JLOGO HOLDINGS LIMITED
聚利寶控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8527

INTERIM REPORT 2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This report, for which the directors (the "**Directors**") of JLogo Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading, and all opinions expressed in this report have been arrived at after due and careful consideration and are founded on basis and assumptions that are fair and reasonable.*

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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. CHAN Pui Hang

AUTHORISED REPRESENTATIVES

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

AUDITOR

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Certified Public Accountants
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COMPLIANCE ADVISER

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PRINCIPAL BANKS

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
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183 Queen's Road East
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PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN SINGAPORE

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REGISTERED OFFICE IN THE CAYMAN ISLANDS

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Cayman Islands

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

Room 901, 9/F,
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39 Queen's Road Central,
Central, Hong Kong

STOCK CODE

8527

COMPANY'S WEBSITE ADDRESS

www.jlogoholdings.com

INTERIM RESULTS

The board (the "**Board**") of Directors of the Company is pleased to report the unaudited condensed combined financial results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2019 with comparative unaudited figures for the corresponding period in 2018 as follows. Unless otherwise defined herein, capitalised terms used in this report shall have the same meanings as those defined in the Company's prospectus dated 20 April 2018 (the "**Prospectus**"):

UNAUDITED CONDENSED COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

		For the six months ended 30 June	
	Notes	2019 S$'000 (Unaudited)	2018 S$'000 (Unaudited)
Revenue	3	**9,457**	9,596
Cost of inventories sold and consumed		**(2,569)**	(2,292)
Gross profit		**6,888**	7,304
Other income and gains, net	3	**162**	75
Employee benefits expense		**(3,512)**	(3,138)
Depreciation of property, plant and equipment		**(443)**	(504)
Depreciation of right-of-use assets		**(1,328)**	–
Amortisation of an intangible asset		**(24)**	(24)
Rentals and related expenses		**(846)**	(2,351)
Utility expenses		**(469)**	(448)
Marketing and advertising expenses		**(28)**	(26)
Other expenses		**(1,457)**	(2,207)
Finance costs		**(223)**	(58)
LOSS BEFORE TAX	5	**(1,280)**	(1,377)
Income tax expense	6	**(26)**	(69)
LOSS FOR THE PERIOD		**(1,306)**	(1,446)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(19)**	137
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX		**(19)**	137
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(1,325)**	(1,309)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
– Basic (S$ cents)		**(0.26)**	(0.29)
– Diluted (S$ cents)		**N/A**	N/A

UNAUDITED CONDENSED COMBINED STATEMENTS OF FINANCIAL POSITION

As at 30 June 2019

	Notes	30 June 2019 S$'000 (Unaudited)	31 December 2018 S$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	**2,856**	2,564
Intangible asset		**117**	141
Other receivables		**842**	839
Prepayment for purchases of items of property, plant and equipment		**400**	650
Deferred tax assets		**102**	102
Right-of-use assets		**4,989**	–
Total non-current assets		**9,306**	4,296
CURRENT ASSETS			
Inventories		**329**	366
Trade and other receivables	10	**3,072**	1,507
Prepayments		**58**	278
Pledged deposits		**156**	156
Cash and cash equivalents		**6,177**	9,186
Total current assets		**9,792**	11,493
CURRENT LIABILITIES			
Trade and other payables	11	**3,375**	3,381
Due to a Director of the Company		**–**	3
Interest-bearing bank and other borrowings	12	**763**	1,085
Tax payable		**12**	211
Lease liabilities		**2,539**	–
Total current liabilities		**6,689**	4,680
NET CURRENT ASSETS		**3,103**	6,813
TOTAL ASSETS LESS CURRENT LIABILITIES		**12,409**	11,109
NON-CURRENT LIABILITIES			
Other payables		**90**	70
Interest-bearing bank and other borrowings	12	**129**	36
Deferred tax liabilities		**40**	40
Lease liabilities		**2,512**	–
Total non-current liabilities		**2,771**	146
Net assets		**9,638**	10,963
EQUITY			
Share capital	13	**869**	869
Reserves		**8,769**	10,094
Total equity		**9,638**	10,963

UNAUDITED CONDENSED COMBINED STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 June 2019

