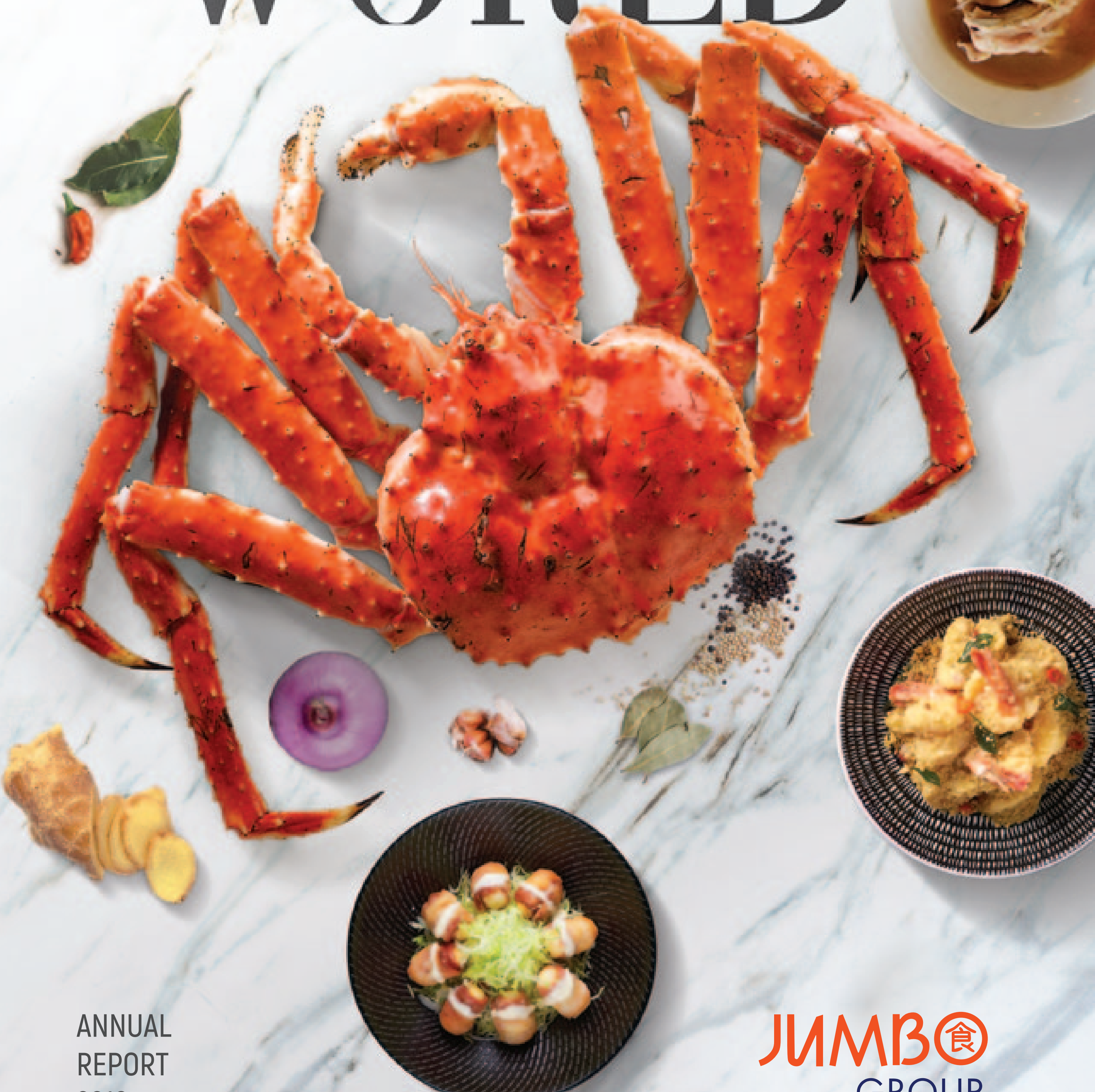
BRINGING SINGAPORE CUISINE TO THE WORLD



ANNUAL
REPORT
2018

JUMBO GROUP

TABLE OF CONTENTS




This annual report has been prepared by the Company 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 annual report.

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

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.

CORPORATE PROFILE

JUMBO Group Limited ("JUMBO", or the "Company" and together with its subsidiaries and subsidiary entities, the "Group") is one of Singapore's leading multi-dining concept food and beverage ("F&B") establishments. The Group's network of F&B outlets (including those of its associated companies and those under licensing and franchising arrangements) spans across Singapore, the People's Republic of China ("PRC"), Taiwan, Thailand, Vietnam and Japan. JUMBO also provides catering services for customers in Singapore, as well as sells packaged sauces and spice mixes for some of its signature dishes in its outlets, selected stores, supermarkets, travel agencies and online via the JUMBO eShop.

Fulfilling its philosophy of "Bonding People Through Food", JUMBO has a total of 13 F&B outlets in Singapore and 6 F&B outlets in the PRC, under 5 restaurant brands – JUMBO Seafood, JPOT, NG AH SIO Bak Kut Teh, Chui Huay Lim Teochew Cuisine and J Café. It also operates 1 Tsui Wah Hong Kong-style "Cha Chaan Teng" as a franchisee and manages 1 Singapore Seafood Republic outlet in Singapore. Through franchising to third parties, it has 1 JUMBO Seafood outlet each in Bangkok, Fuzhou, Taipei, Taichung and Ho Chi Minh, and recently opened its first NG AH SIO Bak Kut Teh outlet in Taipei.

The Group has a central kitchen in Singapore to maintain stringent quality standards and consistency of its signature dishes, increase productivity and lower costs. JUMBO's research and development kitchen facilitates new culinary creations and improvement of food preparation processes.

The Group has received many awards, accolades and notable mentions in prestigious publications for the high quality of food and service offered by its various F&B brands.

Some of the Group's recent awards and accolades include the 5S Excellence Award by Restaurant Association of Singapore (2018), Asia Enterprise BRAND Awards – Gastronomy Excellence BRAND Award (2018), Excellent Service Award (2018) and TripAdvisor Certificate of Excellence (2017).

In 2018, JUMBO Seafood outlet at Dempsey Hill was recommended as a "One Diamond Restaurant" by Meituan-Dianping's (美团点评) inaugural Black Pearl Restaurant Guide, while NG AH SIO Bak Kut Teh outlet at Rangoon Road was conferred the "Local Delights Award (新加坡风味)" at the Ctrip Food Awards 美食林 2016/2017. JUMBO Seafood East Coast flagship restaurant had also received a recommendation from Wine & Dine's Singapore Top Restaurants Guide 2018/2019.

JUMBO GROUP OF RESTAURANTS

JUMBO SEAFOOD 珍宝海鲜

THE BIG NAME IN SEAFOOD
海鲜料理的首选

- jumboseafood
- jumboseafoodsg
- www.jumboseafood.com.sg

JPOT HOTPOT SINGAPORE STYLE 珍 宝 火 锅

HOTPOT SINGAPORE-STYLE
新加坡式火锅

- jpot.singapore
- jpotsingapore
- www.jpot.com.sg

醉 花 林 品 潮 轩
CHUI HUAY LIM TEOCHEW CUISINE

AUTHENTIC TEOCHEW CUISINE
正宗潮州佳肴

- www.chlteochewcuisine.com

TASTE OF HERITAGE

传统古早味

黄亞細 肉骨茶

NG AH SIO
Bak Kut Teh

ngahsiobakkutteh

www.ngahsio.com

J Café

SINGAPORE'S LOCAL DELIGHTS

SINGAPORE'S LOCAL DELIGHTS

新加坡街坊美食

www.jumbogroup.sg/jcafe/

Singapore Seafood Republic

SINGAPORE'S BEST LOVED SEAFOOD BRANDS UNDER ONE ROOF

齐聚新加坡最受欢迎的海鲜品牌

www.singaporeseafoodrepublic.com

OUR PRESENCE

SINGAPORE

JUMBO SEAFOOD
- East Coast Seafood Centre
- Riverside Point
- The Riverwalk
- Dempsey Hill
- NSRCC's Changi Clubhouse
- ION Orchard

NG AH SIO BAK KUT TEH
- Rangoon Road
- Chui Huay Lim Club
- The Shoppes at Marina Bay Sands
- Resorts World™ Sentosa

CHUI HUAY LIM TEOCHEW CUISINE
- Chui Huay Lim Club

JPOT
- Tampines 1

JCAFE
- NSRCC's Changi Clubhouse

SHANGHAI

JUMBO SEAFOOD
- iapm
- Raffles City
- IFC Mall
- L'Avenue Mall

BEIJING

JUMBO SEAFOOD
- SKP Mall

XI'AN

JUMBO SEAFOOD

- SKP Mall

TAIPEI

JUMBO SEAFOOD

- Shin Kong Mitsukoshi

NG AH SIO BAK KUT TEH

- Shin Kong Mitsukoshi

HO CHI MINH

JUMBO SEAFOOD

- Dong Khoi

FUZHOU

JUMBO SEAFOOD

- Dongbai Centre

TAICHUNG

JUMBO SEAFOOD

- Shin Kong Mitsukoshi Zhonggang

BANGKOK

JUMBO SEAFOOD

- ICONSIAM

2018 AT A GLANCE

Fulfilling its philosophy of bonding people through food, JUMBO offers a wide array of tantalising cuisines that continues to excite its customers' palates across more than 10 cities including Singapore, Shanghai, Beijing, Xi'an, Fuzhou, Taipei, Taichung, Bangkok, Ho Chi Minh, Tokyo and Osaka.

The rapid expansion of the Group's portfolio in 2018, with 7 outlet openings made it a year to behold. In May 2018, the Group increased its footprint in the PRC to 6 JUMBO Seafood restaurants by opening in Xi'an. Recognising the popularity and growth potential of the Hong Kong-style "Cha Chaan Teng" market in Singapore, the Group entered into a joint venture to bring in the stalwart Tsui Wah brand. It marks the Hong Kong brand's initial foray outside the Greater China consumer market and broadens JUMBO's range of dining options. The first Tsui Wah outlet opened in June 2018 at the bustling Clarke Quay area, frequented by locals and tourists alike.

In July 2018, NG AH SIO Bak Kut Teh made its debut in Taiwan, located at Shin Kong Mitsukoshi, Taipei. This marks the Group's first franchise of the NG AH SIO Bak Kut Teh brand, successfully introducing a Singaporean culinary heritage dish to food lovers outside of Singapore.

The Group further strengthened its overseas presence with the opening of 3 franchised JUMBO Seafood outlets in the cities of Taichung, Fuzhou and Bangkok, bringing the total number of JUMBO Seafood restaurants outside Singapore to 11. The first franchised JUMBO Seafood restaurant in Bangkok is in a sprawling new mega mixed-use development, ICONSIAM, along the Chao Phraya River. The successive opening of 3 franchised JUMBO Seafood outlets is a testament to the commitment of its strategy to collaborate with strong strategic partners who have deep knowledge and proven expertise within the respective local markets.

The year concluded with a new JUMBO Seafood restaurant at ION Orchard, Singapore, which also marked a significant milestone as our first restaurant in Orchard Road, the premium shopping and entertainment belt. This is the first JUMBO Seafood restaurant opened by the Group in Singapore in the last decade, bringing the total number of JUMBO Seafood outlets across Asia to 17.

Looking ahead, JUMBO will continue to increase its footprint in Asia and strengthen its position in the F&B industry.

AWARDS AND ACCOLADES

Diners' Choice - Best Seafood Platinum Winner 2018
JUMBO Seafood

Ctrip Gourmet List by Ctrip (2018)
JUMBO Seafood Shanghai
(Raffles City outlet)

One Diamond Restaurant by Meituan-Dianping's 2018 Black Pearl Restaurant Guide
JUMBO Seafood Dempsey

Tatler Shanghai's 2018 Best Restaurants
JUMBO Seafood Shanghai (IFC Mall)

Asia Enterprise BRAND Awards
Special Award – Gastronomy
Excellence Brand Award 2018/2019
JUMBO Group of Restaurants

5S Excellence Award by Restaurant Association of Singapore (2018)
For Central Kitchen –
JUMBO Group of Restaurants

Excellent Service Award 2018
Awarded by 7 industry bodies and SPRING Singapore

TripAdvisor Certificate of Excellence 2017
Awarded the TripAdvisor Certificate of Excellence in 2017 for its outstanding service and quality while maintaining as a favourite among reviewers on TripAdvisor, the world's largest travel site.

Ctrip Food Awards 2017/2016
(携程美食林)2016
Singapore Flavour: NG AH SIO Bak Kut Teh (Rangoon Road)
新加坡风味:黄亚细肉骨茶餐室(仰光路店)
Singapore Choice: JUMBO Seafood (Dempsey Hill)
新加坡甄选:珍宝海鲜（登喜丘店）

SIAS - Most Transparent Company Award 2016
Most Transparent Company Award 2016, New Issues Category Awarded by Securities Investors Association (Singapore)

CHAIRMAN'S MESSAGE

"We aim to drive our Group's growth by providing a wide array of delicious and authentic Singapore heritage food through our various F&B brands across a growing regional consumer base. Our strategy will continue to be executed by growing our portfolio of F&B brands and geographic expansion. We will take meaningful action in extending our Asian footprint."

Dear Shareholders,

JUMBO once again demonstrated the resilience of its people and business model in the financial year ended 30 September 2018 ("FY2018"), by delivering a financial performance that reflects our ability to navigate through a period of expansionary growth as we invest for the future. We took important steps to strengthen our base business and expanded into fast-growing geographies across Asia, and we expect this expansion to continue in the year ahead.

In 2018, we had a strong pipeline of new restaurant openings. We added 3 franchised JUMBO Seafood restaurants to our network. These recently-added outlets span the cities of Fuzhou, Taichung and Bangkok. Besides JUMBO Seafood, the Group also opened its first NG AH SIO Bak Kut Teh franchised outlet in Taipei. This is the first NG AH SIO Bak Kut Teh outlet outside of Singapore.

Aside from franchising opportunities, our Group opened its first JUMBO Seafood outlet in Xi'an in May 2018 through a strategic partnership with the Beijing Hualian group.

On the home-front, we opened our Group's first Tsui Wah outlet, a Hong Kong-styled "Cha Chaan Teng" at Clarke Quay. The introduction of Tsui Wah in Singapore not only marked the brand's first foray outside Greater China consumer market, but also increased the number of restaurant brands in JUMBO's portfolio.

We had also been searching for a strategic location for a JUMBO Seafood outlet that will appeal to corporates, tourists, and locals alike, and I am pleased to say that we have recently opened a JUMBO Seafood outlet at ION Orchard, marking this the first JUMBO Seafood restaurant opened in Singapore in the past 10 years.

Thus far, we are truly heartened with the progress of JUMBO's expansion and the overall performance of our business. As with any growing business, we are cognizant that we are in the gestation period for our recently opened outlets, both locally and in the region. Our investments in new restaurant outlets in FY2018 resulted in a decrease in earnings, given the increased costs associated with investment in human capital and expanded operations. But we are confident that this enhances our ability to create value over the longer term.

Importantly, it is imperative that we embrace a calibrated approach to growth, prudently balancing the costs in tandem with our expansion plans.

In the face of expansion, we continue to believe in the fundamentals of our Group. We are also confident in our customer-focused strategy. We remain steadfast in maintaining cost control and in driving efficiency and productivity. At the same time, we intend to harness all resources available to deliver on our brand promise of providing high quality food and excellent customer service.

Looking ahead, we will continue to take a careful look at lifestyle trends, as well as shifts in the behavior and preferences of consumers. We will keep a close watch on the forces that are driving growth in the regional F&B industry, and even anticipate how our industry is likely to evolve in the coming years. We will appraise opportunities with a fresh perspective, focusing on choices that hold the greatest promise.

We aim to drive our Group's growth by providing a wide array of delicious and authentic Singapore heritage food through our various F&B brands across a growing regional consumer base. Our strategy will continue to be executed by growing our portfolio of F&B brands and geographic expansion. We will take meaningful action in extending our Asian footprint.

In Singapore, plans are underway for our Group to open 1 new JUMBO Seafood restaurant, 1 Teochew cuisine restaurant and 2 more Tsui Wah Hong Kong-styled "Cha Chaan Teng" outlets. Further afield, we intend to broaden and deepen our presence in growth markets in North and Southeast Asia. Besides the JUMBO Seafood brand, we are also actively exploring bringing other brands in the JUMBO portfolio to the region.

JUMBO is a strong and trusted brand and we draw on our 30 years of heritage to compete successfully. Our ambition is to bring Singapore heritage food to the world, beginning with Asia. We continue to be a strong business with a dedicated team, and I am confident that we will make further progress in the year ahead.

On behalf of everyone at JUMBO, we thank all our shareholders for your ongoing support and confidence in our future.

Tan Cher Liang
Independent Chairman

GROUP CEO'S STATEMENT

Dear Shareholders,

To be the leading F&B group advocating Singapore food culture across Asia – this objective held us in good stead over the past year, which has been an exciting year of 'firsts' for our Group. We broadened our network of outlets to 4 new cities in the region; our NG AH SIO Bak Kut Teh made its maiden foray into Taiwan; we also introduced Tsui Wah "Cha Chaan Teng" brand into the Singapore market, marking the brand's first foray out of the Greater China consumer market.

Over the past year, we also further extended our footprint in the PRC, brought in valuable talent and expertise to the PRC team to lend support to our growth plans in the region.

While these initiatives in growing the business have inevitably raised our costs, we believe that we will reap the benefits of our investments over the longer term.

Financial Highlights

In FY2018, we continue to see year-on-year growth, reaching an overall revenue of $153.0 million, up 5.5% from $145.1 million recorded in the previous corresponding year ("FY2017"). This was mainly due to an increase in revenue contribution from JUMBO Seafood restaurants in Singapore and the PRC. In particular, we received full year revenue contributions from 2 new JUMBO Seafood restaurants in Shanghai and Beijing, PRC, as well as 4 months revenue contribution from our new JUMBO Seafood restaurant in Xi'an, PRC.

Our cost of sales, which comprised raw materials and consumables used, increased by 7.4%, in line with the increase in revenue. Our operating expenses, which include employee benefits expense, operating lease expenses, depreciation expense and others, rose on the back of our Group's regional expansion.

As a result of the above, profit attributable to owners of the Company decreased by 23.8%, from $14.5 million in FY2017 to $11.0 million in FY2018.

Year in Review

For FY2018, our strong topline figures is a demonstration of our healthy growth trajectory through the year.

Revenue from our Singapore operations increased by $2.1 million to $121.8 million in FY2018. In the course of FY2018, we optimised our network of portfolio brands and closed 2 NG AH SIO Bak Kut Teh outlets, and did not renew the lease of the JPOT outlet at VivoCity.

As one of Singapore's leading multi-dining concept F&B establishments, we work hard to ensure that JUMBO continues to stay relevant and move in tandem with emerging trends in the F&B scene, by actively exploring opportunities to grow our portfolio of brands. One of the highlights over the past year was the introduction of the Tsui Wah brand in the Singapore market, the brand's first foray out of the Greater China consumer market. Tsui Wah is a highly regarded F&B chain in Hong Kong and China, and we intend to capitalise on the popularity and growth potential of the Hong Kong-styled "Cha Chaan Teng" market in Singapore. I am heartened that Singaporeans have welcomed Tsui Wah, and we have received overwhelming response since its opening.

