

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER (“FY”) 2020**

This announcement has been prepared by Jumbo Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) and has been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist.

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

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

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

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		Increase/ (Decrease) %
	FY2020 \$'000	FY2019 \$'000	
<b>Revenue</b>	97,573	153,631	(36.5)
Cost of sales	(36,840)	(55,690)	(33.8)
<b>Gross profit</b>	60,733	97,941	(38.0)
Other income	10,551	2,380	N.M.
Employee benefits expense	(38,493)	(47,196)	(18.4)
Operating lease expenses	(3,477)	(14,098)	(75.3)
Utilities expenses	(3,127)	(3,913)	(20.1)
Depreciation and amortisation:			
- Property, plant and equipment	(6,707)	(5,438)	23.3
- Right-of-use assets	(10,369)	-	N.M.
- Intangible assets	(29)	-	N.M.
Interest expense:			
- Leases	(783)	-	N.M.
- Loans	(48)	-	N.M.
Impairment loss recognised on financial assets	(2,324)	-	N.M.
Impairment loss recognised on property, plant and equipment	(1,353)	-	N.M.
Other operating expenses	(14,253)	(14,901)	(4.3)
Share of results of associates	(295)	(824)	(64.2)
<b>(Loss)/Profit before tax</b>	(9,974)	13,951	N.M.
Income tax credit/(expense)	104	(3,096)	N.M.
<b>(Loss)/Profit for the year</b>	(9,870)	10,855	N.M.
<b>Other comprehensive loss:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations	379	(245)	N.M.
<b>Other comprehensive loss for the year, net of tax</b>	379	(245)	N.M.
<b>Total comprehensive (loss)/income for the year</b>	(9,491)	10,610	N.M.
<b>(Loss)/Profit attributable to:</b>			
Owners of the Company	(8,169)	11,668	N.M.
Non-controlling interests	(1,701)	(813)	N.M.
	(9,870)	10,855	N.M.
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company	(7,839)	11,499	N.M.
Non-controlling interests	(1,652)	(889)	85.8
	(9,491)	10,610	N.M.

N.M.: Not meaningful

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

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

	<b>Group</b>		<b>Increase/ (Decrease)</b>
	<b>FY2020 \$'000</b>	<b>FY2019 \$'000</b>	<b>%</b>
<u>Material items included in other income:</u>			
Fair value loss on short-term investments	(89)	(4)	N.M.
Fair value loss on investments at fair value through profit or loss	(92)	(507)	(81.9)
Gain on disposal of property, plant and equipment	9	23	(60.9)
Government grants	380	488	(22.1)
Government Wage Credit Scheme	491	366	34.2
Government Jobs Support Scheme	6,289	-	N.M.
Government Foreign Worker Levy rebate	263	-	N.M.
Interest income	182	342	(46.8)
Loss on property, plant and equipment written off	(148)	(288)	(48.6)
Management fee received from associates	184	394	(53.3)
Property tax rebate	327	-	N.M.
Rental rebates	2,159	-	N.M.
Sponsorships received	55	200	(72.5)
<u>Material items included in other operating expenses:</u>			
Cleaning supplies and services	(1,268)	(1,896)	(33.1)
Credit card commission	(1,187)	(1,976)	(39.9)
General supplies	(1,886)	(2,097)	(10.1)
Marketing expenses	(1,769)	(1,684)	5.0
Professional fees	(2,132)	(744)	N.M.
Repair and maintenance	(1,341)	(1,590)	(15.7)
Reversal of provision for reinstatement costs	-	219	N.M.
Transportation and travelling expenses	(687)	(1,186)	(42.1)
Other receivables written off	(212)	-	N.M.
Depreciation and amortisation of			
- Property, plant and equipment	(6,707)	(5,438)	23.3
- Right-of-use assets	(10,369)	-	N.M.
- Intangible assets	(29)	-	N.M.
Over/(Under)provision of tax in respect of prior years	237	(360)	N.M.