	Share capital S$'000	Share premium S$'000	Merger reserve S$'000	Fluctuation reserve S$'000	Retained profits/ (accumulated losses) S$'000	Total S$'000
At 1 January 2019 (audited)						
Loss for the period	**869**	**13,311**	**1,735**	**25**	**(4,977)**	**10,963**
Other comprehensive income for the period:	**–**	**–**	**–**	**–**	**(1,306)**	**(1,306)**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**(19)**	**–**	**(19)**
Total comprehensive income for the period	**–**	**–**	**–**	**(19)**	**(1,306)**	**(1,325)**
At 30 June 2019 (unaudited)	**869**	**13,311**	**1,735**	**6**	**(6,283)**	**9,638**
At 1 January 2018 (audited)	676	5,182	1,735	(68)	(2,461)	5,064
Loss for the period	–	–	–	–	(1,446)	(1,446)
Other comprehensive income for the period:						
Exchange differences on translation of foreign operations	–	–	–	137	–	137
Total comprehensive income for the period	–	–	–	137	(1,446)	(1,309)
Issuance of new shares in connection with initial public offering	193	9,432	–	–	–	9,625
Share issuance expenses	–	(1,386)	–	–	–	(1,386)
At 30 June 2018 (unaudited)	869	13,228	1,735	69	(3,907)	11,994

UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOWS

For the six months ended 30 June 2019

	For the six months ended 30 June	
	2019	2018
	S$'000	S$'000
	(Unaudited)	(Unaudited)
Net cash generated from (used in) operating activities	**476**	(1,877)
Net cash used in investing activities	**(1,615)**	(508)
Net cash (used in) from financing activities	**(1,868)**	9,104
Net (decrease)/increase in cash and cash equivalents	**(3,007)**	6,719
Cash and cash equivalents at beginning of the period	**9,186**	3,630
Effect of foreign exchange rate changes, net	**–**	65
Cash and cash equivalents at end of the period	**6,179**	10,414

NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

1. GENERAL INFORMATION

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 situated at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The principal place of business in Hong Kong under Part 16 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) is at Room 901, 9 Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong.

The Company's shares were listed on GEM of the Stock Exchange on 9 May 2018.

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

(1) dining operations in Singapore; and

(2) artisanal bakery chains in Malaysia.

2. BASIS OF PREPARATION

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 22 May 2017 and became the ultimate holding company of our Group on 11 August 2017 subsequent to our Reorganisation in preparation for the Listing. For further information about the Reorganisation, please see the section headed "History, Reorganisation and Corporate Structure – Reorganisation" in the Prospectus. The companies now comprising our Group were under the common control of our Controlling Shareholder (same meaning ascribed under the GEM Listing Rules), Ms. Low Yeun Ching @Kelly Tan ("**Ms. Low**"), before and after the Reorganisation. Accordingly, the financial information has been prepared on a consolidated basis by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the relevant periods.

The consolidated statements of profit or loss and other comprehensive income and the statements of changes in equity and the statements of cash flows of our Group for the relevant periods include the results of all companies now comprising our Group from the earliest date presented or since the date when the subsidiaries first came under the common control of our Controlling Shareholder. The consolidated statements of financial position of the Group have been prepared to present the assets and liabilities of the subsidiaries using the existing book values from the Controlling Shareholder's perspective.

All intra-group transactions and balances have been eliminated on combination.

The unaudited condensed combined financial statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRSs**") (which comprise all standards and interpretations) approved by the International Accounting Standards Board (the "**IASB**").

The unaudited condensed combined financial statements have been prepared under the historical cost convention, except for available-for-sale investment, which has been measured at fair value. The unaudited condensed combined financial statements are presented in Singapore dollar ("**S$**") and all values in the tables are rounded to the nearest thousand ("**S$'000**"), except where otherwise indicated.

The basis of preparation and accounting policies adopted in the preparation of the unaudited condensed combined financial statements for the six months ended 30 June 2019 are consistent with those adopted in the preparation of the of the Group's consolidated financial statements for the year ended 31 December 2018 included in the 2018 Annual Report, except for the adoption of the new and revised International Financial Reporting Standards ("**IFRSs**") which are effective for its financial year beginning 1 January 2019.

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

i) not to reassess whether a contract is, or contains a lease at the end of initial application and to apply IFRS 16 to all contracts that were previously identified as leases

ii) to apply the exemption not to recognise right-of-use asset and lease liabilities to lease for which the lease term ends within 12 months as of 1 January 2019

iii) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

Basis of consolidation

The unaudited condensed consolidated financial statements include the financial statements of the Company and its subsidiaries now comprising the Group for the six months ended 30 June 2019. 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 income and expenses relating to transactions between members of the Group are eliminated in full on consolidation.

