JLOGO HOLDINGS LIMITED
聚利寶控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8527

ANNUAL REPORT 2018

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. LOW Yeun Ching @Kelly Tan
(Chairlady and Chief Executive Officer)
Mr. Sean LOW Yew Hong (Sean Liu Yaoxiong)
Mr. CHIU Ka Wai

Non-executive Director

Mr. CAI Da

Independent Non-executive Directors

Mr. LU King Seng
Mr. LEE Alex Jao Jang
Mr. LIM Yeok Hua

AUDIT COMMITTEE

Mr. LU King Seng *(Chairman)*
Mr. LEE Alex Jao Jang
Mr. LIM Yeok Hua

REMUNERATION COMMITTEE

Mr. LIM Yeok Hua *(Chairman)*
Mr. LEE Alex Jao Jang
Ms. LOW Yeun Ching @Kelly Tan

NOMINATION COMMITTEE

Ms. LOW Yeun Ching @Kelly Tan *(Chairlady)*
Mr. LEE Alex Jao Jang
Mr. LIM Yeok Hua

COMPLIANCE OFFICER

Ms. LOW Yeun Ching @Kelly Tan

COMPANY SECRETARY

Mr. TSO Ping Cheong Brian
(resigned on 30 November 2018)
Mr. CHAN Pui Hang
(appointed on 30 November 2018)

AUTHORISED REPRESENTATIVES

Ms. LOW Yeun Ching @Kelly Tan *(Chairlady)*
Mr. Chan Pui Hang

AUDITOR

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

COMPLIANCE ADVISOR

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PRINCIPAL BANKS

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Malaysia

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN SINGAPORE

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Manhattan House
Singapore 169876

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG UNDER PART 16 OF THE COMPANIES ORDINANCE (CAP 622)

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Prosperity Tower,
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Central, Hong Kong

STOCK CODE

8527

COMPANY'S WEBSITE ADDRESS

www.jlogoholdings.com

CHAIRLADY STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of JLogo Holdings Limited (the "**Company**") and together with its subsidiaries (collectively, the "**Group**"), I am pleased to present the annual results of the Group for the year ended 31 December 2018.

Embarking on our first year of business operations after our successful listing on GEM of the Stock Exchange (the "**Listing**") in May 2018, the Company has been actively pursuing our expansion plan but has somehow taken a more cautious route when it comes to rent rates and site selection.

During the second half of 2018, we have opened another BreadStory branch at Berjaya Times Square, Kuala Lumpur and we have also opened Black Society Café within the current Black Society Restaurant space through a space reconfiguration and remodelling of the premises.

Continuing the expansion plan, the Group has also taken up committed leases in Singapore and will be opening a dimsum cafe under our Black Society brand in the mid year of 2019. The leases have been signed with Orchard Gateway Shopping Mall.

FINANCIAL PERFORMANCE

Our Group recorded a decrease in revenue by S$0.55 million or 3% for the year ended 31 December 2018 from approximately S$19.69 million for the year ended 31 December 2017 to approximately S$19.14 million for the year ended 31 December 2018. The slight decrease in our revenue was primarily attributable to the decrease in revenue generated from Greyhound (PG) which was partially offset against the expansion of our dining operations in Singapore through the opening of Central (NP) in January 2018. Our Group recorded a loss of approximately S$2.52 million and S$2.26 million for the year ended 31 December 2018 and 2017 respectively. This was mainly due to expenses related to the Listing of approximately S$1.57 million and S$3.16 million recorded during the year ended 31 December 2018 and 2017, respectively. If we exclude the non-recurring listing expenses, our Group would have recorded a loss of approximately S$0.95 million and a profit of S$0.90 million for the year ended 31 December 2018 and 2017, respectively. The loss for the year ended 31 December 2018 was mainly attributable to the (i) increase in ingredients cost; (ii) increase in staff costs; (iii) increase in rental and related expenses as a result of the opening of a new restaurant, namely Central (NP) in January 2018; and (iv) decrease in revenue generated from Greyhound (PG) for the year ended 31 December 2018.

OUTLOOK OF THE GROUP

As part of our growth and expansion strategies, the Group will continue to explore new business opportunities in the region and plans are rife in the pipeline for our entry attempt into overseas F&B retail market.

Our Group continues to face challenges and intense competition in the food and beverage business industry. According to the Singapore Tourism Board and despite increases in international visitors, tourism receipts for F&B expenditure declined 15.0% in the first half of 2018 when compared to the same period in 2017, implying fierce competition in the F&B sector resulting in more sales promotional activities among peers.

The journey will be onerous with the biggest challenge in the already scarce labour resources and employability, made further uphill with the recent Government announcement to reduce the already insufficient foreign worker dependency ratio. We foresee expansion plans in Singapore will not be as promising which makes expansion venture into Hong Kong a possible option.

We urge our shareholders to maintain patience and faith in our management and support us in our next era of growth.

APPRECIATION

As we welcome our new staff who joined us this year, I would like to express my utmost appreciation to my management team and all our staff for their hard work and relentless commitment to the Group.

I am very grateful to our Board of Directors and Sponsors for their continual support in our vision and their strategic counsel through our journey. In addition, JLogo would not have made it here today, as a listed entity, without the assistance and support from our various business partners, suppliers and vendors. Thank you very much indeed.

Last but not least, I would like to extend my warmest appreciation to our valued shareholders for your unwavering trust in us as we work towards generating more shareholder returns in a longer term and sustainable future.

Yours sincerely,
LOW Yeun Chin @Kelly Tan
Chairlady and Chief Executive Officer

22 March 2019

BUSINESS REVIEW

We are a food and beverage group which owns and operates award-winning restaurants in Singapore under different brands and owns one of the largest artisanal bakery chains in Malaysia in terms of revenue and the number of bakery retail outlets in Malaysia. We operate our dining operations in Singapore under two self-owned brands and one franchised brand. Our "Central Hong Kong Café" brand is primarily focused on offering a casual and authentic Cha Chaan Teng experience in a full service environment while our "Black Society" brand offers Chinese cuisines with a contemporary twist in a full service environment. The franchised "Greyhound Café" brand provides stylish and trendy ambience which serves a specialised Thai menu with creative twists. Our artisanal bakery chain in Malaysia offers a wide selection of artisan breads, pastries and cakes under our "Bread Story" brand.

We believe that our Group is competitively positioned based on our operating history of more than ten years, our strong brand recognition and reputation, diversified customer base, innovative product offerings, unique dining experience and experienced management. In addition, the locations of our restaurants in Singapore and our bakery retail outlets in Malaysia are vital to our Group's strategy of targeting areas which are high in customer traffic and easily accessible by our target customers that will help in promoting our brands image and awareness.

OUTLOOK

The Company's shares were successfully listed on GEM of the Stock Exchange on 9 May 2018 (the "**Listing Date**") by way of share offer of a total of 125,000,000 Shares, at the offer price of HK$0.50 per Share (the "**Share Offer**"). The amount of net proceeds from the Share Offer received by the Company was approximately HK$23.7 million.

The Directors believe that the listing of the Company on GEM of the Stock Exchange (the "**Listing**") would facilitate the implementation of our business plans to capture more market share in the industry. The Listing would (i) strengthen our Group's corporate profile; (ii) provide a fund-raising platform for our Group; and (iii) diversify our shareholder base.

Moving forward, with the additional capital raised from the Share Offer, the Group will pursue the following business strategies to expand our market share in Singapore and Malaysia, and enhance our brand recognition, service and product quality: (i) continue to expand our dining operations in Singapore; (ii) continue to expand our artisanal bakery chain in Malaysia; (iii) continual enhancement and upgrade to our existing dining operations in Singapore and artisanal bakery chain in Malaysia; and (iv) continue to strengthen our staff training.

The food and beverage industry in Singapore and Malaysia continues its prolonged fatigue phase amidst an over supply of shopping retail spaces, coupled with stiff competition from new players in this low barrier entry eateries sector. Conscious of these challenges made worse with the unrelenting labour woes in both countries especially Singapore, the Group is adopting a more cautious approach towards expansion. Location of premises and rental are prime consideration before any commitment in new tenancies and leases.

Having said that, the Group remains committed and steadfast in growing its business and is prepared for fast adoption of new trending food and beverage concepts to stay relevant and meet the ever changing consumer market affluence. In August 2018, we have added to the BreadStory stable a new confectionery concept branded Lady Croissant, a croissant specialty store offering multiple flavour croissant. We will continue to strengthen our marketing team with the objective of exploring new marketing strategies and creative ideas to enlarge our customer base. Our team is also paying great attention to the online social media platforms with the aim to maximize sales through more loyalty programs, sales mechanics as well as vying for more market share via the trending online food delivery services.

Bearing in mind the above challenges and cautioning ourselves towards being more savvy in our expansion approach. The management team will continue our commitment to build a strong and solid brand loyalty for the next level of growth for the Group to further anchor its sustainability in the long term. We may expect short term earnings volatility due to expansion capital expenditures and the Group is also mindful of the potential impact of key currencies exchange fluctuations which may affect our financial performance.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately S$0.55 million or 3% for the year ended 31 December 2018 from approximately S$19.69 million for the year ended 31 December 2017 to approximately S$19.14 million for the year ended 31 December 2018. The slight decrease in our revenue was primarily attributable to the decrease in revenue generated from Greyhound (PG) which was partially offset against the expansion of our dining operations in Singapore through the opening of Central (NP) in January 2018.

Other income

Our other income increased by S$0.13 million or 90% for the year ended 31 December 2018 from approximately S$0.14 million for the year ended 31 December 2017 to approximately S$0.27 million for the year ended 31 December 2018. The significant increase is mainly due to the unwinding of discount relating to the security deposit pledged to the landlords.

Cost of inventories sold and consumed

Our cost of inventories sold and consumed increased by approximately S$0.35 million or 8% from approximately S$4.60 million for the year ended 31 December 2017 to approximately S$4.95 million for the year ended 31 December 2018. The increase in our cost of inventories sold and consumed was primarily due to the increase in raw ingredients cost.

Employee benefits expense

Our employee benefits expense increased by approximately S$0.72 million or 12% from approximately S$5.89 million for the year ended 31 December 2017 to approximately S$6.61 million for the year ended 31 December 2018. The increase in our employee benefits expense was primarily due to the one-off bonus payouts and additional staff costs incurred for the opening of Central (NP) in Singapore during the year ended 31 December 2018 as compared with none for the year ended 31 December 2017.

Rentals and related expense

Our rental and related expense increased by approximately S$0.41 million or 10% from S$4.27 million for the year ended 31 December 2017 to approximately S$4.68 million for the year ended 31 December 2018. The increase in our rentals and related expense was primarily due to the additional lease of premises for the opening of Central (NP) in Singapore in January 2018.

Other expenses

Other expenses primarily consist of legal and professional fees, directors' fee, cleaning fee, repair and maintenance expenses for our restaurants and bakery outlets, kitchen and bar utensils expenses, bank charges relating to credit card settlement, office expenses and other miscellaneous expenses. Legal and professional fees related to the Listing are set out below:

	For the year ended 31 December	
	2018	2017
	S$'000	S$'000
	(Audited)	(Audited)
Listing expenses	**1,571**	3,162
Total	**1,571**	3,162

Loss for the period

Our Group recorded a loss of approximately S$2.52 million and S$2.26 million for the year ended 31 December 2018 and 2017 respectively. This was mainly due to non-recurring expenses related to the Listing of approximately S$1.57 million and S$3.16 million recorded during the year ended 31 December 2018 and 2017, respectively. If we exclude the non-recurring listing expenses, our Group would have recorded a loss of approximately S$0.95 million and a profit of S$0.90 million for the year ended 31 December 2018 and 2017, respectively. The loss for the year ended 31 December 2018 was mainly attributable to the (i) increase in ingredients cost; (ii) increase in staff costs; (iii) increase in rental and related expenses as a result of the opening of a new restaurant, namely Central (NP) in January 2018; and (iv) decrease in revenue generated from Greyhound (PG) for the year ended 31 December 2018.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

Our cash and bank balances amounted to approximately S$9.34 million and S$3.79 million as at 31 December 2018 and 31 December 2017, respectively. These balances was denominated in the respective functional currencies of the Group entities. As at 31 December 2018, 25.5% (31 December 2017: 37.9%) of our Group's cash and bank balances was denominated in Singapore dollar, 70.6% (31 December 2017: 43.6%) in Hong Kong dollar and 3.9% (31 December 2017: 18.5%) in Malaysia ringgit.

Our Group had net cash outflow from operating activities of approximately S$1.26 million mainly due to (i) expenses relating to the Listing of approximately S$1.57 million; and (ii) decrease in other payables mainly due to repayment to contractor for opening of new restaurants and bakery outlets.

Our Group's primary sources of funds during the year was cash generated from financing activities. We had net cash generated from financing activities of approximately S$7.64 million mainly from the issuance of shares during the period ended 31 December 2018.

Our restricted cash represents fixed deposit pledged to the bank. Management of our Group is restricted to use the fixed deposit. We had restricted cash of approximately S$0.16 million as at 31 December 2018 (31 December 2017: S$0.16 million).

Particulars of the Group's interest bearing bank and other borrowings as at 31 December 2018 and 31 December 2017 (including their nature, currency involved, maturity profile and interest rate structure) are set out in note 20 to the financial statements.

The Group has adopted a prudent financial management approach towards its financial and treasury policies and thus maintained a healthy liquidity position since the Listing. The management closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. The Group will utilise the balance of cash for appropriate investment in accordance with the Group's strategic direction and development.

Gearing ratio

Gearing ratio is measured by interest-bearing bank and other borrowings divided by the total equity. The Group's policy is to keep the gearing ratio at a lower level. The gearing ratio is 10% as at 31 December 2018 (31 December 2017: 36%).

Capital expenditure and commitment

During the year ended 31 December 2018, our capital expenditures amounted to S$624,000 which consisted primarily of acquisition of cooking and baking tools, equipment and appliances for our new restaurant and bakery outlets (31 December 2017: S$449,000). These capital expenditures were funded by our internal resources. The Group has no capital commitment during the year ended 31 December 2018 (31 December 2017: nil).

Risk of exchange rate fluctuation

The Group has currency exposures arising from sales, purchases and interest-bearing bank and other borrowings that are denominated in a currency other than the functional currency of the Group. Although the Group does not have a foreign exchange hedging policy and does not use any financial instruments, currency borrowings or other hedging instruments to mitigate such exposure, the management monitors the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting significant foreign currency hedging policy and measures in the future.

Contingent liabilities

As at 31 December 2018, the Group had no contingent liabilities (31 December 2017: nil).

Charge on assets

The Group's obligations under finance lease is secured by a charge over the leased assets which had a carrying amount of approximately S$86,000 as at 31 December 2018 (31 December 2017: S$96,000).

Employees and remuneration policy

As at 31 December 2018, the Group had a total number of 243 full-time employees (31 December 2017: 282) in Singapore and Malaysia.

The remuneration packages of all employees are determined based on factors such as the employees' individual qualifications, contribution to the Group, performance and years of work experience.

The Group provides ongoing training to our staff covering different aspects based on their operational responsibilities, including food ingredients preparation and preservation, customer service, hygiene requirements of the kitchen and dining areas, and quality control.

Events after the reporting period

There were no significant events after the reporting period up to the date of this report.

USE OF PROCEEDS FROM THE SHARE OFFER

The amount of the net proceeds from the Share Offer received by the Company, after deducting the expenses related to the Share Offer payable by the Company, is approximately HK$23.7 million. The Company intends to apply such net proceeds for the following purposes:

	Total HK$' million	Approximate % of net proceeds
Continue to expand our dining operations in Singapore	18.1	76.4
Setting up new head office and enhance our workforce	3.2	13.5
Further enhance our brand recognition in Singapore and Malaysia	0.2	0.8
Upgrade our information technology systems	0.2	0.8
General working capital	2.0	8.5
Total	23.7	100

Up to 31 December 2018, the Group has applied the net proceeds as follows:

	Proposed amount to be used up to 31 December 2018 HK$' million	Actual usage HK$' million
Continue to expand our dining operations in Singapore	14.8	0.2
Setting up new head office and enhance our workforce	2.4	–
Further enhance our brand recognition in Singapore and Malaysia	0.2	0.2
Upgrade our information technology systems	0.2	0.1
General working capital	1.4	1.1
Total	19.0	1.6

For further details of the Group's intended use of the net proceeds from the Share Offer, please refer to the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 20 April 2018. As at the date of this report, the unutilized net proceeds have been temporarily placed as short term deposits with licensed institutions in Hong Kong and Singapore.