The PRC continues to be a key growth market for us, which accounted for approximately 20.4% of our total revenue in FY2018. This is a strong testament to the acceptance of the JUMBO Seafood brand in the Chinese market.

We also made further inroads in the rest of Asia, as our efforts in expanding our franchises went up a notch in 2018. We opened 3 JUMBO Seafood restaurants in the cities of Taichung, Fuzhou and Bangkok in the months of September, October and November, respectively. These were underpinned by our highly-successful strategy of collaborating with local partners who have a wealth of experience in their home markets and share our passion and vision of "Bonding People Through Food".

The Taichung outlet is located at Shin Kong Mitsukoshi Zhonggang, a premier department store in Taichung City;

"As one of Singapore's leading multi-dining concept F&B establishments, we work hard to ensure that JUMBO continues to stay relevant and move in tandem with emerging trends in the F&B scene, by actively exploring opportunities to grow our portfolio of brands."

the Fuzhou outlet is strategically located at Dongbai Centre, an upmarket shopping centre in Fuzhou; and the Bangkok outlet started operations in ICONSIAM, a new mega-development located on a riverside property which includes glamorous retail and entertainment complexes and world-class waterfront residential condominium buildings.

Our Group's first NG AH SIO Bak Kut Teh outlet outside of Singapore opened its doors in Taipei in July 2018, which also marked the opening of its first franchise outlet for the NG AH SIO Bak Kut Teh brand.

Dividends

A sustained, profitable growth is the foundation for every successful company. Our overarching goal is to deliver total shareholder returns on a sustainable basis. Our Group continues to reward shareholders ("Shareholders") in FY2018, and the board of directors ("Board" or "Directors") of JUMBO is pleased to propose a tax exempt (one-tier) final cash dividend of 0.7 cents for approval at our upcoming annual general meeting. Including the interim dividend of 0.5 cents, this will bring the full-year dividends to 1.2 cents per share, which amounts to approximately 70% of our Group's profit attributable to owners of the Company.

Going forward

As we look forward, we expect to continue facing headwinds such as operating costs pressures and keen competition. While these are industry-wide challenges that invariably affect the F&B sector, we believe that we will be able to navigate these challenges, and remain confident that our business will remain stable in FY2019.

Our Singapore operations are expected to continue to form the bedrock of our earnings growth, and we look forward to strengthening our foothold in terms of seafood dining options in Singapore with our recently opened JUMBO Seafood outlet at ION Orchard, alongside an additional outlet in 2019. Plans are also under way for 1 Teochew cuisine restaurant and 2 more Tsui Wah Hong Kong-styled "Cha Chaan Teng" outlets in Singapore.

We also hope to maintain our momentum in growing our overseas footprint and 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 or strategic alliances with partners who can strengthen JUMBO's market position and value add to its existing business. Looking ahead, plans are also underway for more JUMBO Seafood and other of our Group's brands to be propagated across Asia.

Acknowledgement

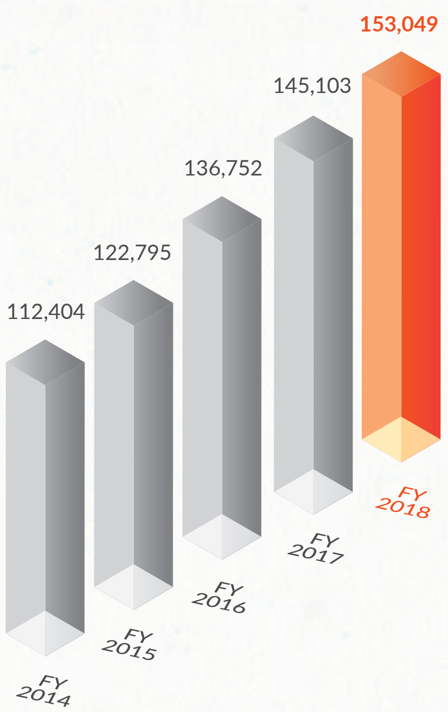
FY2018 has been an exciting year of growth for JUMBO and I would like to take this opportunity to say a big thank you to all our employees and management team for your dedication and hard work you have put in to help realise this.

I would also like to extend my heartfelt gratitude to all our loyal customers, shareholders and business partners for your unwavering support.

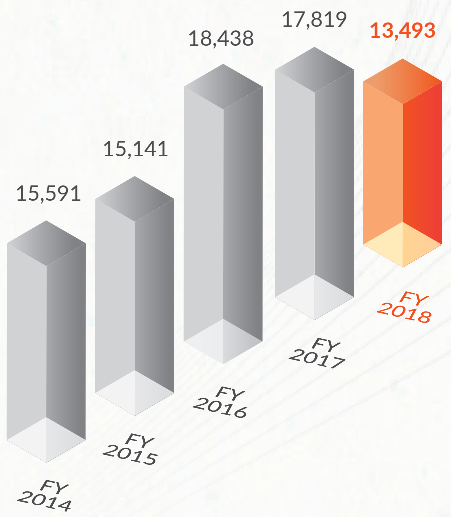
Ang Kiam Meng
Group CEO and Executive Director

FINANCIAL REVIEW

REVENUE ($'000)
AUDITED



PROFIT BEFORE TAX ($'000)
AUDITED



$'000	FY2014	FY2015	FY2016	FY2017	FY2018
Revenue	112,404	122,795	136,752	**145,103**	**153,049**
Profit before tax	15,591	15,141	18,438	**17,819**	**13,493**
Profit for the year	13,778	13,322	15,708	**15,040**	**10,617**
Net profit attributable to:					
Owners of the Company	11,521	10,600	15,508	**14,472**	**11,022**
Fellow co-operative venturers	1,828	2,152	-	**-**	**-**
Non-controlling interests	429	570	200	**568**	**(405)**
	13,778	13,322	15,708	**15,040**	**10,617**
Basic and diluted earnings per share (cents)	1.8	1.7	2.4	**2.3**	**1.7**

REVIEW OF THE GROUP'S PERFORMANCE

Revenue

Revenue increased by 5.5% or $7.9 million, from $145.1 million in FY2017 to $153.0 million in FY2018. Revenue from our Singapore operations increased by $2.1 million while revenue from our outlets in the PRC increased by $5.8 million with full year revenue contributions from 2 new Jumbo Seafood restaurants in Shanghai and Beijing, PRC as well as 4 months revenue contribution from our new Jumbo Seafood restaurant in Xi'an, PRC.

Cost of sales

Cost of sales which comprised raw materials and consumables used increased by 7.4% or $3.9 million, from $53.2 million in FY2017 to $57.1 million in FY2018, in line with the increase in revenue.

Gross profit

Gross profit increased by 4.4% or $4.1 million, from $91.9 million in FY2017 to $96.0 million in FY2018, due to the increase in revenue. Gross profit margins were 63.4% in FY2017 and 62.7% in FY2018.

Other income

Other income increased by 31.6% or $0.9 million, from $2.7 million in FY2017 to $3.6 million in FY2018, largely due to write back of impairment loss on investment in associates amounting to $0.5 million and an increase in franchise income of $0.4 million.

Employee benefits expense

Employee benefits expense increased by 13.7% or $5.7 million, from $41.8 million in FY2017 to $47.5 million in FY2018. This was mainly due to an increase in manpower for our new Jumbo Seafood restaurants in the PRC and an overall increase in headcount in our Singapore and PRC corporate offices to support our regional expansion.

Operating lease expenses

Operating lease expenses increased by 3.0% or $0.4 million, from $13.9 million in FY2017 to $14.3 million in FY2018, mainly due to leases for our new Jumbo Seafood restaurants and expansion of our PRC corporate office.

Utilities expenses

Utilities expenses increased by 12.1% or $0.4 million, from $3.3 million in FY2017 to $3.7 million in FY2018, in line with the increase in the number of Jumbo Seafood restaurants and expansion of our PRC corporate office.

Depreciation expense

Depreciation expense increased by 5.6% or $0.2 million, from $4.6 million in FY2017 to $4.8 million in FY2018, mainly due to the increase in number of Jumbo Seafood restaurants and expansion of our PRC corporate office.

Other operating expenses

Other operating expenses increased by 16.1% or $2.2 million, from $13.5 million in FY2017 to $15.7 million in FY2018, mainly due to the increase in the number of Jumbo Seafood restaurants and expansion of our corporate offices.

Income tax expense

Income tax expense increased by 3.5% or $0.1 million, from $2.8 million in FY2017 to $2.9 million in FY2018, mainly due to higher taxable profits in our Singapore operations, and under provision for tax in prior years.

Profit after tax

Profit after tax decreased by 29.4% or $4.4 million, from $15.0 million in FY2017 to $10.6 million in FY2018.

Profit attributable to owners of the Company

Profit attributable to owners of the Company decreased by 23.8% or $3.5 million, from $14.5 million in FY2017 to $11.0 million in FY2018.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Current assets

The Group's current assets decreased by $1.9 million, from $62.2 million as at 30 September 2017 to $60.3 million as at 30 September 2018, mainly due to the decrease in cash and cash equivalents of $4.7 million and partially offset by higher trade and other receivables of $2.7 million.

Non-current assets

The Group's non-current assets increased by $6.7 million, from $21.0 million as at 30 September 2017 to $27.7 million as at 30 September 2018, mainly due to an increase in property, plant and equipment of $1.4 million for the new outlets in Shanghai and Xi'an, PRC and renovation works in our central kitchen in Singapore, an increase in investment in associates of $1.5 million due to the establishment of the new joint venture companies in Taiwan and Singapore and an increase in investments at fair value through profit or loss (investment in a discretionary fund) of $3.7 million.

Current liabilities

The Group's current liabilities increased by $3.7 million from $14.4 million as at 30 September 2017 to $18.1 million as at 30 September 2018 mainly due to the increase in trade and other payables.

Non-current liabilities

The Group's non-current liability in relation to deferred tax liability remained at $0.3 million as at 30 September 2017 and 30 September 2018.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

The Group generated net cash from operating activities before movements in working capital of $18.3 million in FY2018. Net cash generated from working capital amounted to $1.0 million mainly due to an increase in trade and other payables of $3.7 million and partially offset by an increase in trade and other receivables of $2.7 million. The Group paid income tax of $3.1 million. As a result, net cash generated from operating activities was $16.2 million in FY2018.

Net cash used in investing activities amounted to $11.3 million in FY2018 and was mainly for the acquisition of property, plant and equipment for our new outlets in Shanghai and Xi'an, PRC amounting to $6.2 million, investment in an associate of $1.4 million and investment of $4.0 million in a discretionary fund classified as investments at fair value through profit or loss under non-current assets in the balance sheet.

Net cash used in financing activities for FY2018 amounting to $9.6 million was due to payment of dividend to owners of the Company of $10.9 million and partially offset by proceeds of $1.3 million from issuance of shares to a non-controlling interest in a subsidiary company.

As a result, cash and cash equivalents decreased by $4.7 million in FY2018.

BOARD OF DIRECTORS AND KEY MANAGEMENT

MR. TAN CHER LIANG

Independent Chairman

Mr. Tan Cher Liang is our Independent Non-Executive Chairman. He joined our Company as Lead Independent Director on 22 October 2015 and was re-designated as Independent Chairman on 1 February 2017. He has more than 40 years of experience in corporate audits, general management and business advisory. In May 2000, he co-founded Boardroom Limited, a company listed on the Main Board of the SGX-ST. He was the Managing/Finance Director of Boardroom Limited from May 2000 to March 2013. Having retired from Boardroom Limited, he continues to be an Advisor. Prior to May 2000, he was with Ernst & Young Singapore and its affiliates since September 1973. Mr. Tan is currently an Independent Non-Executive Chairman of Vibrant Group Limited, and an Independent Director of Ezra Holdings Limited and Kingsmen Creatives Ltd, all of which are companies listed on the Main Board of the SGX-ST, as well as Wilton Resources Corporation Limited, which is listed on Catalist. He is also a Trustee of Kwan Im Thong Hood Cho Temple and a Director of D S Lee Foundation, EtonHouse Community Fund Ltd and Children's Charities Association. He is a qualified financial professional from the Association of Chartered Certified Accountants of the United Kingdom. Mr. Tan was awarded the Public Service Medal in 1996.

MR. ANG KIAM MENG

Group CEO and Executive Director

Mr. Ang Kiam Meng is our Group CEO and Executive Director and was appointed to our Board on 4 February 2015. Mr. Ang has been serving with our Group for over 25 years. Mr. Ang is responsible for the overall management, operations, strategic planning, and business development of our Group. He has been, and continues to be, instrumental to our Group's continued success and growth. He is responsible for, *inter alia*, setting and executing our Group's vision, mission, core values and goals, driving the operational efficiency of our Group's work processes, monitoring the development and performance of our Group's business, and identifying new opportunities for our Group's expansion domestically and internationally. Prior to joining our Group, Mr. Ang worked with Singapore Technologies Electronics Limited (formerly known as Singapore Electronic & Engineering Limited) from 1986 to 1993, holding various positions such as Software Engineer and Product Manager. Mr. Ang currently also serves as Chairman of the Commerce and Industry Committee and Council Member of the Singapore Chinese Chamber of Commerce & Industry, as well as Executive Committee Member of the Restaurant Association of Singapore. Mr. Ang is currently a member of the board of governors of Hwa Chong Institution, a board director of the Chinese Development Assistance Council and Vice President of the Management Committee for Teochew Poit Ip Huay Kuan. Mr. Ang obtained a Graduate Diploma in Business Administration from the Singapore Institute of Management in 1991 and graduated with a Bachelor of Arts (majoring in Computer Science) from the University of Texas at Austin (USA) in 1985.

BOARD OF DIRECTORS AND KEY MANAGEMENT

MDM. TAN YONG CHUAN, JACQUELINE

Executive Director

Mdm. Tan Yong Chuan, Jacqueline is our Executive Director and was appointed to our Board on 4 February 2015. Mdm. Tan has been serving with our Group for over 25 years. Mdm. Tan has been, and continues to be, crucial to the operations of our Group, overseeing the procurement and purchasing function, merchandising and pricing strategies of our Group, and monitoring the key performance indicators for our Group, such as customer engagement and reviews. Mdm. Tan is also responsible for strategising and implementing key improvements to our Group's various processes, to continually raise our Group's standards of quality and service. Part of her portfolio includes overseeing our Group's business development and expansion activities. Prior to joining our Group, from 1985 to 1987 and from 1989 to 1990, Mdm. Tan worked at Boulevard Hotel Singapore, a member of the Goodwood Group, holding various positions, including Personnel Manager. From 1988 to 1989, Mdm. Tan worked in the administrative department of NHS Scotland. Mdm. Tan obtained a Graduate Diploma in Personnel Management from the Singapore Institute of Management in 1987, and graduated with a Bachelor of Business Administration from the National University of Singapore in 1984.

MRS. CHRISTINA KONG CHWEE HUAN

Executive Director

Mrs. Christina Kong Chwee Huan is our Executive Director and was appointed to our Board on 22 October 2015. She oversees our Group's human resource and training and development divisions, a role which she has undertaken since joining our Group as Manager of Human Resource and Corporate Affairs in 2008. She also supervises our Group's various training and development programs, strategising to ensure our Group's human resource requirements are met, and manages the employee compensation, benefits and human resource issues of our Group. Mrs. Kong has been, and continues to be, instrumental in the continued refinement and development of our Group's human resource and training and development divisions. Our Group was accredited by both the Singapore Workforce Development Agency and Singapore's Institute of Technical Education as an approved training organisation in 2008. Mrs. Kong began her career as a purchasing executive with our Group from 1993 to 1994. Between 1995 and 2000, she provided educational services, before joining the Ministry of Education as a teacher from 2001 to 2007. Mrs. Kong is currently a member of the Tripartite Committee for Low-wage Workers and Inclusive Growth, an initiative of the Ministry of Manpower. She is also a Business Excellence Assessor with Enterprise Singapore. Mrs. Kong obtained a Postgraduate Diploma in Education from the Nanyang Technological University in 2004 and graduated with a Bachelor of Science from the University of Birmingham (United Kingdom) in 1991. She also obtained a Human Resource Graduate Certification from the Singapore Management University in 2014.

DR. LIM BOH SOON

Independent Director

Dr. Lim Boh Soon was appointed our Independent Director on 22 October 2015. He has more than 25 years of experience in the banking and finance industry in Asia. Dr. Lim is currently a Director of Arise Asset Management Pte. Ltd. Prior to that, Dr. Lim was the first non-Muslim CEO of Kuwait Finance House (Singapore) Pte. Ltd. from 2007 to 2009, and the first foreign CEO of Vietcombank Fund Management Company in Vietnam from 2005 to 2007. Dr. Lim was a Group Corporate Director of Autron Corporation Limited from 2002 to 2006 (concurrently when he was CEO of Vietcombank Fund Management Company). From 1996 to 1999, Dr. Lim co-headed UBS Capital Asia Pacific (S) Limited and was also a member of its Regional Investment Committee that managed the Swiss Bank proprietary large PE funds. Prior to that, he also served in senior management positions for several large regional and global companies, including the Singapore Technologies Group and Rothschild Ventures Asia. Dr. Lim currently serves as an Independent Director of OUE Commercial REIT Management Pte Ltd, the Manager of the OUE Commercial Real Estate Investment Trust, which is listed on the Main Board of the SGX-ST. Dr. Lim is also an Independent Director of Tomi Environmental Solutions Inc. Dr. Lim obtained a Bachelor of Science with First Class Honours and a Doctor of Philosophy in Mechanical Engineering from the University of Strathclyde, United Kingdom, in 1981 and 1985 respectively. He also received a Graduate Diploma in Marketing Management from the Singapore Institute of Management, and a Diploma in Marketing from the Chartered Institute of Management, United Kingdom, in 1991. Dr. Lim is a Fellow of the Singapore Institute of Directors.

MR. RICHARD TAN KHENG SWEE

Independent Director

Mr. Richard Tan Kheng Swee was appointed our Independent Director on 22 October 2015. He has more than a decade of experience in legal practice as a corporate and commercial lawyer and is currently a Partner of RHTLaw Taylor Wessing LLP, a Singapore law firm. His practice includes advising and representing companies in a wide range of commercial transactions in relation to asset acquisitions, initial public offerings and other fund-raising exercises, mergers and acquisitions, restructuring exercises, corporate advisory and compliance involving both listed and private companies. Prior to Mr. Tan's current appointments, he previously managed and practised in a small-mid Singapore law practice as well as a mid-sized Australian law practice in New South Wales. Mr. Tan currently serves as an Independent Director of Sysma Holdings Limited which is listed on Catalist. Mr. Tan obtained a Bachelor of Laws (Honours) from the National University of Singapore in 2003 and a Bachelor of Science (Honours) from the University of Melbourne, Australia, in 2000. He is an Advocate & Solicitor of the Supreme Court of Singapore, a Barrister & Solicitor of the Supreme Court of Victoria, Australia, a Solicitor of the Supreme Court of New South Wales, Australia and a Solicitor of the High Court of Australia.