3. REVENUE, AND OTHER INCOME AND GAINS

Revenue represents the amounts received and receivable from the Group's operation and management of restaurants and bakery retail outlets, net of discounts. An analysis of the Group's revenue, other income and gains is as follows:

	For the six months ended 30 June	
	2019	2018
	S$'000	S$'000
	(Unaudited)	(Unaudited)
Revenue		
Dining operations	**7,039**	7,166
Artisanal bakery:		
– sale of bread and flour confectionary products	**2,402**	2,416
– franchise and royalty fee income	**16**	14
	9,457	9,596
Other income and gains		
Government grants	**85**	63
Interest income	**49**	5
Others	**28**	7
	162	75

4. SEGMENT REVENUE AND RESULTS

Our management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment.

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.

For the six months ended 30 June 2019

	Dining operations S$'000	Artisanal Bakery S$'000	Eliminated S$'000	Total S$'000 (Unaudited)
Segment revenue				
Revenue from external customers	7,040	2,417	–	9,457
Inter-segment sales	89	–	(89)	–
Total	7,129	2,417	(89)	9,457
Segment results	(100)	(144)	–	(244)
Unallocated employee benefits expense				(528)
Unallocated other income				69
Unallocated other expenses				(577)
Loss before taxation				(1,280)

For the six months ended 30 June 2018

	Dining operations S$'000	Artisanal Bakery S$'000	Eliminated S$'000	Total S$'000 (Unaudited)
Segment revenue				
Revenue from external customers	7,166	2,430	–	9,596
Inter-segment sales	104	–	(104)	–
Total	7,270	2,430	(104)	9,596
Segment results	743	(11)	–	732
Unallocated employee benefits expense				(563)
Unallocated other expenses				(1,546)
Loss before taxation				(1,377)

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	For the six months ended 30 June	
	2019 S$'000 (Unaudited)	2018 S$'000 (Unaudited)
Depreciation of property, plant and equipment	**443**	504
Depreciation of right-of-use assets (note 1)	**1,328**	–
Amortisation of intangible assets	**24**	24
Minimum lease payments under operating leases	**846**	2,351
Staff costs (excluding directors' and chief executive's remuneration)	**3,201**	2,891
Government grants	**85**	63
Expenses related to initial public offering	**–**	1,466
Foreign exchange differences, net	**(1)**	35

Note:

(1) With effect from the financial year beginning 1 January 2019, the Group has adopted the new IFRS 16 – Leases.

6. INCOME TAX EXPENSE

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 rates of 17% and 24% on the estimated profits arising in Singapore and Malaysia, respectively for the six months ended 30 June 2019 and 2018.

	For the six months ended 30 June	
	2019 S$'000 (Unaudited)	2018 S$'000 (Unaudited)
Current income tax		
– Current period	**26**	69
– Under/(over) provision in respect of previous period	**–**	–
	26	69
Deferred tax		
– Current period	**–**	–
	–	–
Tax expense for the period	**26**	69

7. DIVIDENDS

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

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

	For the six months ended 30 June	
	2019	**2018**
	S$'000	**S$'000**
	(Unaudited)	**(Unaudited)**
Loss for the period	**(1,306)**	(1,446)
Weighted average number of ordinary Shares ('000)	**500,000**	500,000

Basic loss per share for the six months ended 30 June 2019 is S$0.26 cents (six months ended 30 June 2018: s$(0.29)).

The weighted average number of ordinary Shares for calculating the 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 share in issue for the six months ended 30 June 2019 and 2018.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group acquired plant and equipment of approximately S$739,000 (six months ended 30 June 2018: S$441,000).

10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2019 S$'000 (Unaudited)	As at 31 December 2018 S$'000 (Audited)
Trade receivables	**314**	460
Other receivables	**1,850**	243
Refundable deposits	**1,750**	1,643
	3,914	2,346
Less: Refundable deposits classified as non-current assets	**(842)**	(839)
Trade and other receivables – current portion	**3,072**	1,507

Trade receivables are non-interest bearing and are generally on 14 to 30 days terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

An aged analysis of the trade receivables as at the end of the reporting period, based on the date of the products sold or services rendered is as follows:

	As at 30 June 2019 S$'000 (Unaudited)	As at 31 December 2018 S$'000 (Audited)
Less than 30 days	**213**	130
31–90 days	**7**	3
More than 90 days	**94**	327
	314	460

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

	As at 30 June 2019 S$'000 (Unaudited)	As at 31 December 2018 S$'000 (Audited)
At beginning of period	**50**	–
Expected credit losses		
– Lifetime	**–**	17
– Credit-impaired	**–**	33
At end of period	**50**	50

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.

