

## NEWS RELEASE

### **JUMBO, ONE OF SINGAPORE'S LEADING MULTI-DINING CONCEPT F&B ESTABLISHMENTS, LAUNCHES IPO**

- ***2,000,000 Offer Shares at S\$0.25 each by way of public offer***
- ***86,233,000 Placement Shares at S\$0.25 each by way of placement***
- ***Jumbo to open at least four (4) additional F&B outlets in the PRC and Singapore within the next 24 months***
- ***Intends to pay out not less than 30.0% of net profits as dividends for FY2016 and FY2017***
- ***Orchid 1 Investments Pte. Ltd. and Mr. Ron Sim Chye Hock take stake in Jumbo as cornerstone investors***

**Singapore, October 28, 2015** – Jumbo Group Limited (“**Jumbo**”, or the “**Company**” and together with its subsidiaries and subsidiary entities, the “**Group**”), one of Singapore’s leading multi-dining concept food and beverage (“**F&B**”) establishments, has launched its initial public offering (“**IPO**” or “**Invitation**”) of 88,233,000 shares (“**New Shares**”) at S\$0.25 (“**Issue Price**”) per New Share today, in conjunction with its proposed listing on Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

United Overseas Bank Limited (“**UOB Limited**”) is the Sponsor and Issue Manager, while UOB Limited and UOB Kay Hian Private Limited are the Joint Underwriters and Joint Placement Agents for this IPO.

Concurrent but separate from the Invitation, Orchid 1 Investments Pte. Ltd. (“**Orchid 1**”) and Mr. Ron Sim Chye Hock have entered into the Cornerstone Subscription Agreements with Jumbo to subscribe for an aggregate of 72,100,000 shares (“**Cornerstone Shares**”) at the Issue Price, each agreement being conditional upon, *inter alia*, the Underwriting and Placement Agreement and the Management and Sponsorship Agreement having been entered into, and not having been terminated on or prior to the date and time on which the New Shares are issued as settlement under the Invitation.

Orchid 1 is a private limited company incorporated in Singapore. Orchid 1 is managed and controlled by Heliconia Capital Management Pte. Ltd. (“**Heliconia**”), which is an investment company incorporated in Singapore and a wholly-owned subsidiary of Temasek Holdings (Private) Limited. Heliconia provides growth capital to Singapore's leading small and medium-sized enterprises, to help them become globally competitive companies.

Mr. Ron Sim Chye Hock is the Founder, Chairman and Chief Executive Officer of OSIM International Ltd., a global leader in branded healthy lifestyle products, which is listed on the Main Board of the SGX-ST. Mr. Sim is well-known for his entrepreneurship, and is recognised as a prominent businessman who has been honoured with, among others, the Ernst & Young “Entrepreneur of the Year” award in 2003, the “Businessman of the Year” award at the Singapore Business Awards in 2003, and the “Best Chief Executive Officer” award at the Singapore Corporate Awards in 2012. In 2015, he was ranked number 22 on Forbes’ list of the 50 Richest Singaporeans.

The Group’s network of F&B outlets (including those of its associated companies and those under licensing arrangements) spans Singapore, the People’s Republic of China (the “**PRC**”) and Japan. Through its philosophy of “Bonding People Through Food”, it endeavours to provide quality food and service at great value in a comfortable and friendly environment. In addition, it also provides catering services in Singapore, and sells packaged sauces and spice mixes for some of its signature dishes.

Mr. Ang Kiam Meng (黃建銘), CEO and Executive Chairman, said, “Our IPO launch is a significant development in our corporate journey. This provides a platform for Jumbo to embark on a faster pace of business expansion funded by the capital that we will raise, while enhancing the visibility of our brands both locally and overseas. The IPO will also provide the general public, our employees, business associates and members who have contributed to our success with an opportunity to participate in Jumbo’s exciting prospects that lay ahead. Additionally, we are truly heartened by the confidence of our cornerstone investors in our growth story, given their substantial stake in the Company.”

### **The Invitation**

The Invitation of 88,233,000 New Shares, at an Issue Price of S\$0.25 each, represents approximately 13.8% of the Company’s post-Invitation share capital. The Invitation is structured as follows:

- a) 2,000,000 Offer Shares at S\$0.25 for each Offer Share by way of public offer; and
  - b) 86,233,000 Placement Shares at S\$0.25 for each Placement Share by way of placement,
- payable in full on application.

Jumbo’s post-Invitation market capitalisation will be approximately S\$160.3 million based on the Issue Price of S\$0.25.

The Invitation will close at 12.00 noon on 5 November 2015. The listing and trading of Jumbo’s shares is expected to commence on a “ready” basis at 9.00 a.m. on 9 November 2015.

## Overview of Jumbo

The Group traces its history to 1987 when it launched its flagship *Jumbo Seafood* outlet, which is located at the East Coast Seafood Centre, Singapore. This marked Jumbo's entry into the seafood restaurant business.

The Group has two business segments: (i) Dine-in Sales; and (ii) Retail and Catering Sales, with the Dine-in Sales segment contributing 99.1% of total revenue for the financial year ended 30 September 2014 (“**FY2014**”).

Jumbo has a total of 14 F&B outlets in Singapore and two (2) F&B outlets in the PRC, under five (5) restaurant brands - *Jumbo Seafood*, *JPOT*, *Ng Ah Sio Bak Kut Teh*, *Chui Huay Lim Teochew Cuisine* and *J Café*. It also manages one (1) *Singapore Seafood Republic* outlet and one (1) *Yoshimaru Ramen Bar* outlet in Singapore that are effectively owned by its associated companies.