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

	Group		Company	
	As at 30 Sep 2020 \$'000	As at 30 Sep 2019 \$'000	As at 30 Sep 2020 \$'000	As at 30 Sep 2019 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	27,745	46,575	12,858	17,353
Trade and other receivables	11,141	14,107	18	14
Due from subsidiaries	-	-	-	21,913
Dividend receivable	-	-	-	8,000
Short-term investments	343	432	-	-
Inventories	2,406	1,714	-	-
<b>Total current assets</b>	<b>41,635</b>	<b>62,828</b>	<b>12,876</b>	<b>47,280</b>
<b>Non-current assets</b>				
Due from subsidiaries	-	-	29,591	-
Investment in associates	1,178	1,446	-	-
Investment in subsidiaries	-	-	5,424	5,424
Other investments	325	75	-	-
Investments at fair value through profit or loss	3,109	3,201	-	-
Goodwill	1,621	782	-	-
Intangible assets	217	-	-	-
Right-of-use assets	23,308	-	-	-
Property, plant and equipment	23,554	21,764	-	-
Club memberships	238	238	-	-
Other non-current assets	817	-	-	-
<b>Total non-current assets</b>	<b>54,367</b>	<b>27,506</b>	<b>35,015</b>	<b>5,424</b>
<b>Total assets</b>	<b>96,002</b>	<b>90,334</b>	<b>47,891</b>	<b>52,704</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	9,190	13,466	301	162
Provision for reinstatement costs	1,989	2,051	-	-
Lease liabilities	11,767	-	-	-
Bank borrowings	1,584	-	-	-
Income tax payable	356	2,470	-	-
<b>Total current liabilities</b>	<b>24,886</b>	<b>17,987</b>	<b>301</b>	<b>162</b>
<b>Non-current liabilities</b>				
Lease liabilities	12,871	-	-	-
Bank borrowings	549	-	-	-
Deferred tax liability	370	370	-	-
<b>Total non-current liabilities</b>	<b>13,790</b>	<b>370</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves</b>				
Share capital	48,806	48,806	48,806	48,806
Treasury shares	(438)	(447)	(438)	(447)
Currency translation reserve	(191)	(521)	-	-
Merger reserve	(2,828)	(2,828)	-	-
Retained earnings	9,994	23,728	(778)	4,183
<b>Equity attributable to owners of the Company</b>	<b>55,343</b>	<b>68,738</b>	<b>47,590</b>	<b>52,542</b>
Non-controlling interests	1,983	3,239	-	-
<b>Total equity</b>	<b>57,326</b>	<b>71,977</b>	<b>47,590</b>	<b>52,542</b>
<b>Total liabilities and equity</b>	<b>96,002</b>	<b>90,334</b>	<b>47,891</b>	<b>52,704</b>

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

	Group			
	30 September 2020		30 September 2019	
	Secured \$	Unsecured \$	Secured \$	Unsecured \$
<b>Borrowings – Bank loans</b>				
Amount repayable in one year or less, or on demand	1,584	-	-	-
Amount repayable after one year	549	-	-	-
	2,133	-	-	-

The Company has provided a corporate guarantee to a bank in respect of the above loans provided to a subsidiary.

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

	Group	
	FY2020 \$'000	FY2019 \$'000
<b>Operating activities</b>		
(Loss)/Profit before income tax	(9,974)	13,951
Adjustments for:		
Depreciation expense	6,707	5,438
Depreciation of Right-of-use assets	10,369	-
Amortisation of intangible assets	29	-
Impairment loss on property, plant and equipment	1,353	-
Impairment loss recognised on financial assets	2,324	-
Interest expense: leases	783	-
Interest income	(182)	(342)
Interest expense: loans	48	-
Loss on property, plant and equipment written off	148	288
Other receivables written off	212	-
Gain on disposal of property, plant and equipment	(9)	(23)
Fair value loss on investments at fair value through profit or loss	92	507
Fair value loss on short-term investments	89	4
Write back of reinstatement costs	-	(219)
Share of results of associates	295	824
Share-based payment expense	168	40
Unrealised foreign exchange gain/(loss)	242	(459)
Operating cash flows before movements in working capital	12,694	20,009
Trade and other receivables	447	(2,390)
Inventories	(572)	(172)
Trade and other payables	(4,664)	(320)
Cash generated from operations	7,905	17,127
Interest income received	182	342
Interest paid	(831)	-
Income tax paid	(2,010)	(2,875)
Net cash from operating activities	5,246	14,594

