



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

2023



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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
Mr. WU Guangliang

Independent Non-executive Directors

Mr. LU King Seng
Mr. John Chi Chung MAN
Mr. CHAN Pak Hung

AUDIT COMMITTEE

Mr. LU King Seng *(Chairman)*
Mr. John Chi Chung MAN
Mr. CHAN Pak Hung

REMUNERATION COMMITTEE

Mr. CHAN Pak Hung *(Chairman)*
Ms. LOW Yeun Ching @Kelly Tan
Mr. John Chi Chung MAN

NOMINATION COMMITTEE

Ms. LOW Yeun Ching @Kelly Tan *(Chairlady)*
Mr. John Chi Chung MAN
Mr. CHAN Pak Hung

COMPLIANCE OFFICER

Ms. LOW Yeun Ching @Kelly Tan

COMPANY SECRETARY

Mr. CHAN Tai Wah Calvin

AUTHORISED REPRESENTATIVES

Ms. LOW Yeun Ching @Kelly Tan *(Chairlady)*
Mr. CHAN Tai Wah Calvin

AUDITOR

Mazars CPA Limited
Certified Public Accountants,
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18 Harbour Road, Wanchai
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PRINCIPAL BANKS

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
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PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN SINGAPORE

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Hong Kong

STOCK CODE

8527

COMPANY'S WEBSITE ADDRESS

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INTERIM RESULTS

The board (the “**Board**”) of Directors of the Company is pleased to report the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2023 with comparative unaudited figures for the corresponding period in 2022 as follows.

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

For the three months and six months ended 30 June 2023

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Revenue	3	4,213	4,532	8,774	8,458
Cost of inventories sold and consumed		(1,257)	(1,239)	(2,704)	(2,306)
Gross profit		2,956	3,293	6,070	6,152
Other income and gains, net	3	49	138	166	281
Employee benefits expense		(1,526)	(1,588)	(3,139)	(3,152)
Depreciation of property, plant and equipment		(222)	(189)	(437)	(374)
Depreciation of right-of-use assets		(777)	(729)	(1,531)	(1,433)
Utility expenses		(222)	(246)	(467)	(469)
Marketing and advertising expenses		(16)	(4)	(21)	(8)
Other expenses		(767)	(768)	(1,483)	(1,461)
Finance costs		(153)	(110)	(303)	(218)
LOSS BEFORE TAX	5	(678)	(203)	(1,145)	(682)
Income tax expense	6	(3)	(5)	(11)	(10)
LOSS FOR THE PERIOD (Attributable to owners of the Company)		(681)	(208)	(1,156)	(692)
OTHER COMPREHENSIVE LOSS					
Other comprehensive loss that may reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		(64)	(18)	(10)	(17)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		(64)	(18)	(10)	(17)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD (Attributable to owners of the Company)		(745)	(226)	(1,166)	(709)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8				
– Basic (S\$ cents)		(0.15)	(0.04)	(0.23)	(0.14)
– Diluted (S\$ cents)		N/A	N/A	N/A	N/A



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

		30 June 2023 S\$'000 (Unaudited)	31 December 2022 S\$'000 (Audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	9	3,350	3,479
Right-of-use assets		6,100	6,909
Other receivables	10	783	783
Deposits paid to contractor		400	400
Total non-current assets		10,633	11,571
CURRENT ASSETS			
Inventories		361	342
Trade and other receivables	10	1,670	844
Prepayments		63	56
Pledged deposits		278	464
Cash and cash equivalents		630	2,236
Total current assets		3,002	3,942
CURRENT LIABILITIES			
Trade and other payables	11	3,906	3,398
Interest-bearing bank and other borrowings	12	701	691
Lease liabilities	12	3,070	2,963
Tax payable		7	7
Total current liabilities		7,684	7,059
NET CURRENT LIABILITIES		(4,682)	(3,117)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,951	8,454
NON-CURRENT LIABILITIES			
Other payables	11	307	307
Interest-bearing bank and other borrowings	12	2,177	2,531
Lease liabilities	12	3,152	4,135
Total non-current liabilities		5,636	6,973
Net assets		315	1,481
EQUITY			
Share capital	13	869	869
Share Premium		13,311	13,311
Reserves		(13,865)	(12,699)
Total equity		315	1,481