BOARD OF DIRECTORS AND KEY MANAGEMENT

MR. RON SIM CHYE HOCK

Non-Executive Director

Mr. Ron Sim is the Chairman and Chief Executive Officer of V3 Group Limited and is responsible for the formulation of the strategic direction of the group. As a brand creator and developer, V3 Group Limited is an Asian luxury group in the lifestyle and wellness markets (OSIM, TWG Tea, ONI Global, Futuristic), targeting a broad and affluent consumer demographic. He began in 1979 with a trading company selling general household items and later branched into home healthcare products. Mr. Sim then expanded his business under the OSIM brand overseas, to Hong Kong in 1986 and Taiwan in 1987. By early 1990s, he had grown the OSIM brand into an Asian household name. Under his leadership, OSIM was listed on the Main Board of the SGX-ST in July 2000. Today, V3 Group Limited operates a wide point-of-sales network, through the 3 specialty retail brands of OSIM, TWG Tea and GNC, with more than 700 outlets in 100 cities, across 22 countries in Asia, Oceania, the Middle East, Europe and North America. The group continuously innovates, accelerating growth within its existing brands and utilizing its expertise to penetrate new markets and acquire new brands and businesses. Mr. Ron Sim currently serves as Vice Chairman, Non-Executive Director of Perennial Real Estate Holdings Limited, which is listed on the Main Board of the SGX-ST. Over the years, Mr. Sim has won several awards and has been recognized for these personal achievements through the Ernst & Young 'Entrepreneur of The Year 2003', the Business Times 'Businessman of the Year 2003' award and the Singapore Corporate Awards (2012) 'Best CEO Award'.

MR. TAY PENG HUAT

Chief Financial Officer

Mr. Tay Peng Huat was appointed our Chief Financial Officer in December 2014. He is responsible for the overall finance functions and accounting matters of our Group, including implementation of internal controls within our Group, monitoring and reporting on our Group's financial performance and overseeing the preparation of accounts and financial statements of our Group. Mr. Tay has over 30 years of experience in finance and accounting. Prior to joining our Group, from 2002 to 2013, Mr. Tay held the post of Chief Financial Officer at Beyonics Technology Limited (a company which was listed on the Main Board of the SGX-ST until February 2012). Mr. Tay began his career with Ernst & Young Singapore in 1988 and was an Audit Manager when he left in 1996. From 1996 to 2000, he served as the Group Financial Controller of Electronic Resources Limited (now known as Ingram Micro Asia Limited). Between 2000 and 2002, he held various senior positions in finance and accounting, including Deputy General Manager and Chief Financial Officer of p3.com Pte Ltd (a subsidiary of Pan Pacific Public Company Ltd), Chief Financial Officer at Ezyhealth Asia Pacific Ltd (now known as Wilmar International Ltd), a company listed on the Main Board of the SGX-ST, and Finance Director of Synnex Information Technologies Inc. for its Asia Pacific operations. Mr. Tay graduated with a Bachelor of Accountancy from the National University of Singapore in 1988. He is a Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants.

CORPORATE SOCIAL RESPONSIBILITY

At JUMBO, we hold the firm belief that corporate citizenship is increasingly crucial to both business and societal success. Winning companies of the future will be those who prove with their actions that they can be profitable, and still increase social value – companies that do well, and do good. It is with this mindset that we have corporate social responsibility ("CSR") as part of our DNA.

In establishing JUMBO Care, our CSR programme, we have made contributions through philanthropic initiatives and programmes, with an emphasis in the areas of education and community welfare. We also support causes which inspire young talents in the F&B fraternity. Some of the causes and organisations we have supported include:

2018

VIVA Foundation

To support saving lives of children with cancer through research, medical care and education.

People's Association Bukit Timah CC Building Fund

To encourage the nation's development through donations to Grassroots Communities.

Autism Resource Centre

To help individuals with autism spectrum disorder to maximise their potential in life through advocacy and provision of services in education, employment and empowering of family caregivers/professionals.

Teochew Poit IP Huay Kuan - 88th Anniversary Dinner

To strengthen the sense of heritage and traditions among the Teochew community.

Singapore Badminton Association

To advocate a healthy lifestyle by focusing on a sport enjoyed by people of all ages.

Singapore KitYang Association ("KitYang")

To support KitYang as a key donor and sponsor for its Lunar New Year welfare visit to Banyan Home @ Pelangi Village.

National Day Dinner, SCCCI

To contribute to National Day celebrations.

Temasek Polytechnic

To recognise students with outstanding performance.

Singapore Day in London

To support Ministry of Home Affairs initiative in bringing a slice of home to Singaporeans living overseas.

Singapore Polytechnic

To give students a glimpse of the F&B industry by working with them on consumer behaviour research with a focus in JUMBO's consumer products.

CORPORATE GOVERNANCE REPORT AND FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

JUMBO is committed to achieving a high standard of corporate governance, and to complying with the Code of Corporate Governance 2012 (the "Code"). The Company believes that good corporate governance provides the framework for an ethical and accountable corporate environment, which will maximise long-term Shareholders' value and protect the interests of Shareholders. This report describes the Group's main corporate governance practices with specific references to the principles of the Code.

The Company also refers to the disclosure guide ("Disclosure Guide") issued by the Singapore Exchange Securities Trading Limited (the "SGX-ST") in January 2015 and has incorporated answers to the questions set out in the Disclosure Guide in this report.

The Group has complied substantially with the principles and guidelines of the Code. Where there are deviations from the recommendations of the Code, reasons and explanations in relation to the Company's practices are provided, where appropriate.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Every company should be headed by an effective board to lead and control the company. The board is collectively responsible for the long-term success of the company. The board works with management to achieve this objective and management remains accountable to the board.

The principal role of the Board is to:

- set and direct strategic plans and performance objectives of the Group;
- review the performance of the Company's management ("Management");
- establish a proper risk management system to ensure that key potential risks faced by the Group are properly identified and managed;
- conduct periodic reviews of the Group's internal controls, financial performance, compliance practices and resource allocation;
- approve financial plans, annual budgets and proposals for acquisitions, investments and disposals;
- ensure the Group's compliance with good corporate governance practices;
- approve the nominations of Directors and appointment of key management personnel; and
- set the Group's values and standards, and ensure that obligations to Shareholders and other stakeholders are understood and met.

Delegation by the Board

Board Committees, namely the Nominating Committee (the "NC"), the Remuneration Committee (the "RC"), the Audit Committee (the "AC") and the Investment Committee (the "IC"), have been constituted to assist the Board in the discharge of specific responsibilities. The duties, authorities and accountabilities of each committee are set out in their respective written terms of reference. The Board Committees report their activities regularly to the Board and minutes of the Board Committee meetings are also regularly provided to the Board. The effectiveness of each Board Committee is also constantly monitored to ensure their continued relevance. Further information on the roles and responsibilities of the NC, the RC, the AC and the IC are provided below.

CORPORATE GOVERNANCE REPORT

Board Approval

Matters which specifically require the Board's approval are:

- annual budget;
- corporate strategy and business plans;
- major funding proposals and investments;
- the appointment and remuneration packages of the Directors and the Management;
- the Group's quarterly and full-year financial results announcements;
- annual report and accounts for each financial year;
- material acquisitions and disposals of assets;
- share issuances, interim dividends and other returns to Shareholders; and
- matters involving a conflict of interest for a substantial Shareholder or a Director.

While matters relating to the Group's strategies and policies require the Board's direction and approval, the Management is responsible for the day-to-day operations and administration of the Group.

Board and Board Committee Meetings

The schedule of all Board and Board Committee meetings and the annual general meeting ("AGM") for each financial year is planned well in advance, in consultation with the Directors. The Board meets at least 4 times a year at regular intervals and on an ad hoc basis, as and when circumstances require. Tele- and video-conferencing at Board and Board Committee meetings are allowed under the Company's constitution ("Constitution").

The number of Board and Board Committee meetings held for FY2018 as well as the attendance of each Director at these meetings is set out below:

	Board Meeting		AC Meeting		NC Meeting		RC Meeting		IC Meeting	
Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Mr. Tan Cher Liang	4	4	4	4	1	1	1	1	1	1
Mr. Ang Kiam Meng	4	4	4	4*	1	1	1	1*	1	1
Mdm. Tan Yong Chuan, Jacqueline	4	4	4	4*	1	–	1	–	1	–
Mrs. Christina Kong Chwee Huan	4	4	4	4*	1	–	1	–	1	–
Dr. Lim Boh Soon	4	4	4	4	1	1	1	1	1	1
Mr. Richard Tan Kheng Swee	4	4	4	4	1	1	1	1	1	1
Mr. Ron Sim Chye Hock	4	4	4	4*	1	–	1	–	1	–

* Attendance by invitation

Board Orientation and Training

A formal letter of appointment is provided to every new Director, setting out his/her duties and obligations. A new Director will attend briefings organised by the Company to familiarise himself/herself with the Group's business, operations, structure and governance practices relating to, *inter alia*, disclosure of interests in the Company's securities, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information. For new Directors who do not have prior experience as a director of a public listed company in Singapore, they will also attend training courses organised by the Singapore Institute of Directors or other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties.

All Directors are also briefed and provided with regular updates in areas such as corporate governance, commercial risks, changes to laws and regulations pertaining to the Group's business and operations, and changes in financial reporting standards, so as to enable them to properly discharge their duties as Board members.

Further, in order to provide the Independent Directors and Non-Executive Director with a better understanding of the Group's business and operations, the Company conducts visits to the Group's headquarters, including its central kitchen and its various F&B outlets. The Directors can also request for further briefings or information on any aspect of the Group's business or operations from the Management.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the board, which is able to exercise objective judgment on corporate affairs independently, in particular, from management and 10% shareholders[1]. No individual or small group of individuals should be allowed to dominate the board's decision making.

Board Composition

Currently, the Board comprises 7 Directors, 3 of whom are independent, which complies with the Code's guideline on the proportion of Independent Directors on the Board. The Board is constituted as follows:

Mr. Tan Cher Liang	(Independent Chairman)
Mr. Ang Kiam Meng	(Group CEO and Executive Director)
Mdm. Tan Yong Chuan, Jacqueline	(Executive Director)
Mrs. Christina Kong Chwee Huan	(Executive Director)
Dr. Lim Boh Soon	(Independent Director)
Mr. Richard Tan Kheng Swee	(Independent Director)
Mr. Ron Sim Chye Hock	(Non-Executive Director)

As 3 out of 7 members of the Board are Independent Directors, there is a strong independent element on the Board and no individual or small group of individuals dominate the Board's decision-making process. In addition, the Board has an Independent Chairman, Mr. Tan Cher Liang.

Each year, the Board reviews its size and composition, taking into account, *inter alia*, the scope and nature of the Group's business and operations and the benefits of all aspects of diversity, including but not limited to gender, age, educational background and professional experience in order to provide the Board access to an appropriate range and balance of skills, experience and backgrounds. The Board is of the view that the Directors hold core competencies such as accounting, finance and legal expertise, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge.

The Independent Directors and Non-Executive Director contribute accounting and finance knowledge, legal expertise and business management experience to the Group, and provide the Executive Directors and the Management with diverse and objective perspectives on issues considered by the Board. The Independent Directors and Non-Executive Director also aid in developing the Group's strategic process, reviewing the performance of the Management in meeting agreed goals and objectives, and monitoring the reporting of performance and operations as an appropriate check and balance. The Independent Directors and Non-Executive Director meet regularly on their own without the presence of the Executive Directors and the Management and provide feedback to the Group CEO after such meetings.

In addition, the Board places emphasis on ensuring gender representation and diversity. At present, the Board has 2 female Executive Directors, namely Mdm. Tan Yong Chuan, Jacqueline and Mrs. Christina Kong Chwee Huan.

Hence, the Board believes that its current composition and size provides an appropriate balance of skills, experience, gender and knowledge, which facilitates effective decision-making.

Board Independence

The independence of each Director is reviewed by the NC on an annual basis. In determining whether a Director is independent, the NC has considered the guidelines in the Code.

Following its annual review, the Board and the NC are of the view that Mr. Tan Cher Liang, Dr. Lim Boh Soon and Mr. Richard Tan Kheng Swee are independent. The Independent Chairman and Independent Directors do not have any immediate family relationships with the other Directors, the Company, its related corporations, its 10% shareholders[1] and its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment in the best interests of the Company.

The NC notes that under the Code, the independence of any Director who has served on the Board beyond 9 years from the date of first appointment should be subject to particularly rigorous review.

At present, there are no Independent Directors who has served beyond 9 years since the date of his first appointment.

1 The term "10% shareholder" shall refer to a person who has an interest or interests in one or more voting shares in the company and the total votes attached to that share, or those shares, is not less than 10% of the total votes attached to all the voting shares in the company. "Voting shares" exclude treasury shares.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Company has a separate Chairman and Group CEO.

Mr. Tan Cher Liang is the Independent Chairman. He is responsible for the promotion of high standards of corporate governance and leads the Board to ensure its effectiveness on all aspects of its role. As part of his administrative duties, the Independent Chairman sets the Board meeting agenda in consultation with the senior Management and the company secretary, and ensures that adequate time is available for the discussion of all agenda items and that the Directors receive complete, adequate and timely information. He also encourages constructive relations within the Board and between the Board and the Management and facilitates effective contribution of the Independent Directors and Non-Executive Director. In addition, the Independent Chairman is responsible for ensuring effective communication with Shareholders. He will also take the lead in ensuring compliance with the Code.

Mr. Ang Kiam Meng is the Group CEO and Executive Director. He is responsible for the overall management, operations, strategic planning, and business development of the Group, and ensuring a cohesive working relationship among the Directors and timeliness of information flow between the Board and the Management.

The NC, the RC, the AC and the IC are all chaired by the Independent Directors.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and reappointment of directors to the board.

Nominating Committee

The NC is chaired by Dr. Lim Boh Soon and comprises Mr. Ang Kiam Meng, Mr. Tan Cher Liang, and Mr. Richard Tan Kheng Swee. A majority of the NC members, including the Chairman of the NC, are Independent Directors.

The NC holds at least 1 meeting in each financial year. The principal role of the NC in accordance with its written terms of reference is as follows:

- reviewing, assessing and recommending the appointment of new Directors and the re-appointment or re-election of Directors, taking into consideration each Director's contribution, performance and ability to commit sufficient time, resources and attention to the affairs of the Group, and each Director's respective commitment(s) outside the Group;
- determining annually, as and when circumstances require, whether or not a Director is independent;
- developing a process for evaluating the effectiveness of the Board as a whole and its committees, and for assessing the contribution of each Director to the effectiveness of the Board;
- reviewing the Board structure, size and composition having regard to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender, knowledge of the Group and core competencies of the Directors as a group, so as to ensure that the Board is able to function competently and efficiently;
- reviewing succession plans for the Directors, in particular, the Group CEO and the Independent Chairman;
- recommending to the Board the induction training programmes for new Directors and reviewing the training and professional development programmes for the Board; and
- determining and recommending to the Board the maximum number of listed company board representations which any Director may hold and disclosing this in the annual report.

The date of first appointment and date of last re-election of each Director is set out below. For the profiles of the Directors, please refer to the section entitled "Board of Directors and Key Management" of this annual report. In addition, information on each Director's shareholding in the Company, if any, is set out in the section entitled "Directors' Statement" of this annual report.

Name of Director	Date of first appointment	Date of last re-election
Mr. Tan Cher Liang	22 October 2015	29 January 2016
Mr. Ang Kiam Meng	4 February 2015	26 January 2017
Mdm. Tan Yong Chuan, Jacqueline	4 February 2015	29 January 2018
Mrs. Christina Kong Chwee Huan	22 October 2015	29 January 2016
Dr. Lim Boh Soon	22 October 2015	29 January 2018
Mr. Richard Tan Kheng Swee	22 October 2015	26 January 2017
Mr. Ron Sim Chye Hock	12 May 2017	29 January 2018

Mr. Ang Kiam Meng, Mdm. Tan Yong Chuan, Jacqueline, and Mrs. Christina Kong Chwee Huan do not have any other public listed company board representations or other principal commitments.

Mr. Tan Cher Liang is an independent non-executive chairman of Vibrant Group Limited, and an independent director of Kingsmen Creatives Limited, Wilton Resources Corporation Limited and Ezra Holdings Limited, which are public listed companies. Mr. Tan Cher Liang is also an advisor of Boardroom Limited, a trustee of Kwan Im Thong Hood Cho Temple and a director of D S Lee Foundation, EtonHouse Community Fund Ltd and Children's Charities Association.

Dr. Lim Boh Soon is an independent director of OUE Commercial REIT Management Pte Ltd, the manager of OUE Commercial Real Estate Investment Trust, which is publicly listed. Dr. Lim Boh Soon is also an independent director of Tomi Environmental Solutions Inc and a director of Arise Asset Management Pte Ltd. In the preceding 3 years, he was independent director of CSE Global Limited, AcrossAsia Limited, Auric Pacific Group Limited and SMTrack Berhad; all of which are public listed companies.

Mr. Richard Tan Kheng Swee is a partner of RHTLaw Taylor Wessing LLP, a Singapore law firm. He is also an independent director of Sysma Holdings Limited which is a public listed company. In the preceding 3 years, he was independent director of Mirach Energy Limited, 8Telecom International Holidings Co. Ltd, Dapai International Holdings Co., Ltd and Hu An Cable Holdings Ltd; all of which are public listed companies.

Mr. Ron Sim Chye Hock is the chairman and chief executive officer of V3 Group Limited, a brand creator and developer and an Asian luxury group in the lifestyle and wellness markets. He is also the vice chairman, non-executive director of Perennial Real Estate Holdings Limited which is a public listed company. In the preceding 3 years, he was chairman and chief executive officer of OSIM International Pte Ltd.

None of the Directors have appointed an alternate director in FY2018.

Directors' Commitments

The NC considers whether each Director is able to and has been adequately carrying out his duties as a Director of the Company, taking into consideration, *inter alia*, the Director's number of public listed company board representations and other principal commitments[2]. In addition, the NC will also take into consideration, *inter alia*, a qualitative assessment of each Director's contributions as well as any other relevant time commitments.

The Board noted that none of the Directors has directorships in more than 5 public listed companies and is of the view that at present, it would not be meaningful to define the maximum number of public listed company directorships which any Director may hold, and has instead tasked the NC to review if a Director with multiple board representations is devoting sufficient time and attention to the affairs of the Group. The NC is satisfied that sufficient time and attention is being given by each of the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple board representations.

Process for Nomination and Selection of New Directors

The Company adopts a comprehensive and detailed process in the selection of new Directors. Candidates will be first sourced through an extensive network of contacts and selected based on, *inter alia*, the needs of the Group and the relevant expertise required. When necessary, the NC may seek the help of external consultant(s) in the search process. In selecting suitable candidates, the Board, in consultation with the NC, will consider the Group's strategic goals, business direction and needs. The Board will also consider gender diversity requirements in seeking any new appointment to the Board. The NC will conduct interviews with the candidates, and nominate the candidate deemed most suitable for appointment to the Board.