**Investing activities**

Acquisition of property, plant and equipment	(7,500)	(6,128)
Acquisition of investment in an associate	(277)	(577)
Acquisition of business assets	(840)	-
Acquisition of treasury shares	(159)	(487)
Acquisition of other investment	(250)	-
Additions to non-current assets	(817)	-
Proceeds from disposal of property, plant and equipment	70	13
Proceeds from reduction of investments in an associate	250	-
Reinstatement cost paid	(80)	(102)
Dividend income from associates	-	375
Net cash used in investing activities	<u>(9,603)</u>	<u>(6,906)</u>

**Financing activities**

Dividend paid to owners of the Company	(4,485)	(7,694)
Repayment of bank borrowings	(309)	-
Repayment of lease obligations	(10,263)	-
Proceeds from issuance of shares to non-controlling interest in a subsidiary company	540	-
Net cash used in financing activities	<u>(14,517)</u>	<u>(7,694)</u>

Net decrease in cash and cash equivalents	(18,874)	(6)
Cash and cash equivalents at beginning of the year	46,575	46,583
Effect of foreign exchange rate changes	44	(2)
<b>Cash and cash equivalents at end of the year</b>	<u><u>27,745</u></u>	<u><u>46,575</u></u>

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

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Group (\$'000)	Share capital	Treasury shares	Currency translation reserve	Merger reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
<b>Balance at 1 October 2018</b>	<b>48,806</b>	-	<b>(352)</b>	<b>(2,828)</b>	<b>19,754</b>	<b>65,380</b>	<b>4,128</b>	<b>69,508</b>
Total comprehensive income for the year:								
Profit for the year	-	-	-	-	11,668	11,668	(813)	10,855
Other comprehensive loss	-	-	(169)	-	-	(169)	(76)	(245)
Transactions with owners, recognised directly in equity:								
Repurchase of shares	-	(487)	-	-	-	(487)	-	(487)
Transfer of shares	-	40	-	-	-	40	-	40
Dividend paid	-	-	-	-	(7,694)	(7,694)	-	(7,694)
<b>Balance at 30 September 2019</b>	<b>48,806</b>	<b>(447)</b>	<b>(521)</b>	<b>(2,828)</b>	<b>23,728</b>	<b>68,738</b>	<b>3,239</b>	<b>71,977</b>
Effect of adoption of SFRS(I) 16	-	-	-	-	(1,080)	(1,080)	(144)	(1,224)
<b>Balance at 1 October 2019 (restated)</b>	<b>48,806</b>	<b>(447)</b>	<b>(521)</b>	<b>(2,828)</b>	<b>22,648</b>	<b>67,658</b>	<b>3,095</b>	<b>70,753</b>
Total comprehensive income for the year:								
Loss for the year	-	-	-	-	(8,169)	(8,169)	(1,701)	(9,870)
Other comprehensive income	-	-	330	-	-	330	49	379
Transactions with owners, recognised directly in equity:								
Repurchase of shares	-	(159)	-	-	-	(159)	-	(159)
Transfer of shares	-	168	-	-	-	168	-	168
Capital contribution from non-controlling interest in a subsidiary	-	-	-	-	-	-	540	540
Dividend paid	-	-	-	-	(4,485)	(4,485)	-	(4,485)
<b>Balance at 30 September 2020</b>	<b>48,806</b>	<b>(438)</b>	<b>(191)</b>	<b>(2,828)</b>	<b>9,994</b>	<b>55,343</b>	<b>1,983</b>	<b>57,326</b>