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Share capital S\$'000	Share premium S\$'000	Merger reserve S\$'000	Exchange fluctuation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 January 2023 (audited)	869	13,311	1,735	(76)	(14,358)	1,481
Loss for the period	-	-	-	-	(1,156)	(1,156)
Other comprehensive loss for the period:						
Exchange differences on translation of foreign operations	-	-	-	(10)	-	(10)
Total comprehensive loss for the period	-	-	-	(10)	(1,156)	(1,166)
At 30 June 2023 (unaudited)	869	13,311	1,735	(86)	(15,514)	315
At 1 January 2022 (audited)	869	13,311	1,735	40	(12,671)	3,284
Loss for the period	-	-	-	-	(692)	(692)
Other comprehensive loss for the period:						
Exchange differences on translation of foreign operations	-	-	-	(17)	-	(17)
Total comprehensive loss for the period	-	-	-	(17)	(692)	(709)
At 30 June 2022 (unaudited)	869	13,311	1,735	23	(13,363)	2,575



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023	2022
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Net cash flows generated from operating activities	765	667
Net cash flows used in investing activities	(154)	1,172
Net cash flows used in financing activities	(2,217)	(2,140)
Net decrease in cash and cash equivalents	(1,606)	(301)
Cash and cash equivalents at beginning of the period	2,236	3,068
Cash and cash equivalents at end of the period	630	2,767



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

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, Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at 124, Lorong 23 Geylang, #10-01 and #10-02 Arcsphere, Singapore 388405.

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) Asian full services restaurant operations in Singapore; and
- (2) artisanal bakery chain in Malaysia.

2. BASIS OF PREPARATION

The unaudited condensed consolidated 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 unaudited condensed consolidated financial statements have been prepared under the historical cost convention. The unaudited condensed consolidated financial statements are presented in Singapore dollar ("SGD" or "S\$") and all values in the tables are rounded to the nearest thousand ("S\$'000"), except when otherwise indicated.

The basis of preparation and accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 June 2023 are consistent with those adopted in the preparation of the of the Group's consolidated financial statements for the year ended 31 December 2022 included in the 2022 Annual Report.

The Group has not adopted the new and revised IFRSs, which have been issued but are not yet effective.

Basis of consolidation

The unaudited condensed consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2023. 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.

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.

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:

	Three months ended 30 June		Six months ended 30 June	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Revenue				
Dining operations	3,067	3,518	6,520	6,551
Artisanal bakery:				
– sale of bread and flour confectionery products	1,144	1,011	2,250	1,900
– franchise and royalty fee income	2	3	4	7
	4,213	4,532	8,774	8,458
Other income and gains				
Government grants*	47	144	162	277
Interest income	1	–	1	1
Others	1	(6)	3	3
	49	138	166	281

* The amount mainly represents rewards or subsidies under the Wage Credit Scheme, Senior Employment Credit and other business grants which were received from the Singapore government.

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 confectionery products.

For the six months ended 30 June 2023

	Dining operations S\$'000	Artisanal Bakery S\$'000	Eliminated S\$'000	Total S\$'000 (Unaudited)
Segment revenue				
Revenue from external customers	6,520	2,254	–	8,774
Inter-segment sales	56	–	(56)	–
Total	6,576	2,254	(56)	8,774
Segment results	(385)	(74)	–	(459)
Unallocated employee benefits expense				(383)
Unallocated finance costs				(303)
Loss before taxation				(1,145)

For the six months ended 30 June 2022

	Dining operations S\$'000	Artisanal Bakery S\$'000	Eliminated S\$'000	Total S\$'000 (Unaudited)
Segment revenue				
Revenue from external customers	6,551	1,907	–	8,458
Inter-segment sales	76	–	(76)	–
Total	6,627	1,907	(76)	8,458
Segment results	8	25	–	33
Unallocated employee benefits expense				(497)
Unallocated finance costs				(218)
Loss before taxation				(682)