2 The term "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations.

Process for Re-nomination and Re-election of Directors

In recommending a Director for re-election to the Board, the NC considers, *inter alia*, his/her performance and contributions to the Board (including attendance and participation at meetings, and time and effort accorded to the Group's business and affairs). All Directors submit themselves for re-nomination and re-election at regular intervals in accordance to the Constitution. Pursuant to Regulation 89 of the Constitution, one-third of the Board are to retire from office by rotation and be subject to re-election at the AGM. In addition, Regulation 88 of the Constitution provides that a newly appointed Director must retire and submit himself/herself for re-election at the next AGM following his/her appointment. Thereafter, he/she is subject to be re-elected by rotation in accordance to the Constitution.

Each member of the NC shall abstain from voting on any resolutions in respect of his re-nomination and re-election.

The NC has reviewed and recommended the re-nomination and re-election of Mr. Tan Cher Liang, Mrs. Christina Kong Chwee Huan and Mr. Richard Tan Kheng Swee who will be retiring as Directors at the forthcoming AGM. Mr. Tan Cher Liang, Mrs. Christina Kong Chwee Huan and Mr. Richard Tan Kheng Swee will be retiring pursuant to Regulation 89 of the Constitution. All 3 retiring Directors have offered themselves for re-election. The Board has accepted the recommendations of the NC.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the board as a whole and its board committees and the contribution by each director to the effectiveness of the board.

Board Evaluation Process

The NC assesses and discusses the performance of the Board as a whole and its Board Committees on an annual basis. Each Director completes a confidential questionnaire, and the responses are presented to the NC for review, following which the NC will recommend to the Board key areas for improvement and follow-up actions.

Each Director will evaluate the performance of the Board taking into account a set of performance criteria which includes, *inter alia*, Board composition and size, Shareholders' access to information, Board processes, Board effectiveness, Board standards of conduct and financial performance indicators. The Board is of the view that this set of performance criteria allows for appropriate comparison and addresses how the Directors have enhanced long-term Shareholders' value. For FY2018, the NC is of the view that the Board has fared well against the performance criteria and objectives and the NC is satisfied with the performance of the Board.

Individual Director Evaluation

The NC will assess each Director's contribution to the effectiveness of the Board. In evaluating the contribution by each Director, various factors will be taken into consideration, including individual performance of principal functions and fiduciary duties, attendance and participation in meetings and commitment of time to Director's duties. The NC will also consider other contributions by a Director such as providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and the Director's accessibility to the Management outside of formal Board and/or Board Committee meetings. The performance of each Director will be taken into account in re-election.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Company makes available to all Directors the Group's quarterly management accounts and other financial statements, budgets and forecasts, together with other relevant information. In addition, the Management will inform and/or update the Board of any significant issues and/or matters on a timely basis. The Directors can also seek detailed information from the Management regarding, *inter alia,* the Group's management accounts, where necessary. Detailed Board papers are provided to the Directors before the scheduled meetings so as to enable them to make informed decisions. In respect of budgets, any material variance between the projections and actual results is reviewed by the Board, with the Management providing explanations and further details as required.

At each quarterly Board meeting, the Executive Directors and the Management brief the Independent Directors and Non-Executive Director on the progress of the Group's business, finances and risks. The Independent Directors and Non-Executive Director are also briefed on key developments in the F&B industry both locally and overseas, where appropriate.

The Directors have also been provided with the contact details of the Management and the company secretary to facilitate separate and independent access. The company secretary or his/her representative(s) attends all Board and Board Committee meetings. Together with the Management, the company secretary is responsible for ensuring that appropriate Board procedures are followed and that the requirements of the Companies Act, Chapter 50 of Singapore and the provisions in the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "Catalist Rules") are complied with. The appointment and removal of the company secretary is subject to the Board's approval as a whole.

The Directors may, in furtherance of their duties, take independent professional advice, if necessary, at the Company's expense.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Remuneration Committee

The RC is chaired by Mr. Richard Tan Kheng Swee and comprises Mr. Tan Cher Liang and Dr. Lim Boh Soon. All the RC members, including the Chairman, are Independent Directors. The RC holds at least 1 meeting in each financial year. The principal role of the RC, in accordance with its written terms of reference, is as follows:

- recommending to the Board a framework of remuneration for the Directors and key management personnel, and determine specific remuneration packages for each Executive Director;
- reviewing the remuneration of the employees related to the Directors and substantial Shareholders who hold managerial positions;
- reviewing and approving any bonuses, pay increments and/or promotions for the related employees who hold managerial positions;
- setting the remuneration guidelines and policies of the Group; and
- administering the Jumbo employee share option scheme (the "Share Option Scheme") and the Jumbo performance share plan (the "Performance Share Plan"). Details of the Share Option Scheme and the Performance Share Plan are contained in the Company's offer document dated 28 October 2015 ("Offer Document").

The Board considers that the members of the RC, who each have many years of experience in senior management positions and/or on the boards of various listed companies, collectively have strong management experience and expertise on remuneration issues. If necessary, the RC may seek expert advice inside and/or outside the Company on the remuneration of all Directors and the Management. For FY2018, the RC did not engage any remuneration consultants.

Procedures for Setting Remuneration

The Company has implemented formal and transparent procedures and policies in relation to executive remuneration and for determining the remuneration packages of individual Directors. The RC reviews and recommends to the Board a general framework of remuneration and specific remuneration packages for the Board and key management personnel, covering all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind. The RC's recommendations are submitted for endorsement by the entire Board. Each RC member does not participate in discussions, and abstains from decision-making, in relation to any remuneration, compensation, options or any form of benefits to be granted to him. No Director is involved in deciding his/her own remuneration.

The RC also reviews the Company's obligations, if any, arising in the event of termination of the Executive Directors' and/or key management personnel's contracts of service, to ensure that the termination clauses of such contracts of service are fair and reasonable. Currently, save as required for compliance with the applicable laws of Singapore and the PRC, the Group has not set aside any amounts to provide for pension, retirement or similar benefits for the Group's employees.

Remuneration Policies

In order to maximise Shareholders' value and promote the long-term success of the Group, the Company seeks to attract, retain and motivate the Management and employees by offering competitive remuneration packages. The remuneration of the Management and employees is set based on, *inter alia*, each individual's scope of responsibilities, prevailing market conditions, and comparable industry benchmarks. The Company rewards the Management and employees based on achievement of individual performance objectives using indicators such as competencies, key result areas, performance ratings and the Group's financial performance. The Board is of the view that performance-based remuneration will motivate the Management and employees to achieve superior performance and promote the long-term growth of the Group.

Under the terms of the service agreements entered into with the Executive Directors, the Company is entitled to reclaim, in full or in part, any incentive bonus paid to the Executive Director, under circumstances of (i) misstatement of financial results, or (ii) misconduct of the Executive Director, resulting, directly or indirectly, in financial loss to the Company, as may be determined by the Board in its absolute discretion.

Executive Directors and Key Management's Remuneration

Each of the Executive Directors and key management personnel is entitled to, *inter alia*, a base salary and performance-related incentives linked to the financial performance of the Group and the individual's performance, which is assessed based on the respective key performance indicators allocated to them. The Executive Directors do not receive Directors' fees from the Company.

Each of the Executive Directors has entered into a service agreement with the Company, which takes effect upon the date of admission of the Company to Catalist. Under the terms of their service agreements, each of the Executive Directors is entitled to an incentive bonus based on, *inter alia*, the financial performance of the Group and his/her individual performance for that year. The terms of the Executive Directors' service agreements and their remuneration packages are subject to review by the RC. There are no excessive or onerous removal clauses in these service agreements. Further details of the service agreements with the Executive Directors are set out in the Company's Offer Document.

The following performance conditions have been selected to motivate the Executive Directors and key management personnel to work in alignment with the interests of all stakeholders:

Performance Conditions	Performance Criteria	
Qualitative	(a)	Leadership
	(b)	People development
	(c)	Commitment
	(d)	Teamwork
	(e)	Current market and industry practices
Quantitative	(a)	Profit before tax
	(b)	Relative financial performance of the Group to its industry competitors

For FY2018, the RC is of the view that the performance conditions were met by each of the Executive Directors and the key management personnel.

Independent Directors' and Non-Executive Director's Remuneration

The Independent Directors and Non-Executive Director have not entered into service agreements with the Company. Each Independent Director or Non-Executive Director receives a basic fee for serving on the Board. The fees are determined by the Board, taking into account the effort, time spent and responsibilities of the Independent Director or Non-Executive Director, and subject to approval of Shareholders at each AGM. The Independent Directors and Non-Executive Director have not been over-compensated to the extent that their independence is compromised.

Level and Mix of Remuneration

Details of the remuneration of the Directors and the Company's key management personnel for FY2018 are set out below:

(a) Directors

Name of Director	Fees	Salary	Bonus/ Incentives	Benefits	Stock Option	Share Award	Total Remuneration	
	%	%	%	%	%	%	%	Band [1]
Executive Directors								
Mr. Ang Kiam Meng	–	35	44	1	–	20	100	III
Mdm. Tan Yong Chuan, Jacqueline	–	53	38	9	–	–	100	II
Mrs. Christina Kong Chwee Huan	–	44	44	12	–	–	100	II
Independent Directors								
Mr. Tan Cher Liang	100	–	–	–	–	–	100	I
Dr. Lim Boh Soon	100	–	–	–	–	–	100	I
Mr. Richard Tan Kheng Swee	100	–	–	–	–	–	100	I
Non-Executive Director								
Mr. Ron Sim Chye Hock	100	–	–	–	–	–	100	I

Note:

(1) Band I: Remuneration of between $0 and $250,000 per annum
Band II: Remuneration of between $500,001 and $750,000 per annum
Band III: Remuneration of between $1,250,001 and $1,500,000 per annum

The Company has disclosed each Director's remuneration in bands of $250,000 and provided a further detailed breakdown of the remuneration in percentage terms into fixed salary, variable or performance-related incentives/bonuses, benefits-in-kind, share-based incentives and awards. The Company is of the view that this is sufficient to provide Shareholders insight into the level of compensation of the Directors and the links between the Directors' remuneration and their performance. Further details regarding the remuneration of each Director are deemed, in light of the sensitivities of remuneration in a small and medium size enterprise environment, not to be in the best interests of the Company. Save as disclosed above, no other long-term incentives and no termination, retirement or post-employment benefits have been granted to the Directors or the Group CEO.

(b) Key Management Personnel

Name of Key Management Personnel[1]	Fees	Salary	Bonus/ Incentives	Benefits	Stock Option	Share Award	Total Remuneration
	%	%	%	%	%	%	%
Between $250,001 and $500,000 per annum							
Mr. Tay Peng Huat	–	57	34	9	–	–	100

Note:

(1) The Company only has 1 key management personnel who is not a Director or the Group CEO

The Company has disclosed its key management personnel's remuneration in bands of $250,000 as well as a breakdown (in percentage terms) into fixed salary, variable or performance-related incentives/bonuses, benefits-in-kind, share-based incentives and awards. Save as disclosed above, there are no other long-term incentives and no termination, retirement or post-employment benefits granted to the key management personnel.

As the Company only has 1 key management personnel who is not a Director or the Group CEO, it is not in the best interests of the Company to disclose the aggregate remuneration paid to the top 5 key management personnel.

During FY2018, the following employees of the Group are immediate family members of a Director or the Group CEO:

Name of employees who are immediate family members	Relationship with the Directors or the Group CEO	Remuneration Band [1]
Mr. Ang Hon Nam	Father of Mr. Ang Kiam Meng and Mrs. Christina Kong Chwee Huan	III
Mr. Ang Kiam Lian	Brother of Mr. Ang Kiam Meng and Mrs. Christina Kong Chwee Huan	III
Mdm. Wendy Ang Chui Yong	Sister of Mr. Ang Kiam Meng and Mrs. Christina Kong Chwee Huan	II
Ms. Angie Ang Yun-Lin	Daughter of Mr. Ang Kiam Meng and Mdm. Tan Yong Chuan, Jacqueline	I
Ms. Ashley Ang Yun-Xuan	Daughter of Mr. Ang Kiam Meng and Mdm. Tan Yong Chuan, Jacqueline	I
Ms. Jewel Ang Yun-Ru	Daughter of Mr. Ang Kiam Meng and Mdm. Tan Yong Chuan, Jacqueline	I

Note:

(1) Band I: Remuneration of between $50,001 and $100,000 per annum
Band II: Remuneration of between $150,001 and $200,000 per annum
Band III: Remuneration of between $200,001 and $250,000 per annum

Save as disclosed above, there are no other employees who are related to the Directors or the Group CEO, and whose remuneration exceeds $50,000.

Employee Share Scheme(s)

The Company has adopted the Share Option Scheme and the Performance Share Plan. The Share Option Scheme and the Performance Share Plan will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The Share Option Scheme and the Performance Share Plan, which form an integral part and important component of the employee compensation plan, are designed to primarily reward and retain Directors and employees whose services are vital to the Group's well-being and success. As at the date of this annual report, no options have been granted under the Share Option Scheme since its commencement. Information on awards that have been granted under the Performance Share Plan is disclosed in the section entitled "Directors' Statement" of this annual report.

Further details of the Share Option Scheme and the Performance Share Plan are set out in the Company's Offer Document.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The board should present a balanced and understandable assessment of the company's performance, position and prospects.

In line with the Company's disclosure obligations under the Catalist Rules, the Board's policy is that Shareholders shall be informed of all major developments relating to the Group. Information is communicated to Shareholders on a timely basis through SGXNET and, if relevant, the press. The Board also provides Shareholders with a detailed explanation of the Group's financial performance, financial position and prospects on a quarterly basis.

The Management makes available to all Directors, the management accounts and other financial statements, together with all other relevant information of the Group's financial performance, financial position and prospects on a quarterly basis and as and when the Directors may require from time to time.

The Board ensures that relevant regulatory requirements and any updates thereof will be highlighted from time to time to ensure compliance with all relevant regulatory requirements.

Risk Management and Internal Controls

Principle 11: The board is responsible for the governance of risk. The board should ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the board is willing to take in achieving its strategic objectives.

The Board, with the assistance of the AC, has oversight of the Group's risk management framework and policies, including reviewing the Group's business and operational activities to identify areas of significant business risks, and recommending to the Board the appropriate strategy and resources required for managing risks that are consistent with the Group's risk appetite.

The Group has put in place appropriate risk management processes to evaluate the operating, investment and financial risks of the Group. The Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies. The Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC.

The Board reviews the adequacy and effectiveness of the Group's risk management systems and internal controls framework, including financial, operational, compliance and information technology controls.

Material transactions are also subject to risk analysis by the AC and the Management, and measures to safeguard against significant risks are established prior to undertaking new projects. The AC, together with the Management, will continue to enhance and improve the existing risk management and internal control systems.

The internal and external auditors also assist in the risk management process by identifying certain areas of concern that are uncovered through financial/audit checks. The key risks facing the Group have been identified and appropriate measures are in place to mitigate such risks.

For FY2018, the Board has received assurance from the Group CEO and Executive Director, and the Chief Financial Officer that the financial records have been properly maintained, the financial statements give a true and fair view of the Group's operations and finances, and the Group's risk management and internal control systems are effective.

Based on the internal controls (including financial, operational, compliance and information technology controls) and risk management systems established and maintained by the Group, work performed by the internal and external auditors, information provided to the AC and the Board and reviews performed by the AC and the Board at least annually, the Board, with the concurrence of the AC, is of the opinion that for FY2018 the Group's internal controls, addressing financial, operational, compliance and information technology controls as well as risk management systems are adequate and effective.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Audit Committee

Principle 12: The board should establish an audit committee with written terms of reference which clearly set out its authority and duties.

The AC is chaired by Mr. Tan Cher Liang and comprises Dr. Lim Boh Soon and Mr. Richard Tan Kheng Swee. All the AC members, including the Chairman, are Independent Directors.

The members of the AC are appropriately qualified and possess the relevant accounting or related financial management expertise or experience to discharge their duties.

The AC holds at least 4 meetings in each financial year. The principal role of the AC in accordance with its written terms of reference is as follows:

- reviewing with the internal and external auditors, the audit plans, scope of work, their evaluation of the Group's system of internal controls, audit reports, their letter(s) to the Management and the Management's responses and the results of the audits compiled by the internal and external auditors, and reviewing at regular intervals with the Management the implementation by the Group of the internal control recommendations made by the internal and external auditors;

- reviewing the periodic consolidated financial statements and any formal announcements relating to the Group's financial performance before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards, compliance with the Catalist Rules and any other relevant statutory or regulatory requirements, concerns and issues arising from the audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary;

- reviewing the effectiveness and adequacy of the Group's risk management and internal controls systems, including financial, operational, compliance and information technology controls, discussing issues and concerns, if any, arising from the internal audits and reporting to the Board at least annually in connection therewith;

- reviewing and discussing with the external and/or internal auditors any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

- reviewing the adequacy and effectiveness of the Group's internal audit function;

- reviewing the assistance given by the Management to the internal and external auditors;

- reviewing the independence and objectivity of the internal and/or external auditors at least annually, considering the appointment or re-appointment of the internal and external auditors and matters relating to the resignation or dismissal of the auditors, and approving the remuneration and terms of engagement of the internal and external auditors;

- reviewing interested person transactions (if any) falling within the scope of the Catalist Rules;

- reviewing the procedures by which employees of the Group and any other persons may, in confidence, report to the Chairman of the AC regarding possible improprieties in matters of financial reporting or other matters and ensuring that there are arrangements in place for independent investigation and follow-up actions thereto;

- undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters requiring the attention of the AC; and

- generally undertaking such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments as may be made thereto from time to time.

The AC considered the report from the external auditors, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with the Management and the external auditors have been included as Key Audit Matters ("KAM") in the audit report for FY2018 in page 40 of this annual report.

In assessing the KAM, the AC took into consideration the approach and methodology applied as well as the reasonableness of the estimates and key assumptions used. The AC concluded that the Management's accounting treatment and estimates in the KAM were appropriate.

In addition, the AC is tasked to commission independent investigations of any suspected fraud or irregularity, which has or is likely to have a material impact on the Group's operating results or financial position, and to review the findings of such investigations. The AC has reasonable resources to enable it to discharge its responsibilities properly. It has full access to, and the co-operation of, the Management and full discretion to invite any Director or key executive to attend its meetings.

The AC also meets with the internal auditors and external auditors without the Management, at least annually and whenever necessary to review the adequacy of audit arrangements, with emphasis on the scope and quality of audit and the independence and objectivity of the auditors.

The external auditors provides regular updates and briefings to the AC on changes to accounting standards and other financial issues to enable the AC to keep abreast of such changes and its corresponding impact on the financial statements.

No former partner or director of the Company's current auditing firm or auditing corporation is a member of the AC.

External Auditors

The AC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees paid to them. The AC received an audit report from the external auditors setting out the non-audit services provided and the fees charged for FY2018. A breakdown of the audit and non-audit fees paid to the Company's auditors is disclosed on page 84 of this annual report. The non-audit fees paid to the Company's auditors were in relation to tax services and other assurance services.

Having undertaken a review of the non-audit services provided during the year, the AC remains confident that the objectivity and independence of the external auditors are not in any way impaired by reason of the non-audit services which they provide to the Group. Moreover, the AC is satisfied that these services were provided efficiently by the external auditors as a result of their existing knowledge of the business.