11. TRADE AND OTHER PAYABLES

	As at 30 June 2019 S$'000 (Unaudited)	As at 31 December 2018 S$'000 (Audited)
Trade payables	**1,129**	1,025
Other payables	**855**	767
Accrued expenses	**1,077**	1,163
Deferred revenue	**40**	84
Deferred rental liability	**51**	89
Provision for unutilised leave	**80**	80
Provision for reinstatement costs	**175**	157
Goods and service tax ("**GST**") payables	**58**	86
	3,465	3,451
Less: Other payables classified as non-current liabilities	**(90)**	(70)
	3,375	3,381

Trade 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:

	As at 30 June 2019 S$'000 (Unaudited)	As at 31 December 2018 S$'000 (Audited)
Less than 30 days	**437**	486
30–60 days	**411**	372
61–90 days	**191**	142
More than 90 days	**90**	25
	1,129	1,025

12. INTEREST BEARING BANK AND OTHER BORROWINGS

	30 June 2019 Maturity (Unaudited)	S$'000	31 December 2018 Maturity (Audited)	S$'000
Current				
Obligations under finance leases 1 (note (a))	**2019**	**40**	2019	40
Obligations under finance leases 2 (note (b))	**2019**	**16**	2019	–
Bank loans – secured (note (c))	**On Demand**	**707**	On Demand	1,045
		763		1,085
Non-current				
Obligations under finance leases 1 (note (a))	**2020**	**16**	2020	36
Obligations under finance leases 2 (note (b))	**2020-2026**	**113**	–	–
		129		36
Total		**892**		1,121

	30 June 2019 S$'000 (Unaudited)	31 December 2018 S$'000 (Audited)
Analysed into:		
Within one year	**763**	1,085
In the second year	**32**	36
In the third to fifth year	**97**	–
	892	1,121

Notes:

(a) Obligations under finance lease 1

These obligations are secured by a charge over the leased assets. The discount rate implicit in the leases is at 4.8% as at 30 June 2019 (2018: 4.8%).

(b) Obligations under finance lease 2

These obligations are secured by a charge over the motor vehicle. The discount rate implicit in the leases is at 5.1% as at 30 June 2019 (2018: nil).

(c) Singapore Dollar ("**S$**") term loan

The Group's term loan denominated in S$ is secured by way of corporate guarantee provided by the Company and its subsidiaries. The term loan matures on 31 May 2020. The term loan bears a fixed interest rate at 1.75% above the prevailing prime rate (4.25%). The Group's loans are subject to financial covenants and the Group did not satisfy one of the financial covenants for its term loan as at balance sheet date. Accordingly, the loan amount of S$707,000 has been reclassified and presented as a current liability as at 30 June 2019.

13. SHARE CAPITAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 22 May 2017 with an authorised share capital of HK$100,000,000 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 completion of the Reorganisation on 11 August 2017, the Company became the holding company of the Group.

	As at 30 June 2019 S$'000 (Unaudited)	As at 31 December 2018 S$'000 (Audited)
Issued and fully paid:		
500,000,000 ordinary shares	**869**	869

MANAGEMENT DISCUSSION AND ANALYSIS

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 Cafe´" 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 world has set eyes on the now escalated US China trade war which will bear significant impact on businesses across the wider spectrum and Singapore is not spared. Singapore's economic growth slows to 0.1% in second quarter of 2019, growing at its slowest pace in a decade. Locally, the worsening labour market is not abating and labour costs have moved up significantly over time.

Ironically and noteworthy is that most shopping malls have increased their proportion of food and beverage tenants sharply due to competition the traditional retail sector is facing from the mushroomed online platforms. As such, the food and beverage market is swarmed with intense competition where consumers are spoilt for choice. Such competition certainly poses a fierce challenge in our trade and brands.

Having said, our group has just launched our new food and beverage concept – an artisan dimsum café - brand named MASA by Black Society. It is a spin–off from Black Society deviating from the traditional restaurant style into a modern café concept. The intention is to widen the menu selection to cover both chinese and western offerings in view of the competitiveness we face from the sprouting food and beverage scene.