5. LOSS BEFORE TAX

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

	For the three months ended 30 June		For the six months ended 30 June	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Depreciation of property, plant and equipment	222	189	437	374
Depreciation of right-of-use assets	777	729	1,531	1,433
Rentals and related expenses	121	44	243	146
Fixed assets written off	19	59	19	59
Staff costs (excluding directors' and chief executive's remuneration)	1,337	1,421	2,771	2,798

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 2023 and 2022.

	Three months ended 30 June		Six months ended 30 June	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Current income tax	(3)	(5)	(11)	(10)
Tax expense for the period	(3)	(5)	(11)	(10)

7. DIVIDENDS

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

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

The calculation of basic loss per share is based on the following data:

	Three months ended 30 June		Six months ended 30 June	
	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)
Loss for the period	(681)	(208)	(1,156)	(692)
Weighted average number of ordinary Shares ('000)	500,000	500,000	500,000	500,000

Basic loss per share for the six months ended 30 June 2023 is S\$(0.23) cents (six months ended 30 June 2022: S\$(0.14)).

The Group had no potentially dilutive ordinary share in issue for the six months ended 30 June 2023 and 2022.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired S\$0.34 million plant and equipment (six months ended 30 June 2022: S\$31,000).

10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2023 S\$'000 (Unaudited)	As at 31 December 2022 S\$'000 (Audited)
Trade receivables, net	118	113
Refundable deposits, net	1,537	1,403
Other receivables	798	111
	2,453	1,627
Less: Refundable deposits classified as non-current assets	(783)	(783)
Trade and other receivables – current portion	1,670	844

10. 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:

	As at 30 June 2023 S\$'000 (Unaudited)	As at 31 December 2022 S\$'000 (Audited)
Less than 30 days	118	113
	118	113

An impairment analysis is performed at each reporting date using the general approach to measure expected credit losses. The Group assesses whether credit risk on the trade receivable has increased significantly since initial recognition. The Group considers trade receivables in default when contractual payments are 90 days past due.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	As at 30 June 2023 S\$'000 (Unaudited)	As at 31 December 2022 S\$'000 (Audited)
Gross carrying amount	118	113
Expected credit losses	–	–
	118	113

Refundable deposits mainly represent rental deposits and deposits with suppliers. As at 30 June 2023 and 31 December 2022, the loss allowance is assessed as follows:

	As at 30 June 2023 S\$'000 (Unaudited)	As at 31 December 2022 S\$'000 (Audited)
Refundable deposits	1,550	1,416
Impairment	(13)	(13)
Refundable deposits, net	1,537	1,403

11. TRADE AND OTHER PAYABLES

	As at 30 June 2023 S\$'000 (Unaudited)	As at 31 December 2022 S\$'000 (Audited)
Trade payables	1,095	1,153
Other payables	1,214	778
Accrued expenses	1,187	1,151
Provision for unutilised leave	63	72
Provision for reinstatement costs	405	454
Goods and service tax ("GST") payables	48	97
Amount due to a director*	201	–
	4,213	3,705
Less: Other payables classified as non-current liabilities	(307)	(307)
	3,906	3,398

* The amount represents non-interest bearing financial support provided to the Group from a director, which is payable on demand.