The Company has complied with Rules 712 and 715 of the Catalist Rules in the appointment of its external auditors.

Whistle-blowing Policy

The Company has implemented a whistle-blowing policy, which provides the Group's employees and any other persons with well-defined and accessible channels through which they may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Whistle-blowing concerns may be reported in person or in writing via electronic mail.

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Group will treat all information received confidentially and protect the identity and the interest of all whistle-blowers. Anonymous disclosures will be accepted and anonymity honoured.

The AC reviews such policy to ensure that arrangements are in place for independent investigation of such matters and for appropriate follow-up action.

No whistle-blowing concerns were reported for FY2018.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has engaged KPMG Services Pte. Ltd. ("KPMG") as its internal auditors. KPMG has confirmed that it is a certified public accounting firm and a member of the Institute of Internal Auditors ("IIA"). In performing the internal audit, KPMG applied the Standards for the Professional Practice of Internal Auditing set by IIA.

The Board recognises that it is responsible for maintaining a sound system of internal controls to safeguard Shareholders' investments and the Group's business and assets. The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The internal auditors reports directly to the Chairman of the AC on audit matters and to the Management on administrative matters, and has full access to the documents, records, properties and personnel (including the AC) of the Group. The audit plan is submitted to the AC for approval prior to commencement of the internal audit.

The AC reviews the adequacy and effectiveness of the internal audit function at least annually to, *inter alia*, ensure that (i) the internal audit function is adequately resourced and has appropriate standing within the Group; (ii) the majority of the identified risks are audited by cycle; (iii) the recommendations of the internal auditors are properly implemented; and (iv) the effectiveness and independence of the internal auditors.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board is mindful of the obligation to provide regular, effective and fair communication with Shareholders. Information is communicated to Shareholders on a timely basis. The Company does not practise selective disclosure. Information will be publicly released via SGXNET and/or the Company's corporate website before the Company meets with any group of investors or analysts. The Group's financial results and annual reports are announced or issued within the period specified under the Catalist Rules, and are also made available to the public via the Company's website.

The Board welcomes the views of Shareholders on matters affecting the Group, whether at Shareholders' meetings or on an ad-hoc basis. The Board will also engage in investor relation activities to allow the Company to engage Shareholders as and when it deems necessary and appropriate.

Shareholders are informed of Shareholders' meetings through notices published in the newspapers, reports and/or circulars provided to all Shareholders. Each item of special business included in the notices of Shareholders' meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at Shareholders' meetings for approval. "Bundling" of resolutions are done only where the resolutions are interdependent and linked so as to form one significant proposal and only where there are reasons and material implications involved. All resolutions are to be voted by poll, following which the detailed results showing, *inter alia*, the number of votes cast for and against each resolution and the respective percentages will be announced.

The Independent Chairman, the Group CEO and chairpersons of the AC, the NC, the RC and the IC will be available at Shareholders' meetings to answer queries. The external auditors will also be present at the AGM to assist the Directors in addressing any relevant queries by Shareholders regarding the conduct of audit and the preparation and content of the auditors' report. The AGM is the principal forum for dialogue with Shareholders.

The Company's investor relations team is led by the Chief Financial Officer who is responsible for integrating finance, accounting, corporate communications and legal compliance to enable effective communication between the Company and investors. The Company holds briefings to present its financial results for the media and analysts, when requested. Outside of the financial announcement periods, when necessary and appropriate, the Management will meet investors and analysts who wish to seek a better understanding of the Group's business and operations. This also enables the Company to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insights to the Company on investors' views. When opportunities arise, the Company conducts media interviews to give its Shareholders and the public a better perspective of the Group's business, operations and prospects.

Shareholders (other than a shareholder who is a relevant intermediary) may appoint 1 or 2 proxies to attend and vote at general meetings of the Company on their behalf. A Shareholder who is a relevant intermediary may appoint more than 2 proxies to attend and vote at the general meetings of the Company. Voting in absentia, including voting by mail, electronic mail or facsimile, may only be possible following careful study to ensure the integrity of the information and authentication of the identity of the member through the web is not compromised and is also subject to legislative amendment to recognise electronic voting.

The minutes of general meetings, which include substantial and relevant questions and comments from Shareholders and responses from the Board and the Management, are available to Shareholders upon written request.

The Company currently does not have a fixed dividend policy. The Board has proposed, for Shareholders' approval, a tax exempt (one-tier) final cash dividend of 0.7 cents. Including an interim dividend of 0.5 cents, this will bring the full year dividends to 1.2 cents per share. This will amount to approximately 70% of the Group's profit attributable to owners of the Company in FY2018. Any declaration and payment of dividends in the future will depend on, *inter alia*, the Group's operating results, financial conditions, cash flows, expected future earnings, capital expenditure programme(s) and investment plans, the terms of the borrowing arrangements (if any) and other factors deemed relevant by the Directors. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

INVESTMENT COMMITTEE

The IC is chaired by Dr. Lim Boh Soon and comprises Mr. Tan Cher Liang, Mr. Richard Tan Kheng Swee and Mr. Ang Kiam Meng. Save for Mr. Ang Kiam Meng, who is the Group CEO and Executive Director, the rest of the IC are Independent Directors. The principle role of the IC is to set overall investment guidelines for the Group and to assess, review and recommend investment opportunities. The IC held 1 meeting in FY2018.

DEALINGS IN SECURITIES

(Rule 1204(19) of the Catalist Rules)

The Company has adopted an internal compliance code on dealings in the Company's securities, pursuant to Rule 1204(19) of the Catalist Rules, which all Directors and officers of the Group have been notified of. The Company and all Directors and officers of the Group are prohibited from dealing in the Company's securities during the period commencing 2 weeks before the announcement of the Group's quarterly financial results, and the period commencing 1 month before the announcement of its full-year financial results.

All Directors and officers of the Group are expected to observe insider trading laws at all times. In particular, they are aware that dealing in the Company's securities, when they are in possession of unpublished material price-sensitive information in relation to those securities, is an offence. The Directors and officers of the Group are also discouraged from dealing in the Company's securities on short-term considerations.

INTERESTED PERSON TRANSACTIONS

(Rules 907 and 1204(17) of the Catalist Rules)

The Group has adopted an internal policy in respect of any transaction with an interested party within the definition set out in Chapter 9 of the Catalist Rules and has in place procedures for review and approval of all interested person transactions. In the event that a potential conflict of interest arises, the Director concerned will not participate in discussions, abstain from decision-making, and refrain from exercising any influence over other members of the Board.

The Group does not have a general mandate for interested person transactions. There were no interested person transactions of $100,000 or more in FY2018.

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and the transactions will not be prejudicial to the interest of the Group and its minority Shareholders. To ensure compliance with Chapter 9 of the Catalist Rules, the Board and the AC review, on a quarterly basis, interested person transactions entered into by the Group (if any).

MATERIAL CONTRACTS
(Rule 1204(8) of the Catalist Rules)

Save for the service agreements between the Company and the Executive Directors, disclosures in the section entitled "Directors' Statement" of this annual report and the Financial Statements of the Group, there were no other material contracts of the Company and its subsidiaries involving the interests of the Group CEO, any Director or controlling Shareholder which is either subsisting at the end of FY2018 or, if not then subsisting, entered into since the end of FY2017.

NON-SPONSOR FEES
(Rule 1204(21) of the Catalist Rules)

There were no non-sponsor fees paid to the Company's sponsor, United Overseas Bank Limited, in FY2018.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING
(Rule 1204(22) of the Catalist Rules)

Pursuant to the Company's initial public offer ("IPO"), the Company received net proceeds from the IPO of approximately $37.2 million (the "Net Proceeds"). As at the date of this annual report, the Net Proceeds have been utilised as follows:

Purpose	Allocation of Net Proceeds (as disclosed in the Offer Document) ($'000)	Net Proceeds Utilised ($'000)	Balance of Net Proceeds ($'000)
Establish new outlets and refurbish existing outlets	12,000	(7,500)	4,500
Acquire new premises, equipment and machinery	11,500	(6,479)	5,021
Working capital and general corporate purposes (1)	13,700	(13,700)	–
	37,200	(27,679)	9,521

Note:

(1) For the Group's operating expenses

SUSTAINABILITY REPORTING

The Company recognises the importance of sustainability and will be implementing the appropriate policies and programs. The Company will publish its sustainability report by 30 September 2019, in accordance with Practice Note 7F of the Catalist Rules.

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 September 2018.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 43 to 86 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2018, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Tan Cher Liang
Ang Kiam Meng
Tan Yong Chuan, Jacqueline
Christina Ang Chwee Huan
Richard Tan Kheng Swee
Lim Boh Soon
Ron Sim Chye Hock

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the performance share plan mentioned in paragraph 4 of the Directors' Statement.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in the name of directors		
Name of directors and company in which interests are held	**At Beginning of year**	**At end of year**	**At 21 October 2018**
Jumbo Group Limited			
(Ordinary shares)			
Ang Kiam Meng	150,000	10,223,863	10,223,863
Tan Yong Chuan, Jacqueline	–	3,006,352	3,006,352
Christina Ang Chwee Huan	–	2,512,942	2,512,942
Ron Sim Chye Hock	64,166,600	64,166,600	64,166,600
JBO Holdings Pte Ltd			
(Ordinary shares)			
Ang Kiam Meng	110,167	88,134	88,134
Tan Yong Chuan, Jacqueline	34,060	27,248	27,248
Christina Ang Chwee Huan	14,238	8,544	8,544

4 SHARE OPTIONS AND PERFORMANCE SHARE PLAN

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or any other corporation in the Group were granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any other corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company or any other corporation in the Group under option.

Performance Share Plan

The Performance Share Plan, adopted by the Company at an extraordinary general meeting of the Company held on 19 October 2015, was implemented to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate eligible participants to achieve increased performance, and further strengthen the Company's competitiveness in attracting and retaining talent.

The proposed participation by the Company and grant of share awards ("Awards") to Mr. Ang Kiam Meng under the Performance Share Plan was approved by shareholders at an EGM held on 26 January 2017.

On 23 February 2017, the Company granted Awards comprising up to 500,000 shares to Mr. Ang Kiam Meng under the Performance Share Plan.

	Number of shares comprised in Awards under the Performance Share Plan			
Name of participant	**Aggregate granted during the financial year ended 30 September 2018**	**Aggregate granted since commencement of the Performance Share Plan to 30 September 2018**	**Aggregate issued and/ or transferred pursuant to the vesting of Awards since commencement of the Performance Share Plan to 30 September 2018**	**Aggregate not released as at 30 September 2018**
Ang Kiam Meng[(1)]	500,000	500,000	(500,000)[(2)]	–

(1) The Awards were granted to Mr. Ang Kiam Meng on 23 February 2017 with a vesting period of (a) within 2 months from 26 January 2017 for up to 150,000 shares; and (b) within 2 months from the date of issuance of the Group's audited financial statements for the financial year ended 30 September 2017 for up to 350,000 shares. The number of shares to be vested will be subject to the achievement of pre-determined performance targets over the performance period.

(2) 150,000 and 350,000 shares were allotted and issued to Mr. Ang Kiam Meng on 23 March 2017 and 28 February 2018 respectively, pursuant to the vesting of the Awards.

Save as disclosed above, there were no Awards granted to directors or controlling shareholders of the Company, or associates of controlling shareholders of the Company, from the commencement of the Performance Share Plan to the end of the financial year. In addition, no individual has been granted 5.0% or more of the total number of shares to be comprised in Awards available under the Performance Share Plan, from the commencement of the Performance Share Plan to the end of the financial year.

During the financial year, no shares granted under the Performance Share Plan were cancelled or lapsed.

5 AUDIT COMMITTEE

The Audit Committee of the Company, consisting all independent and non-executive directors, is chaired by Mr Tan Cher Liang, and includes Mr Richard Tan Kheng Swee and Dr Lim Boh Soon. The Audit Committee has met four times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

(a) The audit plans, scope of work, evaluation of the adequacy of the internal controls, audit reports, management letters on internal controls and management response;

(b) The adequacy and effectiveness of the Group's internal controls addressing financial, operational, compliance and information technology risks prior to the incorporation of such results in the annual report;

(c) The financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements;

(d) The quarterly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

(e) The co-operation and assistance given by the management to the Group's external auditors;

(f) Interested person transactions falling within the scope of Chapter 9 of the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited and other relevant statutory requirements and any potential conflicts of interests; and

(g) The re-appointment of the external and internal auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

____

Tan Cher Liang

____

Ang Kiam Meng

4 January 2019

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JUMBO GROUP LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Jumbo Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 43 to 86.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Impairment of property, plant and equipment of non-performing outlets At 30 September 2018, the carrying value of the Group's property, plant and equipment was $20,811,000, which represents 24% of the Group's total assets. The Group operates outlets in Singapore and China. The Group has certain outlets that incurred losses during the financial year ended 30 September 2018. Management performed impairment assessment on the property, plant and equipment of these outlets. Management determined the recoverable amounts of the property, plant and equipment of these outlets based on value in use calculations. This area was significant to our audit because the impairment assessment involved significant management judgement and required the management to make various assumptions in the underlying discounted cash flow forecasts. The Group's disclosure on property, plant and equipment is set out in Note 15 to the financial statements.	We performed procedures to evaluate the design and implementation of the relevant controls put in by management over the impairment review analysis. We assessed the valuation method used by the management and evaluated the key assumptions used in the impairment assessment, in particular the sales growth rates and discount rate. We tested the robustness of management's budgeting process by comparing the actual financial performance against previously forecasted results. We compared the sales growth rates of the outlets to the industry growth rates. We also reviewed management's sensitivity analysis of the property, plant and equipment carrying amounts to changes in certain key assumptions such as sales growth rates. Based on the outcome of the impairment assessment, the recoverable amounts of the property, plant and equipment of these loss-making outlets based on value in use calculations were higher than the carrying amounts as at the end of the reporting period. We found management's basis and estimates to be reasonable based on supportable information available and that the related disclosures in the financial statements to be adequate.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair view financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr Ng Meng Chuan.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

4 January 2019

STATEMENTS OF FINANCIAL POSITION

Year ended 30 September 2018

	Note	Group		Company	
		2018	2017	2018	2017
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and cash equivalents	6	46,583	51,262	9,140	15,764
Trade and other receivables	7(a)	11,717	9,036	14	17
Due from subsidiaries	7(b)	–	–	30,965	27,709
Dividend receivable	7(b)	–	–	8,000	–
Short-term investments	8	436	426	–	–
Inventories	9	1,542	1,479	–	–
Total current assets		60,278	62,203	48,119	43,490
Non-current assets					
Investments in subsidiaries	10	–	–	5,424	5,424
Investments in associates	11	2,068	550	–	–
Available-for-sale investment	12	75	75	–	–
Investments at fair value through profit or loss ("FVTPL")	13	3,708	–	–	–
Goodwill	14	782	782	–	–
Property, plant and equipment	15	20,811	19,382	–	–
Club memberships	16	238	238	–	–
Total non-current assets		27,682	21,027	5,424	5,424
Total assets		87,960	83,230	53,543	48,914
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	17	13,786	10,085	187	175
Provision for reinstatement costs	18	2,047	1,829	–	–
Income tax payable		2,318	2,535	–	–
Total current liabilities		18,151	14,449	187	175
Non-current liability					
Deferred tax liability	19	301	301	–	–
Total non-current liability		301	301	–	–
Capital and reserves					
Share capital	20	48,806	48,550	48,806	48,550
Currency translation reserve		(352)	(110)	–	–
Merger reserve	21	(2,828)	(2,828)	–	–
Retained earnings		19,754	19,639	4,550	189
Equity attributable to owners of the Company		65,380	65,251	53,356	48,739
Non-controlling interests		4,128	3,229	–	–
Total equity		69,508	68,480	53,356	48,739
Total liabilities and equity		87,960	83,230	53,543	48,914

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 September 2018

	Note	Group 2018 $'000	Group 2017 $'000
Revenue	22	153,049	145,103
Raw materials and consumables used		(57,161)	(53,563)
Change in inventories		63	384
Other income	23	3,615	2,747
Employee benefits expense		(47,504)	(41,765)
Operating lease expenses		(14,289)	(13,874)
Utilities expenses		(3,670)	(3,273)
Depreciation expense	15	(4,833)	(4,578)
Other operating expenses	24	(15,662)	(13,492)
Finance costs		–	(4)
Share of results of associates	11	(115)	134
Profit before tax		13,493	17,819
Income tax expense	25	(2,876)	(2,779)
Profit for the year	27	10,617	15,040
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		(250)	(67)
Other comprehensive loss for the year, net of tax		(250)	(67)
Total comprehensive income for the year		10,367	14,973
Profit (loss) attributable to:			
Owners of the Company		11,022	14,472
Non-controlling interests		(405)	568
		10,617	15,040
Total comprehensive income (loss) attributable to:			
Owners of the Company		10,780	14,471
Non-controlling interests		(413)	502
		10,367	14,973
Basic and diluted earnings per share (cents)	29	1.7	2.3

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 30 September 2018

	Share Capital	Currency translation reserve	Merger reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Balance at 1 October 2016	48,441	(109)	(2,828)	19,277	64,781	1,727	66,508
Total comprehensive income for the year:							
Profit for the year	–	–	–	14,472	14,472	568	15,040
Other comprehensive loss for the year	–	(1)	–	–	(1)	(66)	(67)
Transactions with owners, recognised directly in equity:							
Issue of shares (Note 20)	109	–	–	–	109	–	109
Dividend paid to owners of the Company (Note 30)	–	–	–	(14,110)	(14,110)	–	(14,110)
Capital contribution from non-controlling interest in a subsidiary	–	–	–	–	–	1,000	1,000
Balance at 30 September 2017	48,550	(110)	(2,828)	19,639	65,251	3,229	68,480
Total comprehensive income for the year:							
Profit for the year	–	–	–	11,022	11,022	(405)	10,617
Other comprehensive loss for the year	–	(242)	–	–	(242)	(8)	(250)
Transactions with owners, recognised directly in equity:							
Issue of shares (Note 20)	256	–	–	–	256	–	256
Dividend paid to owners of the Company (Note 30)	–	–	–	(10,907)	(10,907)	–	(10,907)
Capital contribution from non-controlling interest in a subsidiary	–	–	–	–	–	1,312	1,312
Balance at 30 September 2018	48,806	(352)	(2,828)	19,754	65,380	4,128	69,508

	Share capital	Retained earnings	Total
	$'000	$'000	$'000
Company			
Balance at 1 October 2016	48,441	12,337	60,778
Transactions with owners, recognised directly in equity:			
Issue of shares (Note 20)	109	–	109
Dividend paid to owners of the Company (Note 30)	–	(14,110)	(14,110)
Profit for the year, representing total comprehensive income for the year	–	1,962	1,962
Balance at 30 September 2017	48,550	189	48,739
Transactions with owners, recognised directly in equity:			
Issue of shares (Note 20)	256	–	256
Dividend paid to owners of the Company (Note 30)	–	(10,907)	(10,907)
Profit for the year, representing total comprehensive income for the year	–	15,268	15,268
Balance at 30 September 2018	48,806	4,550	53,356

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 September 2018

	Group	
	2018	2017
	$'000	$'000
Operating activities		
Profit before income tax	13,493	17,819
Adjustments for:		
Depreciation expense	4,833	4,578
Interest income	(42)	(174)
Finance costs	–	4
Dividend income from short-term investments	(7)	(14)
Loss on disposal of property, plant and equipment	85	178
Fair value loss on investments at fair value through profit or loss	292	–
Write back of impairment loss on investment in associates	(500)	–
Fair value gain on short-term investments	(10)	(94)
Share-based payment expense	256	109
Unrealised foreign exchange (gain) loss	(214)	12
Share of results of associates	115	(134)
Operating cash flows before movements in working capital	18,301	22,284
Trade and other receivables	(2,681)	(3,011)
Inventories	(63)	(384)
Trade and other payables	3,701	(4,442)
Cash generated from operations	19,258	14,447
Interest income	42	174
Finance costs	–	(4)
Income tax paid	(3,093)	(2,929)
Net cash from operating activities	16,207	11,688
Investing activities		
Acquisition of property, plant and equipment [Note (a)]	(6,220)	(5,884)
Acquisition of investment in associates	(1,353)	–
Acquisition of investments at fair value through profit or loss	(4,000)	–
Proceeds from disposal of property, plant and equipment	123	–
Proceeds from reduction of investments in associate	220	–
Reinstatement cost paid	(98)	(89)
Dividend income from short-term investments	7	14
Net cash used in investing activities	(11,321)	(5,959)
Financing activities		
Capital contribution from non-controlling interest in a subsidiary	1,312	1,000
Dividends paid (Note 30)	(10,907)	(14,110)
Repayment of bank borrowings	–	(599)
Net cash used in financing activities	(9,595)	(13,709)
Net decrease in cash and cash equivalents	(4,709)	(7,980)
Cash and cash equivalents at beginning of the year	51,262	59,264
Effect of foreign exchange rate changes	30	(22)
Cash and cash equivalents at end of the year (Note 6)	46,583	51,262

Note (a):

Purchase of property, plant and equipment [1]	(6,536)	(6,184)
Add non-cash movement:		
- Provision for reinstatement costs (Note 18)	316	300
	(6,220)	(5,884)

(1) In FY2017, the Group acquired property, plant and equipment with an aggregate cost of $6,338,000, of which $154,000 were acquired under trade-in.