The Directors regularly evaluate the Group's business objective and may change or modify plans against the changing market conditions to ascertain the business growth of the Group. Accordingly, we will make further announcement as and when necessary if there is any such change or modification of plans.

Comparison of business objectives with actual business progress

The following is a comparison of the Group's business plan as set out in the Prospectus with actual business progress up to 31 December 2018.

Business objectives up to 31 December 2018 as set out in the Prospectus	Actual implementation plan up to 31 December 2018
Continue to expand our dining operations in Singapore	The Group has secured a location to open new restaurant under "Black Society Café", the renovation is expected to start in April 2019. The Group is in the process of negotiating with few potential landlords including the proposed rental rate for our new restaurant under "Central Hong Kong Café" brand. The Group is looking for suitable location for the new restaurant under the franchised "Greyhound Café" brand.
Setting up new head office and enhance our workforce	The Group is actively looking for a new office to relocate and centralise the head office functions.
Further enhance our brand recognition in Singapore and Malaysia	The Management is continuously working with several marketing consultants towards marketing activities and brand exposure campaigns.
Upgrade our information technology systems	The Group has started upgrading the point-of-sale ("**POS**") and CCTV systems in our restaurants and bakery outlets.

DIRECTORS AND SENIOR MANAGEMENT

Our Board currently consists of 7 Directors, comprising 3 executive Directors, 1 non-executive Director and 3 independent non-executive Directors. The functions and duties of our Board include convening shareholders' meetings, reporting on our Board's work at these meetings, implementing the resolutions passed at these meetings, determining business and investment plans, formulating our annual budget and final accounts, and formulating our proposals for profit distributions and for the increase or reduction of registered capital. In addition, our Board is responsible for exercising other powers, functions and duties in accordance with the articles of association of the Company (the "**Articles of Association**").

EXECUTIVE DIRECTORS

Ms. LOW Yeun Ching @Kelly Tan (劉婉貞), aged 55, was appointed as an executive Director on 22 May 2017 and the chairlady of the Board and chief executive officer on 27 July 2017. She was the founder of our Group and is primarily responsible for corporate strategic planning and overall business development of our Group. Ms. Low is the sister of Mr. Sean Low, our executive Director. Ms. Low is the Controlling Shareholder of our Company upon completion of the Share Offer.

Ms. Low has over 16 years of working experience in the food and beverage industry since she founded the Group in 2002. Prior to founding our Group, she was a flight stewardess at Singapore Airlines Limited and a buyer in a fashion retail company, F J Benjamin Fashions (Singapore) Pte. Ltd., where she was primarily responsible for planning and selecting products to sell for the company's various fashion brands. She was also a dealer at Lum Chang Securities Pte. Ltd. and Kim Eng Securities Pte. Ltd. in Singapore.

Ms. Low obtained a certificate in management from the Singapore Institute of Management in May 1993. Ms. Low was presented with the "Singapore Enterprise Award 2016" in recognition of the business excellence of our "Central Hong Kong Café" and "Black Society" restaurants.

Ms. Low was a director of Bread Story Distribution Sdn. Bhd., Bread Story Concept Marketing Sdn. Bhd. and Bread Story Concept, all of which were incorporated in Malaysia. The three companies were dissolved by the Companies Commission of Malaysia (but not by member's voluntary winding-up) on 27 May 2011, 27 May 2011 and 22 January 2018, respectively, pursuant to section 308(4) of the Companies Act 1965 under the laws of Malaysia as they were dormant and inactive. Ms. Low confirms that the three companies had been inactive and were solvent at the time of dissolution.

Mr. Sean LOW Yew Hong (Sean Liu Yaoxiong) (劉耀雄), aged 43, was appointed as an executive Director and the general manager on 27 July 2017. He is primarily responsible for overseeing the overall marketing brand management and business development of our Group. Mr. Sean Low is the brother of Ms. Low, our executive Director, the chairlady of the Board and chief executive officer.

Mr. Sean Low has over seven years of experience in the food and beverage industry. Mr. Sean Low has been the general manager (Greyhound Café) since December 2016, where he was primarily responsible for overseeing the advertising, marketing, office administration and operation of "Greyhound Café" restaurant in Singapore. From January 2011 to January 2013, Mr. Sean Low worked as the business development and IT manager at J W Central, where he was primarily responsible for advertising and marketing the company and overseeing the operations of the "Central Hong Kong Cafe´" restaurants. Mr. Sean Low has been the director of his wholly-owned company, Loaves & Fishes Pte. Ltd. (principally engaged in media design, photography and advertising services) since its incorporation in September 2007. From January 2004 to October 2007, Mr. Sean Low worked as the business development manager at BSBJ, where he was primarily responsible for assisting with the expansion of the franchises and the general day-to-day business administration of the company.

Mr. Sean Low graduated from Temasek Polytechnic Singapore with a diploma in information technology in August 1998. Mr. Sean Low then obtained a bachelor's degree in business and e-commerce from Monash University in Australia in September 2004 by distance learning.

Mr. Sean Low was a director of Bread Story Concept Marketing Sdn. Bhd. and Bread Story Concept, both of which were incorporated in Malaysia. The two companies were dissolved by the Companies Commission of Malaysia (but not by member's voluntary winding-up) on 27 May 2011 and 22 January 2018, respectively, pursuant to section 308(4) of the Companies Act 1965 under the laws of Malaysia as they were dormant and inactive. Mr. Sean Low confirms that the two companies had been inactive and were solvent at the time of dissolution.

Mr. CHIU Ka Wai (趙家偉), aged 67, was appointed as an executive Director and the group executive chef (Singapore) on 27 July 2017. He is responsible for overseeing and monitoring the operations of our restaurants in Singapore.

Mr. Chiu has over 42 years of experience in the food and beverage industry. In January 2006, Mr. Chiu joined our Group as the master chef and was redesignated as the group executive chef in January 2017.

From March 1996 to March 2003, he was the owner of Wai Kee Hong Kong Kitchen (principally engaged in restaurant business) in Singapore. From December 1985 to January 2000, Mr. Chiu worked for the Regent Singapore, A Four Seasons Hotel with his last position as the assistant executive Chinese chef at the Summer Palace, where he was primarily responsible for menu design and staff management in the kitchen. From December 1981 to November 1985, he was a senior chef at the Chinese kitchen of Hotel Furama Intercontinental in Hong Kong. From September 1976 to February 1978, Mr. Chiu worked as a chef for Chinese Restaurant & Night Club Ltd. in Hong Kong (principally engaged in restaurant business). From October 1975 to March 1976, Mr. Chiu worked as a chef for Golden Capital Restaurant & Night Club in Hong Kong (principally engaged in restaurant business).

NON-EXECUTIVE DIRECTOR

Mr. CAI Da (蔡達), aged 43, was appointed as a non-executive Director on 27 July 2017. He is responsible for advising on the corporate and business strategies of our Group.

Mr. Cai has been the executive director of Silk Road Energy Services Group Limited (principally engaged in the provision of coal mining services, heat supply services and money lending services, trading of other mineral products and investment holding), a company listed on GEM of the Stock Exchange (Stock Code: 8250) since May 2013 and the chairman of the company since January 2015, where he is primarily responsible for overseeing the overall business development and management of the company. He has also been acting as the chairman of Zhengqi Capital, a company wholly-owned by himself (principally engaged in financial services business), where he is primarily responsible for overseeing the overall business development and management of the company since January 2014.

From February 2015 to May 2016, Mr. Cai was the executive director, chairman and chief executive officer of Chinese Energy Holdings Limited (principally engaged in the provision of management services and factoring services, money lending, investment in financial and investment products and general trading), a company listed on GEM of the Stock Exchange (Stock Code: 8009), where he was primarily responsible for overseeing the overall business development and management of the Company. From September 2011 to August 2014, Mr. Cai was an executive director of Hong Kong Life Sciences and Technologies Group Limited (principally engaged in the businesses of anti-aging stem cell technology, trading, money lending and securities investment), a company listed on GEM of the Stock Exchange (Stock Code: 8085), where he was primarily responsible for overseeing the overall business development and management of the Company.

Apart from the directorship Mr. Cai held in the above listed companies, he also had extensive working experience in various private companies from different business sectors in Hong Kong and PRC, including among others, mining and energy, real estate and tourism.

From September 2010 to March 2013, Mr. Cai was the chairman of Shenzhen City Baokuang Development Limited* (深圳市寶礦投資發展有限公司), a company principally invests in the mining sector in PRC. Mr. Cai also acted as the general manager of Shenzhen Jingjia Investment Development Company Limited* (深圳京嘉投資發展有限公司), a company principally engaged in the development of computer hardware and software technology and construction and design related business in PRC, from May 2006 to December 2011.

From January 2005 to November 2008, he was the general manager of Changde Jingjia Real Estate Development Company Limited* (常德京嘉置業發展有限公司) (principally engaged in real estate business).

From February 2004 to July 2005, Mr. Cai worked as the general manager of Liaoning Xinmin Petroleum Chemical Industry Company Limited* (遼寧新民石油化工有限公司) (principally engaged in manufacturing of petroleum products). From September 2002 to February 2004, Mr. Cai was the general manager of Jia Hao (Lushan) Tourism Development Company Limited* (嘉浩(廬山)旅遊開發有限公司) (principally engaged in tourism business in PRC) and Jia Hao (Lushan) Hotspring Resort Company Limited* (嘉浩(廬山)溫泉渡假村有限公司) (principally engaged in resort business in PRC). From February 2002 to February 2004, Mr. Cai was the general manager of Lushan International Golf Club Company Limited* (廬山國際高爾夫球會有限公司) (principally engaged in golf club operation in PRC) and Jia Hao (Lushan) Real Estate Development Company Limited (嘉浩(廬山)地產開發有限公司) (principally engaged in real estate business in PRC).

Mr. Cai obtained his bachelor's degree in civil engineering from Hunan University of Science and Technology in the PRC in June 2002. Mr. Cai then obtained a master's degree in business administration from Bangor University in Wales, the United Kingdom in January 2016 by distance learning. In June 2017, Mr. Cai obtained a doctorate of business administration in Management by distance learning from the INSEEC Group in Paris, France, which is a programme jointly organised with the Research Institute of Tsinghua University in Shenzhen, PRC. Mr. Cai has also been the vice president of the Shenzhen General Chamber of Commerce since June 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LU King Seng (盧慶星), aged 49, was appointed as an independent non-executive Director on 4 April 2018. He is responsible for providing independent judgment on issues of strategy, policy, performance, accountability, key appointments and standard of conduct of our Group.

Mr. Lu has over 23 years of experience in the auditing and financial management industry. Mr. Lu has been and is currently acting as the chief executive officer of Orion Advisory Pte. Ltd. and Orion Business Advisory Pte. Ltd. (principally engaged in providing business management, consultancy and transaction advisory services) since July 2013 and July 2014, respectively where he is mainly responsible for managing the overall business operation and financial management of the companies on a day-to-day basis and making important corporate decisions. He has been and is currently an independent director of Geo Energy Resources Limited (Stock Code: RE4) (principally engaged in coal mining, coal trading and mining services business) and TLV Holdings Limited (Stock Code: 42L) (principally engaged in retail and wholesale jewellery business), both of which are listed on the Singapore Stock Exchange, since September 2012 and August 2015, respectively. From June 2014 to April 2016, he was an independent director of Green Build Technology Limited (Stock Code: Y06) (principally engaged in projects of green transformation for existing building and green lighting and the construction of utility tunnel), a company listed on the Singapore Stock Exchange.

* *For identification purposes only*

Prior to joining our Group, Mr. Lu worked as the chief financial officer at SinCo Technologies Pte. Ltd. (principally engaged in manufacturing rubber, plastic products and components) from January 2005 to March 2013 where he was primarily responsible for overseeing the financial and accounting function of the company. From November 2002 to December 2004, Mr. Lu worked as an audit manager for Deloitte & Touche LLP in Singapore. From July 2002 to October 2002, Mr. Lu worked for Ernst & Young in Singapore, with his last position as an audit manager. From June 2000 to June 2002, he worked for Arthur Andersen with his last position as a manager of the assurance and business advisory division. From March 1998 to December 1999, Mr. Lu worked as an audit supervisor for KPMG in Singapore. From April 1997 to February 1998, Mr. Lu worked as an audit senior for PricewaterhouseCoopers in Malaysia. From July 1995 to March 1997, Mr. Lu worked as an audit semi-senior for Rubin Winter & Co in London, United Kingdom (principally engaged in the provision of accounting and assurance services).

Mr. Lu has been a Chartered Certified Accountant with the Association of Chartered Certified Accountant since September 1999 and had obtained the Fellow Chartered and Certified Accountant status in September 2004. He has also been a member of the Institute of Certified Public Accountants of Singapore since May 2012. Mr. Lu is also a member of the Singapore Institute of Directors since April 2012.

Mr. LEE Alex Jao Jang (李朝昌), aged 40, was appointed as an independent non-executive Director on 4 April 2018. He is responsible for providing independent judgment on issues of strategy, policy, performance, accountability, key appointments and standard of conduct of our Group.

Mr. Lee has over 13 years of experience in the legal industry. Mr. Lee joined JunHe LLP since March 2014 and he is currently a partner of the firm specialising in the practice area of banking and finance, where he provides legal advice to major PRC and international banks and corporates in Hong Kong on their financial needs, ranging from syndicated loans, structured finance and debt placements, as well as on any restructurings and corporate finance needs. From November 2008 to December 2013, he worked as an associate director at the Hong Kong branch of the Australia and New Zealand Banking Group, where he was primarily responsible for advising on loan syndications and debt capital market transactions. From February 2005 to November 2007, Mr. Lee worked as an associate in the international capital markets department of Allen & Overy LLP in London, United Kingdom. From December 2000 to July 2001 and from February 2002 to January 2005, he worked for Allens Arthur Robinson in Sydney, Australia with his last position as a lawyer.

Mr. Lee obtained his bachelor's degree in commerce, majoring in finance and his bachelor's degree in law from the University of New South Wales, Australia in April 2000 and October 2001, respectively. Mr. Lee is a qualified solicitor in Hong Kong and New South Wales, Australia since April 2012 and December 2002, respectively.

Mr. LIM Yeok Hua (林育華), aged 70, was appointed as an independent non-executive Director on 4 April 2018. He is responsible for providing independent judgment on issues of strategy, policy, performance, accountability, key appointments and standard of conduct of our Group.

Mr. Lim has over 32 years of experience in the auditing and financial management industry. Mr. Lim has been and is currently acting as the executive director of Radiant Management Services Pte. Ltd. in Singapore (principally engaged in the provision of management and consultancy services) since June 2006 where he is primarily responsible for overseeing the overall business operation and financial management of the company and developing and implementing business plans for the company. Mr. Lim is currently an independent director of a listed companies in Singapore, namely KORI Holdings Limited (Stock Code: 5VC) (principally engaged in building works) since November 2012. He also previously served as the independent director of four other listed companies in Singapore, namely CNMC Goldmine Holdings (Stock Code: 5TP) (principally engaged in gold mining) from September 2011 to April 2012, Tritech Group Limited (Stock Code: 5G9) (principally engaged in engineering products and services) from June 2008 to July 2017 and Manufacturing Integration Technology Ltd (Stock Code: M11) (principally engaged in the provision of integrated automated solutions to semiconductor industry) from November 1999 to April 2005 and from May 2006 to April 2015 and Alpha Energy Holdings Limited (Stock Code: 5TS) (principally engaged in exploration and production projects worldwide) from August 2011 to April 2018.

Prior to joining our Group, Mr. Lim worked as an independent consultant at Radiant Management Services Pte. Ltd. in Singapore (principally engaged in the provision of management and consultancy services) from April 2000 to June 2006. In March 1992, Mr. Lim established his own accounting firm, Lim Y H & Co., in Singapore, where he was the sole proprietor of the firm until March 2000. From March 1969 to March 1972, Mr. Lim worked at the tax assessment and anti-evasion department of the Inland Revenue Authority of Singapore.

