,026	18,917	207	175
Non-current liabilities				
Bank borrowings	-	512	-	-
Deferred tax liability	301	301	-	-
Total non-current liabilities	301	813	-	-
Capital and reserves				
Share capital	48,441	48,441	48,441	48,441
Currency translation reserve	(30)	(109)	-	-
Merger reserve	(2,828)	(2,828)	-	-
Retained earnings	21,899	19,277	12,247	12,337
Equity attributable to owners of the Company	67,482	64,781	60,688	60,778
Non-controlling interests	1,882	1,727	-	-
Total equity	69,364	66,508	60,688	60,778
Total liabilities and equity	90,691	86,238	60,895	60,953

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

Amount repayable by the Group in one year or less, or on demand

As at 31 Dec 2016 (\$'000)		As at 30 Sep 2016 (\$'000)	
Secured	Unsecured	Secured	Unsecured
575	-	87	-

Amount repayable by the Group after one year

As at 31 Dec 2016 (\$'000)		As at 30 Sep 2016 (\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	512	-

Details of collaterals:

As at balance sheet date, the total borrowings of the Group are secured by a mortgage over the leasehold property of a subsidiary located at 7 Kaki Bukit Road 1, #05-07 Eunos Technolink, Singapore 415937.

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 FY2017	Q1 FY2016
	\$'000	\$'000
Operating activities		
Profit before income tax	3,276	2,508
Adjustments for:		
Depreciation expense	1,077	795
Interest income	(77)	(31)
Finance costs	3	5
Loss on property, plant and equipment written off	1	29
Gain on disposal of fixed assets	-	(34)
Share of results of associates	(14)	(21)
Unrealised foreign exchange loss/(gain)	43	(44)
Operating cash flows before movements in working capital	4,309	3,207
Trade and other receivables	(1,173)	(398)
Inventories	(69)	(49)
Trade and other payables	1,473	(55)
Cash generated from operations	4,540	2,705
Interest income	77	31
Finance costs	(3)	(5)
Income tax paid	(395)	(108)
Net cash from operating activities	4,219	2,623
Investing activities		
Acquisition of property, plant and equipment	(2,008)	(2,518)
Proceeds from disposal of property, plant and equipment	-	83
Net cash used in investing activities	(2,008)	(2,435)
Financing activities		
Dividend paid to owners of the Company	-	(50,844)
Dividend paid to non-controlling interests	-	(898)
Repayment of bank borrowing	(24)	(24)
Repayment of finance lease	-	(10)
Proceeds from issue of shares, net of initial public offer expenses	-	38,839
Net cash used in financing activities	(24)	(12,937)
Net increase in cash and cash equivalents	2,187	(12,749)
Cash and cash equivalents at beginning of the period	59,264	60,061
Cash and cash equivalents at end of the period	61,451	47,312

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

COMBINED STATEMENTS OF CHANGES IN EQUITY

Group (\$'000)	Share capital	Currency translation reserve	Merger reserve	Equity reserve	Retained earnings	Equity attributable to owners of the Company	Fellow co-operative venturer's interests	Non-controlling interests	Total
Balance at 1 October 2015	2,596	237	-	95	53,995	56,923	5,440	2,834	65,197
Issue of shares	38,839	-	-	-	-	38,839	-	-	38,839
Acquisition of remaining interest in fellow co-operative ventures	3,369	-	-	-	2,304	5,673	(5,440)	-	233
Acquisition of remaining interest in subsidiary	809	-	-	(95)	(433)	281	-	(281)	-
Adjustment pursuant to the restructuring exercise	(2,596)	-	(2,828)	-	-	(5,424)	-	-	(5,424)
Issue of shares pursuant to the restructuring exercise	5,424	-	-	-	-	5,424	-	-	5,424
Total comprehensive income for the period									
Profit for the period	-	-	-	-	2,080	2,080	-	(43)	2,037
Other comprehensive income	-	(94)	-	-	-	(94)	-	(35)	(129)
Transactions with owners, recognised directly in equity									
Dividend paid to owners of the Company	-	-	-	-	(50,844)	(50,844)	-	-	(50,844)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(898)	(898)
Balance at 31 December 2015	48,441	143	(2,828)	-	7,102	52,858	-	1,577	54,435
Balance at 1 October 2016	48,441	(109)	(2,828)	-	19,277	64,781	-	1,727	66,508
Total comprehensive income for the period									
Profit for the period	-	-	-	-	2,622	2,622	-	126	2,748
Other comprehensive income	-	79	-	-	-	79	-	29	108
Balance at 31 December 2016	48,441	(30)	(2,828)	-	21,899	67,482	-	1,882	69,364