On the above, we have successfully opened two new restaurants under our "MASA by Black Society" brand within the span of 1 month. The first was launched on 22 June 2019 at Orchard Gateway Shopping Mall Black Society (OG) and the second was launched on 22 July 2019 at Great World City Mall. Both of these are within the vicinity of the Orchard shopping belt radius.

In midst of the looming uncertainty what the trade war may cast, we will continue to monitor closely the developments locally and we are cautious in any expansion plans. We are confident that the two new restaurants under our "MASA by Black Society" brand will contribute positively to the group moving ahead.

We urge our shareholders to maintain patience and faith in our management where looking after the interest of all our stakeholders remains key.

FINANCIAL REVIEW

Revenue

Our revenue remains stable at S$9.46 million for the six months ended 30 June 2019 compared to S$9.60 million for the six months ended 30 June 2018. The slight decrease in our revenue was primarily due to the decrease in revenue generated from "Central Hong Kong Café" restaurants and the decrease was partially offset against the increase in revenue generated from Black Society (VC).

Cost of inventories sold and consumed

Our cost of inventories sold and consumed increased by approximately S$0.28 million or 12.1% from approximately S$2.29 million for the six months ended 30 June 2018 to approximately S$2.57 million for the six months ended 30 June 2019. The increase in our cost of inventories sold and consumed was primarily due to the increase in key raw ingredients cost.

Employee benefits expense

Our employee benefits expense increased by approximately S$0.37 million or 11.9% from approximately S$3.14 million for the six months ended 30 June 2018 to approximately S$3.51 million for the six months ended 30 June 2019. The increase in our employee benefits expense was primarily due to additional staff costs incurred for the opening of two new restaurants, one was opened conjoining with the existing Black Society (VC) restaurant in November 2018, another was opened in the end of June 2019, namely Black Society (OG).

Depreciation of right-of-use assets

Depreciation of right-of-use assets of S$1.33 million related to the adoption of IFRS 16 which resulted in the recognition of lease related depreciation attributed to the right-of-use assets on the balance sheet.

Rentals and related expenses

Rentals and related expenses decreased significantly by approximately S$1.50 million or 64.0% from approximately S$2.35 million for the six months ended 30 June 2018 to approximately S$0.85 million for the six months ended 30 June 2019 as a result of adoption of IFRS 16.

Other expenses

Other expenses primarily consist of legal and professional fee, cleaning fee, kitchen and bar utensils expenses, bank charges relating to credit card settlement, office expenses and other miscellaneous expenses. If we exclude the non-recurring listing expenses, our other expenses had been increased by S$0.72 million from approximately S$0.74 million for the six months ended 30 June 2018 to approximately S$1.46 million for the six months ended 30 June 2019. The increase is mainly due to increase in post listing expenses and additional expenses incurred for the preparation of Black Society (OG) as compared with nil for the six months ended 30 June 2018.

Legal and professional fees related to the Listing are set out below:

	For the six months ended 30 June	
	2019	2018
	S$'000	S$'000
	(Unaudited)	(Unaudited)
Listing expenses	–	1,466
Total	–	1,466

Finance costs

Overall finance costs for the six months ended 30 June 2019 increased by S$165,000 from approximately S$58,000 for the six months ended 30 June 2018 to approximately S$223,000 for the six months ended 30 June 2019. The increase was due to the adoption of IFRS 16 resulted in the recognition of lease-related interest expense attributed to the amortization of the lease liabilities on the balance sheet amounting to S$188,000 which is unrelated to our bank borrowings.

Loss for the period

Our Group recorded a loss of approximately S$1.31 million and S$1.45 million for the six months ended 30 June 2019 and 2018, respectively. If we exclude the non-recurring listing expenses, our Group would have recorded a loss of approximately S$1.31 million and profit of S$20,000 for the six months ended 30 June 2019 and 2018, respectively. The loss for the six months ended 30 June 2019 was mainly attributable to (i) increase in other expenses after the Listing which was not incurred in the corresponding period in 2018; (ii) additional expenses incurred related to the preparation of newly opened restaurant namely Black Society (OG) in the end of June 2019; and (iii) increase in cost of inventories sold and consumed.