Company (\$'000)	Share capital	Treasury shares	Retained earnings	Total
<b>Balance at 1 October 2018</b>	<b>48,806</b>	-	<b>4,550</b>	<b>53,356</b>
Total comprehensive income for the year:				
Profit for the year	-	-	7,327	7,327
Transactions with owners, recognised directly in equity:				
Repurchase of shares	-	(487)	-	(487)
Transfer of shares	-	40	-	40
Dividend paid	-	-	(7,694)	(7,694)
<b>Balance at 30 September 2019</b>	<b>48,806</b>	<b>(447)</b>	<b>4,183</b>	<b>52,542</b>
Total comprehensive loss for the year				
Loss for the year	-	-	(476)	(476)
Transactions with owners, recognised directly in equity:				
Repurchase of shares	-	(159)	-	(159)
Transfer of shares	-	168	-	168
Dividend paid	-	-	(4,485)	(4,485)
<b>Balance at 30 September 2020</b>	<b>48,806</b>	<b>(438)</b>	<b>(778)</b>	<b>47,590</b>



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

There has been no change to the Company's share capital since 31 March 2020.

There were no outstanding convertibles and subsidiary holdings held by the Company as at 30 September 2020 and 30 September 2019.

The number of shares held as treasury shares by the Company as at 30 September 2020 and 30 September 2019 were 1,446,600 and 1,144,800, respectively, representing 0.23% and 0.18%, respectively, of the total number of shares outstanding that was listed as at the respective dates.

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

	<b>As at 30 September 2020</b>	<b>As at 30 September 2019</b>
Total number of issued shares excluding treasury shares	640,386,400	640,688,200

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

	<b>Number of Treasury Shares</b>	
	<b>As at 30 September 2020</b>	<b>As at 30 September 2019</b>
Balance at beginning of financial year	1,144,800	-
Purchase of treasury shares	731,400	1,245,000
Transfer of treasury shares	(429,600)	(100,200)
Balance at end of financial year	1,446,600	1,144,800

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

Not applicable as there are no subsidiary shareholdings.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the Group’s financial statements for the financial year ended 30 September 2020 as its most recently audited financial statements for the financial year ended 30 September 2019, except as disclosed in paragraph 5.

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

The Group has adopted the following new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)”) which was effective for the financial year beginning 1 October 2019, with the impact as follows:

SFRS(I) 16 - Leases

The Group adopted SFRS(I) 16 and elected to apply the standard retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as at 1 October 2019. In addition, the Group elected the following practical expedients:

- (i) not to reassess whether a contract is, or contains, a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;
- (ii) to apply the exemption not to recognise right-of-use asset and lease liabilities to lease for which the lease term ends within 12 months as of 1 October 2019 on a lease-by-lease basis; and
- (iii) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics by countries.

Summary of impact:

	1 October 2019	Group (\$'000) SFRS(I) 16	1 October 2019 (Restated)
<b>Non-Current Assets</b>			
Right-of-use assets	-	20,778	20,778
<b>Liabilities</b>			
Lease liabilities	-	22,010	22,010
<b>Equity</b>			
Retained earnings	23,728	(1,080)	22,648
Non-controlling interests	3,239	(144)	3,095

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

**Earnings per share (“EPS”)**

	Group	
	FY2020	FY2019
(Loss)/Profit attributable to owners of the Company (\$'000)	(8,169)	11,668
Weighted average number of shares ('000)	640,565	639,321
Basic and diluted EPS (cents)	(1.3)	1.8

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

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

**Net asset value (“NAV”)**

	Group As at		Company As at	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
NAV (\$'000)	55,343	68,738	47,590	52,542
Number of shares ('000)	640,386	640,688	640,386	640,688
NAV per share (cents)	8.6	10.7	7.4	8.2

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

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

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

**REVIEW OF THE GROUP'S PERFORMANCE**

Revenue

Revenue decreased by 36.5% or \$56.1 million, from \$153.6 million for the financial year ended 30 September 2019 (“FY2019”) to \$97.6 million for the financial year ended 30 September 2020 (“FY2020”), mainly attributed to the impact from the COVID-19 pandemic.

Since the onset of the COVID-19 pandemic, the food and beverage (“F&B”) sector has taken an adverse hit. In order to curb the spread of COVID-19, the government of the People’s Republic of China (the “PRC”) began to impose various measures in January 2020 which has significantly impacted our operations in the PRC. With heightened fear on the spread of COVID-19, and uncertainties surrounding the development of the pandemic, consumer sentiment was largely dampened, which resulted in lower footfall in malls, leading to a decline in sales at our outlets. As such, revenues from the Chinese New Year season was significantly lower as compared to prior years. Further, we closed an under-performing JUMBO Kitchen outlet at Raffles City, Shanghai, prior to the expiry of its lease.