As one of the leading F&B establishments in Singapore, Jumbo's restaurant brands are widely recognised by consumers, given its strong emphasis on food and service quality. The Group has received many awards, accolades and notable mentions in prestigious publications for the high quality of food and service offered by the Group's F&B brands. These honours included the People Excellence Award by SPRING Singapore, and the HRM Award – SME Employer of the Year by HRM Asia Pte Ltd, with both awards accorded to the Group in 2015. In addition, Jumbo has a large customer base of over 48,000 customers under its *Jumbo Rewards* customer loyalty programme, which improves customer engagement, encourages repeat patronage and attracts new customers.

Mr. Ang commented, “Our focus on human capital is one of the key reasons for Jumbo's success. We are proud to have a dedicated and experienced management team that is supported by our staff, of whom more than 100 have been with us for 10 years or more.”

“Operational efficiency is also another of our core focus. Implementing IT systems in areas such as the placing of orders by customers has allowed us to respond quickly to our customers’ needs and lowered our operating expenses.”

The Group has a Central Kitchen in Singapore to maintain stringent quality standards and the consistency in the tastes of its signature dishes, increase productivity and lower costs. Jumbo’s Research and Development (“**R&D**”) Kitchen facilitates the creation of new dishes and improvement of food preparation processes.

### **Business Strategies and Future Plans**

Jumbo intends to establish new F&B outlets in the PRC and in Singapore, with plans to launch at least four (4) additional F&B outlets in both countries within the next 24 months. In particular, the PRC presents good growth potential due to its population size and expanding middle class. In addition, Jumbo intends to refurbish and renovate its existing outlets to enhance its customers’ dining experiences.

Elaborating on the Group’s future plans, Mr. Ang said, “With Jumbo’s expanding business, it is important for us to facilitate such future growth and development. In that regard, we are planning to acquire new premises, equipment and machinery for our corporate headquarters, Central Kitchen and R&D Kitchen. By housing our various departments under one roof, it will enhance the communication of our internal units and bring about an increased level of operational efficiency within the Group.”

In addition, Jumbo may expand its business in Singapore or overseas through acquisitions, joint ventures or strategic alliances with parties who can strengthen its market position, add value to its existing business, and enable it to expand into new businesses. By pursuing this strategy, the Group also seeks to bring about greater economies of scale and provide an impetus for future growth.

## Financial Highlights

The Group's revenue grew at a compounded annual growth rate ("**CAGR**") of approximately 13.2% between the financial year ended 30 September 2012 ("**FY2012**") and FY2014, from S\$87.7 million to S\$112.4 million, respectively. In addition, for the six months ended 31 March 2014 ("**1H2014**") and 31 March 2015 ("**1H2015**"), the Group achieved an 11.4% growth in its revenue from S\$55.8 million to S\$62.2 million, respectively.

Consequently, Jumbo's profit for the period recorded a CAGR of 34.2% from S\$7.7 million in FY2012 to S\$13.8 million in FY2014, and profit margin climbed from 8.7% in FY2012 to 12.3% in FY2014. Profit for the periods 1H2014 and 1H2015 remained relatively stable at S\$7.2 million and S\$7.0 million, respectively while profit margin was 12.9% and 11.3%, respectively.

The Group's PRC operations accounted for 7.4% of the Group's total revenue for 1H2015 as compared to 4.2% in 1H2014.

Mr. Ang remarked, "The PRC represents a growth driver for us and this has translated into the geographical segment's revenue in 1H2015 rising 93.8% to S\$4.6 million from S\$2.4 million in 1H2014. With our second *Jumbo Seafood* restaurant in the PRC recently opened in August 2015, coupled with our third store which is expected to be launched in January 2016, we look forward to extending a larger footprint in the country."

## Dividends

While Jumbo does not currently have a fixed dividend policy, the Board of Directors intends to recommend and distribute dividends of not less than 30.0% of the Group's net profits attributable to shareholders in each of the financial years ending 30 September 2016 and 30 September 2017, respectively.

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ISSUED ON BEHALF OF : Jumbo Group Limited  
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd  
55 Market Street  
#02-01  
SINGAPORE 048941  
CONTACT : Mr. Winston Choo / Mr. Han Zhongchou / Ms.  
Renee Goh  
at telephone  
DURING OFFICE HOURS : 6534-5122 (Office)  
AFTER OFFICE HOURS : 9068-2099 / 9154-3765 / 9667-5837 (Handphone)  
EMAIL : [winston.choo@citigatedrimage.com](mailto:winston.choo@citigatedrimage.com)  
[zhongchou.han@citigatedrimage.com](mailto:zhongchou.han@citigatedrimage.com)  
[renee.goh@citigatedrimage.com](mailto:renee.goh@citigatedrimage.com)

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*Copies of the Offer Document and the Application Forms may be obtained on request, subject to availability, during office hours, from: (a) United Overseas Bank Limited, 80 Raffles Place #03-03, UOB Plaza 1, Singapore 048624; and (b) UOB Kay Hian Private*



Limited, 8 Anthony Road, #01-01, Singapore 229957. An electronic copy of the Offer Document is also available on the SGX-ST website at <http://www.sgx.com>. Anyone wishing to subscribe for the New Shares shall make an application in the manner set forth in the Offer Document.

This Press Release does not constitute or form part of an offer of, or invitation or solicitation to subscribe for any New Shares in any jurisdiction in which such offer or invitation or solicitation is unauthorised or unlawful nor does it constitute an offer or invitation or solicitation to any person to whom it is unlawful to make such offer or invitation or solicitation, and is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of securities laws or the laws of other jurisdictions. This Press Release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Press Release.

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

The contact persons for the Sponsor are Mr. Khong Choun Mun, Managing Director, Equity Capital Markets and Mr. Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.