Mr. Lim has been an accredited tax advisor with the Singapore Institute of Accredited Tax Professionals since September 2010 and a member of the Institute of Singapore Chartered Accountants (formerly known as the Institute of Certified Public Accountants of Singapore) since November 2000. Mr. Lim has also been a member of the Singapore Institute of Directors since April 2000 and a fellow of the Association of Chartered Certified Accountants (formerly known as the Chartered Association of Certified Accountants) in the United Kingdom since March 1985.

SENIOR MANAGEMENT

Mr. LIU Ji (劉驥), aged 40, joined our Group in January 2017, and is currently our chief financial officer. He is primarily responsible for overseeing the financial and accounting functions of our Group.

Mr. Liu has over 14 years of experience in financial advisory and consultancy services. He was also previously served as the independent non-executive director of two other listed companies, namely Zheng Li Holdings Limited (principally engaged in the provision of automotive services), a company listed on GEM of the Stock Exchange (Stock Code: 8283) from October 2016 to October 2018 and CW Group Holdings Limited (principally engaged in the provision of precision engineering solutions), a company listed on the Main Board of the Stock Exchange (Stock Code: 1322) from July 2017 to November 2018. Prior to joining our Group, Mr. Liu worked as the senior executive director and head of corporate advisory services at Ellis Botsworth Advisory Pte. Ltd. (principally engaged in providing financial advisory and consultation services) from September 2011 to October 2016, where he was primarily responsible for corporate advisory, fund raising and provision of other capital market solutions to private and public companies in the PRC and Southeast Asia region. From May 2003 to September 2011, Mr. Liu worked at Deloitte & Touche LLP, with his last position as an audit manager, where he was primarily responsible for providing audit, financial reporting and internal control review related assurance services.

Mr. Liu obtained a bachelor of science in applied accounting from Oxford Brookes University in association with The Association of Chartered Certified Accountants in 2003. Mr. Liu has been qualified as a Chartered Accountant of Singapore and admitted as a member of the Institute of Singapore Chartered Accountants since February 2016.

COMPANY SECRETARY

Mr. Tso, aged 38, was appointed as our company secretary from 27 July 2017 to 30 November 2018. He is the sole proprietor of Teton CPA Company, an accounting firm in Hong Kong. Mr. Tso has over 14 years of experience in corporate services and has extensive experience in servicing listed and private companies from Hong Kong, PRC and overseas in company secretarial, corporate advisory, corporate administration and internal audit services. Mr. Tso has been serving as an independent non-executive director of a number of companies listed on the Stock Exchange, namely Larry Jewelry International Company Limited (Stock Code: 8351) since October 2014, Newtree Group Holdings Limited (Stock Code: 1323) since February 2015, Guru Online (Holdings) Limited (Stock Code: 8121) since May 2015. He has also been appointed as a joint company secretary of China Yu Tian Holdings Limited with effect from 1 January 2014, the shares of which were initially listed on GEM of the Stock Exchange (stock code: 8230) on 29 December 2015 and the company secretary of China Infrastructure Investment Limited (Stock Code: 600), a company listed on the Main Board of the Stock Exchange since March 2015 and Fineland Real Estate Services Group Limited (Stock Code: 8376), a company listed on GEM of the Stock Exchange since November 2017, respectively. He served as an independent non-executive director of GreaterChina Professional Services Limited (Stock Code: 8193) from July 2014 to January 2018, and a non-executive director of Kong Shum Union Property Management (Holding) Limited (Stock Code: 8181) from July 2014 to February 2015, both of which are companies listed on GEM of the Stock Exchange.

Mr. CHAN Pui Hang, aged 38, was appointed as the company secretary and authorised representative of the Company pursuant to Rule 5.24 of the GEM Listing Rules and authorised representative of the Company pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from 30 November 2018. Mr. Chan is currently a solicitor at the law firm of Michael Li & Co. in Hong Kong, specialising in corporate finance work including initial public offerings, mergers and acquisitions and restructuring. Mr. Chan is a practising solicitor and was admitted as a solicitor in Hong Kong in December 2011. He received a degree of Bachelor of Social Science (Government & Laws) and a degree of Bachelor of Laws from the University of Hong Kong in December 2002 and December 2003 respectively.

Mr. Chan does not act as an individual employee of our Company, but as an external service provider in respect of the appointment of Mr. Chan as the company secretary of the Company. Pursuant to paragraph F.1.1 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules (the "**CG Code**"), an issuer can engage an external service provider as its company secretary, provided that the issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. In this respect, the Company has nominated Ms. LOW Yeun Ching @Kelly Tan, chairlady of the Board and chief executive officer of the Company as its contact point for Mr. Chan.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continuing growth of the Group and for safeguarding and maximising shareholders' interests.

Pursuant to code provision A.2.1 of the CG Code, the roles of chairlady and chief executive officer should be separate and should not be performed by the same individual. However, we do not have a separate chairlady and chief executive officer and Ms. Low is currently the chairlady and chief executive officer of our Group. Our Board believes that vesting the roles of both chairlady and chief executive officer in the same person has the benefit of ensuring the consistent leadership within our Group and enables more effective and efficient overall strategic planning of our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of chairlady of our Board and chief executive officer of our Company at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

Save as disclosed above, the Directors consider that throughout the year ended 31 December 2018, the Company has applied the principles and complied with all the applicable code provisions set out in the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct for securities transactions by Directors on terms equivalent to the Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Model Code**"). The Company had made specific enquiries with written guidelines in relation to the Model Code to all Directors and all Directors have confirmed that they complied with the required standards set out in the Model Code from the Listing Date up to the date of this report.

The Board

As at the date of this report, the Board comprises the following directors:

Executive Directors

Ms. LOW Yeun Ching @Kelly Tan *(Chairlady and Chief Executive Officer)*
Mr. Sean LOW Yew Hong (Sean Liu Yaoxiong)
Mr. CHIU Ka Wai

Non-executive Director

Mr. CAI Da

Independent non-executive Directors

Mr. LU King Seng
Mr. LEE Alex Jao Jang
Mr. LIM Yeok Hua

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and the Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs and overseeing the achievement of strategic plans to enhance shareholders' value.

Generally, the Board is responsible for all major aspects of the affairs of the Company, including:

- formulation of overall strategies and review of its financial performance and results and the internal control systems;
- policies relating to key business and financial objectives of the Company;
- material transactions, including acquisition, investment, disposal of assets or capital expenditure;
- appointment, removal or reappointment of Board members and auditors;
- communication with key stakeholders, including shareholders and regulatory bodies; and
- recommendation to shareholders on final dividend and the declaration of any interim dividends.

The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor and disclose with reasonable accuracy the financial position of the Group. The Board updates the Company's shareholders (the "**Shareholders**") on the operations and financial position of the Group through quarterly, interim and annual results announcements as well as the publication of timely reports and announcements of other matters as prescribed by the relevant laws, rules and regulations.

Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors, at the expense of the Company.

All Directors, including independent non-executive Directors assume the responsibilities to Shareholders for the well- being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company.

The non-executive Directors (including the independent non-executive Directors), advise the Company on strategic and critical matters. The Board considers that each non-executive Director brings his own senior level of experience and expertise to the constructive functioning of the Board. To this end, regular informal meetings are held between the executive Directors and non-executive Directors. The Chairlady held meetings with the non-executive Directors at least annually without presence of the executive Directors to evaluate the functioning of the Board.

Each of the Directors has entered into a service contract or has signed a letter of appointment with the Company for an initial term of three years commencing from the Listing Date until terminated by either party giving not less than three months' written notice to the other expiring at the end of the initial term of their appointment or any time thereafter. The appointments are subject to the provisions of the Articles of Association of the Company with regard to vacation of office of Directors, removal and retirement by rotation of Directors.

The executive Directors are delegated with responsibility to oversee and monitor the operation of specific business areas and to implement the strategies and policies set by the Board.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Director has made written annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. Upon review, the Board concluded that all the independent non-executive Directors are independent within the meaning of the GEM Listing Rules.

CHAIRLADY AND CHIEF EXECUTIVE

Pursuant to code provision A.2.1 set out in the CG Code, the roles of chairlady and chief executive officer should be separate and should not be performed by the same individual. Ms. Low is currently the chairlady and chief executive officer of our Group. Our Board believes that vesting the roles of both chairlady and chief executive officer in the same person has the benefit of ensuring the consistent leadership within our Group and enables more effective and efficient overall strategic planning of our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of chairlady of our Board and chief executive officer of our Company at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

Save as disclosed above, the Directors consider that throughout the year ended 31 December 2018, the Company has applied the principles and complied with all the applicable code provisions set out in the CG Code.

THE BOARD COMMITTEES

Audit committee

Our Company has established an audit committee (the "**Audit Committee**") on 4 April 2018 with written terms of reference in compliance with the CG Code. The audit committee has three members, namely Mr. LU King Seng, Mr. LEE Alex Jao Jang and Mr. LIM Yeok Hua, each of whom is an independent non-executive Director. Mr. LU King Seng, has been appointed as the chairman of the Audit Committee, and has the appropriate professional qualifications required under the GEM Listing Rules. The primary duties of our Audit Committee are to assist our Board in providing an independent view of the effectiveness of our financial reporting process, internal control and risk management system, overseeing the audit process and performing other duties and responsibilities as assigned by our Board.

Remuneration committee

Our Company has established a remuneration committee (the "**Remuneration Committee**") on 4 April 2018 with written terms of reference in compliance with the CG Code. The Remuneration Committee has three members, namely Mr. LIM Yeok Hua, an independent non-executive Director, Mr. LEE Alex Jao Jang, an independent non-executive Director and Ms. LOW Yuen Ching @Kelly Tan an executive Director, our chairlady and chief executive officer. Mr. LIM Yeok Hua, has been appointed as the chairman of the Remuneration Committee. The primary duties of our Remuneration Committee are to evaluate the performance of our Directors and senior management and determine the remuneration package of our Directors and members of our senior management.

Nomination committee

Our Company has established a nomination committee (the "**Nomination Committee**") on 4 April 2018 with written terms of reference in compliance with the CG Code. The Nomination Committee consists of three members, being Ms. LOW Yuen Ching @kelly Tan, an executive Director, Mr. LEE Alex Jao Jang, an independent non-executive Director, Mr. LIM Yeok Hua, an independent non-executive Director, Ms. LOW Yuen Ching @Kelly Tan, has been appointed as the chairlady of the Nomination Committee. The primary duties of our Nomination Committee are to make recommendations to our Board on the appointment of our Directors and members of our senior management.

The Board has adopted a board diversity policy which sets out its approach to the diversity of the Board. The Company is committed to the benefits of having a Board with appropriate balance of expertise, skills, experience and diversity of perspectives. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, experience, industry or regional experience etc. Selection of candidate will be based on a range of diversity perspectives including but not limited to the Company's needs, the integrity, management experience, technical skills, industry or professional knowledge and experience of the candidate and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities. The Nomination Committee will consider candidates on merit and contribution that they will bring to the Board and then recommended the appropriate person(s) to the Board for consideration. The Nomination Committee will review, as appropriate, and monitor the implementation of the board diversity policy to ensure its effectiveness.

DIRECTORS' AND OFFICERS' LIABILITIES

The Company has arranged for appropriate insurance covering the liabilities of the Directors that may arise out the corporate activities, which has been complied with the CG Code. The insurance coverage is reviewed on an annual basis.

RELATED PARTY TRANSACTIONS POLICY

During the year ended 31 December 2018, the related party transactions, if any, are periodically reviewed and approved by the Audit Committee.

BOARD COMPOSITION AND BOARD AND COMMITTEE MEETINGS

Practices and conduct of meetings

Provision A.1.1 of the CG Code prescribes that at least 4 regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through other electronic means of communication. The Board will schedule to have at least four regular meetings in a year. Other Board meetings will be held if necessary.

Composition

As at 31 December 2018, the Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors. The Company has met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one of whom is with appropriate professional qualifications or accounting or related financial management expertise throughout the year.

Biographical details of the Directors are shown on pages 13 to 17 of this report. The List of Directors and their Role and Function was published both on the websites of the Company and the Stock Exchange. The Board is currently supported by the Audit Committee, Remuneration Committee and Nomination Committee to oversee specific areas of the Company's affairs. Each of these committees has been established with written terms of reference, which were approved by the Board, setting out the committee's major duties and responsibilities. These terms of reference were published both on the websites of the Company and the Stock Exchange.

MEETINGS HELD AND ATTENDANCE

The composition of the Board and the Committees, and the individual attendance records of each Director at the Board and Committees' meetings during the year ended 31 December 2018, being the first financial year since our listing on GEM of the Stock Exchange, are set out below:

	Meetings attended/Meetings Held					
Name of the directors	Board meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Annual general meetings	Extraordinary general meetings
Executive Directors						
Ms. LOW Yuen Ching @Kelly Tan *(Chairlady and Chief Executive Officer)*	4/4	N.A.	1/1	1/1	N.A.	N.A.
Mr. Sean LOW Yew Hong (Sean Liu Yaoxiong)	2/4	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. CHIU Ka Wai	3/4	N.A.	N.A.	N.A.	N.A.	N.A.
Non-executive Director						
Mr. CAI Da	0/4	N.A.	N.A.	N.A.	N.A.	N.A.
Independent non-executive Director						
Mr. LU King Seng	4/4	3/3	N.A.	N.A.	N.A.	N.A.
Mr. LEE Alex Jao Jang	4/4	3/3	1/1	1/1	N.A.	N.A.
Mr. LIM Yeok Hua	4/4	3/3	1/1	1/1	N.A.	N.A.

PROFESSIONAL DEVELOPMENT

To assist the Directors' continuing professional development, the Company plans to provide briefings and other training and recommend Directors to attend relevant seminars to develop and refresh their knowledge and skills. A record of the training received by the respective Directors are kept and updated by the Company Secretary. During the first quarter of 2018, the following Board members received a directors' training hosted by the legal advisor to our Company, which was about, inter alia, the GEM Listing Rules, Companies Ordinance and Securities and Futures Ordinance.

Name of Directors	Training on Director's responsibilities provided by the Company's legal advisor
Executive Directors	
Ms. LOW Yeun Ching @Kelly Tan *(Chairlady and Chief Executive Officer)*	Attended
Mr. Sean LOW Yew Hong (Sean Liu Yaoxiong)	Attended
Mr. CHIU Ka Wai	Attended
Non-executive Director	
Mr. CAI Da	Attended
Independent Non-executive Directors	
Mr. LU King Seng	Attended
Mr. LEE Alex Jao Jang	Attended
Mr. LIM Yeok Hua	Attended

ACCOUNTABILITY AND AUDIT

The Board acknowledges its responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group. The Board is not aware of any material uncertainties relating to events or condition that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis. The Board also acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual, half-yearly and quarterly reports, other price-sensitive announcements and other financial disclosures required under the GEM Listing Rules, and reports to the regulators as well as to information required to be disclosed pursuant to statutory requirements.

The responsibility of the independent auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders. A statement by auditor about their reporting responsibility is set out in the Independent Auditor's Report. There is no disagreement between the Board and the Audit Committee on the section, appointment, resignation or dismissal of external auditors.

Having made appropriate enquiries and examined major areas which could give rise to significant financial exposures, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year, the Directors considered the Group has applied appropriate accounting policies consistently, made judgments and estimates that are reasonable in accordance with applicable accounting standards.

The quarterly results and reports were published within the time limits as required under the GEM Listing Rules after the end of the relevant periods to provide stakeholders with transparent and timely financial information.

AUDITOR'S REMUNERATION

During the year, the remuneration, reviewed and approved by the Audit Committee on the audit and non-audit scope, paid or payable to the auditor in respect of audit and non-audit services provided by the auditor of the Group, Ernst & Young, were as follows:

Nature of service	2018 Amount S$'000
Audit services	
– Statutory audit	**218**
– Initial public offering*	**119**
Non-audit services	**–**

* Relation to listing expenses billed by Ersnt and Young in 2018

CORPORATE GOVERNANCE FUNCTION

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as (i) developing and reviewing the Company's policies, practices on corporate governance, training and the continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc; (ii) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and (iii) reviewing the Company's compliance with the CG Code and disclosure in this corporate governance report.