Similarly, our operations in Singapore were also affected. In order to minimise the spread of COVID-19, the Singapore government implemented the circuit breaker (“CB”) in April 2020. During the CB, dining-in was prohibited, and we operated six out of our 16 outlets in Singapore to cater for deliveries and takeaways only.

Due to the closed borders, our outlets in the tourist areas, namely our NG AH SIO Bak Kut Teh outlets in Marina Bay Sands and Resort World Sentosa remained closed until July 2020. Two of our highest revenue-generating JUMBO seafood outlets, Riverside Point and The Riverwalk, also observed visibly lower footfall, as they were popular amongst tourists due to their strategic locations.

Post-CB, the work-from-home mandate continued to be imposed by the Singapore government, lowering demand from working crowd and business gatherings. Further, social distancing measures such as limiting five persons to a table and reduced operating capacity have led to a decline in our sales.

As a result, revenue from our PRC operations declined by 22.2% or \$6.0 million to \$21.2 million in FY2020, while revenue from our Singapore operations decreased 44.9% or \$56.8 million to \$69.7 million in FY2020. This was partially offset by the revenue from our Taiwan operations of \$6.7 million, due to the acquisition of a majority stake in Taiwan JUMBO Seafood in October 2019.

#### Cost of sales

Cost of sales, which comprised raw materials and consumables, decreased by 33.8% or \$18.9 million, from \$55.7 million in FY2019 to \$36.8 million in FY2020, in-line with the decrease in revenue.

#### Gross profit

With a less than proportionate decline in cost of sales, gross profit fell to \$60.7 million in FY2020, a decrease of 38.0% or \$37.2 million compared to FY2019. Gross profit margin was also lower at 62.2% in FY2020 versus 63.8% in FY2019, as we engaged in more promotion campaigns and offered greater discounts to attract customers.

#### Other income

Other income increased by \$8.2 million, from \$2.4 million in FY2019 to \$10.6 million in FY2020. This was primarily contributed by the Jobs Support Scheme granted by the Singapore government in view of the COVID-19 pandemic, which amounted to \$6.3 million, for the periods from October to December 2019; and from February to September 2020. In addition, the Group received property tax rebates and rental rebates which amounted to \$2.5 million. The Group also recognised lower impairment on investments at fair value through profit or loss in FY2020 compared to FY2019.

#### Employee benefits expense

Employee benefits expense decreased by 18.4% or \$8.7 million, from \$47.2 million in FY2019 to \$38.5 million in FY2020, mainly due to the reduction in headcount of approximately 83 on the back of natural attrition without replacement, and cost saving measures taken by the Group due to the COVID-19 pandemic, including elimination of bonus, unpaid leave, temporary pay reduction and lower overtime pay due to shorter operating hours.

#### Operating lease expenses

Operating lease expenses decreased by 75.3% or \$10.6 million, from \$14.1 million in FY2019 to \$3.5 million in FY2020, mainly as a result of the adoption of SFRS(I) 16 with effect from 1 October 2019. The Group capitalised leases with remaining term of more than 12 months as of 1 October 2019, and these capitalised leases are amortised across the remaining lease term.

#### Utilities expenses

Utilities expenses decreased by 20.1% or \$0.8 million, from \$3.9 million in FY2019 to \$3.1 million in FY2020, mainly due to the temporary closure of outlets during the CB, as well as the shorter operating hours.

#### Depreciation expense

Depreciation expense of property, plant and equipment increased by 23.3% or \$1.3 million, from \$5.4 million in FY2019 to \$6.7 million in FY2020, due to the addition of new restaurant outlets in Singapore, namely JUMBO Seafood ION outlet in December 2018 and JUMBO Seafood Jewel outlet in April 2019 as well as taking over two JUMBO Seafood outlets in Taipei and Taichung from 1 October 2019.