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 2023 S\$'000 (Unaudited)	As at 31 December 2022 S\$'000 (Audited)
Less than 30 days	482	608
30–60 days	450	418
61–90 days	114	83
More than 90 days	49	44
	1,095	1,153

12. INTEREST BEARING BANK AND OTHER BORROWINGS

	30 June 2023		31 December 2022	
	Maturity	S\$'000	Maturity	S\$'000
		(Unaudited)		(Audited)
Current				
Bank loan I	5.14%	20	5.14%	20
Bank loan II	3.00%	126	3.00%	125
Bank loan III	3.00%	187	3.00%	184
Bank loan IV	3.00%	125	3.00%	123
Bank loan V	4.00%	190	4.00%	186
Bank loan VI	2% over 3-months Compounded SORA	53	2% over 3-months Compounded SORA	53
Bank borrowings		701		691
Lease liabilities	6.00%	3,070	6.00%	2,963
		3,771		3,654
Non-current				
Bank loan I	5.14%	42	5.14%	52
Bank loan II	3.00%	152	3.00%	215
Bank loan III	3.00%	292	3.00%	387
Bank loan IV	3.00%	195	3.00%	258
Bank loan V	4.00%	672	4.00%	768
Bank loan VI	2% over 3-months Compounded SORA	824	2% over 3-months Compounded SORA	851
Bank borrowings		2,177		2,531
Lease liabilities	6.00%	3,152	6.00%	4,135
		5,329		6,666
Total		9,100		10,320

	30 June 2023	31 December 2022
	S\$'000	S\$'000
	(Unaudited)	(Audited)
Analysed into:		
Within one year	3,771	3,654
In the second year	2,795	3,063
In the third to fifth year	1,923	2,970
Over five years	611	633
	9,100	10,320

Notes:

(a) Bank loan I

This bank loan is secured by a charge over a motor vehicle with aggregate net carrying amount of approximately S\$131,000 (31 December 2022: approximately S\$142,000). The discount rate implicit in the loan is 5.14% for the period ended 30 June 2023 (31 December 2022: 5.14%).

(b) Bank loan II

The loan is secured by way of corporate guarantee by the Group and a fixed deposit of approximately S\$200,000 (31 December 2022: S\$200,000). The discount rate implicit in the loan is 3% for the period ended 30 June 2023 (31 December 2022: 3%).

(c) Bank loan III & IV

The loan is secured by way of corporate guarantee by the Group and a personal guarantee by a director of the Company. The discount rate implicit in the loan is 3% for the period ended 30 June 2023 (31 December 2022: 3%).

(d) Bank loan V

The loan is secured by way of corporate guarantee by the Group and a personal guarantee by a director of the Company. The discount rate implicit in the loan is 4% for the period ended 30 June 2023 (31 December 2022: 4%).

(e) Bank loan VI

The loan is secured by way of (i) corporate guarantee by the Group; (ii) a personal guarantee by a director of the Company and (iii) mortgage over the property with aggregate net carrying amount of approximately S\$1,554,000 (31 December 2022: S\$1,571,000).

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 2023, there were 500,000,000 ordinary shares in issue. During the reporting period, there was no new shares issued by the Company.

	As at 30 June 2023 S\$'000 (Unaudited)	As at 31 December 2022 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 (“**F&B**”) 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.


The franchise of “Greyhound Cafe” was discontinued at the end of April 2023. The restaurant’s premises were subsequently transformed and rebranded into our self-owned “Crazy Rich Thai” brand. This new brand offers a unique selection of specialised Thai dishes with innovative and creative twists.

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

If the global economy continues to recover from the impact of Covid-19, it is likely that Singapore will continue to experience growth across the services sector especially in F&B which contributes significantly to the Singapore economy.

However, we are facing the challenges brought about by inflation staying at an elevated level of 4.7% in May 2023. F&B businesses have to deal with higher costs of across almost every expense component from raw materials to running expenses like electricity and labour costs. Exacerbated by the prolonged war between Russia and Ukraine which has disrupted supply chains around the world with an increase in the prices of commodities including fertilisers, food products, and oil & gas. This has led to food inflation rising to 6.8% year-on-year based on our government released statistics.



Despite the higher operating costs, we have been extremely cautious in adjusting our selling price while we may assume a price increase is justified. Unfortunately in our highly competitive F&B sector, it may not be straightforward. We have to weigh for fear that any price increase may alienate customers or push consumers to competitors.