Every Board member has full access to the advice and services of the Company Secretary with a view to ensure that Board procedures, and all applicable rules and regulations are followed. They are also entitled to have full access to Board papers and related materials such that they are able to make an informed decision and to discharge their duties and responsibilities.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company had established policies and procedures to identify, assess and manage major risks of the Group. The Board has overall responsibilities for establishing and maintaining an effective risk management and internal control systems of the Group and reviewing their effectiveness. However, such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Management is responsible for implementing that procedures approved by the Board and to monitor compliance with the policies and procedures. The Board has outsourced the internal audit function to professional risk consulting firms to perform the risk management and internal audit review annually on the control environment and key business processes of the Group. Based on discussions with the professional risk consultants, advisors and our management team, in view of their responses to the findings and recommendations on matters relating to internal controls, the Board is satisfied that there were no significant defects in Group's internal controls and risk management systems in terms of overall adequacy and effectiveness concerning the key operational, financial and compliance risks of the Group as at the date of this report.

Furthermore, the Company reminds the Directors and employees of the Group about due compliance with all policies regarding the Inside Information. The Company keeps the Directors and employees of the Group appraised of the latest regulatory updates to ensure compliance with the relevant regulatory requirements.

COMPANY SECRETARY

The appointment and resignation of the Company Secretary is subject to approval by the Board in accordance with the Articles of Association. The Company Secretary is responsible for ensuring the Board procedures and policy are followed and Board activities are effectively conducted. The Company Secretary is also responsible for maintaining minutes recorded in sufficient details of all the meetings of the Board and committees of the Company. Draft and final versions of minutes are disseminated to Directors for comment and filed for record purposes respectively within a reasonable time after each meeting. The Directors have full and timely access to the minutes of the Board and committees of the Company. The Company Secretary, Mr. Chan Pui Han, confirmed that he has complied with all the qualifications, experience, and professional training requirements under Rule 5.15 of the GEM Listing Rules.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provided an opportunity for communication between Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting (the "**EGM**").

RIGHT TO CONVENE EXTRAORDINARY GENERAL MEETINGS AND PROCEDURES

Pursuant to Article 64 of the Articles of Association, the Board may, whenever it thinks fit, convene an EGM. Anyone or more member(s) holding at the date of the deposit of the requisition not less than one tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal place of business as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

Such requisition shall be made in writing to the Board or the Company Secretary at the following:

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN SINGAPORE

Address:	151 Chin Swee Road #02-13 Manhattan House Singapore 169876
Email:	askus@jlogoholdings.com
Attention:	Company Secretary/Board of Directors

REGISTERED OFFICE OF THE COMPANY

Address:	PO Box 1350 Clifton House 75 Fort Street Grand Cayman KY1-1108 Cayman Islands
Attention:	Company Secretary/Board of Directors

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Address:	Room 901, 9/F, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong
Attention:	Board of Directors/Company Secretary

If within 21 days of such deposit, the Board fails to proceed duly to convene such EGM, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

For matters in relation to the Board, Shareholders can contact the Company at the following: by post to Principal place of business of the Company in Hong Kong: Address: Room 901, 9/F, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong; or by email to askus@jlogoholdings.com.

If within 21 days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s) may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitionist(s).

RIGHT TO PUT ENQUIRIES TO THE BOARD

Shareholders have the right to put enquiries to the Board. All such enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the Company Secretary. Shareholders may also make enquiries with the Board at the general meetings of the Company.

RIGHT TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Law (as revised) of the Cayman Islands, as amended, modified and supplemental from time to time. However, pursuant to the Articles of Association, Shareholders who wish to move a resolution may by means of requisitions convene an EGM following the procedures set out above.

CONSTITUTIONAL DOCUMENTS

During the period from the Listing Date to the date of this report, there had been no significant change in the Company's constitutional documents. The Articles of Association are available on the websites of the Stock Exchange and the Company.

INVESTOR RELATIONS

The Board recognises the importance of maintaining on-going communication with Shareholders. The Company has adopted a Shareholders' communication policy and promotes communications with Shareholders through several communication channels including publication of notices, circulars and announcements of key developments, and quarterly, interim and annual reports as prescribed under the GEM Listing Rules which can also be accessed via the "Investor Relations" of the Company's website.

The aims of the Company are to improve its transparency, gain more understanding and confidence in relation to the Group's business developments and acquire more market recognition and support from Shareholders.

Shareholders are encouraged to attend all general meetings of the Company. The notices of the extraordinary general meetings and annual general meeting of the Company were circulated to all Shareholders in accordance with the requirements of the GEM Listing Rules and the Articles of Association. It is a standard practice to have the non- executive Directors available to answer questions relating to their roles, tenure, and the committees of the Board. The results of voting by poll are published on the websites of the Stock Exchange and the Company after the meetings.

Any comments and suggestions to the Board can be addressed to our Hong Kong office or the Company Secretary by mail to Room 901, 9/F, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong; or by email to askus@jlogoholdings.com.

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the business of:

(1) Asian full services restaurants in Singapore; and

(2) Artisanal bakery chain in Malaysia.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis in this report. This discussion forms part of this directors' report.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, major risks are summarised below.

Our success substantially depends on the market recognition of our brands and any negative publicity, negative reviews or damage to our brands could materially and adversely impact our business and results of operations

We believe that our success substantially depends on the market recognition of our brands and the franchise brand. We believe that our continued success will depend in large on our ability to protect and enhance the value of these brands. Any incident that diminishes consumer trust in or preference for these brands could significantly reduce their values. As it is one of our business strategies to continue to grow in size, expand our food offerings and services and extend our geographic reach, maintaining quality and consistency may become more difficult.

Our Group operates in a highly competitive industry and the opening of new restaurants or bakery retail outlets by competitors near locations in which we operate may negatively affect the revenue of our existing restaurants or bakery retail outlets

Our Group faces intense competition from a large and diverse group of restaurants and bakery retail outlets and other food and beverage operators who target the same or similar group of customers. There are numerous restaurants and bakery retail outlets in Singapore and Malaysia offering similar cuisines and bakery products which compete with our Group in terms of, among other things, taste, quality, price, customer service, ambience, and the overall dining experience. Some of our Group's competitors may have longer operating history, larger customer base, better brand recognition and reputation, and better financial position, marketing strategies and public relations resources. As we face intense competition from other competitors as well as new market entrants, our Group's business and results of operations may be adversely affected in the event that we are not able to stay competitive in terms of our pricing, or there is deterioration in the quality of our dishes, products or our level of service.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2018, our Group's customers were mainly retail customers for our dining operations in Singapore and artisanal bakery chain in Malaysia.

During the year ended 31 December 2018, our Group's five largest suppliers accounted for approximately 37.4% of total purchases during the year ended 31 December 2018 and purchases from the largest supplier included therein amounted to approximately 12.3% of total purchase.

None of the Directors or any of their close associates (as defined in the GEM Listing Rules), or any of the Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or its five largest suppliers during the year ended 31 December 2018.

SEGMENT INFORMATION

An analysis of the Group's performance for the year by operating segment is set out in Note 4 to the financial statements.

RECOMMENDED DIVIDEND

The Board did not recommend the payment of any dividend for year ended 31 December 2018 (2017: Nil).

The Company intends to strike a balance between maintaining sufficient capital to grow the business and rewarding the shareholders of the Company. The Board has adopted a dividend policy pursuant to which in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, the following factors:

(i) the general financial condition of the Group;

(ii) the actual and future operations and liquidity positions of the Group;

(iii) the Group's future cash requirements and availability;

(iv) any restrictions on payment of dividends that may be imposed by the Group's lenders or securities holders;

(v) the general market conditions and prospect; and

(vi) any other factor that the Board deems appropriate.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

For details, please refer to page 11 of the Management Discussion and Analysis in this report.

CHARITABLE DONATIONS

The Group did not make any material charitable donations during the year (2017: Nil).

DIRECTORS' REPORT

SUMMARY FINANCIAL INFORMATION

A summary of the published result and assets, liabilities of the Group for the last four financial years, as extracted from the audited financial statements, is set out on page 108. This summary does not form part of the audited financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital of the Company during the year are set out in Note 22 to the financial statements. Details about the issuance of Shares are also set out in Note 22 to the financial statements.

PURCHASES, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

The Company or any of its subsidiaries has not purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2018.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Associations or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

DIRECTORS

The Directors during the financial year ended 31 December 2018 and up to the date of this report are as follows:

Executive Director

Ms. LOW Yeun Ching @Kelly Tan *(Chairlady and Chief Executive Officer)*
Mr. Sean LOW Yew Hong (Sean Liu Yaoxiong)
Mr. CHIU Ka Wai

Non-executive Director

Mr. CAI Da

Independent non-executive Directors

Mr. LU King Seng
Mr. LEE Alex Jao Jang
Mr. LIM Yeok Hua

DIRECTORS' SERVICE CONTRACTS

Each of the executive Director has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date and will continue thereafter until terminated in accordance with the terms of the agreement.

The non-executive Director has signed an appointment letter with the Company for an initial term of three years commencing from the Listing Date and is subject to termination in accordance with its terms.

The independent non-executive Directors have each signed an appointment letter with the Company for a term of three years commencing from the Listing Date and are subject to termination in accordance with their respective terms.

Other than as disclosed above, no Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2018, the interests and short positions of the Directors and chief executives of the Company or any of their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the shares

Name of Director/ Chief Executive	Capacity/ Nature of Interest	Number of Underlying Shares	Approximate Percentage
Ms. Low Yeun Ching @Kelly Tan (1)	Beneficial interest	282,000,000 Ordinary Shares (3)	56.4%
Mr. Cai Da (2)	Controlled corporation	93,0000,000 Ordinary Shares (3)	18.6%

Notes:

(1) Ms. Low Yeun Ching @Kelly Tan ("**Ms. Low**") is an executive Director, the chairlady of the Board and the chief executive officer of our Company.

(2) The shares are held by Zhengqi Capital Holdings Limited ("**Zhengqi Capital**"), which is held as to 100% by Mr. Cai Da ("**Mr. Cai**"), who is a non-executive Director. Therefore Mr. Cai is deemed to be interested in the 93,000,000 Shares held by Zhengqi Capital, pursuant to the SFO.

(3) These Shares are held in long position.

Save as disclosed above, none of the Directors, chief executives of the Company or their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise, notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SHARE OPTION SCHEME

The Company had adopted a share option scheme (the "**Share Option Scheme**") on 4 April 2018 for the purpose of enabling our Company to grant rights to subscribe for Shares pursuant to the terms of the Share Option Scheme ("Options", each an "Option") as incentives or rewards to the Participants (as defined below) for their contribution to our Group and/or to enable our Group to recruit and retain high calibre employees and attract human resources that are valuable to our Group and any entity which our Group holds any equity interest ("**Invested Entity**"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

Each of the grantees to whom an option has been granted under the Share Option Scheme shall be entitled to exercise his/her option in the manner set out in his/her offer document, provided that such period of time shall not exceed a period of 10 years commencing on the date on which the option is granted.

The Board may, at its discretion, invite any executive, non-executive or independent non-executive Directors or any employees (whether full-time or part-time) of our Company, or any of its subsidiaries or associated companies or any other person whom our Board considers, in its sole discretion, has contributed or will contribute to our Group ("**Participants**", each a "**Participant**") to take up the Options. The basis of eligibility of any of the class of the Participants to the grant of any Option shall be determined by our Board from time to time on the basis of their contribution to the development and growth of our Group and any Invested Entity. Unless otherwise determined by our Board and specified in the offer letter to be given to the Participant at the time of the offer of the Option ("**Offer**"), there is neither any performance target that needs to be achieved by the Participant who accepts an Offer in accordance with the terms of the Share Option Scheme ("**Grantee**") before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised.

The subscription price for our Shares under the Share Option Scheme shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option, but in any case shall not be less than the highest of (a) the closing price of our Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date on which an Offer is made by our Company to the Grantee (which date must be a Business Day, "Offer Date"); (b) a price being the average of the closing prices of our Shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date (provided that the Offer Price shall be used as the closing price for any Business Day falling within the period before listing of our Shares where our Company has been listed for less than five (5) Business Days as at the Offer Date); and (c) the nominal value of a Share.

The amount payable by the grantee of an Option to our Company on acceptance of the offer for the grant of an Option is HK$1.00, which shall be payable within the period as our Board may determine and specify in the letter of Offer.

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular Option is granted in accordance with the Share Option Scheme.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of Shares in issue immediately following the listing of the Company on the Stock Exchange (being 50,000,000 Shares). The maximum number of shares issuable under share options to each eligible participant in the Company's Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to Shareholders' approval in a general meeting. During the year ended 31 December 2018, the Company may grant options in respect of up to 50,000,000 Shares to the participants under the Share Option Scheme, being 10% of the issued shares of the Company as at the date of this report.

No option has lapsed, or has been granted, exercised or cancelled under the Share Option Scheme during the year ended 31 December 2018. Our Group did not have any outstanding share options, warrants, convertible instruments, or similar rights convertible into our Shares as at 31 December 2018, nor has there been any exercise, redemption, purchase or cancellation made during the year ended 31 December 2018 of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, at no time from the Listing Date to the date of this report was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2018, the interests and short positions of substantial shareholders and other persons (not being a Director or chief executive of the Company) in the Shares and underlying Shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the shares

Name	Capacity/ Nature of Interest	Aggregate number of Shares or Underlying Shares	Approximate percentage of interest in our Company
Zhengqi Capital (1)	Beneficial owner	93,000,000 Ordinary Shares (3)	18.6%
Ms. Fan Li (2)	Spouse/Interest in controlled corporation	93,000,000 Ordinary Shares (3)	18.6%

Notes:

(1) Zhengqi Capital is held as to 100% by Mr. Cai, who is a non-executive Director.

(2) Ms. Fan Li is the spouse of Mr. Cai, and therefore she is deemed to be interested in the 93,000,000 Shares held by Mr. Cai, through his controlled corporation, Zhengqi Capital, pursuant to the SFO.

(3) These Shares are held in long position.

Save as disclosed above, as at the date of this report, according to the register of interests required to be kept by the Company under Section 336 of the SFO, there was no other person or corporation (other than the Directors and chief executives of the Company) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO.

REMUNERATION POLICY

Details of the remuneration of the Directors for the year ended 31 December 2018 are set out in Note 8 to the financial statements in this report. During the year ended 31 December 2018, there was no arrangement under which any Directors waived or agreed to waive any remuneration.

EMOLUMENT POLICY

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. The remunerations of the Directors are determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group are set out in Note 26 to the financial statements. Such related party transactions do not fall under the definition of connected transaction or continuing connected transaction under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

During the year, the Group has not entered into any connected transactions or continuing connected transactions that are not exempted under the GEM Listing Rules. The Board confirms that the Company has complied with the applicable disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the company has maintained the prescribed public float required by the GEM Listing Rules since the Listing Date and up to the date of this report.

DIRECTORS' INTEREST IN COMPETING BUSINESS

The Directors are not aware of any business or interest of the Directors nor our controlling shareholders nor any of their respective close associates that competes or may compete, directly or indirectly, with the Group's business and any other conflicts of interest which any such person has or may have with the Group during the year.

DEED OF NON-COMPETITION

Ms. Low, our controlling shareholder (the "**Covenanter**") entered into a deed of non-competition (the "**Non-competition Deed**") in favour of our Company, pursuant to which the Covenanter has undertaken to our Company that he would not, and that his associates (except any member of our Group) would not, during the restricted period set out therein, directly or indirectly, either on his own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as shareholder, partner, agent or otherwise) any business which is or may be in competition with our existing core business. Ms. Low has confirmed to the Company that the Non-competition Deed has been fully complied with as at 31 December 2018.

Details of the undertaking has been set out in the section headed "Relationship with Controlling Shareholder" of the Prospectus.

COMPETITION AND CONFLICT OF INTEREST

During the year, none of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was there any arrangement, to which the Company, or any of its subsidiaries was a party, whose objects are to enable the Directors to acquire benefits by means of the acquisition of Shares or debentures, or such shares or debentures of any other body corporate.