With the adoption of SFRS(I) 16 from 1 October 2019, depreciation cost for right-of-use assets amounted to \$10.4 million. Please refer to paragraph 5 for more details.

#### Other operating expenses

Other operating expenses decreased by 4.3% or \$0.6 million, from \$14.9 million in FY2019 to \$14.3 million in FY2020, mainly due to the temporary closure of some outlets during the CB.

#### Impairment loss recognised on financial assets

Impairment loss recognised on financial assets of \$2.3 million relates to impairment loss on the write-off of loans to our associated company in Korea.

#### Impairment loss recognised on property, plant and equipment

With the much reduced footfall at certain outlets due to the COVID-19 pandemic, out of prudence, the Group recognised impairment loss of \$1.4 million on property, plant and equipment for those non-performing outlets, namely NG AH SIO Bak Kut Teh outlet at Resort World Sentosa in Singapore, and JUMBO Seafood outlets in Xi'an and Taichung.

#### Share of results of associates

The share of loss in associates in FY2020 of \$0.3 million was largely due to the under-performance of JUMBO Seafood outlets in Korea. The two JUMBO Seafood outlets commenced operations in July and October 2019, respectively, and

shortly after, the business was affected by the COVID-19 pandemic. The volatile pandemic situation in Korea coupled with waves of subsequent outbreaks have negatively impacted consumer sentiments and dine-in propensity.

The share of loss in associates in FY2019 was largely attributed to JUMBO Seafood outlets in Taiwan, which we have acquired majority stake in, and took over the management of the operations on 1 October 2019.

#### Income tax expense

We recorded a \$0.1 million income tax credit in FY2020 compared to an income tax expense of \$3.1 million in FY2019, on the back of the losses incurred during FY2020.

#### (Loss)/Profit attributable to owners of the Company

As a result of the above, loss attributable to owners of the Company stood at \$8.2 million for FY2020 as compared to a profit of \$11.7 million in FY2019.

### **REVIEW OF THE GROUP'S FINANCIAL POSITION**

#### Current assets

The Group's current assets decreased by \$21.2 million to \$41.6 million as at 30 September 2020, largely due to:

- (i) a decrease in cash and cash equivalents of \$18.8 million as a result of lower revenue and the purchase of a property for the expansion of our central kitchen in Singapore; and
- (ii) a decrease in trade and other receivables of \$3.0 million, mainly due to the write-off of the loans to our associate in Korea.

#### Non-current assets

The Group's non-current assets increased by \$26.9 million, from \$27.5 million as at 30 September 2019 to \$54.4 million as at 30 September 2020, largely due to:

- (i) the adoption of SFRS(I) 16 from 1 October 2019, leading to the capitalisation of right-of-use assets of \$23.3 million;
- (ii) an increase in intangible assets and goodwill of \$1.1 million mainly due to the business acquisition in Taiwan; and
- (iii) an increase in property, plant and equipment of \$1.8 million due to the acquisition of new property, plant and equipment of \$7.8 million during the year, offset by depreciation of \$6.7 million recognised in FY2020.

#### Current liabilities

The Group's current liabilities increased by \$6.9 million to \$24.9 million as at 30 September 2020 mainly due to (i) the adoption of SFRS(I) 16 which required the recognition of lease liabilities of \$11.8 million in relation to the capitalised right-of-use of assets (i.e. long-term leases); and (ii) an increase in bank borrowings of \$1.6 million in relation to our acquired Taiwan operations. This was partially offset by (i) a decrease of \$4.3 million in trade and other payables, largely due to payment of year-end bonuses; and (ii) lower income tax payable of \$2.1 million.

#### Non-current liabilities

The Group's non-current liabilities increased by \$13.4 million to \$13.8 million as at 30 September 2020, attributed to increase in lease liabilities and bank borrowings, as explained above.