The industry as a whole has a high job vacancy rate of 7%, based on the Q12023 Labour Report. The manpower crunch was further exacerbated by the lowering of the foreign worker quota to 35% or less for the services sector in 2021. Furthermore, a minimum wage was also set for local employees under the progressive wage model (PWM) in May 2023, adding to the cost pressures faced by all food service businesses. As all companies begin paying at least the minimum wage, those with urgent manpower needs would need to pay higher to attract and retain local workers amid the tight labour market. This puts further cost pressure on operators like us. We have seen at least a 10% increase in labour costs during the past one year.

While it is interesting to observe that since the start of the year to May 2023, there has been a net increase of 500 new F&B businesses, with the highest number of new businesses formed in May at 370 and 222 businesses ceasing operations. While it remains encouraging to note that more F&B businesses spring up to take the spot of those that leave, we should not discount or ignore the challenges faced by the industry and its high failure rate.

Despite the encouraging turnover numbers and signs of recovery, many global and local issues continue to plague our F&B sector, affecting some more than others. Challenging manpower issues and cost inflation remains the biggest ever challenges and this structural problem has no easy fixes.

We are not looking to expand any further this year and will adopt cost cutting measures to ease and better manage our cash flow.

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately S\$0.32 million or 3.7% from approximately S\$8.46 million for the six months ended 30 June 2022 to S\$8.77 million for the six months ended 30 June 2023. The slight increase in our revenue was largely contributed from our Malaysia's operations.

Cost of inventories sold and consumed

Despite the minimal increase in revenue, our cost of inventories sold and consumed had increased by approximately S\$0.40 million or 17.3% from approximately S\$2.31 million for the six months ended 30 June 2022 to approximately S\$2.70 million for the six months ended 30 June 2023. The rising in food costs was mainly attributed to the high inflation in ingredient prices, particularly in Malaysia, due to the depreciation of Malaysia Ringgit.

Other income

Our other income decreased by approximately S\$0.12 million or 40.9% from approximately S\$0.28 million for the six months ended 30 June 2022 to approximately S\$0.17 million for the six months ended 30 June 2023. The decrease was due to the absent of Covid-19 related grants offered by the local governments.



Other expenses

Other expenses primarily consist of legal and professional fee, rental and related expenses, cleaning fee, repair and maintenance expenses, kitchen and bar utensils expenses, bank charges relating to credit card settlement, unrealised foreign currency exchange losses and other miscellaneous expenses. Other expenses increased by approximately S\$0.11 million or 7.5% from approximately S\$1.46 million for six months ended 30 June 2022 to S\$1.57 million for the six months ended 30 June 2023. There was no substantial movement during the period ended 30 June 2023.

Loss for the period

Our Group recorded a loss of approximately S\$1.16 million and S\$0.69 million for the six months ended 30 June 2023 and 2022, respectively. The increase in losses for the six months ended 30 June 2023 was mainly attributable to the weakened performance of our Singapore operations and an overall increase in food costs driven by inflation in ingredient costs in both Singapore and Malaysia.

Liquidity, financial resources and capital structure


Cash position

Our cash and bank balances amounted to approximately S\$0.63 million and S\$2.24 million as at 30 June 2023 and 31 December 2022, respectively. These balances was denominated in the respective functional currencies of the Group entities. As at 30 June 2023, 52.3% (31 December 2022: 40.2%) of our Group's cash and bank balances was denominated in Singapore dollar, 37.1% (31 December 2022: 8.1%) in Malaysia ringgit, 10.5% (31 December 2022: 18.7%) in Hong Kong dollar and 0.1% (31 December 2022: 33.0%) in Renminbi.

Our Group had net cash flow generated from operating activities of approximately S\$0.77 million for the six months ended 30 June 2023. Barring the effect of IFRS16 depreciation of right-of-use assets of approximately S\$1.53 million, it would have been a net cash flow used in operating activities of approximately S\$0.76 million primarily due to the operating losses incurred for the period.

Net cash flow used in investing activities of approximately S\$0.15 million mainly attributed to the reversal of pledged time deposits of S\$0.19 million, offset against the purchase of property, plant and equipment of S\$0.34 million during the six months ended 30 June 2023.