Company (\$'000)	Share capital	(Accumulated losses)/ retained earnings	Total
Balance at 1 October 2015⁽¹⁾	-	(1,089)	(1,089)
Issue of shares	48,441	-	48,441
Total comprehensive income for the period			
Loss for the period	-	(751)	(751)
Balance at 31 December 2015	48,441	(1,840)	46,601
Balance at 1 October 2016	48,441	12,337	60,778
Total comprehensive income for the period			
Loss for the period	-	(90)	(90)
Balance at 31 December 2016	48,441	12,247	60,688

Note:

(1) As at 1 October 2015, there were two (2) issued and paid-up shares of \$1 each.

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	Number of shares	Issued and paid-up share capital (\$)
As at 30 September and 31 December 2016	641,333,000	48,440,648

There are no outstanding convertibles or treasury shares as at 31 December 2016 and 31 December 2015.

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 and 31 Dec 2016
Total number of issued shares excluding treasury shares	641,333,000

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 are no treasury shares held by the Company.

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 2016 as its most recently audited financial statements for the financial year ended 30 September 2016, 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 2016.

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 FY2017	Q1 FY2016
Profit attributable to owners of the Company (\$'000)	2,622	2,080
Number of shares ('000)	641,333	641,333
Basic and diluted EPS (cents)	0.4	0.3

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 As at		Company As at	
	31 Dec 2016	30 Sep 2016	31 Dec 2016	30 Sep 2016
NAV (\$'000)	67,482	64,781	60,688	60,778
Number of shares ('000)	641,333	641,333	641,333	641,333
NAV per share (cents)	10.5	10.1	9.5	9.5

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 5.8% or \$1.8 million, from \$30.9 million in the first quarter ended 31 December 2015 ("Q1 FY2016") to \$32.7 million in the first quarter ended 31 December 2016 ("Q1 FY2017") due mainly to increased revenue contributions from our Jumbo Seafood outlets in Shanghai, People's Republic of China ("PRC").

Cost of sales

Cost of sales which comprised raw materials and consumables used increased by 1.9% or \$0.2 million, from \$11.5 million in Q1 FY2016 to \$11.7 million in Q1 FY2017, in line with the increase in revenue.

Gross profit

Gross profit increased by 8.1% or \$1.6 million, from \$19.4 million in Q1 FY2016 to \$21.0 million in Q1 FY2017 mainly due to higher gross margins from the Shanghai operations. Gross profit margin was 64.2% in Q1 FY2017 and 62.9% in Q1 FY2016.

Other income

Other income decreased by 21.4% or \$0.1 million, from \$0.5 million in Q1 FY2016 to \$0.4 million in Q1 FY2017, due to lower government grants received and an absence of gain from sale of fixed assets.

Employee benefits expense

Employee benefits expense increased by 9.5% or \$0.9 million, from \$9.2 million in Q1 FY2016 to \$10.1 million in Q1 FY2017. This was mainly due to an increase in headcount for our new and existing outlets in Singapore and Shanghai, PRC as well as an increase in staff remuneration within the Group.

Operating lease expenses

Operating lease expenses increased by 10.2% or \$0.3 million, from \$3.0 million in Q1 FY2016 to \$3.3 million in Q1 FY2017 mainly due to the leases for our new outlets, existing outlet expansion and new corporate offices in Singapore and Shanghai, PRC.

Depreciation expense

Depreciation expense increased by 35.5% or \$0.3 million, from \$0.8 million in Q1 FY2016 to \$1.1 million in Q1 FY2017 mainly due to the additional depreciation for our new outlets, existing outlet expansion and new corporate offices in Singapore and Shanghai, PRC.