### **REVIEW OF THE GROUP'S CASH FLOW STATEMENT**

The Group generated net cash from operating activities before movements in working capital of \$12.7 million for FY2020. The lower cashflow was predominantly due to lower revenue generated for the year, partially offset by an accounting change leading to adjustment on non-cash depreciation for right-of-use assets, and impairment loss adjustments on writing off of property, plant and equipment and loans to associate. Net cash used in working capital amounted to \$4.8 million due to an increase in inventories of \$0.6 million, a decrease in trade and other receivables of \$0.5 million and a decrease in trade and other payables of \$4.7 million. Including the \$2.0 million paid in income tax and \$0.8 million paid in interest, net cash generated from operating activities was \$5.2 million for FY2020.

Net cash used in investing activities amounted to \$9.6 million mainly due to acquisition of property, plant and equipment of \$7.5 million, of which \$2.8 million was for the purchase of a property for expansion of our central kitchen and \$5.1 million on renovation of new and existing outlets, namely the JUMBO Seafood outlet at The Riverwalk and Chui Huay Lim Teochew Cuisine outlet in Singapore and the JUMBO Seafood outlet at iAPM in PRC. Cash outlay for the acquisition of JUMBO Seafood in Taiwan amounted to \$0.8 million while purchase of treasury shares amounted to \$0.2 million.

Net cash used in financing activities for FY2020 of \$14.5 million was mainly for the payment of the FY2019 final dividends of \$4.5 million and repayment of lease obligations of \$10.3 million.

As a result, cash and cash equivalents decreased by \$18.9 million to \$27.7 million as at 30 September 2020.

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

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

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

COVID-19 has a significantly pronounced and prolonged impact on the F&B sector. Though we have seen a gradual improvement in consumer sentiments and F&B dine-in post-CB in Singapore, footfall and revenue have yet to recover to pre-COVID-19 levels.

Border controls and safe distancing measures continue to pose challenges to the Group. Pipeline of both business and leisure travellers, who traditionally form a loyal customer base for JUMBO Seafood restaurants, remains weak due to the restrictive travel regulations. Dine-in crowds on weekdays, particularly in the central business district area, stay muted on the back of general guidelines encouraging work-from-home arrangements. Safe distancing arrangements and seating restrictions also limit restaurants' ability to generate optimal revenue, particularly during peak periods.

Though the pandemic situation in Singapore has shown signs of stabilisation, the above measures are likely to remain in-place for the near future.

The Group has reviewed and pivoted our growth strategy to leverage on our strong brand presence to enlarge our wallet share in the local market via a multiple pronged approach such as introducing new concepts, which target new segments (for example, younger crowds, smaller families, takeaways and delivery market), and offering new products including rolling out of high-tea concepts to lengthen revenue generating hours. Our new virtual brand, HACK IT, scheduled to make its debut in December 2020, is an outcome of our innovation efforts; an initiative to expand our pool of customers with a different profile, by leveraging on the same amount of resources we currently have.

While we make the best out of the situation in our home market, our overseas operations are showing signs of resilience. The PRC has picked itself up from the pandemic, and the economy and consumer behaviour have recovered almost back to pre-COVID-19 levels. For Taiwan, since we have taken over the operations in October 2019, excluding the impact from the COVID-19 pandemic, we have seen encouraging trend in revenue levels compared to same period last year.

Our franchisees, particularly in Ho Chi Minh City, Bangkok and Fuzhou, are holding up well amidst the challenging macro backdrop, which is a reflection that our cuisines are well received by our fans around the region. The franchisees in Ho Chi Minh City, Bangkok and Fuzhou are on track for further expansion of their outlets network in FY2021.

In FY2020, we are grateful for the various supports received from the Singapore Government and our stakeholders including the Jobs Support Scheme, foreign worker levy rebate, foreign worker levy waiver and rent concessions, which have cushioned the impact of COVID-19. However, it is important to note that these support measures are likely to taper off in FY2021. During the year, we have implemented various cost containment measures such as optimising manpower requirements, firm-wide temporary salary adjustments and no-pay leave arrangements to help preserve liquidity.

Looking ahead, the prospect of intermittent lockdowns and rising unemployment may likely persist, which will continue to have a negative impact to the Group in terms of lower footfall at restaurants, weaker sales revenue and further drain on cashflows. Against this backdrop, the Group is looking to intensify its efforts to control costs, including negotiate lease terms and accelerate digitalisation efforts to improve operational efficiency.