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 201503401Z) 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 subsidiaries are disclosed in Note 10 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the year ended 30 September 2018 were authorised for issue by the Board Of Directors on 4 January 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 Share-based Payment, leasing transactions that are within the scope of FRS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 Inventories or value in use in FRS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS – On 1 October 2017, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

Adoption of a new financial reporting framework in 2018

In December 2017, the Accounting Standards Council (ASC) has issued a new financial reporting framework – Singapore Financial Reporting Standards (International) (SFRS(I)), which is to be adopted by Singapore-incorporated companies listed on the Singapore Exchange (SGX), for annual periods beginning on or after 1 January 2018. SFRS(I) is identical to the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group will be adopting the new framework for the first time for financial year ending 30 September 2019 and SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) will be applied in the first set of SFRS(I) financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

As a first-time adopter, the Group is to apply retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (30 September 2019), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ending 30 September 2019, an additional opening statement of financial position as at date of transition (1 October 2017) will be presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are required for equity as at date of transition (1 October 2017) and as at end of last financial period under FRS (30 September 2018), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended 30 September 2018). Additional disclosures may also be required for specific transition adjustments if applicable.

Management has performed an analysis of the transition options and other requirements of SFRS(I) and does not expect any change to the Group's and the Company's current accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those that may arise from implementing certain new SFRS(I) pronouncements effective at the same time.

Pronouncements issued but not yet effective

As SFRS(I) 1 requires a first-time adopter to apply accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (30 September 2019), it is not possible to know all possible effects as at date of authorisation of current year's financial statements. If there are any subsequent pronouncements on SFRS(I) that are effective as at 30 September 2019, they may impact the disclosures of estimated effects discussed above.

The following SFRS(I) pronouncements are expected to have an impact to the Group and the Company in the periods of their initial application under the new SFRS(I) framework:

<u>Effective for annual periods beginning on or after 1 January 2018</u>

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers (with clarifications issued)*
- SFRS(I) *INT 22 Foreign Currency Transactions and Advance Consideration*

<u>Effective for annual periods beginning on or after 1 January 2019</u>

- SFRS(I) 16 *Leases*

<u>Effective date is deferred indefinitely</u>

- Amendments to SFRS(I) 10 *Consolidated Financial Statements and SFRS(I) 1 – 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

<u>SFRS(I) 9 *Financial Instruments*</u>

SFRS(I) 9 introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities; and (ii) impairment requirements for financial assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Key requirements of SFRS(I) 9:

- All recognised financial assets that are within the scope of SFRS(I) 9 are now required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt instruments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under SFRS(I) 9, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, SFRS(I) 9 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.

- In relation to the impairment of financial assets, SFRS(I) 9 requires an expected credit loss model to be applied. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and will recognise any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

(a) Classification and measurement

For equity securities, the Group currently measures its quoted equity securities at fair value though profit or loss (FVTPL). The Group does not expect any significant impact arising from these changes. In addition, the Group currently has one investment in unquoted equity securities at cost. Under SFRS(I) 9, the Group will be required to measure the investment at fair value. Any difference between the previous carrying amount under FRS 39 and the fair value would be recognised in the opening retained earnings when the Group applies SFRS(I) 9.

(b) Impairment

SFRS(I) 9 requires the Group and the Company to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group does not expect a material impact, but it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

The core principle of SFRS(I) 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in SFRS(I) 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by SFRS(I) 15.

Management anticipates that the initial application of the new SFRS(I) 15 will not have significant impact to the accounting policies relating to revenue recognition. Additional disclosures will be made with respect for revenue and deferred revenue, including information about performance obligation.

SFRS(I) 16 *Leases*

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

As at 30 September 2018, the Group has non-cancellable operating lease commitments of $28,408,000. FRS 17 does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments in Note 28. A preliminary assessment indicates that these arrangements will meet the definition of a lease under SFRS(I) 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of SFRS(I) 16. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Group's consolidated financial statements and the management is currently assessing its potential impact. It is not practicable to provide a reasonable estimate of the financial effect until the management completes its detailed review.

Management does not plan to early adopt SFRS(I) 16.

BASIS OF COMBINATION – In 2015, the financial statements incorporate the financial statements of the Company and its subsidiaries and had been prepared using the principles of merger accounting and on the assumption that the re-organisation of entities controlled by the same shareholders collectively has been effected as at the beginning of the earliest period presented in these financial statements.

Under merger accounting, the assets, liabilities, revenue, expenses and cash flows and all the entities within the Group are combined after making such adjustments as are necessary to achieve consistency of accounting policies. This manner of presentation reflects the economic enterprise, although the legal parent-subsidiary relationship between the Company and the subsidiaries was not established until 9 November 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where necessary, adjustments are made to the financial statements of the Group entities to bring their accounting policies in line with those used by other members of the Group.

All significant intercompany transactions and balances between Group enterprises are eliminated on combination.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring its accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiaries and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiaries (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39, or when applicable, the cost on initial recognition of an investment in an associate.

In the Company's separate financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes and FRS 19 Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and

- Assets (or disposal Groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

If the initial accounting for a business combination is incomplete by the end of the financial year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which initially measured at fair value.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are not classified into any of the other categories. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss where the financial asset is either held for trading or it is designated as at fair value through profit or loss. Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Short-term investments (comprising quoted equity shares) and investments at fair value through profit or loss are classified as financial assets at fair value through profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to the relevant exchange's quoted market bid prices at the close of business on the end of the financial year. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserves.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, except for short-term balances when the recognition of interest would be immaterial.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVENTORIES - Inventories comprising mainly food and beverages are stated at the lower of cost and net realisable value. Cost comprises all cost of purchase and overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, other than plant and equipment under work in progress, using the straight-line method, on the following bases:

Audio, visual and office equipment	-	3 to 10 years
Kitchen equipment and utensils	-	3 to 10 years
Furniture and fittings	-	3 to 10 years
Renovation	-	3 to 10 years
Leasehold industrial buildings	-	44 to 50 years
Motor vehicles	-	10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year, with the effect of any changes in estimate accounted for on a prospective basis.

Work in progress relates to kitchen equipment, utensils and renovation. Depreciation of these assets commences when the assets are ready for intended use.

Fully depreciated assets still in use are retained in the financial statements.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL - At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

ASSOCIATES - An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provision for reinstatement costs

The Group recognises a liability and capitalise an expense in property, plant and equipment if the Group has a present legal or constructive obligation to reinstate the leased premises to their original state upon expiry of the lease. The provision is made based on management's best estimate of the expected costs to be incurred to reinstate the leased premises to their original state. The capitalised provision for reinstatement costs in plant and equipment is amortised over the period of the lease.

SHARE-BASED PAYMENTS - The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. Considerations received in advance are deferred until the goods and services are provided.

Sale of food and beverages

Revenue from the sale of food and beverages is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the food and beverages i.e. when the food and beverages are delivered;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the good sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Management fees

Revenue from management contracts is recognised over the management period when the services are rendered.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Sponsorship income

Sponsorship income from suppliers is recognised when the rights to receive payment have been established.

Sale of rewards card

Sale of rewards card is recognised as income on a straight-line basis over the membership period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Franchise income

Initial franchise income is recognised upon the grant of rights, completion of the designated phases of the franchise setup and transfer of know-how to the franchisee in accordance with the terms stated in the franchise agreement. Recurring franchise income is recognised on a periodic basis as a percentage of the franchisees' revenue in accordance with terms as stated in the franchise agreement.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is reduced from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they are accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

CLUB MEMBERSHIP - This comprises of investment in club membership which is stated at cost less any impairment in net recoverable value that has been recognised in profit or loss.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from manner in which Group expects, at the end of the financial year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing on the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

MERGER RESERVE – Merger reserve represents the difference between the nominal amount of the share capital of the subsidiaries at the date on which it was acquired by the Company and the amount of the share capital issued as consideration for the acquisition.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash at bank and on hand and deposits, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Apart from those involving estimates, management is of the opinion that any instance of application of judgement is not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives to be 44 to 50 years for leasehold industrial buildings and 3 to 10 years for others. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets; therefore future depreciation charges could be revised. The carrying amount of the property, plant and equipment are set out in Note 15 to the financial statements.

(b) Impairment of property, plant and equipment

Property, plant and equipment are stated at cost less any impairment loss. The Group reviews the carrying amount of the property, plant and equipment to determine whether there are any indicators of impairment. If any such indication exists, the recoverable amount of the property, plant and equipment is estimated in order to determine the extent of the impairment loss (if any).

The carrying amount of the property, plant and equipment are set out in Note 15 to the financial statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(c) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. No impairment loss was recognised during the financial year. The carrying amount of goodwill at the end of the reporting period is set out in Note 14 to the financial statements.

(d) Provision for reinstatement costs

Provision for reinstatement costs represents costs to reinstate the Group's leased premises to its original state upon expiry of the lease. The provision was made based on management's best estimates of the expected costs which are to be incurred to reinstate the leased premises for its restaurant outlets. Details of the provision for reinstatement costs are set out in Note 18 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group	
	2018	**2017**
	$'000	**$'000**
Financial assets		
Loans and receivables:		
Cash and cash equivalents	46,583	51,262
Trade and other receivables	8,381	6,406
Subtotal	54,964	57,668
Available-for-sale investment	75	75
Fair value through profit or loss ("FVTPL"):		
Designated as at FVTPL (comprising short-term investments and investments at FVTPL)	4,144	426
Total	59,183	58,169
Financial liability		
At amortised cost:		
Trade and other payables	12,665	9,132

	Company	
	2018	**2017**
	$'000	**$'000**
Financial assets		
Loans and receivables:		
Cash and cash equivalents	9,140	15,764
Due from subsidiaries	30,965	27,709
Dividend receivable	8,000	–
Total	48,105	43,473
Financial liability		
At amortised cost:		
Trade and other payables	187	175

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar arrangements

The Group and the Company do not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar agreements.

(c) Financial risk management policies and objectives

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the costs of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below:

(i) Foreign exchange risk management

The Group operates principally in Singapore and has operations in the People's Republic of China ("PRC"), giving rise to some exposures to market risk from changes in foreign exchange rates primarily with respect to Chinese Renminbi. The Group relies on the natural hedges between such transactions.

The Group does not enter into any derivative contracts to hedge the foreign exchange risk. The Group's monetary assets and monetary liabilities are largely denominated in the respective Group entities' functional currencies.

As the Group's and Company's principal operations are predominately in Singapore, it is not significantly exposed to foreign exchange risk and thus foreign currency risk sensitivity analysis has not been disclosed.

(ii) Interest rate risk management

The Group and the Company are not exposed to significant interest rate risk as there are no significant interest-bearing assets and liabilities except for deposits placed with banks. Further details can be found in Note 6 to the financial statements.

No sensitivity analysis is prepared as the Group and the Company do not expect any material effect on the Group's and Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk is primarily attributable to its cash and bank balances and trade receivables. Liquid funds are placed with financial institutions with high credit ratings. The credit risk with respect to the trade receivables is limited as the Group's revenue are generated mainly from cash and credit card sales. Where transactions are conducted other than on a cash basis, the Group practises stringent credit review. Allowance for impairment is made where there is an identified loss event which, based on previous experience is evidence of a reduction in the recoverabilities.

The Group have no significant concentration of credit risk. Trade receivables are spread over a broad base of customers.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(iii) Credit risk management (cont'd)

The Company is exposed to a concentration of credit risk as 100% (2017 : 100%) of its receivables are due from subsidiaries, Jumbo Seafood Pte Ltd and Jumbo Group of Restaurants Pte Ltd. These subsidiaries have been assessed to be creditworthy and management has assessed that no allowance for doubtful receivables is required.

The carrying amount of financial assets recorded in the financial statements represents the Group's and the Company's maximum exposure to credit risks.

Further details of credit risk on trade receivables are disclosed in Note 7 to the financial statements.

(iv) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as short-term investments, available-for-sale investment and investments at FVTPL. Available-for-sale equity investment is unquoted, and is held for strategic rather than trading purposes.

Further details of the short-term investments, available-for-sale investment and investments at FVTPL are disclosed in Notes 8, 12 and 13 to the financial statements respectively.

Equity price sensitivity

In respect of the short-term investments and investments at FVTPL, if equity price had been 10% higher/lower, the Group's net profit for the year ended 30 September 2018 would increase/decrease by $415,000 (2017 : $43,000).

(v) Liquidity risk management

Liquidity risk refers to the risk that the Group may not be able to meet its obligations.

The Group maintains sufficient cash and bank balances and internally generated cash flows to finance its working capital requirements.

All financial liabilities are repayable on demand or due within 1 year from the end of the financial year.

All financial assets mature within 1 year from the end of the reporting period, except for available-for-sale investment and investments at FVTPL disclosed in Note 12 and Note 13 to the financial statements respectively.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(v) Liquidity risk management (cont'd)

Company

The Company's financial liabilities as at 30 September 2018 and 2017 are repayable on demand or due within 1 year from the end of the reporting period.

Liquidity and interest risk analyses

Non-derivative financial assets

The following tables detail the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statements of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
Group						
2018						
Non-interest bearing	–	51,972	–	–	–	51,972
Deposits	0.50	7,224	–	–	(13)	7,211
		59,196	–	–	(13)	59,183
2017						
Non-interest bearing	–	40,169	–	–	–	40,169
Deposits	0.04	18,007	–	–	(7)	18,000
		58,176	–	–	(7)	58,169
Company						
2018						
Non-interest bearing	–	46,105	–	–	–	46,105
Deposits	1.50	2,008	–	–	(8)	2,000
		48,113	–	–	(8)	48,105
2017						
Non-interest bearing	–	31,473	–	–	–	31,473
Deposits	0.05	12,006	–	–	(6)	12,000
		43,479	–	–	(6)	43,473

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

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).

Financial instruments measured at fair value

	Total	Level 1	Level 2	Level 3	Cost
	$'000	$'000	$'000	$'000	$'000
Group					
Financial assets					
2018					
Available-for-sale investment (Note a)	75	–	–	–	75
Financial assets at fair value through profit or loss					
-Investments at FVTPL	3,708	–	–	3,708	–
-Quoted equity shares	436	436	–	–	–
2017					
Available-for-sale investment (Note a)	75	–	–	–	75
Financial assets at fair value through profit or loss (comprising short-term investments)					
-Quoted equity shares	426	426	–	–	–

Note a

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

4 **FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)**

(c) Financial risk management policies and objectives (cont'd)

(vi) Fair value of financial assets and financial liabilities (cont'd)

The Group determines fair values of various financial assets in the following manner:

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each financial year. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Group **Financial assets**	**Fair value ($)**		**Fair value hierarchy**	**Valuation technique and key input**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
	2018	**2017**				
	Short-term investments (see Note 8 to the financial statements)					
Quoted equity shares	436	426	Level 1	Quoted bid prices in an active market.	N/A	N/A
	Investments at fair value through profit or loss ("FVTPL") (see Note 13 to the financial statements)					
Investments at fair value through profit or loss	3,708	–	Level 3	Net asset value of the underlying quoted equity shares invested by the fund manager.	Pricing and yield curves provide by the fund manager to the administrator of the fund.	Any change to pricing or yield curves used would result in an increase (decrease) in fair value.

There were no transfers between the levels of the fair value hierarchy during the financial year.

(d) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2017.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued capital, reserves and retained earnings.

5 HOLDING COMPANY, RELATED COMPANIES AND OTHER RELATED PARTIES TRANSACTIONS

(a) Holding company and related companies transactions

Related companies in these financial statements refer to members of the Company's Group of companies.

In 2017, the ultimate controlling party is JBO Holdings Pte Ltd, incorporated in Singapore, which is substantially owned by Mr. Ang Hon Nam and his family members, whose interest in the Company is held through their shareholdings in the ultimate controlling party.

In 2018, JBO Holdings Pte Ltd had distributed certain shares of the Company to its shareholders, resulting in a change in the percentage level of interest in the Company while still remaining as a substantial shareholder.

Some of the Company's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free, expected to be settled in cash and repayable on demand unless otherwise stated.

(b) Other related party transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free, expected to be settled in cash and repayable on demand unless otherwise stated.

During the year, significant transactions entered into by Group entities with related parties were as follow:

	Group	
	2018	2017
	$'000	$'000
Sales to associates	(905)	(460)
Consultancy services provided by related parties	96	96
Management fees received from associates	(243)	(213)
Franchise fees received from associates	(360)	(200)
Royalty fees received from associates	(170)	–
Rental paid to related parties	96	96

Remunerations of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follow:

	Group	
	2018	2017
	$'000	$'000
Short-term employee benefits	3,168	3,477
Post-employment benefits	90	99
Share based payment	256	109
Total compensation	3,514	3,685

6 CASH AND CASH EQUIVALENTS

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Cash on hand	349	272	*	*
Cash at bank	39,023	32,990	7,140	3,764
Deposits[1]	7,211	18,000	2,000	12,000
Cash and cash equivalents in the statement of cash flows	46,583	51,262	9,140	15,764

(1) Deposits referred to structured deposits with financial institutions maturing within 3 months with variable interest returns. Management considered the value of the embedded derivatives to be negligible due to immaterial movement in market environment and relative short term maturity of these financial instruments.