Net cash flow used in financing activities was S\$2.22 million for the six months ended 30 June 2023. Net cash flow was used in the repayment of bank borrowing and finance leases of S\$0.34 million, and repayment of lease obligations of S\$1.88 million.



Our restricted cash represents fixed deposit pledged to the bank. The Group is restricted to use the cash of approximately S\$0.28 million as at 30 June 2023.

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.

Borrowings

Particulars of the Group's interest-bearing bank and other borrowings as at 30 June 2023 and 31 December 2022 (including their nature, currency involved, maturity profile and interest rate structure) are set out in note 12 to the consolidated financial statements.

Gearing ratio

Gearing ratio is measured by interest-bearing bank and other borrowings divided by the total equity. The gearing ratio is 2,665% as at 30 June 2023 (31 December 2022: 218%).

Capital expenditure and commitment

During the six months ended 30 June 2023, the Group has capital expenditures of S\$0.34 million which consisted primarily renovation of our new restaurant. These capital expenditures were mainly funded by our internal resources. The Group has no capital commitment during the period ended 30 June 2023 (31 December 2022: nil).

Risk of exchange rate fluctuation

The Group has currency exposures arising from sales and purchases 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 2023, the Group had no contingent liabilities (31 December 2022: nil).



Charge on assets

The Group's hire purchase loan is secured by a charge over the asset which had a carrying amount of approximately S\$131,000 as at 30 June 2023 (31 December 2022: S\$142,000).

On 27 July 2022, the Group entered into a bank term loan to finance our existing property loan. The bank term loan is secured by way of corporate guarantee by the Group, personal guarantee by a director and mortgage over the property with a net carrying amount of approximately S\$1,554,000 as at 30 June 2023 (31 December 2022: S\$1,571,000).

There was no further charge on assets of the Group created for the period ended 30 June 2023.

Employees and remuneration policy

As at 30 June 2023, the Group had a total number 239 full-time employees (31 December 2022: 246) 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.

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 2023:

Name of Director/Chief Executive	Capacity/ Nature of Interest	Number of Underlying Shares	Approximate Percentage
Ms. Low Yeun Ching @Kelly Tan ⁽¹⁾	Beneficial interest	219,500,000 ordinary Shares ⁽²⁾	43.9%

Notes:

- (1) Ms. Low is an executive Director, the chairlady of the Board and the chief executive officer of the Company.
(2) These Shares are held in long position.

Save as disclosed above, as at 30 June 2023, 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 2023 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 2023, 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 2023:

Name	Capacity/ Nature of Interest	Aggregate number of Shares or underlying Shares	Percentage of interest in our Company as at the Date of this Report
JingXin Healthcare International Limited 淨心療養院(國際)有限公司 ("JingXin Healthcare") ⁽¹⁾	Beneficial interest	90,500,000 ordinary Shares ⁽²⁾	18.1%

Notes:

- (1) JingXin Healthcare (formerly known as as Bright Honor Investment International Limited) is held as to 100% by Peaceful and Land International Limited 祥和國際有限公司, which in turn is held as to 100% by Mr. Tobias Li Xi BERNOTH and therefore Mr. Tobias Li Xi BERNOTH is deemed to be interested in the 90,500,000 Shares held by JingXin Healthcare, pursuant to the SFO.
- (2) These Shares are held in long position.

Save as disclosed above, as at 30 June 2023, 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 2023, 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 2023.



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 2023.

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 throughout the six months ended 30 June 2023.

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 C.2.1 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 2023 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 2023, 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.



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 2023, the Audit Committee comprises Mr. Lu King Seng (chairman of the Audit Committee), Mr. John Chi Chung Man and Mr. Chan Pak Hung, 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 2023. 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 2023.

DIVIDENDS

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2023 (six month ended 30 June 2022: Nil).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any significant investments, material acquisition or disposal of subsidiaries or associates during the six months ended 30 June 2023.

PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, 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 materialise.

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 2023, Hong Kong