With our relatively healthy balance sheet, we are confident of riding through this period of uncertainty. The Group will also opportunistically and cautiously pursue areas of growth which will help enhance our earnings or diversify our revenue streams.

## **11. Dividend**

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

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

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

The Group has declared the following dividend for the financial year ended 30 September 2019:

Name of dividend	Final	Interim
Dividend type	Cash	Cash
Dividend amount per share (cents)	0.7	0.5
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

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

Not applicable.

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

Not applicable.

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

In view of the uncertainties revolving around due to the COVID-19 pandemic, the Group has decided to conserve cash to support our working capital requirements. Therefore, the Board will not be recommending any final dividend for FY2020.

## **13. Interested person transactions**

The Group has not obtained a general mandate from shareholders for interested person transactions. There are no interested person transactions of \$100,000 or more in FY2020.

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

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

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

Not required for announcement of full year results.

## **PART 2 – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

### **16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

## GEOGRAPHICAL SEGMENT INFORMATION

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

	Group	
	FY2020 (\$'000)	FY2019 (\$'000)
Singapore	69,659	126,440
PRC	21,163	27,191
Taiwan	6,751	-
	97,573	153,631

The following table is an analysis of the carrying amount of segment assets (non-current assets excluding financial instruments, goodwill, club memberships, investments in joint ventures and associates, right-of-use assets and other non-current assets) analysed by the geographical locations in which the non-current assets are located:

	Group	
	As at 30 September 2020 (\$'000)	As at 30 September 2019 (\$'000)
Singapore	19,191	16,992
PRC	3,271	4,772
Taiwan	1,092	-
	23,554	21,764

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

### 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by operating segments.

Please refer to paragraph 8.

### 18. A breakdown of sales

	Group		
	FY2020 (\$'000)	FY2019 (\$'000)	Increase/(Decrease) %
Sales reported for:			
(a) First half of the financial year	66,691	76,713	(13.1)
(b) Second half of the financial year	30,882	76,918	(59.9)
	97,573	153,631	(36.5)
(Loss)/Profit reported for:			
(a) First half of the financial year	986	7,036	(86.0)
(b) Second half of the financial year	(10,856)	3,819	N.M.
	(9,870)	10,855	N.M.



19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	FY2020 (\$'000)	FY2019 (\$'000)
Ordinary		
- Final	-	4,485
- Interim	-	3,206
Total	-	7,691

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr. Ang Hon Nam	82	Father of Mr. Ang Kiam Meng and Mrs. Christina Kong Chwee Huan	Year 1993: Managing Director of Jumbo Seafood Pte. Ltd. Oversees the operation of Jumbo Seafood (East Coast).	No change
Mr. Ng Nam Huat	77	Brother of Mr. Ang Hon Nam and uncle of Mr. Ang Kiam Meng and Mrs. Christina Kong Chwee Huan	Year 1994: Director of Operations of Jumbo Seafood (East Coast) Oversees the management of staff of Jumbo Seafood (East Coast).	No change
Mr. Ng Nam Soon	79	Brother of Mr. Ang Hon Nam and uncle of Mr. Ang Kiam Meng and Mrs. Christina Kong Chwee Huan	Year 1995: Director of Business Development of Jumbo Seafood (East Coast) Oversees the customer relations of Jumbo Seafood (East Coast).	No change
Mr. Ang Kiam Lian	48	Brother of Mr. Ang Kiam Meng and Mrs. Christina Kong Chwee Huan and son of Mr. Ang Hon Nam	Year 2017: Chief Executive Officer (China) Responsible for China business operations.	No change
Mdm. Wendy Ang Chui Yong	51	Sister of Mr. Ang Kiam Meng and Mrs. Christina Kong Chwee Huan and daughter of Mr. Ang Hon Nam	Year 2017: Senior Director of Quality Assurance and Central Kitchen operations Responsible for quality assurance and central kitchen operations.	No change

**BY ORDER OF THE BOARD**

Tan Cher Liang  
Independent Chairman

26 November 2020

Ang Kiam Meng  
Executive Director and Group CEO

26 November 2020