* denotes less than a thousand.

7 (a) TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Trade receivables				
- outside parties	2,069	1,906	–	–
- associates	247	–	–	–
	2,316	1,906	–	–
Other receivables				
- outside parties	271	445	–	–
- associates	1,230	44	–	–
Staff loans	9	14	–	–
Refundable deposits	4,555	3,997	–	–
Prepayments	3,336	2,630	14	17
	11,717	9,036	14	17

The credit period ranges from 3 to 30 days (2017 : 3 to 30 days). No interest is charged on the outstanding balance.

The table below is an analysis of trade receivables as at end of reporting period:

	Group	
	2018	2017
	$'000	$'000
Not past due and not impaired	2,316	1,906

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Other receivables are unsecured, interest-free and repayable on demand.

7 (b) DUE FROM SUBSIDIARIES AND DIVIDEND RECEIVABLE

Amount due from subsidiaries and dividend receivable from subsidiaries are unsecured, interest-free and repayable on demand. The Company has not recognised any allowance as the directors are of the view the receivables are recoverable.

8 SHORT-TERM INVESTMENTS

	Group	
	2018	2017
	$'000	$'000
Quoted equity shares, at fair value	436	426

The investments above include investments in quoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on the quoted closing market prices on the last market day of the financial year.

9 INVENTORIES

	Group	
	2018	2017
	$'000	$'000
Consumables	1,242	1,238
Liquor and beverages	300	241
	1,542	1,479

10 INVESTMENTS IN SUBSIDIARIES

	Company	
	2018	2017
	$'000	$'000
Unquoted equity shares – at cost	5,424	5,424

Details of the Group's significant subsidiaries at 30 September 2018 are as follows:

Name of subsidiary	Principal activities	Country of incorporation and operation	Proportion of ownership interests and voting power held	
			2018	2017
			%	%
Held by the Company				
Jumbo Seafood Pte. Ltd. (1)	Operation and management of restaurants	Singapore	100	100
Jardine Enterprise Pte. Ltd. (1)	Investment holding	Singapore	100	100
Subsidiary held by Jumbo Seafood Pte. Ltd.				
Jumbo Group of Restaurants Pte. Ltd. (1)	Operation and management of restaurants	Singapore	100	100

10 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiary	Principal activities	Country of incorporation and operation	Proportion of ownership interests and voting power held	
			2018	2017
			%	%
Subsidiaries held by Jumbo Group of Restaurants Pte. Ltd.				
Jumbo F&B Services Pte Ltd. (1)	Investment holding	Singapore	100	100
Ng Ah Sio Investments Pte. Ltd. (1)	Operation and management of restaurants	Singapore	100	100
Subsidiary held by Ng Ah Sio Investments Pte Ltd				
Ng Ah Sio Pte Ltd (1)	Manufacturer of food stuff	Singapore	100	100
Subsidiaries held by Jumbo F&B Services Pte. Ltd				
JBT (China) Pte Ltd. (1)	Investment holding	Singapore	70	70
Jumbo F&B Services (Shanghai) Co Ltd (2)	Management of seafood restaurant	People's Republic of China ("PRC")	100	100
Subsidiary held by JBT (China) Pte. Ltd.				
JBT F&B Management (Shanghai) Co Ltd (2)	Operation and management of seafood restaurant	PRC	70	70
Subsidiary held by Jumbo F&B Services (Shanghai) Co Ltd				
JBHG F&B Services (Beijing) Co Ltd (2)(3)	Operation and management of seafood restaurant	PRC	51	51

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by an overseas practices of Deloitte Touche Tohmatsu Limited for consolidation purposes.

(3) In 2017, the latest available management accounts were used for consolidation purposes.

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the Group is as follows:

Principal activities	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2018	2017
Investment holding	Singapore	2	2
Operations, management of restaurants and manufacturer of food stuff	Singapore and PRC	5	5

10 INVESTMENTS IN SUBSIDIARIES (cont'd)

Non-wholly owned subsidiaries

Information about the composition of non-wholly owned subsidiaries of the Group is as follows:

Principal activities	Place of incorporation and operation	Number of non-wholly owned subsidiaries	
		2018	2017
Investment holding	Singapore	1	1
Operations and management of restaurants	PRC	2	2

Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group are disclosed below:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2018	2017	2018	2017	2018	2017
		%	%	$'000	$'000	$'000	$'000
JBT (China) Pte Ltd	Singapore	30	30	(157)	547	2,109	2,274
JBHG F&B Services (Beijing) Co Ltd	Singapore	49	49	(248)	21	2,019[(i)]	955[(i)]
				(405)	568	4,128	3,229

(i) Includes capital contribution from non-controlling interest in a subsidiary net of exchange.

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra Group eliminations.

	JBT (China) Pte Ltd		JBHG F&B Services (Beijing) Co Ltd	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Current assets	5,367	6,648	1,850	1,283
Non-current assets	3,894	3,584	3,097	1,305
Current liabilities	(2,395)	(2,778)	(817)	(506)
Equity attributable to owners of the Company	4,806	5,180	2,106	1,061
Non-controlling interests	2,060	2,274	2,024	1,021
Revenue	24,257	23,925	7,034	1,486
Expenses	(24,780)	(22,101)	(7,540)	(1,443)
(Loss) Profit for the year	(523)	1,824	(506)	43
(Loss) Profit attributable to owners of the Company	(366)	1,277	(258)	22
(Loss) Profit attributable to non-controlling interests	(157)	547	(248)	21
(Loss) Profit for the year	(523)	1,824	(506)	43

10 INVESTMENTS IN SUBSIDIARIES (cont'd)

	JBT (China) Pte Ltd		JBHG F&B Services (Beijing) Co Ltd	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Other comprehensive loss attributable to owners of the Company	(87)	(1)	–	–
Other comprehensive loss attributable to non-controlling interests	(37)	(66)	–	–
Other comprehensive loss for the year	(124)	(67)	–	–
Total comprehensive (loss) income attributable to owners of the Company	(453)	1,234	(258)	22
Total comprehensive (loss) income attributable to non-controlling interests	(194)	481	(248)	21
Total comprehensive (loss) income for the year	(647)	1,715	(506)	43
Net cash (outflow) inflow from operating activities	984	4,466	(647)	54
Net cash outflow from investing activities	(1,740)	(436)	(2,032)	(1,352)
Net cash inflow from financing activities	–	–	2,677	2,041
Net cash (outflow) inflow	(756)	4,030	(2)	743

11 INVESTMENTS IN ASSOCIATES

	Group	
	2018	2017
	$'000	$'000
Unquoted equity shares – at cost	1,917	784
Accumulated impairment losses	–	(500)
Share of post-acquisition profit, net dividend received	151	266
	2,068	550

In 2017, management carried out a review of the investments in associates having regard to the existing performance of the associates that had indicators of impairment and concluded that no further impairment loss is necessary.

Movement in allowance for impairment loss for investments in subsidiaries:

	Group	
	2018	2017
	$'000	$'000
At beginning of the year	500	500
Reversal in allowance recognised in profit or loss	(500)	–
At end of the year	–	500

The Group has assessed the recoverable amount of its investments in associates based on the net asset position of the investees, which approximate its fair value. In 2018, the assessment led to a reversal of allowance for impairment loss of $500,000.

11 INVESTMENTS IN ASSOCIATES (cont'd)

Details of the Group's associates as at 30 September 2018 are as follows:

Name of associate	Principal activities	Place of incorporation and operation	Proportion of ownership interests and voting power held	
			2018	2017
			%	%
Associates held by Jumbo Group of Restaurants Pte. Ltd.				
Seafood Republic Pte. Ltd. ("SRPL") (1)	Operation and management of restaurants	Singapore	20	20
Singapore Seafood Republic Pte. Ltd. ("SSRPL") (1)(2)(3)	Investment holding	Singapore	27	27
SSR Sentosa Pte. Ltd. ("SSR Sentosa") (1)(2)	Operation and management of restaurants	Singapore	27	27
Associates held by Jumbo F&B Services Pte. Ltd.				
Vista F&B Services Pte. Ltd. ("VSPL") (1)	Operation and management of restaurants	Singapore	49	–
Ho Sing Foods Co. Ltd. ("HSFL") (4)	Operation and management of restaurants	Taiwan	49	–

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Although the Group holds 100% equity interests in SSR Sentosa, management has assessed that SSRPL, rather than the Group, has the ability to direct the relevant activities of SSR Sentosa because of a loan financing arrangement by SSRPL to SSR Sentosa which gives SSRPL authority to direct the activities of SSR Sentosa that significantly affect the returns of SSR Sentosa. As SSRPL is an associate of the Group, SSR Sentosa is deemed to be an associate of the Group.

(3) In 2017, the Group has not recognised profits amounted to $198,000 for SSRPL as the investment in SSRPL had been fully impaired. The accumulated losses not recognised were $16,000.

(4) The latest management accounts were used for consolidation purposes.

11 INVESTMENTS IN ASSOCIATES (cont'd)

Summarised financial information of the Group's material associates, SRPL, VSPL and HSFL are set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with FRSs.

	SRPL		VSPL		HSFL	
	2018	2017	2018	2017	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000
Current assets	1,542	2,180	2,110	–	1,156	–
Non-current assets	542	542	1,236	–	3,915	–
Current liabilities	(65)	(1,210)	(630)	–	(2,560)	–
Non-current liabilities	(2)	(2)	(2,500)	–	(1,208)	–
Revenue	660	711	1,964	–	5,268	–
Profit (loss) for the year	507	672	(285)	–	(627)	–

Reconciliation of the above summarised financial information to the carrying amount of the interests in SRPL, VSPL and HSFL recognised in these consolidated financial statements:

	SRPL		VSPL		HSFL	
	2018	2017	2018	2017	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000
Net assets of the associates	2,017	1,510	216	–	1,303	–
Proportion of the Group's ownership interest	20%	20%	49%	–	49%	–
Carrying amount of the Group's interest	404	302	106	–	638	–

The Group has not recognised any profit from operations of associates that are not individually material for the years ended 30 September 2018 and 2017.

12 AVAILABLE-FOR-SALE INVESTMENT

	Group	
	2018	2017
	$'000	$'000
Unquoted equity shares, at cost	75	75

The investment in unquoted equity investments represents 15% equity interest in Slappy Cakes (Singapore) Pte Ltd, a company incorporated in Singapore.

The management is of the view that the fair value of the unquoted equity shares cannot be measured reliably as there is a wide range of reasonable fair value estimates and the probabilities of the various estimates cannot be reasonably assessed.

13 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Group	
	2018	2017
	$'000	$'000
Equity investments - FVTPL	4,000	–
Fair value loss included in profit or loss for the year as part of "other operating expenses"	(292)	–
	3,708	–

The shareholdings in these equity investments represent less than 20% of interests. These investments are measured at fair value through profit or loss in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*.

Investments at fair value through profit or loss are denominated in Singapore dollars.

Changes in the fair value of investments at fair value through profit or loss, amounting to $292,000 (2017: $Nil) have been included in profit or loss for the year as part of "other operating expenses".

14 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.

The recoverable amount of the CGU, relating to Ng Ah Sio Investments Pte. Ltd. and its business in Ng Ah Sio Bak Kut Teh, 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. 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.

The Group prepares cash flow forecasts derived from the most recent financial budget approved by management for the next five years based on an estimated growth rate of 1% (2017 : 3%) and at a discount rate of 9.3% (2017 : 9.3%) per annum.

As at 30 September 2018, any reasonably possible change to the key assumptions applied are not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

For the years ended 30 September 2018 and 2017, management has assessed that no allowance for impairment was required.

15 PROPERTY, PLANT AND EQUIPMENT

	Audio, visual and office equipment	Kitchen equipment and utensils	Furniture and fittings	Renovation	Leasehold industrial buildings	Motor vehicles	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Cost:								
At 1 October 2016	4,322	6,829	5,053	15,765	4,941	1,444	684	39,038
Additions	647	785	981	3,010	–	446	469	6,338
Disposals	(209)	(96)	(258)	(824)	–	(417)	(7)	(1,811)
Write offs	–	–	–	(32)	–	–	–	(32)
Exchange difference	(1)	(2)	(1)	(9)	–	–	–	(13)
At 30 September 2017	4,759	7,516	5,775	17,910	4,941	1,473	1,146	43,520
Additions	382	983	420	3,413	–	81	1,257	6,536
Disposals	(409)	(256)	(444)	(938)	–	(62)	(40)	(2,149)
Reclassifications	1,031	270	6	167	–	–	(1,474)	–
Exchange difference	(13)	(43)	(5)	(136)	–	–	–	(197)
At 30 September 2018	5,750	8,470	5,752	20,416	4,941	1,492	889	47,710
Accumulated depreciation:								
At 1 October 2016	3,125	3,203	3,638	9,807	777	477	–	21,027
Depreciation for the year	636	942	637	2,118	105	140	–	4,578
Disposals	(196)	(88)	(241)	(780)	–	(174)	–	(1,479)
Write offs	–	–	–	(32)	–	–	–	(32)
Exchange difference	(3)	(1)	1	47	–	–	–	44
At 30 September 2017	3,562	4,056	4,035	11,160	882	443	–	24,138
Depreciation for the year	850	967	641	2,125	105	145	–	4,833
Disposals	(381)	(219)	(385)	(894)	–	(62)	–	(1,941)
Exchange difference	(10)	(20)	(2)	(99)	–	–	–	(131)
At 30 September 2018	4,021	4,784	4,289	12,292	987	526	–	26,899
Carrying amount:								
At 30 September 2018	1,729	3,686	1,463	8,124	3,954	966	889	20,811
At 30 September 2017	1,197	3,460	1,740	6,750	4,059	1,030	1,146	19,382

The cost of fully depreciated assets still in use for the Group amounted to $14,152,000 (2017 : $13,328,000).

In 2016, the leasehold property amounted to $2,057,000, owned by the Group, was mortgaged to secure a loan facility. The bank loan was fully repaid in May 2017, and therefore the leasehold property was no longer mortgaged to the bank from June 2017 onwards.

16 CLUB MEMBERSHIPS

	Group	
	2018	2017
	$'000	$'000
Country club memberships, at cost	273	273
Less: Allowance for impairment	(35)	(35)
	238	238

17 TRADE AND OTHER PAYABLES

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Trade payables	4,207	4,746	–	–
Other payables	2,033	1,139	–	–
Deposits received	605	488	–	–
Accrued employee benefits expense	5,882	2,856	–	–
Accrued directors' fees	58	50	57	50
Accrued operating expenses	485	506	130	125
Accrued credit expenses	191	191	–	–
Deferred revenue	325	109	–	–
	13,786	10,085	187	175

The credit period on purchases of goods is typically 30 days (2017 : 30 days).

The Group has a loyalty programme which allows members to accumulate credits when they spend in the Group's restaurants. These credits can be off-set against billings from the Group's restaurants and/or redeem for certain merchandise. Accrued credit expense relates to the credits issued under the loyalty programme that are expected to be redeemed but are still outstanding as at the end of the financial year.

Deferred revenue relates to deferred rewards card fees which are recognised as income over the membership period.

18 PROVISION FOR REINSTATEMENT COSTS

	Group	
	2018	2017
	$'000	$'000
At beginning of year	1,829	1,618
Provision during the year	316	300
Utilisation of provision	(98)	(89)
At end of year	2,047	1,829

Provision for reinstatement costs are estimation to reinstate the Group's leased premises to their original state upon expiry of the respective leases.

19 DEFERRED TAX LIABILITY

	Accelerated tax depreciation
	$'000
Group	
At 1 October 2016, 30 September 2017 and 30 September 2018	301

20 SHARE CAPITAL

	Group and Company			
	2018	2017	2018	2017
	Number of ordinary shares		$'000	$'000
Issued and paid up:				
At the beginning of the year	641,483,000	641,333,000	48,550	48,441
Issue of shares for:				
- grant of share awards during the year [1]	350,000	150,000	256	109
At the end of the year	641,833,000	641,483,000	48,806	48,550

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividend as and when declared by the Company.

(1) On 23 February 2017, the Company granted up to 500,000 share awards to Mr. Ang Kiam Meng under the Performance Share Plan. On 23 March 2017 and 28 February 2018, 150,000 and 350,000 shares were being vested respectively.

21 MERGER RESERVE

Merger reserve represents the difference between the nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Company and the purchase consideration paid by the Company for the acquisition using the principles of merger accounting applicable to business combination under common control.

22 REVENUE

Revenue comprises mainly sales of food and beverages, net of discounts and sales related taxes.

23 OTHER INCOME

	Group 2018	Group 2017
	$'000	$'000
Government credit schemes	565	710
Interest income	42	174
Management fees received from associates	243	213
Dividend income from short-term investments	7	14
Fair value gains on short-term investments	10	94
Customer rewards card fee	194	223
Government grants	143	91
Write back of impairment loss on investment in associates	500	–
Sponsorships	136	–
Insurance claims	135	85
Sale of waste	40	38
Franchise income	641	200
Write-back of accrued credit expenses	–	165
Others	959	740
	3,615	2,747

24 OTHER OPERATING EXPENSES

	Group 2018	Group 2017
	$'000	$'000
Cleaning supplies and services	2,182	1,824
Credit card commission	1,960	1,902
General supplies	2,020	1,636
Loss on disposal of property, plant and equipment	85	178
Repair and maintenance	1,522	1,380
Professional fees	1,199	949
Transportation fees	1,014	1,303
Marketing expense	1,938	1,715
Other expenses	3,742	2,605
	15,662	13,492

25 INCOME TAX EXPENSE

	Group	
	2018	2017
	$'000	$'000
Tax expense comprises:		
Current tax		
- Current year	2,337	2,780
- Under (Over) provision in respect of prior years	476	(1)
Withholding tax	63	–
	2,876	2,779

Domestic income tax is calculated at 17% (2017 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2018	2017
	$'000	$'000
Profit before tax	13,493	17,819
Income tax calculated at 17% (2017 : 17%)	2,294	3,029
Tax effect of expenses that are not deductible in determining taxable profit	287	170
Tax effect of share of results of associates	20	(23)
Tax effect of deduction from tax incentives	(93)	(525)
Tax effect of exempt income	(83)	(92)
Effect of different tax rate of subsidiaries operating in other jurisdiction	(6)	250
Effect of tax rebates	(20)	(53)
Tax effect of withholding tax	63	–
Under (Over) provision of current tax in respect of prior years	476	(1)
Others	(62)	24
	2,876	2,779

As at the end of the reporting period, the Group have the following unutilised tax losses available for offsetting against their future taxable profits:

	Group	
	2018	2017
	$'000	$'000
At beginning of the year	–	1,074
Adjustment	–	(1,074)
At end of the year	–	–
Unrecorded deferred tax assets on the above balance	–	–

The realisation of the future income tax benefits from tax loss carryforwards from Singapore companies is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

26 SEGMENT INFORMATION

Reportable segment

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is specifically focused on the restaurant business which forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*. The aggregated restaurant business is therefore the Group's only reportable segment.