Liquidity, financial resources and capital structure

Cash position

Our cash and bank balances amounted to approximately S$6.18 million and S$9.19 million as at 30 June 2019 and 31 December 2018, respectively. These balances was denominated in the respective functional currencies of the Group entities. As at 30 June 2019, 19.5% (31 December 2018: 25.5%) of our Group's cash and bank balances was denominated in Singapore dollar, 78.0% (31 December 2018: 70.6%) in Hong Kong dollar and 2.5% (31 December 2018: 3.9%) in Malaysia ringgit.

Our Group had net cash flow from operating activities of approximately S$0.48 million primarily due to the adjustment on depreciation of right-of-use assets amounting to S$1.33 million, barring the effect of adopting the IFRS 16, it would have been a net cash flow used in operating activities of approximately S$0.85 million due to (i) incremental professional fee and other expenses after the Listing of approximately S$0.53 million (ii) decrease in other payables mainly due to repayment to contractor for opening of new restaurants and bakery outlets; and (iii) increase in other receivables and deposits mainly arising from deposits paid to landlords and contractors for preparation of opening new restaurants and bakery outlets.

Net cash flow used in investing activities was S$ 1.62 million as at 30 June 2019. Net cash flow was used primarily in the purchase of property, plant and equipment amounting to S$0.22 million and provisional of loan facility to independent third parties totaling to S$1.40 million during the period ended 30 June 2019.

Net cash flow used in financing activities was S$1.87 million as at 30 June 2019. Net cash flow was used in the repayment of bank borrowing and finance leases of S$0.41 million, and repayment of lease obligations of S$1.46 million arising from the adoption of the IFRS 16 on 1 January 2019.

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 30 June 2019 (31 December 2018: S$0.16 million).

Particulars of the Group's interest bearing bank and other borrowings as at 30 June 2019 and 31 December 2018 (including their nature, currency involved, maturity profile and interest rate structure) are set out in note 12 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 9.3% as at 30 June 2019 (31 December 2018: 10.2%).

Capital expenditure and commitment

During the six months ended 30 June 2019, our capital expenditures amounted to S$215,000 which consisted primarily of expenditure on renovation, cooking and baking tools, equipment and appliances for our new restaurant and bakery outlets (31 December 2018: S$624,000). These capital expenditures were funded by both IPO proceeds and our internal resources. The Group has no capital commitment during the six months ended 30 June 2019 (31 December 2018: 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 Directors monitor 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 30 June 2019, the Group had no contingent liabilities (31 December 2018: 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$301,000 as at 30 June 2019 (31 December 2018: S$86,000)

Employees and remuneration policy

As at 30 June 2019, the Group had a total number of 289 full-time employees (31 December 2018: 243) 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 Group intends to apply such net proceeds for the following purposes:

	Total HK$'million	Approximate Percentage of net proceeds %
Continue to expand our dining operations in Singapore	18.1	76.3
Setting up new head office and enhance our workforce	3.2	13.2
Further enhance our brand recognition in Singapore and Malaysia	0.2	1.0
Upgrade our information technology systems	0.2	1.0
General working capital	2.0	8.5
Total	**23.7**	**100**

Up to 30 June 2019, the Group has applied the net proceeds as follows:

	Proposed amount to be used up to 30 June 2019 HK$'million	Actual usage up to 30 June 2019 HK$'million	Unutilised net proceeds up to 30 June 2019 HK$'million
Continue to expand our dining operations in Singapore	18.1	2.9	15.2
Setting up new head office and enhance our workforce	3.2	0.1	3.1
Further enhance our brand recognition in Singapore and Malaysia	0.2	0.2	–
Upgrade our information technology systems	0.2	0.1	0.1
General working capital	2.0	1.1	0.9
Total	**23.7**	**4.4**	**19.3**

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. The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business. 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.

For the unutilised net proceeds up to 30 June 2019, the Company intends to use them in the same manner and proportions as described in the Prospectus. The completion time of the use of the net proceeds will be determined based on the future business development of the Company.

During the period up to 30 June 2019, the reason for the delay in the use of proceeds in the amount of approximately HK$19.3 million is mainly due to the reduction in the pace of the Group's expansion as a result of the unfavourable condition in the Singapore food and beverage market.

Refer to the announcement dated 19 July 2019, the Group has planned to use approximately HK$8.4 million of the net proceeds to open the second "Greyhound Café" restaurant. Although the Group had made attempts to identify suitable locations, there was no location available which the Group considered to be suitable for the new "Greyhound Café" restaurant.