INDEMNITY OF DIRECTORS

The Articles of Association provides that the Directors shall be indemnified and secured harmless out of the assets of the Company against all actions, costs, charges, losses, damages and expenses which they shall incur or sustain in execution of their duty or supposed duty in their respective offices, except such as they shall incur or sustain through their own fraud or dishonesty.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance to which the Company, or any of its subsidiaries was a party, and in which a Director or entity connected with such Director had a material interest, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

ENVIRONMENTAL POLICIES AND PERFORMANCE

A separate environmental, social and governance report is expected to be published on the respective websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.jlogoholdings.com) no later than three months after the annual report has been published.

COMPLIANCE WITH CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the date of this report, none of the Directors had an interest in a business (other than those businesses where the Director were appointed as directors to represent the interests of the Company and/or any member of the Group) which are considered to compete or are likely to compete, either directly or indirectly, with businesses of the Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognises the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the year under review.

The Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to suppliers before the commencement of a project.

The Group values the views and opinions of all customers through various means and channels, including usage of business intelligence to understand customer trends and needs and regular analysis on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2018 are set out in Note 20 to the financial statements.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last four financial years is set out on page 108 of the annual report.

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group for the year are set out in the consolidated statement of changes in equity on page 48.

Details of the movements in the reserve of the Company for the year are set out in Note 31 to the financial statements.

As at 31 December 2018, the Company had no distributable reserve (31 December 2017: S$Nil million).

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition or disposal of subsidiaries or associates during the year ended 31 December 2018.

RETIREMENT SCHEMES

Particulars of retirement schemes are set out in Note 2.25 to the financial statements.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and, based on contents of such confirmation, considers all the independent non-executive Directors to be independent and that they have met the specific independence guidelines as set out in Rule 5.09 of the GEM Listing Rules.

INTERESTS OF COMPLIANCE ADVISOR

As notified by the Company's compliance advisor, Messis Capital Limited, neither Messis Capital Limited nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation of the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules (except for the compliance adviser service provided by Messis Capital Limited) as at the date of this report.

EVENTS AFTER THE REPORTING PERIOD

There were no important events affecting the Group that have occurred since the end of the year.

CORPORATE GOVERNANCE

Details of the corporate governance practice adopted by the Company are set out on page 19 to 28 of this annual report.

REVIEW BY AUDIT COMMITTEE

The Company's Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the audited consolidated financial statements for the year ended 31 December 2018.

THE GROUP'S COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

AUDITORS

The Company has not changed its auditors since the Listing Date and up to the date of this report. However, Ernst & Young will not seek for re-appointment as auditors of the Company at the forthcoming annual general meeting of the Company and they will remain in office until the conclusion of the forthcoming AGM. The Company will announce the appointment of the new auditors and propose for the shareholders' approval in relation thereto as and when appropriate in compliance with the GEM Listing Rules and the articles of associations of the Company.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our Shareholders, business partners and customers for their continuous support to the Group. I would also extend my gratitude and appreciation to all the Directors, management and staff for their hard work and dedication throughout the period.

By Order of the Board
LOW Yeun Ching @Kelly Tan
Chairlady and Executive Director

22 March 2019

INDEPENDENT AUDITOR'S REPORT

To the members of JLogo Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of JLogo Holdings Limited (the "**Company**") and its subsidiary (collectively, the "**Group**") set out on pages 46 to 107, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**") issued by the International Auditing and Assurance Standards Board (the "**IAASB**"). Our responsibilities under those standards are further described in the "*Auditor's responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS (continued)

Key audit matters	How our audit addressed the key audit matters
Carrying value of property plant and equipment	
At 31 December 2018, the carrying value of the Group's property, plant and equipment was S$2,564,000, which represented 60% of the Group's total non-current assets. For its restaurants and bakery outlets reporting losses, management has used the investment payback period method to assess whether these outlets' property, plant and equipment have an indication of impairment. Management has considered factors including but not limited to the initial investment size, market reception and timing of commencement of operation which would affect the duration of the investment payback period. Where there is an indication of impairment, management determined the recoverable amount of the property, plant and equipment based on value in use calculations. This area was significant to our audit due to the size of the carrying amount of property, plant and equipment. In addition, in determining the value in use, management is required to make assumptions and estimation on the recoverable amount including but not limited to the forecasted revenue and operating expenses. Disclosures about the significant accounting estimates and the impairment of property, plant and equipment are included in notes 3.2 and 13 to the financial statements.	We assessed the method used by management to assess impairment and evaluated the key assumptions used in the impairment analysis. We reviewed management's budgeting process by comparing the actual financial performance against previously forecasted results. We evaluated the sales growth rates to assess if they are consistent with the Group's historical growth rates and industry outlook. We involved our internal valuation specialists to assess reasonableness of the discount rates used by management. We also assessed the adequacy of the disclosures made on the impairment of property, plant and equipment.
Allowance for inventory obsolescence	
As at 31 December 2018, the Group's inventory balance amounted to S$366,000, after considering allowance for inventories obsolescence and inventories written-off of S$27,500. Inventory valuation was an audit focus area because of the additional risks assessed due to the number of locations that the inventories were held at, and the judgement applied in the valuation of inventory on hand. Such judgements include management's expectations of forecast inventory demand, product expiry dates and plans to dispose of inventories that are close to expiry. Disclosure about the significant accounting estimates and allowance for inventory obsolescence are included in notes 3.2 and 15 to the financial statements.	We observed the inventory count performed by management and assessed the physical condition of inventories at balance sheet date. We also assessed the allowance policy based on historical sales performance of the products in their life cycles, the outlook of the industry and the costs incurred historically to sell aged inventories. We further tested the ageing of the inventories and the computation of the obsolescence level. We also assessed the adequacy of the Group's disclosures concerning this.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to the fraud or error.

In preparing the consolidated financial statements, the directors of the Company are 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 the directors of the Company either intend to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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. Our report is made solely to you, as a body and for no other purpose. We do not assume responsibility towards or accept liability to any person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

- Identify and assess the risks of material misstatement of the consolidated 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 consolidated 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.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We communicate with the Audit Committee 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 Audit Committee 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 Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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.

The engagement partner on the audit resulting in this independent auditor's report is LAW KWOK KEE.

Ernst & Young

Certified Public Accountants

Hong Kong

22 March 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2018

	Notes	2018 S$'000	2017 S$'000
REVENUE	5	**19,138**	19,688
Cost of inventories sold and consumed		**(4,946)**	(4,597)
GROSS PROFIT		**14,192**	15,091
Other income and gains, net	5	**270**	142
Employee benefits expense		**(6,606)**	(5,893)
Depreciation of property, plant and equipment	6	**(1,004)**	(977)
Amortisation of intangible asset	6	**(49)**	(49)
Rentals and related expenses		**(4,681)**	(4,267)
Utility expenses		**(914)**	(764)
Marketing and advertising expenses		**(80)**	(74)
Other expenses		**(3,617)**	(4,911)
Finance costs	7	**(103)**	(218)
LOSS BEFORE TAX	6	**(2,592)**	(1,920)
Income tax credit/(expense)	10	**76**	(342)
LOSS FOR THE YEAR		**(2,516)**	(2,262)
Attributable to:			
Owners of the parent		**(2,516)**	(2,262)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic and diluted (S$ cents per share)	12	**(0.54)**	(0.58)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange difference on translation of foreign operations		**93**	14
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**93**	14
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(2,423)**	(2,248)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2018

	Notes	2018 S$'000	2017 S$'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**2,564**	2,585
Intangible asset	14	**141**	190
Other receivables	16	**839**	685
Prepayment for purchase of items of property, plant and equipment		**650**	457
Deferred tax assets	21	**102**	15
Total non-current assets		**4,296**	3,932
CURRENT ASSETS			
Inventories	15	**366**	462
Trade and other receivables	16	**1,507**	1,483
Prepayments		**278**	1,337
Pledged deposits	17	**156**	156
Cash and cash equivalents	17	**9,186**	3,630
Total current assets		**11,493**	7,068
CURRENT LIABILITIES			
Trade and other payables	18	**3,381**	3,677
Due to a Director of the Company		**3**	–
Interest-bearing bank and other borrowings	20	**1,085**	682
Tax payable		**211**	320
Total current liabilities		**4,680**	4,679
NET CURRENT ASSETS		**6,813**	2,389
TOTAL ASSETS LESS CURRENT LIABILITIES		**11,109**	6,321
NON-CURRENT LIABILITIES			
Other payables	18	**70**	70
Interest-bearing bank and other borrowings	20	**36**	1,124
Deferred tax liabilities	21	**40**	63
Total non-current liabilities		**146**	1,257
Net assets		**10,963**	5,064
EQUITY			
Share capital	22	**869**	676
Reserves	23	**10,094**	4,388
Total equity		**10,963**	5,064

LOW Yeun Ching @Kelly Tan
Director

CHIU Ka Wai
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2018

	Share capital S$'000 (note 22)	Share premium S$'000 (note 23)	Merger reserve S$'000 (note 23)	Exchange fluctuation reserve S$'000 (note 23)	Retained profits S$'000	Total S$'000
At 22 May 2017 (date of incorporation)	–	–	1,735	(82)	1,283	2,936
Loss for the year	–	–	–	–	(2,262)	(2,262)
Other comprehensive income for the year:						
Exchange differences on translations of foreign operations	–	–	–	14	–	14
Total comprehensive income/(loss) for the year	–	–	–	14	(2,262)	(2,248)
Interim 2017 dividends declared by subsidiaries (note 11)	–	–	–	–	(1,482)	(1,482)
Contribution by a pre-listing investor of a subsidiary	–	–	5,858	–	–	5,858
Issue of shares by the Company for acquisition of a subsidiary in connection with the Reorganisation (note 22)	676	5,182	(5,858)	–	–	–
At 31 December 2017 and 1 January 2018	**676**	**5,182**	**1,735**	**(68)**	**(2,461)**	**5,064**
Loss for the year	**–**	**–**	**–**	**–**	**(2,516)**	**(2,516)**
Other comprehensive income for the year:						
Exchange differences on translations of foreign operations	**–**	**–**	**–**	**93**	**–**	**93**
Total comprehensive income/(loss) for the year	**–**	**–**	**–**	**93**	**(2,516)**	**(2,423)**
Issuance of new shares in connection with initial public offering	**193**	**9,432**	**–**	**–**	**–**	**9,625**
Share issuance expenses	**–**	**(1,303)**	**–**	**–**	**–**	**(1,303)**
At 31 December 2018	**869**	**13,311***	**1,735***	**25***	**(4,977)***	**10,963**

* These reserve accounts comprise the consolidated reserves of S$10,094,000 (2017: S$4,388,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2018

	Notes	2018 S$'000	2017 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(2,592)**	(1,920)
Adjustments for:			
Depreciation of property, plant and equipment	6	**1,004**	977
Amortisation of intangible asset	6	**49**	49
Impairment loss on trade receivables	6	**50**	–
Loss on disposal of items of property, plant and equipment	6	**–**	7
Write-off of property, plant and equipment	6	**2**	2
Impairment of property, plant and equipment	6	**61**	–
Provision for unutilised leave		**20**	(1)
Release of deferred rental liability	6	**–**	(38)
Impairment loss on inventories	6	**28**	–
Interest income	5	**(68)**	(60)
Unrealised exchange loss		**84**	145
Finance costs	7	**103**	218
		(1,259)	(621)
Decrease/(increase) in inventories		**68**	(32)
Increase in trade and other receivables		**(201)**	(504)
Decrease/(increase) in prepayments		**1,059**	(146)
Decrease in trade and other payables		**(723)**	(675)
Cash used in operations		**(1,056)**	(1,978)
Interest paid		**(103)**	(216)
Interest received		**40**	22
Income tax refunded		**–**	20
Income tax paid		**(145)**	(513)
Net cash flows used in operating activities		**(1,264)**	(2,665)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2018

	Notes	2018 S$'000	2017 S$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Prepayment for property, plant and equipment		**(193)**	(457)
Purchase of items of property, plant and equipment	13	**(624)**	(449)
Decrease in net amount due from a Director of the Company		**–**	872
Net cash flows used in investing activities		**(817)**	(34)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in fixed deposit pledged to a bank		**–**	(26)
Contribution by a pre-listing investor of a subsidiary		**–**	5,858
Proceeds from bank loans		**–**	2,037
Repayment of bank loans and finance leases		**(685)**	(2,695)
Proceeds from issuance of shares		**9,625**	–
Shares issuance expenses		**(1,303)**	–
Net cash flows generated from financing activities		**7,637**	5,174
NET INCREASE IN CASH AND CASH EQUIVALENTS		**5,556**	2,475
Cash and cash equivalents at beginning of year		**3,630**	1,309
Effect on foreign exchange rate changes, net		**–**	(154)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**9,186**	3,630
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**2,873**	3,112
Fixed deposits with licenced banks		**6,469**	674
Less: Fixed deposit pledged		**(156)**	(156)
Cash and cash equivalents as stated in the statement of cash flows	17	**9,186**	3,630

1. CORPORATE AND GROUP INFORMATION

JLogo Holdings Limited (the "**Company**") is an exempted company with limited liability incorporated in the Cayman Islands on 22 May 2017. The registered office of the Company is located at the offices of Estera Trust (Cayman) Limited, P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands.

During the year, the Group was involved in the following principal activities:

(1) Asian full services restaurant operations in Singapore; and

(2) Artisanal bakery chain in Malaysia.

Information about subsidiaries

The Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Company name	Place of incorporation/ registration and business	Issued/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
JLogo Limited	British Virgin Islands ("**BVI**")	US$2	100	–	Investment holding
JC Global Concepts Pte. Ltd.	Singapore	S$2	–	100	Investment holding
Bosses Restaurant Pte. Ltd.	Singapore	S$500,000	–	100	Restaurant operation
J W Central Pte. Ltd.	Singapore	S$350,000	–	100	Restaurant operation
JC Dining Pte. Ltd.	Singapore	S$500,000	–	100	Restaurant operation
Bread Story Sdn. Bhd.	Malaysia	RM1,000,000	–	100	Artisanal bakery chain

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"), which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention which has been measured at fair value. The financial statements are presented in Singapore dollars ("**SGD**" or "**S$**") and all values in the tables are rounded to the nearest thousand ("**S$'000**"), except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

The Group 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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, or the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised standards for the first time for the current year's financial statements.

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
IFRS 9	*Financial Instrument*
IFRS 15	*Revenue from Contracts with Customers*
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*
Amendments to IAS 40	*Transfers of Investment Property*
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014–2016 Cycle	*Amendments to IFRS 1 and IAS 28*

The adoption of the above new and revised standards has had no significant financial effect on these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, which have been issued but are not yet effective, in the financial statements:

Amendments to IFRS 3	*Definition of a Business*[3]
Amendments to IFRS 9	*Prepayment Features with Negative Compensations*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
IFRS 16	*Leases*[1]
IFRS 7	*Insurance Contracts*[4]
Amendments to IAS 1 and IAS 8	*Definition of Material*[3]
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*[1]
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*[1]
IFRIC 23	*Uncertainty over Income Tax Treatments*[1]
Annual Improvements 2015–2017 Cycle	*Amendments to the following four IFRSs:*
	IFRS 3 Business Combinations[1]
	IFRS 11 Joint Arrangements[1]
	IAS 12 Income Taxes[1]
	IAS 23 Borrowing Costs[1]

1 Effective for annual periods beginning on or after 1 January 2019

2 No mandatory effective date yet determined but available for adoption

3 Effective for annual periods beginning on or after 1 January 2020

4 Effective for annual periods beginning on or after 1 January 2021

Further information about those IFRSs that are expected to be applicable to the Group is described below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

IFRS 16, issued in January 2016, replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases — Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees — leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right- of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach.

The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. Based on preliminary analysis, the Group expects the adoption of IFRS 16 would have the following impact:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

For restaurants, outlets and office premise that have minimum lease payments over the lease term, the combination of straight-line depreciation of the right-of use asset and the effective interest rate method applied to the lease liability will result in a higher total charge of profit or loss in the initial years of lease, and decreasing expenses during the latter part of the lease term, but there is no significant impact on the total expenses recognised over the lease term. The Group expects that certain portion of these lease commitments will be required to be recognised in the consolidated statements of financial position as right-of-use assets and lease liabilities, the Group has estimated that right-of-use asset of approximately S$7,000,000 and lease liabilities of approximately S$7,000,000 will be recognised at 1 January 2019. This assessment may be subject to changes arising from ongoing analysis. As set out in note 25(a) to the financial statements, the Group's total future minimum lease payments payable under non-cancellable operating lease as at 31 December 2018 is S$8,263,000 (2017: S$7,123,000). Except for the changes in measurement, presentation and disclosure as indicated above, the Directors of the Company do not expect the adoption of IFRS 16, as compared to the current accounting policy of the Group, would result in significant impact on the results and the net assets of the Group.