Other operating expenses

Other operating expenses decreased by 17.7% or \$0.6 million, from \$3.6 million in Q1 FY2016 to \$3.0 million in Q1 FY2017 due to absence of initial public offer (“**IPO**”) expenses in Q1 FY2017.

Income tax expense

Income tax expense increased by 12.1% or \$0.06 million, from \$0.47 million in Q1 FY2016 to \$0.53 million in Q1 FY2017 mainly due to higher profits for the Shanghai operations.

Profit after tax

In view of the above, profit after tax increased by 34.9% or \$0.7 million, from \$2.0 million in Q1 FY2016 to \$2.7 million in Q1 FY2017.

Profit attributable to owners of the Company

Profit attributable to owners of the Company increased by 26.1% or \$0.5 million, from \$2.1 million in Q1 FY2016 to \$2.6 million in Q1 FY2017 mainly due to an overall increase in net profit.

REVIEW OF THE GROUP’S FINANCIAL POSITION

Current assets

The Group’s current assets increased by \$3.4 million from \$66.7 million as at 30 September 2016 to \$70.1 million as at 31 December 2016 mainly due to the increase in cash and cash equivalents reflecting the strong cash flow from operations and an increase in trade and other receivables.

Non-current assets

The Group’s non-current assets increased by \$1.0 million from \$19.5 million as at 30 September 2016 to \$20.5 million as at 31 December 2016 due to the increase in property, plant and equipment resulting from the establishment of new outlets, existing outlet expansion and new corporate offices in Singapore and Shanghai, PRC.

Current liabilities

The Group’s current liabilities increased by \$2.1 million from \$18.9 million as at 30 September 2016 to \$21.0 million as at 31 December 2016 mainly due to the increase in trade and other payables, higher income tax payable and the non-current portion of bank borrowings being re-classified to current liabilities for early repayment (“**Reclassification**”).

Non-current liabilities

The Group’s non-current liabilities decreased by \$0.5 million from \$0.8 million as at 30 September 2016 to \$0.3 million as at 31 December 2016 due to the Reclassification.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

The Group generated net cash from operating activities before changes in working capital of \$4.3 million. Net cash generated from working capital amounted to \$0.2 million mainly due to an increase in trade and other payables of \$1.5 million and partially offset by the increase in trade and other receivables of \$1.2 million and inventories of \$0.1 million. The Group paid income tax paid of \$0.4 million. As a result, net cash from operating activities was \$4.2 million.

Net cash used in investing activities amounted to \$2.0 million, for the establishment of new outlets, existing outlet expansion and new corporate offices in Singapore and Shanghai, PRC.

Net cash used in financing activities was insignificant, being less than \$0.1 million, and was for repayment of bank borrowings.

As a result, cash and cash equivalents increased by \$2.2 million in Q1 FY2017.

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, given the weak economic outlook coupled with pressure on operating costs and keen competition. Nonetheless, we intend to leverage on our brands and talents to stay competitive in the marketplace, and strive to strengthen our brands portfolio for sales and profitability.

We intend to expand our brands to other major cities in Asia and pursue franchising opportunities to diversify and grow our business offerings. We will also 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 strategic alliances with partners who can strengthen our market position and value add to our existing business.

We will continue to focus on cost rationalisation and improving work flow processes, manpower utilisation and information technology applications to increase productivity, efficiency and lower operating costs.

Barring any unforeseen circumstances, we expect to continue to grow our business and remain profitable for FY2017.

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) Date payable

Not applicable

(d) Books closure date

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 for the period under review.

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 FY2017.

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 \$'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	(2,260)	9,740
Acquire new premises, equipment and machinery	11,500	(1,710)	9,790
Working capital and general corporate purposes ⁽¹⁾	13,700	(10,000)	3,700
	37,200	(13,970)	23,230

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 Catalist Rules.

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 FY2017 to be false or misleading in any material aspect.



BY ORDER OF THE BOARD

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

Tan Cher Liang
Chairman
13th February 2017

Ang Kiam Meng
Group CEO and Executive Director
13th February 2017