As the Company considered that there would be growth potential in dim sum café business in Singapore, the Board therefore decided to re-allocate approximately HK$8.4 million which was originally planned for opening of new restaurant under the franchised "Greyhound Café" brand to be applied towards the opening of the second new restaurant under "MASA by Black Society" brand. For details, please refer to the announcements of the Company dated 19 July 2019 and 22 July 2019.

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 30 June 2019.

Business objectives up to 30 June 2019 as set out in the Prospectus	Actual implementation plan up to 30 June 2019
Continue to expand our dining operations in Singapore	The renovation works for the new restaurant under "MASA by Black Society" brand was completed and commenced operation on 22 June 2019. The Group is in the process of negotiating with potential landlord including the proposed rental rate for our new restaurant under "Central Hong Kong Café" brand. The Group had identified and started the renovation of second new restaurant under "MASA by Black Society" brand in June 2019. The renovation was completed and commenced its operation on 22 July 2019.
Setting up new head office and enhance our workforce	The Group has confirmed 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 CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the date of this report, the interests and short positions of the Directors and chief executive 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 (Cap. 571 of the laws of Hong Kong) (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 were as follows:

Long position in the Shares as at 30 June 2019

		Shares held as at 30 June 2019	
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	93,000,000 ordinary Shares(3)	18.6%

Notes:

(1) Ms. LOW is an executive Director, the chairlady of the Board and the chief executive officer of our Company.

(2) Zhengqi Capital Holdings Limited ("**Zhengqi Capital**") is held as to 100% by Mr. Cai Da ("**Mr. Cai**"), who is a non-executive Director, and 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, as at 30 June 2019, none of the Directors, chief executive 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of its Company and its Associated Corporations" above, at no time from the Listing Date to 30 June 2019 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executive of the Company or their respective spouse or children under 18 years of age to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

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

As at 30 June 2019, the interests and short positions of substantial shareholders and other persons (other than 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 as at 30 June 2019:

Name	Capacity/ Nature of Interest	Aggregate number of Shares or underlying Shares	Approximate percentage of interest in our Company as at 30 June 2019
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) Mr. 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 30 June 2019, 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 executive 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.

RELATED PARTY TRANSACTIONS

For the six months ended 30 June 2019, the Group has not entered into any related party transactions.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities since the Listing Date and up to 30 June 2019.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 4 April 2018 (the "**Scheme**"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. No share option has been granted since the adoption of the Scheme up to 30 June 2019.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions by Directors on terms equivalent to the required standard of dealings set out in Rule 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 and code of conduct for Directors' securities transactions as set out in the Model Code from the Listing Date and up to 30 June 2019.

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 of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the "**CG Code**"), the roles of chairman 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 currently performs these two roles. Our Board believes that vesting the roles of both chairlady and chief executive officer in the same person has the benefit of ensuring 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 during the six months ended 30 June 2019 and up to the date of this report, the Company has applied the principles and complied with all the applicable code provisions set out in the CG Code.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESSES

Save as disclosed in the Prospectus, as at 30 June 2019, each of the Directors, the controlling shareholders and their respective close associates (as defined in the GEM Listing Rules) has confirmed that none of them 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 the business of the Group.

INTEREST OF THE COMPLIANCE ADVISER

As at 30 June 2019, as notified by the Company's compliance adviser, Messis Capital Limited ("**Messis**"), except for the compliance advisor agreement dated 21 March 2018 entered into between the Company and Messis, neither Messis nor any of its directors, 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 to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the "**Audit Committee**") with written terms of reference aligned with the provision of the code provisions set out in the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at 30 June 2019, the Audit Committee comprises Mr. Lu King Seng (chairman of the Audit Committee), Mr. Lee Alex Jao Jang and Mr. Lim Yeok Hua, all of whom are independent non- executive Directors. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2019. A meeting of the Audit Committee was held with the management of the Company for, amongst other things, reviewing the unaudited interim results of the Group for the six months ended 30 June 2019.

DIVIDENDS

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2019 (six month ended 30 June 2018: Nil).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any significant investments, material acquisition or disposal of subsidiaries or associates since the Listing Date to 30 June 2019.

PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report and the Prospectus, the Group did not have any concrete plans for material investments or acquisition of capital assets as at the date of this report. The Company will make further announcement in accordance with the GEM Listing Rules, where applicable, if any material investments and acquisition opportunities materialize.

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
JLogo Holdings Limited
LOW Yeun Ching @Kelly Tan
Chairlady and Chief Executive Officer

14 August 2019, Hong Kong