IFRIC 23, issued in June 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 FAIR VALUE MEASUREMENT

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 FAIR VALUE MEASUREMENT (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 RELATED PARTIES

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.7 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold property	–	2%
Leasehold land and building	–	2%
Kitchen and bar equipment	–	10% - 15%
Motor vehicles	–	20%
Furniture and fittings	–	15% - 50%
Computers and office equipment	–	20% - 33%
Leasehold improvements	–	16.67% or over the lease term

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sale proceeds and the carrying amount of the relevant asset.

2.8 INTANGIBLE ASSET

An intangible asset acquired separately is measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is the fair value as at the date of acquisition. Following initial acquisition, intangible asset is carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful life of the intangible asset of the Group and the Company is assessed as finite.

An intangible asset with a finite useful life is amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 INTANGIBLE ASSET (continued)

Franchise licence

Franchise licence is acquired separately and represents the franchise fees paid to acquire the "Greyhound café" franchise. The franchise licence is amortised on a straight-line basis over its finite useful life of five (5) years.

2.9 LEASES

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

2.10 INVESTMENTS AND OTHER FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 INVESTMENTS AND OTHER FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018) (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2.11 INVESTMENTS AND OTHER FINANCIAL ASSETS (POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 INVESTMENTS AND OTHER FINANCIAL ASSETS (POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018) (Continued)

Initial recognition and measurement (Continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and cash equivalents and trade and other receivables.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

2.12 DERECOGNITION OF FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018 AND POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's combined statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 IMPAIRMENT OF FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018)

The Group recognises an allowance for expected credit loss ("**ECL**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 IMPAIRMENT OF FINANCIAL ASSETS (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018) (continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.14 IMPAIRMENT OF FINANCIAL ASSETS (POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 IMPAIRMENT OF FINANCIAL ASSETS (POLICIES UNDER IAS 39 APPLICABLE BEFORE 1 JANUARY 2018) (continued)

Financial assets carried at amortised cost (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

2.15 FINANCIAL LIABILITIES (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018 AND IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, amount due to a Director of the Company and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of loans and borrowings is as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 DERECOGNITION OF FINANCIAL LIABILITIES (POLICIES UNDER IFRS 9 APPLICABLE FROM 1 JANUARY 2018 AND IAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2.17 OFFSETTING OF FINANCIAL INSTRUMENTS (POLICIES UNDER HKFRS 9 APPLICABLE FROM 1 JANUARY 2018 AND HKAS 39 APPLICABLE BEFORE 1 JANUARY 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.18 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of inventories comprises cost of purchasing raw materials and finished goods. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

2.19 CASH AND CASH EQUIVALENTS

For the purpose of the combined statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks which are not restricted as to use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.21 INCOME TAX

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in countries in which the Group primarily operates in.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 INCOME TAX (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.22 GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

2.23 REVENUE RECOGNITION (APPLICABLE FROM 1 JANUARY 2018)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 REVENUE RECOGNITION (APPLICABLE FROM 1 JANUARY 2018) (continued)

Revenue from contracts with customers (continued)

(a) Sale of food and beverages

Revenue from the sale of food and beverages represent the invoiced value of food and beverages, net of goods and services tax, recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the food and beverages to the customer.

(b) Franchise and royalty fee income

Initial franchise income is recognised upon the grant of rights, completion of the designated phases of the franchise set-up 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 pre-determined amount in accordance with terms as stated in the franchise agreements. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(c) Membership fee income

On 1 September 2017, the Group operates a loyalty programme called "JC Privileges" that provides vouchers upon registration and rebates to members based on accumulated rebate dollars. Membership fee income is recognised upon utilisation of cash vouchers granted on membership sign up. A portion of revenue attributable to the rebate dollars granted for every dining bills, estimated based on expected utilization of these rebates and vouchers, is deferred until they are utilized. These are included under deferred revenue on the consolidated statement of financial position. Any remaining unutilized benefits are recognized as revenue upon expiry.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.24 REVENUE RECOGNITION (APPLICABLE BEFORE 1 JANUARY 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of food, when the products are sold to customers and the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the food sold.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 REVENUE RECOGNITION (APPLICABLE BEFORE 1 JANUARY 2018) (continued)

(b) from restaurant operations, when catering services have been provided to the customers.

(c) interest income, on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(d) franchise fees that relate directly to specific performance or service obligations are recognised as and when the obligations were performed. Franchise fees that are general in nature or with continuing obligations over the tenure of a period are recognised on a straight-line basis over the period of the relevant agreement. Royalty fees are recognised on an accrual basis.

(e) the Group introduced a loyalty card programme called "Black Loyalty Card" that provided rebates to card members based on accumulated rebate dollars and terminated as of 31 August 2017. On 1 September 2017, the Group operates a loyalty programme called "JC Privileges" that provides vouchers upon registration and rebates to members based on accumulated rebate dollars. A portion of revenue attributable to the rebate dollars granted for every dining bills, estimated based on expected utilisation of these rebates and vouchers, is deferred until they are utilised. These are included under deferred revenue on the consolidated statement of financial position. Any remaining unutilised benefits are recognised as revenue upon expiry.

2.25 EMPLOYEE BENEFITS

The employees of the Group's subsidiaries which operate in Singapore and Malaysia are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Singapore and Malaysia are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

2.26 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when 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 deducted from the borrowing cost capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.27 DIVIDENDS

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 FOREIGN CURRENCIES

The functional currency of the Company is in Hong Kong dollars. As the Group mainly operates in Singapore, Singapore dollars is used as the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. All differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Company and certain overseas subsidiaries are currencies other than the Singapore dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Singapore dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Singapore dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Singapore dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Singapore dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

3.1 Judgements

In the process of applying the Group's accounting policies, management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognised in the consolidated financial statements, apart from those involving estimations described below.

3.2 Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of property, plant and equipment

The Group determines whether property, plant and equipment are impaired when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of the property, plant and equipment exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair values less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit using key assumptions such as revenue growth rate and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of the Group's property, plant and equipment as at 31 December 2018 was S$2,564,000 (2017: S$2,585,000).

Allowance for inventory obsolescence

At the end of the financial year, the Group assesses whether any allowance for inventory obsolescence is required based on the best available facts and circumstances, including but not limited to, the inventories' physical conditions, age of inventories, their market selling prices, historical experiences and estimated costs to be incurred for their sales. An amount of estimation is required to determine the inventory obsolescence. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amount of the Company's inventories as at 31 December 2018 was S$366,000 (2017: S$462,000), after considering allowance for inventory obsolescence and inventories written-off of S$27,500 (2017: Nil).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

3.2 Estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level future taxable profits together with future tax planning strategies. The carrying amount of deferred tax assets as at 31 December 2018 was S$102,000 (2017: S$15,000).

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two reportable segments as follows:

i. the dining operations segment relates to the operations and management of restaurants; and

ii. the artisanal bakery segment relates to the retail outlets specialising in the sale of bread and flour confectionary products

Management monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss which in certain respects, as explained in the table below, is measured differently from the financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated expense and income comprise of expense and other sources of income which are not directly attributable to the identified segments.

Intersegment sales and transfers are on terms' agreement in a manner similar to transactions with third parties at the then prevailing market prices. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Geographical Information

The Group's revenue from external customers was derived from its operations in Singapore and Malaysia, and the non-current assets of the Group were located in Singapore and Malaysia as at 31 December 2017 and 2018.

Information about major customers

Since none of the Group's sales to a single customer accounted for 10% or more of the Group's total revenue during the year, no major customer information is presented in accordance with IFRS 8 *Operating Segment*.

4. OPERATING SEGMENT INFORMATION (continued)

Information about major customers (continued)

	Dining operations		Artisanal bakery		Adjustments and eliminations		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
Revenue:								
External customers	**14,145**	14,608	**4,993**	5,080	**–**	–	**19,138**	19,688
Intersegment sales	**205**	180	**–**	–	**(205)**	(180)	**–**	–
Segment revenue	**14,350**	14,788	**4,993**	5,080	**(205)**	(180)	**19,138**	19,688
Cost of inventories sold and consumed	**(3,465)**	(3,076)	**(1,686)**	(1,701)	**205**	180	**(4,946)**	(4,597)
Gross profit	**10,885**	11,712	**3,307**	3,379	**–**	–	**14,192**	15,091
Results:								
Other income and gains, net	**853**	345	**17**	49	**(600)**	(252)	**270**	142
Employee benefits expenses	**(4,115)**	(3,545)	**(1,415)**	(1,462)	**–**	–	**(5,530)**	(5,007)
Depreciation and amortisation expense	**(674)**	(670)	**(379)**	(356)	**–**	–	**(1,053)**	(1,026)
Rentals and related expenses	**(3,632)**	(3,384)	**(1,049)**	(883)	**–**	–	**(4,681)**	(4,267)
Utility expenses	**(642)**	(534)	**(272)**	(230)	**–**	–	**(914)**	(764)
Marketing and advertising expenses	**(80)**	(67)	**–**	(7)	**–**	–	**(80)**	(74)
Other operating expenses	**(2,346)**	(1,676)	**(300)**	(325)	**600**	252	**(2,046)**	(1,749)
Finance costs	**(84)**	(189)	**(19)**	(29)	**–**	–	**(103)**	(218)
Segment profit/(loss)	**165**	1,992	**(110)**	136	**–**	–	**55**	2,128
Unallocated employee benefits expense							**(1,076)**	(886)
Unallocated other expenses							**(1,571)**	(3,162)
Loss before tax							**(2,592)**	(1,920)
Income tax expense							**76**	(342)
Loss for the year							**(2,516)**	(2,262)

4. OPERATING SEGMENT INFORMATION (continued)

Information about major customers (continued)

	Dining operations		Artisanal bakery		Adjustments and eliminations		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
Assets:								
Property, plant and equipment	**1,108**	940	**1,456**	1,645	**–**	–	**2,564**	2,585
Intangible asset	**141**	190	**–**	–	**–**	–	**141**	190
Other segment assets	**19,231**	2,885	**1,088**	1,395	**(7,337)**	(3,068)	**12,982**	1,212
Segment assets	**20,480**	4,015	**2,544**	3,040	**(7,337)**	(3,068)	**15,687**	3,987
Unallocated assets *							**102**	7,013
Total assets							**15,789**	11,000
Liabilities:								
Segment liabilities	**(9,852)**	(5,332)	**(1,943)**	(2,213)	**7,337**	3,068	**(4,458)**	(4,477)
Unallocated liabilities *							**(368)**	(1,459)
Total liabilities							**(4,826)**	(5,936)
Other segment information:								
Additions to non-current assets **	**852**	79	**183**	545	**–**	–	**1,035**	624
Write-off of property, plant and equipment	**–**	–	**2**	2	**–**	–	**2**	2
Impairment of property, plant and equipment	**61**	–	**–**	–	**–**	–	**61**	–

* The unallocated assets and liabilities are mainly corporate assets, tax recoverable, corporate liabilities, tax payable and deferred tax liabilities.

** Additions to non-current assets consist of additions to property, plant and equipment and intangible asset.

4. OPERATING SEGMENT INFORMATION (continued)

Information about major customers (continued)

(a) Geographical information

Revenue from external customers:

	2018 S$'000	2017 S$'000
Singapore	**14,145**	14,608
Malaysia	**4,993**	5,080
	19,138	19,688

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2018 S$'000	2017 S$'000
Singapore	**2,563**	2,129
Malaysia	**1,631**	1,788
	4,194	3,917

The non-current assets information above is based on the locations of the assets and excludes deferred tax assets.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

	2018 S$'000	2017 S$'000
Under IFRS 15		
Revenue from contracts with customers	19,138	–
Under IAS 18		
Dining operations	–	14,608
Artisanal bakery:		
– Sale of bread and flour confectionary products	–	5,007
– Franchise and royalty fee income	–	73
	19,138	19,688

Revenue from contracts with customers

(i) *Disaggregated revenue information*

For the year ended 31 December 2018

Segments	Dining operations S$'000	Artisanal bakery S$'000	Total S$'000
Type of goods or services			
Sale of food and beverages	14,100	4,954	19,054
Membership fee income	45	–	45
Franchise and royalty fee income	–	39	39
Total revenue from contracts with customers	14,145	4,993	19,138
Geographical markets			
Malaysia	–	4,993	4,993
Singapore	14,145	–	14,145
Total revenue from contracts with customers	14,145	4,993	19,138
Timing of revenue recognition			
Goods transferred at a point in time	14,100	4,954	19,054
Goods and services transferred over time	45	39	84
Total revenue from contracts with customers	14,145	4,993	19,138

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the year ended 31 December 2018

Segments	Dining operations S$'000	Artisanal bakery S$'000	Total S$'000
Revenue from contracts with customers			
External customers	14,145	4,993	19,138
Intersegment sales	205	–	205
Total revenue from contracts with customers	14,350	4,993	19,343
Intersegment adjustments and eliminations	(205)	–	(205)
Total revenue from contracts with customers	14,145	4,993	19,138

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2018 S$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	
Membership fee	31
Franchise fee	17
	48

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of food and beverages

The performance obligation is satisfied upon delivery of the food and payment is due at the point of sale.

Membership fee

The performance obligation is satisfied upon utilisation of cash vouchers granted on membership sign up. Payments are made upfront.

Franchise fee

The performance obligation is satisfied over time as services are rendered. Payments are made upfront.

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers (continued)

(ii) Performance obligations (continued)

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2018 are as follows:

	2018 S$'000
Within one year	74
More than one year	10
	84

The remaining performance obligations expected to be recognised in more than one year relate to franchise fee that are to be satisfied within five years. All the other remaining performance obligations are expected to be recognised within one year.

	2018 S$'000	2017 S$'000
Other income and gains		
Government grants*	93	50
Interest income	68	60
Foreign exchange gain	102	19
Others	7	13
	270	142

* The amount mainly represents rewards or subsidies under the Special Employment Credit Scheme and the Wage Credit Scheme which were received from the Singapore government. There are no unfulfilled conditions or contingencies relating to these grants.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	2018 S$'000	2017 S$'000
Depreciation of property, plant and equipment	13	**1,004**	977
Amortisation of intangible asset	14	**49**	49
Auditors' remuneration		**167**	83
Minimum lease payments under operating leases		**4,535**	4,199
Contingent rent		**146**	106
Release of deferred rental liability		**–**	(38)
Staff costs (excluding directors' and chief executive's remuneration (note 8))		**6,158**	5,623
– Salaries, wages and bonuses		**5,105**	4,704
– Staff welfare and others		**657**	426
– Pension scheme contributions		**396**	493
Write-off of property, plant and equipment	13	**2**	2
Impairment of property, plant and equipment	13	**61**	–
Impairment of trade receivables	16	**50**	–
Impairment of inventories	15	**28**	–
Loss on disposal of property, plant and equipment		**–**	7
Foreign exchange difference, net		**(102)**	117
Expenses related to the proposed initial public offering		**1,571**	3,162

7. FINANCE COSTS

	2018 S$'000	2017 S$'000
Interest expenses		
– Finance lease	**5**	4
– Term loans	**84**	202
Bank charges	**14**	10
Others	**–**	2
	103	218

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

On 22 May 2017, Ms. Low was appointed as an executive Director and the chief executive officer of the Company. Mr. Chiu Ka Wai and Mr. Sean Low were appointed as executive Directors of the Company on 27 July 2017. Mr. Cai Da was appointed as a non-executive Director on 27 July 2017. Mr. Lu King Seng, Mr. Lee Alex Jao Jang and Mr. Lim Yeok Hua were appointed as independent non-executive Directors of the Company on 4 April 2018.