The accounting policies of the reportable segment are the same as the Group's accounting policies described in Note 2.

Geographical information

The Group operates in Singapore and the PRC.

The following table provides an analysis of the Group's revenue from external customers based on the geographical location where revenue is generated:

	Group	
	2018	**2017**
	$'000	**$'000**
Sales revenue by geographical market		
Singapore	121,759	119,692
PRC	31,290	25,411
Total	153,049	145,103

The following is an analysis of the carrying amount of segment assets (non-current assets excluding financial instruments, goodwill, club memberships, available-for-sale investment, investments in associates and investments at fair value through profit or loss) analysed by the geographical location in which the assets are located:

	Group	
	2018	**2017**
	$'000	**$'000**
Non-current assets		
Singapore	13,818	14,493
PRC	6,993	4,889
Total	20,811	19,382

The non-current assets comprise property, plant and equipment.

Information about major customers

There is no single major customer that contributed more than 5% of the Group's total revenue. The revenue is spread over a broad base of customers.

27 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Group	
	2018	2017
	$'000	$'000
Employment benefits – directors and key management		
- Salary and allowances	2,539	2,881
- Cost of defined contribution plans	61	67
- Share based payment	256	109
Employment benefits – directors of subsidiaries		
- Salary and allowances	386	396
- Cost of defined contribution plans	29	32
Directors' fees of the Company	243	200
Audit fees		
- paid to auditors of the Company	207	197
- paid to other auditors	47	33
Non-audit fees paid to auditors of the Company	46	46
Operating lease expenses	14,289	13,874
Net exchange loss (gain)	15	(3)
Cost of defined contribution plans included in employee benefit expense	2,308	3,022
Rental paid to related parties	96	96
Finance costs	–	4

28 COMMITMENTS

The Group as a lessee

	Group	
	2018	2017
	$'000	$'000
Minimum lease payments under operating leases recognised as an expense		
- operating lease rental	11,791	11,196
- contingent lease rental	2,498	2,678
	14,289	13,874

The Group has operating lease agreements for restaurant outlets and office premises. The lease typically runs for a period of three to eight years, with an option to renew the lease contract after that date. The lease term does not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

28 COMMITMENTS (cont'd)

Operating lease commitments

At the end of the financial year, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2018	2017
	$'000	$'000
Within one year	12,235	11,520
Within two to five years	14,917	16,371
More than 5 years	1,256	2,744
	28,408	30,635

Contingent rental for the Group payable at certain percentage of monthly gross turnover has been excluded from the minimum lease rental commitments above.

29 EARNINGS PER SHARE

The calculation of the earnings per share attributable to the ordinary owners of the Company is based on the following data:

	Group	
	2018	2017
	$'000	$'000
Earnings per ordinary share ("EPS")		
Profit attributable to owners of the Company ($'000)	11,022	14,472
Weighted average number of ordinary shares for purpose of earnings per share ('000)	641,688	641,412
EPS - Basic and diluted (cents)	1.7	2.3

There were no dilutive equity instruments for 2018 and 2017.

There is no dilution as no share options were granted or were outstanding during the financial year.

Note: The weighted average number of ordinary shares used for the calculation of earnings per share for the comparatives have been adjusted for the effect of vesting of share awards.

30 DIVIDENDS

2017

On 26 January 2017, the Company declared a tax-exempt (one-tier) final cash dividend of 1.7 cents per share amounting to $10,903,000 for the financial year ended 30 September 2016. The dividend has been paid on 17 February 2017 to the respective shareholders.

On 12 May 2017, the Company declared a tax-exempt (one-tier) interim cash dividend of 0.5 cents per share amounting to $3,207,000 for the financial year ending 30 September 2017, which was paid on 8 June 2017.

30 DIVIDENDS (cont'd)

2018

On 29 January 2018, the Company declared a tax-exempt (one-tier) final cash dividend of 0.5 cents and a tax-exempt (one-tier) special dividend of 0.7 cents per share amounting to $3,208,000 and $4,490,000 respectively for the financial year ending 30 September 2017, which was paid on 14 February 2018.

On 15 May 2018, the Company declared a tax-exempt (one-tier) interim cash dividend of 0.5 cents per share amounting to $3,209,000 for the financial year ending 30 September 2018, which was paid on 7 June 2018.

In respect of the current year, the directors proposed a tax-exempt (one-tier) final cash dividend of 0.7 cents per share to be paid to shareholders. These dividends will be subject to approval by shareholders at the Annual General Meeting and have not been included as liabilities in the financial statements. The total estimated dividends to be paid is $4,488,000.

31 SUBSEQUENT EVENTS

Since the end of the financial year, the Company acquired a total of 741,700 of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $298,072 and had been deducted from shareholders' equity. The shares are held as 'treasury shares'.

STATISTICS OF SHAREHOLDINGS

As at 18 December 2018

Number of issued shares	:	641,833,000
Number of issued shares excluding treasury shares	:	641,386,700
Number of treasury shares held	:	446,300
Percentage of treasury shares held against the number of issued shares	:	0.07%
Class of shares	:	Ordinary shares
Voting rights	:	On a poll: 1 vote for each ordinary share
Number of subsidiary holdings	:	Nil

BREAKDOWN OF SHAREHOLDINGS BY RANGE
AS AT 18 DECEMBER 2018

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital*
1 - 99	2	0.08	49	0.00
100 - 1,000	166	6.36	115,200	0.02
1,001 - 10,000	1,188	45.52	7,944,600	1.24
10,001 - 1,000,000	1,222	46.82	68,657,184	10.70
1,000,001 AND ABOVE	32	1.22	564,669,667	88.04
TOTAL	**2,610**	**100.00**	**641,386,700**	**100.00**

** The shareholding percentage is calculated based on the number of issued shares of the Company excluding treasury shares.*

TWENTY LARGEST SHAREHOLDERS
AS AT 18 DECEMBER 2018

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital*
1	JBO HOLDINGS PTE LTD	292,044,265	45.53
2	CITIBANK NOMINEES SINGAPORE PTE LTD	67,048,200	10.45
3	TAN GEE JIAN	42,254,900	6.59
4	ANG HON NAM @NG NAM TECK	21,503,892	3.35
5	DBS NOMINEES PTE LTD	14,640,900	2.28
6	RAFFLES NOMINEES (PTE) LIMITED	11,297,925	1.76
7	SEE BOON HUAT	10,350,000	1.61
8	ANG KIAM MENG	10,223,863	1.59
9	KOH AH SAY @ SEE BOON CHYE	8,178,700	1.27
10	PALM BEACH SEAFOOD RESTAURANT PTE LTD	8,000,000	1.25
11	NG SIAK HAI	7,934,704	1.24
12	ORCHID 1 INVESTMENTS PTE LTD	7,933,400	1.24
13	DB NOMINEES (SINGAPORE) PTE LTD	7,607,200	1.19
14	NG NAM HUAT	5,633,600	0.88
15	NG NAM SOON	5,633,600	0.88
16	BPSS NOMINEES SINGAPORE (PTE.) LTD.	5,130,000	0.80
17	NYEO SAI JOO	4,601,766	0.72
18	LEE CHING POO	4,526,520	0.71
19	NSH HOLDINGS PTE LTD	3,594,000	0.56
20	TAN YONG CHUAN JACQUELINE	3,006,352	0.47
	TOTAL	**541,143,787**	**84.37**

** The shareholding percentage is calculated based on the number of issued shares of the Company excluding treasury shares.*

STATISTICS OF SHAREHOLDINGS

As at 18 December 2018

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
JBO Holdings Pte. Ltd.	292,044,265	45.5	–	–
Tan Gee Jian	42,254,900	6.6	–	–
Ron Sim Chye Hock	64,166,600	10.0	–	–
Ang Hon Nam (1)	21,503,892	3.4	292,044,265	45.5

Note:

(1) Ang Hon Nam is entitled to exercise not less than 20.0% of the votes attached to the voting shares in JBO Holdings Pte. Ltd.. Ang Hon Nam is deemed interested in the shares held by JBO Holdings Pte. Ltd. by virtue of Section 7 of the Companies Act.

PUBLIC FLOAT

Based on the information available to the Company as at 18 December 2018, approximately 32.0% of the total number of issued shares in the Company was held in the hands of the public as defined in the Catalist Rules. Accordingly, Rule 723 of the Catalist Rules has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting ("**AGM**") of JUMBO GROUP LIMITED (the "**Company**") will be held at 190 Keng Lee Road, Chui Huay Lim Club, Singapore 308409 on Thursday, 31 January 2019 at 9.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 30 September 2018 ("**FY2018**") together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final tax exempt (one-tier) dividend of S$0.007 per share for FY2018. **(Resolution 2)**

3. To re-elect the following directors of the Company ("**Directors**") retiring pursuant to Regulation 89 of the constitution of the Company ("**Constitution**"):

   Mr. Tan Cher Liang (Regulation 89) **(Resolution 3)**
   [See Explanatory Note (i)]

   Mrs. Christina Kong Chwee Huan (Regulation 89) **(Resolution 4)**
   [See Explanatory Note (ii)]

   Mr. Richard Tan Kheng Swee (Regulation 89) **(Resolution 5)**
   [See Explanatory Note (iii)]

4. To approve the payment of Directors' fees of S$230,000 for the financial year ending 30 September 2019. **(Resolution 6)**

5. To re-appoint Deloitte & Touche LLP as the Company's auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue shares in the capital of the Company - Share Issue Mandate**

   "That, pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Companies Act**"), the Constitution and the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), the Directors be and are hereby authorised to:

   (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (iii) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority is in force (notwithstanding that such issue of Shares pursuant to the Instrument may occur after the expiration of the authority contained in this resolution), provided that:

      (A) the aggregate number of Shares issued pursuant to such authority (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this resolution) does not exceed 100.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to the then existing shareholders of the Company ("**Shareholders**") (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 50.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (B) below);

(B) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (A) above, the total number of issued Shares shall be based on the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of this resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) (where applicable) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this authority is passed, provided the options or awards were granted in compliance with the Catalist Rules;

(c) any subsequent bonus issue, consolidation or sub-division of Shares;

(C) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being in force; and

(D) (unless revoked or varied by the Company in a general meeting), the authority conferred by this resolution shall continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier." **(Resolution 8)**

[See Explanatory Note (iv)]

8. **Authority to allot and issue Shares under the Jumbo Employee Share Option Scheme**

"That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised and empowered to grant options in accordance with the Jumbo Employee Share Option Scheme ("**Share Option Scheme**") and allot and issue from time to time such number of Shares in the capital of the Company to the holders of options granted by the Company under the Share Option Scheme established by the Company upon the exercise of such options in accordance with the terms and conditions of the Share Option Scheme, provided always that the aggregate number of Shares issued and/or issuable pursuant to the Share Option Scheme, the Jumbo Performance Share Plan and any other share based incentive schemes of the Company shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time; and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier."

[See Explanatory Note (v)] **(Resolution 9)**

9. **Authority to allot and issue Shares under the Jumbo Performance Share Plan**

"That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised and empowered to grant awards in accordance with the Jumbo Performance Share Plan ("**Performance Share Plan**") and allot and issue from time to time such number of Shares in the capital of the Company to the holders of awards granted by the Company under the Performance Share Plan established by the Company upon the vesting of such share awards in accordance with the terms and conditions of the Performance Share Plan, provided always that the aggregate number of Shares issued and/or issuable pursuant to the Share Option Scheme, the Performance Share Plan and any other share based incentive schemes of the Company shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time; and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier." **(Resolution 10)**

[See Explanatory Note (vi)]

By Order of the Board

Tan Cher Liang
Independent Chairman

Singapore, 9 January 2019

Explanatory Notes:

(i) Detailed information on Mr. Tan Cher Liang can be found in the Company's annual report 2018. Mr. Tan Cher Liang is the Independent Chairman of the Company. Mr. Tan Cher Liang, if re-elected as Director, will continue to serve as the Chairman of the Company and Audit Committee and as a Member of the Nominating Committee, Remuneration Committee and Investment Committee, and shall be considered independent for the purposes of Rule 704(7) of the Catalist Rules. There are no relationships including immediate family relationships between Mr. Tan Cher Liang and the other Directors, the Company, its related corporations, its 10% Shareholders or its officers.

(ii) Detailed information on Mrs. Christina Kong Chwee Huan can be found in the Company's annual report 2018. Mrs. Christina Kong Chwee Huan, if re-elected as Director, will remain as an Executive Director of the Company. Mrs. Christina Kong Chwee Huan is the sister of Mr. Ang Kiam Meng (Group CEO and Executive Director) and daughter of Mr. Ang Hon Nam (controlling Shareholder). Save as disclosed in the Company's annual report 2018, there are no relationships including immediate family relationships between Mrs. Christina Kong Chwee Huan and the other Directors, the Company, its related corporations, its 10% Shareholders or its officers.

(iii) Detailed information on Mr. Richard Tan Kheng Swee can be found in the Company's annual report 2018. Mr. Richard Tan Kheng Swee is an Independent Director of the Company. Mr. Richard Tan Kheng Swee, if re-elected as Director, will continue to serve as the Chairman of the Remuneration Committee and as a Member of the Audit Committee, Nominating Committee and Investment Committee, and shall be considered independent for the purposes of Rule 704(7) of the Catalist Rules. There are no relationships including immediate family relationships between Mr. Richard Tan Kheng Swee and the other Directors, the Company, its related corporations, its 10% Shareholders or its officers.

(iv) The ordinary resolution 8 proposed in item 7 above, if passed, will empower the Directors to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, 100.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50.0% may be issued other than on a pro-rata basis to Shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this ordinary resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when the ordinary resolution 8 is passed and any subsequent bonus issue, consolidation or sub-division of Shares.

(v) The ordinary resolution 9 proposed in item 8 above, if passed, will empower the Directors to allot and issue such number of fully paid Shares upon the exercise of such options in accordance with the provisions of the Share Option Scheme.

(vi) The ordinary resolution 10 proposed in item 9 above, if passed, will empower the Directors to allot and issue such number of fully paid Shares upon the vesting of such awards in accordance with the provisions of the Performance Share Plan.

Notes:

(1) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

(2) A proxy need not be a member of the Company.

(3) The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, not less than 48 hours before the time for holding the AGM.

Personal Data Privacy:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and/or representatives appointed for the AGM and/or any adjournment thereof and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM and/or any adjournment thereof, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where a member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This page has been intentionally left blank

JUMBO GROUP LIMITED

Company Registration Number 201503401Z
(Incorporated in Singapore)

PROXY FORM

(Please see notes overleaf before completing this form)

IMPORTANT

1. A relevant intermediary may appoint more than two proxies to attend the AGM and vote (please see Note 3 for the definition of "relevant intermediary").
2. This Proxy Form is not valid for use by investors whose shares are held under their Supplementary Retirement Scheme (SRS) accounts and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. PLEASE READ THE NOTES TO THE PROXY FORM.

I/We, ______________________________ (name) of

______________________________ (address)

being a member/members of **JUMBO GROUP LIMITED** (the "**Company**"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings %

and/or (delete as appropriate)

or failing him/her/them, the Chairman of the annual general meeting ("**AGM**") as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM to be held at 190 Keng Lee Road, Chui Huay Lim Club, Singapore 308409 on Thursday, 31 January 2019 at 9.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote on the business before the AGM as indicated below. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	Resolutions relating to:	For	Against
1.	Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2018		
2.	Declaration of the proposed final dividend		
3.	Re-election of Mr. Tan Cher Liang as a Director		
4.	Re-election of Mrs. Christina Kong Chwee Huan as a Director		
5.	Re-election of Mr. Richard Tan Kheng Swee as a Director		
6.	Directors' fees amounting to S$230,000 for the financial year ending 30 September 2019		
7.	Re-appointment of Deloitte & Touche LLP as Auditors		
8.	Authority to allot and issue Shares - Share Issue Mandate		
9.	Authority to allot and issue Shares under the Jumbo Employee Share Option Scheme		
10.	Authority to allot and issue Shares under the Jumbo Performance Share Plan		

Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick [✓] within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this __________ day of ____________________ 2019

Total number of Shares in:	No. of Shares Held
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Shareholder(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint one or two proxy/proxies to attend and vote in his/her stead.

2. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.

3. A member who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote at the AGM instead of such member, but each such proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Cap. 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Cap. 289 of Singapore ("**SFA**"), and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act, Cap. 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. A proxy need not be a member of the Company.

5. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy from will be deemed to relate to all the shares held by you.

6. This proxy form must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not less than **48 hours** before the time set for the AGM.

7. This proxy form must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

8. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.

General:

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

This page has been intentionally left blank

This page has been intentionally left blank

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Tan Cher Liang
(Independent Chairman)

Mr. Ang Kiam Meng
(Group CEO and Executive Director)

Mdm. Tan Yong Chuan, Jacqueline
(Executive Director)

Mrs. Christina Kong Chwee Huan
(Executive Director)

Mr. Richard Tan Kheng Swee
(Independent Director)

Dr. Lim Boh Soon
(Independent Director)

Mr. Ron Sim Chye Hock
(Non-Executive Director)

AUDIT COMMITTEE

Mr. Tan Cher Liang (Chairman)
Mr. Richard Tan Kheng Swee
Dr. Lim Boh Soon

NOMINATING COMMITTEE

Dr. Lim Boh Soon (Chairman)
Mr. Tan Cher Liang
Mr. Richard Tan Kheng Swee
Mr. Ang Kiam Meng

REMUNERATION COMMITTEE

Mr. Richard Tan Kheng Swee (Chairman)
Mr. Tan Cher Liang
Dr. Lim Boh Soon

INVESTMENT COMMITTEE

Dr. Lim Boh Soon (Chairman)
Mr. Tan Cher Liang
Mr. Richard Tan Kheng Swee
Mr. Ang Kiam Meng

COMPANY SECRETARY

Ms. Chee Yuen Li, Andrea, LLB (Honours)

COMPANY REGISTRATION NUMBER

201503401Z

REGISTERED OFFICE

4 Kaki Bukit Ave 1
#03-08
Singapore 417937
Tel: +65 6265 8626
Fax: +65 6749 4955
Website: www.jumbogroup.sg

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

INVESTOR RELATIONS

Citigate Dewe Rogerson
Mr. Winston Choo/Mr. Aaron Ng
55 Market Street
#02-01
Singapore 048941
Tel: +65 6534 5122
Fax: +65 6534 4171

AUDITORS

Deloitte & Touche LLP
6 Shenton Way
#33-00 OUE Downtown 2
Singapore 068809

Partner-in-charge: Mr. Ng Meng Chuan
(A member of the Institute of
Singapore Chartered Accountants)
Date of appointment: 29 July 2015

PRINCIPAL BANKERS

DBS Bank Ltd
12 Marina Boulevard
Level 43 DBS Asia Central @MBFC Tower 3
Singapore 018982

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

SPONSOR

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

JUMBO GROUP

JUMBO GROUP LIMITED
(Company Registration Number 201503401Z)
(Incorporated in the Republic of Singapore)

4 Kaki Bukit Avenue 1
#03-08
Singapore 417939
Tel: +65 6265 8626
Fax: +65 6749 4955
www.jumbogroup.sg