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation, is as follows:

	2018 **S$'000**	2017 S$'000
Fees	**120**	–
Other emoluments:		
Salaries, allowances and benefits in kind	**384**	238
Discretionary performance-related bonuses	**32**	6
Pension scheme contributions	**32**	26
	448	270
	568	270

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

The emoluments paid or payable to each of the directors and the chief executive of the Company for the year were as follows:

Year ended 31 December 2018	Fees S$'000	Salaries, allowances and benefits in kind S$'000	Discretionary performance-related bonuses S$'000	Pension scheme contributions S$'000	Total remuneration S$'000
(a) Executive Directors:					
Ms. Low	–	144	12	14	170
Mr. Chiu Ka Wai	–	180	15	7	202
Mr. Sean Low	–	60	5	11	76
	–	384	32	32	448
(b) Non-executive Director:					
Mr. Cai Da	20	–	–	–	20
(c) Independent non-executive Directors:					
Mr. Lu King Seng	40	–	–	–	40
Mr. Lee Alex Jao Jang	30	–	–	–	30
Mr. Lim Yeok Hua	30	–	–	–	30
	100	–	–	–	100
	120	384	32	32	568
Year ended 31 December 2017					
Executive Directors:					
Ms. Low	–	88	–	11	99
Mr. Chiu Ka Wai	–	96	–	5	101
Mr. Sean Low	–	54	6	10	70
	–	238	6	26	270

There was no arrangement under which a Director or the chief executive waived or agreed to waive any remuneration during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included three directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2017: two) highest paid employees who are neither a director nor chief executive of the Group for the year are as follows:

	2018 **S$'000**	2017 S$'000
Salaries, allowances and benefits in kind	**602**	454
Discretionary performance-related bonuses	**32**	8
Pension scheme contributions	**58**	51
	692	513

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees	
	2018	2017
Nil to HK$1,000,000 (equivalent to S$172,000 (2017: S$181,000))	**2**	2

During the year, no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Subsidiaries in Singapore and Malaysia are subject to taxation at a rate of 17% and 24% on the estimated profits arising in Singapore and Malaysia respectively during the year.

	2018 **S$'000**	2017 S$'000
Current income tax		
– Current year	**43**	283
– (Over)/under provision in respect of prior years	**(9)**	10
	34	293
Deferred tax		
– Current year	**(130)**	57
– Under/(over) provision in respect of prior years	**20**	(8)
	(110)	49
Tax (credit)/expense for the year	**(76)**	342

10. INCOME TAX (continued)

A reconciliation of the tax expense applicable to loss before tax at the statutory/applicable rates for the countries or jurisdictions in which the Company's subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

	2018		2017	
	S$'000	**%**	S$'000	%
Loss before tax	**(2,592)**		(1,920)	
Tax at the statutory tax rate (17%)	**(441)**	**17.0**	(326)	17.0
Effect of different tax rate in other country*	**(7)**	**0.3**	10	(0.5)
Expenses not deductible for tax	**395**	**(15.2)**	757	(39.4)
Income not subjected to tax	**(4)**	**0.2**	–	–
Under provision of deferred tax respect of prior years	**20**	**(0.8)**	–	–
(Over)/under provision of income tax in respect of prior years	**(9)**	**0.3**	2	(0.1)
Effect of partial tax exemption and tax relief and corporate income tax rebate	**(30)**	**1.2**	(90)	4.7
Effect of Productivity and Innovation Credit incentive	**–**	**–**	(9)	0.5
Others	**–**	**–**	(2)	0.1
Tax charged at the Group's effective tax rate	**(76)**	**3.0**	342	(17.7)

* Effects of higher tax rates in Malaysia at 24% for the year ended 31 December 2018 (2017: 24%).

The tax incentive pertains to the Productivity and Innovation Credit ("**PIC**") scheme. The PIC scheme was introduced in the Singapore Budget 2010 to provide tax benefits for investments by businesses in a broad range of activities along the innovation value chain. Enhancements to the PIC scheme were introduced in the Singapore Budget 2011 to 2015. In the Singapore Budget 2014, the PIC scheme was extended for 3 years. Currently, tax benefits provided under the PIC scheme will depend on the quantum of expenditure incurred for the qualifying activities from Year of Assessment ("**YA**") 2015 to YA 2018 and fulfilment of the relevant conditions.

11. DIVIDENDS

There were no dividends paid or declared by the Company since its incorporation.

The dividends declared and paid by Bosses Restaurant Pte. Ltd. And J W Central Pte. Ltd., subsidiaries of the Company, to the then shareholder during the year is as follows:

	2018 **S$'000**	2017 S$'000
Bosses Restaurant Pte. Ltd.:		
Interim dividend of S$0.66 per ordinary share for the financial year ended 31 December 2017 (one-tier tax exempt)	–	330
J W Central Pte. Ltd.:		
Interim dividend of S$3.29 per ordinary share for the financial year ended 31 December 2017 (one-tier tax exempt)	–	1,152
	–	1,482

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

As at 31 December 2018, the Company had 500,000,000 ordinary shares in issue. The Company was listed on the GEM of the Stock Exchange of Hong Kong Limited on 9 May 2018 by way of placing of 112,500,000 new shares and capitalisation of 387,500,000 shares resulting in 500,000,000 ordinary shares in issue. The calculation of the basic loss per share is based on the following data:

	2018 **S$'000**	2017 S$'000
Loss		
Loss for the year attributable to equity holders of the parent	**(2,516)**	(2,262)

	2018 **'000**	2017 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**462,500**	387,500

Basic loss per share for the year ended 31 December 2018 is S$(0.54) cents (2017: S$(0.58) cents). The weighted average number of ordinary shares for the purpose of calculating basic loss per share has been retrospectively adjusted, assuming the reorganisation had been effective on 1 January 2017.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2018 and 2017.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold apartment S$'000	Leasehold land and building S$'000	Kitchen and bar equipment S$'000	Motor vehicles S$'000	Furniture and fittings S$'000	Computers and office equipment S$'000	Leasehold improvements S$'000	Total S$'000
31 December 2017								
At 1 January 2017:								
Cost	132	548	1,568	167	455	437	4,127	7,434
Accumulated depreciation and impairment	(29)	(74)	(1,234)	(106)	(257)	(284)	(2,521)	(4,505)
Net carrying amount	103	474	334	61	198	153	1,606	2,929
At 1 January 2017, net of accumulated depreciation and impairment	103	474	334	61	198	153	1,606	2,929
Additions	–	–	168	10	193	37	216	624
Disposals	–	–	(6)	–	(1)	–	–	(7)
Write-off	–	–	–	–	–	–	(2)	(2)
Depreciation provided during the year (note 6)	(3)	(11)	(90)	(16)	(72)	(78)	(707)	(977)
Exchange realignment	2	8	3	1	–	–	4	18
At 31 December 2017, net of accumulated depreciation and impairment	102	471	409	56	318	112	1,117	2,585
At 31 December 2017:								
Cost	135	559	1,747	180	652	476	4,352	8,101
Accumulated depreciation and impairment	(33)	(88)	(1,338)	(124)	(334)	(364)	(3,235)	(5,516)
Net carrying amount	102	471	409	56	318	112	1,117	2,585
31 December 2018								
At 1 January 2018:								
Cost	**135**	**559**	**1,747**	**180**	**652**	**476**	**4,352**	**8,101**
Accumulated depreciation and impairment	**(33)**	**(88)**	**(1,338)**	**(124)**	**(334)**	**(364)**	**(3,235)**	**(5,516)**
Net carrying amount	**102**	**471**	**409**	**56**	**318**	**112**	**1,117**	**2,585**
At 1 January 2018, net of accumulated depreciation and impairment	**102**	**471**	**409**	**56**	**318**	**112**	**1,117**	**2,585**
Additions	**–**	**–**	**208**	**–**	**315**	**21**	**491**	**1,035**
Write-off	**–**	**–**	**(1)**	**–**	**–**	**–**	**(1)**	**(2)**
Impairment loss	**–**	**–**	**–**	**–**	**(3)**	**–**	**(58)**	**(61)**
Depreciation provided during the year (note 6)	**(3)**	**(11)**	**(114)**	**(17)**	**(105)**	**(51)**	**(703)**	**(1,004)**
Exchange realignment	**–**	**3**	**2**	**–**	**1**	**–**	**5**	**11**
At 31 December 2018, net of accumulated depreciation and impairment	**99**	**463**	**504**	**39**	**526**	**82**	**851**	**2,564**
At 31 December 2018:								
Cost	**135**	**562**	**1,902**	**180**	**966**	**493**	**4,747**	**8,985**
Accumulated depreciation and impairment	**(36)**	**(99)**	**(1,398)**	**(141)**	**(440)**	**(411)**	**(3,896)**	**(6,421)**
Net carrying amount	**99**	**463**	**504**	**39**	**526**	**82**	**851**	**2,564**

13. PROPERTY, PLANT AND EQUIPMENT (continued)

(i) The carrying amounts of the Group's property, plant and equipment held under finance leases as at 31 December 2018 and 2017 as follows:

	2018 S$'000	2017 S$'000
Kitchen and bar equipment	**86**	96

(ii) The freehold apartment located at Kuala Lumpur, Malaysia relates to a unit in an apartment for the Group's hostel purposes. The carrying amounts of the Group's freehold apartment as at 31 December 2018 are S$99,000 (2017: S$102,000).

The leasehold land and building located at Kuala Lumpur, Malaysia relates to a land and building for the Group's central kitchen, office and hostel purposes.

(iii) The additions in property, plant and equipment are by means of:

	2018 S$'000	2017 S$'000
Additions of property, plant and equipment	**1,035**	624
Less: provision for reinstatement costs (note 19)	**(6)**	(22)
Less: finance lease arrangements	**–**	(116)
Less: trade and other payables	**(405)**	(37)
Cash invested in property, plant and equipment	**624**	449

(iv) An impairment loss was recognised to fully write down the carrying amount of furniture and fittings and leasehold improvements attributable to financial losses suffered at one of the restaurants which will likely be closed once the lease term is completed within 12 months after the year end. The impairment loss of S$61,000 (2017: Nil) has been recognized in profit or loss under the line item "other expenses" for the year ended 31 December 2018.

14. INTANGIBLE ASSET

	Franchise Licence S$'000
31 December 2017	
At 1 January 2017:	
Cost	243
Accumulated amortisation	(4)
At 31 December 2017, net carrying amount	239
At 1 January 2017, net of accumulated amortisation	239
Amortisation provided during the year (note 6)	(49)
At 31 December 2017, net of accumulated amortization	190
At 31 December 2017:	
Cost	243
Accumulated amortisation	(53)
Net carrying amount	190
31 December 2018	
At 1 January 2018:	
Cost	**243**
Accumulated amortisation	**(53)**
At 31 December 2018, net carrying amount	**190**
At 1 January 2018, net of accumulated amortisation	**190**
Amortisation provided during the year (note 6)	**(49)**
At 31 December 2018, net of accumulated amortization	**141**
At 31 December 2018:	
Cost	**243**
Accumulated amortisation	**(102)**
Net carrying amount	**141**

The franchise licence of the Group represent the franchise fees paid for the right to use the manuals, trademarks and other intellectual property of the licensor, which is an independent third party company. As at 31 December 2018, the remaining period for the right of use was approximately three years. (2017: four years).

15. INVENTORIES

	2018 S$'000	2017 S$'000
Raw materials	**285**	378
Finished goods	**20**	22
Food and beverage, and other operating items for restaurant operations	**61**	62
	366	462

Inventories are stated net of allowance for inventory obsolescence of S$27,500 as at 31 December 2018 (2017: Nil). During the year ended 31 December 2018, allowance for inventory obsolescence amounting to S$27,500 (2017: Nil) was recognised.

16. TRADE AND OTHER RECEIVABLES

	2018 S$'000	2017 S$'000
Trade receivables, net	**460**	287
Other receivables	**10**	131
Refundable deposits	**1,876**	1,750
	2,346	2,168
Less: refundable deposits classified as non-current assets	**(839)**	(685)
	1,507	1,483

Receivables that were neither past due nor impaired relate to credit card receivables from bank and franchisees with a good track record for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Other receivables and refundable deposits are neither past due or impaired. They relate to receivables for which there was no recent history of default.

	2018 S$'000	2017 S$'000
Trade receivables	**510**	287
Impairment	**(50)**	–
	460	287

16. TRADE AND OTHER RECEIVABLES (continued)

The Group's trading terms with its customers are mainly on cash and credit card settlement. The credit term to franchisees is generally on 14 to 30 days. In view of the fact that the Group's trade receivables relate to credit card receivables from banks and franchisees, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2018 **S$'000**	2017 S$'000
Less than 30 days	**130**	227
31-90 days	**3**	39
More than 90 days	**327**	21
	460	287

The movements in the loss allowance for impairment of trade receivables are as follows:

	2018 **S$'000**	2017 S$'000
At beginning of year	**–**	–
Expected credit losses		
– Lifetime	**17**	–
– Credit-impaired	**33**	–
At end of year	**50**	–

Impairment under IFRS 9 for the year ended 31 December 2018

The Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime expected credit loss ("**ECL**"). Except for trade receivables that are determined to be credit-impaired, the Group determines the lifetime expected credit losses at each date using a provision matrix.

As there has been no past history of default or disputes, the lifetime ECL rates are derived based on the Group's accounting policy determined based on management's judgement on the expected credit losses of the trade receivables in accordance to days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade receivables that are determined to be credit-impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments.

These receivables are not secured by any collateral or credit enhancements.

16. TRADE AND OTHER RECEIVABLES (continued)

The ageing analysis of the trade receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under IAS 39 is as follows:

	2017 S$'000
Neither past due nor impaired	168
Past due but not impaired:	
– Less than 30 days	59
– 31 to 90 days	39
– More than 90 days	21
	287

17. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2018 **S$'000**	2017 S$'000
Cash and bank balances	**2,873**	3,268
Fixed deposits with licensed banks	**6,469**	518
	9,342	3,786
Less: Fixed deposits pledged		
Pledged for banking facilities	**(120)**	(120)
Pledged for hire purchase	**(36)**	(36)
Cash and cash equivalents	**9,186**	3,630

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and deposits are deposited with creditworthy banks with no recent history of default.

A fixed deposit of S$120,000 (2017: S$120,000) was pledged to a licensed bank for banking facilities granted to the Group as at 31 December 2018.

A fixed deposit of S$36,000 (2017: S$36,000) is pledged to a licensed bank for bank guarantee issued in favour of a hire-purchase payable. The fixed deposit was placed in trust of a Director.

The interest rates of the fixed deposits range from 0.35% to 3.1% (2017: 0.35% to 3.1%) per annum. The maturity periods of the fixed deposits during the financial year ended 31 December 2018 range from 30 days to 365 days (2017: 30 days to 365 days).

Cash and bank balances denominated in foreign currency is as follows:

	2018 **S$'000**	2017 S$'000
Hong Kong dollars	**–**	1,651

18. TRADE AND OTHER PAYABLES

	2018 S$'000	2017 S$'000
Trade payables	**1,025**	960
Other payables	**767**	606
Accrued expenses	**1,163**	1,597
Deferred revenue	**84**	64
Deferred rental liability	**89**	141
Provision for untilised leave	**80**	58
Provision for reinstatement costs (note 19)	**157**	153
Goods and services tax ("**GST**") payables	**86**	168
	3,451	3,747
Less: other payables classified as non-current liabilities	**(70)**	(70)
	3,381	3,677

Trade payables and other payables are normally settled on 60 days' terms. These amounts are non-interest bearing.

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2018 S$'000	2017 S$'000
Less than 30 days	**486**	442
30 to 60 days	**372**	364
61 to 90 days	**142**	134
More than 90 days	**25**	20
	1,025	960

Trade and other payables denominated in foreign currency are as follows:

	2018 S$'000	2017 S$'000
Thai Baht	**3**	7
Malaysian Ringgit	**–**	9

19. PROVISIONS

Provision for reinstatement costs

	2018 S$'000	2017 S$'000
At 1 January	**153**	141
Additions	**6**	22
Utilisation	**(2)**	(8)
Exchange difference	**–**	(2)
At 31 December	**157**	153

Provision for reinstatement costs is recognized when the Group entered into a lease agreement for the premises. It includes the estimated cost off demolishing and removing all the leasehold improvements made by the Group to the premises. The premises shall be reinstated to the condition set up in the lease agreements upon the expiration of the lease agreements. The Group incurred reinstatement costs for certain closed outlets during the year ended 31 December 2018 and 2017.

20. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2018			2017		
	Effective interest rate	**Maturity***	**S$'000**	Effective interest rate	Maturity*	S$'000
Current						
Obligations under finance leases (note 25)	**4.8%**	**2019**	**40**	4.8%	2018	37
Bank loans – secured	**1.75% above prevailing prime rate (4.25%)**	**On demand**	**1,045**	1.75% above prevailing prime rate (4.5%)	2018	645
			1,085			682
Non-current						
Obligations under finance leases (note 25)	**4.8%**	**2020**	**36**	4.8%	2020	79
Bank loans – secured	**–**	**–**	**–**	1.75% above prevailing prime rate (4.5%)	2020	1,045
			36			1,124
Total			**1,121**			1,806

20. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

	2018 S$'000	2017 S$'000
Analysed into:		
Within one year	**1,085**	682
In the second year	**36**	726
In the third to fifth years	**–**	398
	1,121	1,806

Notes:

(a) Bank Loans – secured

Singapore dollar ("**S$**") term loans

On 24 May 2017, the Group entered into a refinancing agreement with another financial institution. The term loan was previously secured by way of personal guarantee by a Director of the Group. Upon successful listing of the Company on 9 May 2018, the Group's term loan is secured by way of corporate guarantee provided by the Company and its subsidiaries. The refinancing term loan matures on 31 May 2020.

During the current financial year, the Company breached a covenant of the bank loan. The Company did not fulfil the requirement to maintain normalized debt service coverage ratio of 1.45 times at all times. As at 31 December 2018, the carrying amount of the loan payable was S$1,045,000 and was presented as current liability at the end of the reporting period. The bank is contractually entitled to request for immediate repayment of the outstanding loan amount in the event of breach of covenant.

The bank had not requested for immediate repayment of the outstanding loan amount as at the date when these financial statements were authorised for issue. Management has commenced renegotiation of the loan agreement terms subsequent to year end. As of the date the financial statements were authorised for issue, the renegotiation was still in progress.

(b) Obligations under finance leases

These obligations are secured by a charge over the leased assets (note 25). The discount rate implicit in the leases is at 4.8% as 31 December 2018 (2017: 4.8%).

21. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets (prior to offset)

	Tax losses[(a)] S$'000	Provisions S$'000	Others[(b)] S$'000	Total S$'000
At 31 December 2016 and 1 January 2017	32	14	52	98
Deferred tax (charged)/credited to the statements of profit or loss during the year (note 10)	(24)	13	(22)	(33)
At 31 December 2017 and 1 January 2018	**8**	**27**	**30**	**65**
Deferred tax credited/(charged) to the statements of profit or loss during the year (note 10)	**90**	**10**	**(11)**	**89**
At 31 December 2018	**98**	**37**	**19**	**154**

21. DEFERRED TAX (continued)

Deferred tax liabilities (prior to offset)

	Accelerated tax depreciation S$'000
At 31 December 2016 and 1 January 2017	99
Deferred tax charged to the statements of profit or loss during the year (note 10)	16
Exchange differences	(2)
At 31 December 2017 and 1 January 2018	113
Deferred tax credited to the statements of profit or loss during the year (note 10)	(21)
At 31 December 2018	92

(a) The Group has tax losses arising from Singapore of S$577,000 (2017: S$47,000) as at 31 December 2018. The tax losses arising in Singapore, subject to the agreement by the Inland Revenue Authority of Singapore, are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

(b) Others mainly relate to temporary difference arising from lease accounting adjustments.

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial reporting purposes:

	2018 S$'000	2017 S$'000
Net deferred tax assets recognized in the consolidated statements of financial position	**102**	15
Net deferred tax liabilities recognized in the consolidated statements of financial position	**(40)**	(63)
	62	(48)

22. SHARE CAPITAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 22 May 2017 with authorised share capital of HK$100,000,000 divided into 10,000,000,000 shares of HK$0.01 each. On the date of incorporation, 1 share of nominal value of HK$0.01 was allotted and issued to Ms. Low. Upon the completion of the reorganisation on 11 August 2017, the Company became the holding company of the Group.

	2018 **S$'000**	2017 S$'000
Issued and fully paid:		
500,000,000 (2017: 387,500,000) ordinary shares	**869**	676

A summary of the movements in the Company's share capital is as follows:

	Number of shares in issue	**Share capital S$'000**	**Share premium S$'000**	**Total S$'000**
At 22 May 2017 (date of incorporation)	1	–	–	–
Issue of shares for acquisition of a subsidiary in connection with the reorganization (note (a))	387,499,999	676	5,182	5,858
At 31 December 2017 and 1 January 2018	**387,500,000**	**676**	**5,182**	**5,858**
Shares issued under the initial public offering ("**IPO**") (note (b))	**112,500,000**	**193**	**9,432**	**9,625**
	500,000,000	**869**	**14,614**	**15,483**
Shares issuance expenses	**–**	**–**	**(1,303)**	**(1,303)**
At 31 December 2018	**500,000,000**	**869**	**13,311**	**14,180**

Notes:

(a) In preparation for the listing of the shares of the Company on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Group underwent the reorganisation and 387,499,999 shares of HK$0.01 each, were issued to acquire the shares of one of the subsidiaries during the year ended 31 December 2017.

(b) In connection with the Company's IPO, 112,500,000 shares of HK$0.01 each, were issued at a price of HK$0.50 per share for a total cash consideration, before listing expenses, of S$9,625,000. Dealings of these shares on the Stock Exchange commenced on 9 May 2018.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

23. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

Merger reserve

Merger reserve represents the difference between the consideration paid and the share capital of the acquired entities under common control.

The addition of S$5,858,000 (equivalent to HK$32,700,000) during the year ended 31 December 2017 represents the proceeds from a pre-listing investor while the shares subscribed are issued after the balance sheet date. The capital injection proceeds were satisfied via shares issued on 11 May 2017 by one of the Group's subsidiaries, JLogo Limited.

387,499,999 fully paid ordinary shares of the Company were issued during the year ended 31 December 2017 to acquire the shares of JLogo Limited in connection with the reorganisation.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all relevant exchange differences arising from the translation of the financial statements of foreign operations.

Share premium

Share premium represents the difference between the nominal value and the issuing value of the shares.

The additions of S$5,182,000 during the year ended 31 December 2017 represents the Company issued shares at a premium.

The addition of S$8,129,000 during the year ended 31 December 2018 represents the issuance of shares for the placement issue, net of shares issuance expenses attributed to the issuance of new shares.

24. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank loan are included in note 17 to the financial statements.

25. COMMITMENTS

(a) Operating lease commitments – as lessee

The Group leases certain of its restaurants, outlets and office premises under operating lease arrangements. Lease for restaurants, outlets and office premises are negotiated for terms ranging from one to four years.

The operating lease rentals of certain restaurants are based solely on the sales of those restaurants or on the higher of a fixed rental and contingent rent based on the sales of those restaurants. The Directors are of the view that, as the future sales of those restaurants could not be accurately estimated, the relevant rental commitments have not been included in operating lease arrangements.

At 31 December 2018 and 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2018 S$'000	2017 S$'000
Within one year	**4,200**	3,852
In the second to fifth years, inclusive	**4,063**	3,271
	8,263	7,123

(b) Finance lease commitment – as lessee

The Group had finance leases for certain items of kitchen equipment. Future minimum lease payments together with the present value of the net minimum lease payments were as follows:

	Minimum lease payments 2018 S$'000	Minimum lease payments 2017 S$'000	**Present value of minimum lease payments 2018 S$'000**	Present value of minimum lease payments 2017 S$'000
Not later than one year	**45**	45	**40**	37
Later than one year but not later than five years	**41**	85	**36**	79
	86	130	**76**	116
Less: amounts representing finance charges	**(10)**	(14)	**–**	–
Present value of finance lease liabilities	**76**	116	**76**	116

(c) Capital commitment

Under the Greyhound franchise agreement, the Group is committed to open a certain number of franchised "Greyhound café" restaurants in Singapore within five years from the date of the Greyhound franchise agreement.

26. RELATED PARTY TRANSACTIONS AND BALANCES

(a) The outstanding balance with a related party are as follows:

	2018 S$'000	2017 S$'000
Due to a Director	**3**	–

(b) Significant related party transactions during the financial year:

	2018 S$'000	2017 S$'000
Cost of materials purchased from a Director-related Company#	–	1

The materials were purchased from Loaves & Fishes Private Limited, a company of which Mr. Sean Low was a director, under prices mutually agreed by both parties.

(c) **Personal guarantee by a Director**

Prior to listing of the Company on 9 May 2018, the Group's term loan was supported by way of personal guarantee provided by Ms. Low, a Director of the Company (note 20). Upon successful listing of the Company on 9 May 2018, the Group's term loan is secured by way of corporate guarantee provided by the Company and its subsidiaries.

(d) Compensation of key management personnel of the Group:

	2018 S$'000	2017 S$'000
Salaries, allowances and benefits in kind	**384**	238
Discretionary performance-related bonuses	**32**	6
Pension scheme contributions	**32**	26
	448	270

Further details of Directors' and the chief executive's emoluments are included in note 8 to the financial statements.

27. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 31 December 2018

Financial assets	Financial assets at amortised cost 2018 S$'000	2017 S$'000
Financial assets included in trade and other receivables (note 16)	**2,346**	2,168
Pledged deposits (note 17)	**156**	156
Cash and cash equivalents (note 17)	**9,186**	3,630
	11,688	5,954

Financial liabilities	Financial liabilities at amortised cost 2018 S$'000	2017 S$'000
Financial liabilities included in trade and other payables (note 18)	**2,955**	2,701
Interest-bearing bank and other borrowings (note 20)	**1,121**	1,806
Due to a Director of the Company	**3**	–
	4,079	4,507

28. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade and other receivables, trade and other payables, amount due to Director of the Company and interest-bearing bank and other borrowings (current portion) approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the Directors. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Directors.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate their fair values:

The fair values of non-current deposits and non-current interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities and were assessed to be approximating to their carrying amounts.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk. The Group's overall risk management objective is to effectively manage these risks and seek to minimise potential adverse effects on the financial performance of the Group. The Group reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group adopts the policy of dealing only with customers with appropriate credit history. For financial assets, the Group adopts the policy of dealing with financial institutions and other counterparties with high credit ratings. Customers' payment profile and credit exposure are continuously monitored by the Group.

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs	Lifetime ECLs	
	Stage 1	Simplified approach	
	S$'000	S$'000	S$'000
Trade receivables*	–	460	460
Financial assets included in other receivables			
– Normal**	1,886	–	1,886
Pledged deposits			
– Not yet past due	156	–	156
Cash and cash equivalents			
– Not yet past due	9,186	–	9,186
	11,228	460	11,688

* For trade receivables to which the Group applies the simplified approach for impairment, information on the lifetime ECL model is disclosed in note 16 to the financial statements.

** The credit quality of the financial assets included in other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure as at 31 December 2017

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position. The Group's major classes of financial assets are cash and cash equivalents and trade and other receivables.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 16 to the financial statements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its loans and borrowings.

As at 31 December 2018 and 2017, the Group had interest-bearing bank and other borrowings of S$1,121,000 and S$1,806,000, respectively. If SGD interest rates had been 300 basis points higher/lower with all other variables held constant, the Group's loss before tax would have been S$31,000 and S$54,000 higher/lower for the years ended 31 December 2018 and 2017, respectively, arose mainly as a result of the higher/lower interest expense on floating rate loans and borrowings.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group manages liquidity risk by maintaining cash and available funding through committed credit facilities sufficient to enable it to meet its operational requirements.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

As at 31 December 2018

	Within 1 year S$'000	1 to 5 years S$'000	Total S$'000
Financial liabilities included in trade and other payables	**2,863**	**–**	**2,863**
Due to a Director of the Company	**3**	**–**	**3**
Interest-bearing bank and other borrowings	**1,140**	**406**	**1,546**
	4,006	**406**	**4,412**

As at 31 December 2017

	Within 1 year S$'000	1 to 5 years S$'000	Total S$'000
Financial liabilities included in trade and other payables	2,701	–	2,701
Interest-bearing bank and other borrowings	775	1,180	1,955
	3,476	1,180	4,656

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide adequate cash flows to meet its operating requirements.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 2017.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is interest-bearing bank and other borrowings divided by the total equity. The Group's policy is to keep the gearing ratio at a reasonable level. The gearing ratios are as follows:

	2018 S$'000	2017 S$'000
Interest-bearing bank and other borrowings	**1,121**	1,806
Total equity	**10,963**	5,064
Gearing ratio	**10%**	36%

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities during the financial year as follows:

	As at 31 December 2017 S$'000	Cash flows S$'000	Non cash changes Acquisition of property, plant and equipment S$'000	As at 31 December 2018 S$'000
Fixed deposits pledged	**(156)**	**–**	**–**	**(156)**
Bank loan	**1,690**	**(645)**	**–**	**1,045**
Finance leases	**116**	**(40)**	**–**	**76**
Total liabilities from financing activities	**1,650**	**(685)**	**–**	**965**

	As at 31 December 2016 S$'000	Cash flows S$'000	Non cash changes Acquisition of property, plant and equipment S$'000	As at 31 December 2017 S$'000
Fixed deposits pledged	(130)	(26)	–	(156)
Bank loan	2,264	(574)	–	1,690
Finance leases	84	(84)	116	116
Total liabilities from financing activities	2,218	(684)	116	1,650

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2018 S$'000	2017 S$'000
NON-CURRENT ASSETS		
Investment in a subsidiary	**5,858**	5,858
Total non-current assets	**5,858**	5,858
CURRENT ASSETS		
Due from subsidiaries	**497**	–
Prepayments	**41**	–
Cash and cash equivalents	**6,594**	–
Total current assets	**7,132**	–
CURRENT LIABILITIES		
Other payables and accruals	**92**	–
Due to subsidiaries	**3,514**	–
Total current liabilities	**3,606**	–
NET CURRENT ASSETS	**3,526**	–
Net assets	**9,384**	5,858
EQUITY		
Share capital	**869**	676
Reserves	**8,515**	5,182
Total equity	**9,384**	5,858

LOW Yeun Ching @Kelly Tan
Director

CHIU Ka Wai
Director

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium S$'000	Exchange fluctuation reserve S$'000	Retained profits S$'000	Total S$'000
At 22 May 2017 (date of incorporation)	–	–	–	–
Issue of shares by the Company for acquisition of a subsidiary in connection with the Reorganisation (note 22)	5,182	–	–	5,182
At 31 December 2017 and 1 January 2018	**5,182**	**–**	**–**	**5,182**
Loss for the year	**–**	**–**	**(4,885)**	**(4,885)**
Other comprehensive income for the year:				
Exchange differences on translations of foreign operations	**–**	**89**	**–**	**89**
Total comprehensive income/(loss) for the year	**–**	**89**	**(4,885)**	**(4,796)**
Issuance of new shares in connection with initial public offering	**9,432**	**–**	**–**	**9,432**
Share issuance expenses	**(1,303)**	**–**	**–**	**(1,303)**
At 31 December 2018	**13,311**	**89**	**(4,885)**	**8,515**

32. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of Directors on 22 March 2019.

FINANCIAL SUMMARY

	2018	2017	2016	2015
	S$'000	S$'000	S$'000	S$'000
Results				
Revenue	**19,138**	19,688	15,400	12,906
(Loss)/profit before tax	**(2,592)**	(1,920)	1,644	939
Income tax credit/(expense)	**76**	(342)	(276)	(202)
(Loss)/profit for the year	**(2,516)**	(2,262)	1,368	737

	2018	2017	2016	2015
	S$'000	S$'000	S$'000	S$'000
Assets and liabilities				
Total assets	**15,789**	11,000	9,531	8,565
Total liabilities	**4,826**	5,936	6,595	5,173
Total equity	**10,963**	5,064	2,936	3,392

Note:

The financial information for the years ended 31 December 2015, 2016 and 2017 were extracted from the prospectus of the Company dated 20 April 2018. The summary above does not form part of the audited financial statements.