

Issuer: Jumbo Group Limited
Security: Jumbo Group Limited

Meeting details:

Date: 26 January 2017

Time: 10:00H

Venue: 190 Keng Lee Road, Chui Huay Lim Club, Singapore 308409

Company Description

Jumbo Group Limited, an investment holding company, operates and manages a network of restaurants in Singapore, Japan, and the People's Republic of China. It operates 16 food and beverages (F&B) outlets in Singapore and 3 F&B outlets in the People's Republic of China under JUMBO Seafood, JPOT, NG AH SIO Bak Kut Teh, Chui Huay Lim Teochew Cuisine, and J Café brand names. The company also manages a Seafood Republic outlet in Singapore; and offers catering services. In addition, it sells packaged JUMBO cereal premixes, JUMBO chilli crab pastes, black pepper crab spice mixes, and Teochew style bak kut teh spice mixes through its outlets, as well as selected stores, supermarkets, and travel agencies; and through its online shop, jumboeshop.com.sg. Jumbo Group Limited was founded in 1987 and is based in Singapore. Jumbo Group Limited operates as a subsidiary of JBO Holdings Pte. Ltd.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=42R)

Q1. The group opened its third Jumbo Seafood outlet in the PRC with the opening of a 650 square metres restaurant in Shanghai International Finance Centre, Pudong. Together with the new NG AH SIO Bak Kut Teh outlets at Resorts World Sentosa and at the Food Village (Takashimaya Food Court) in Ngee Ann City, the group has now opened three additional outlets.

According to the company's Offer Document, the group had the intent to "open at least four additional outlets in the PRC and Singapore, within next 24 months".

- a) **Can the group update shareholders on the pipeline of new restaurants? How many more outlets are planned in the next 12 months in Singapore and in the PRC?**
- b) **In the "CEO & Executive Chairman's Statement" (page 4 of the annual report), it was mentioned that "the group intends to expand its brands to other major Chinese cities". Can the company share its long term growth plans for the PRC market? What are the key cities and what is the targeted number of outlets in these key cities?**
- c) **Currently, is the PRC segment profitable?**
- d) **It was also disclosed that the group inked its first franchise agreement to introduce JUMBO Seafood in Ho Chi Minh City and Danang, Vietnam. How does management decide which markets and which brands are to be franchised out or to be owned and operated internally?**
- e) **Beyond Singapore, the PRC, Japan and Vietnam, what are the other new markets that the group may venture to?**

Q2. Given the weak economic outlook and the pressure on operating costs and keen competition, how successful is the group in mitigating these risks? Specifically:

- a) **What is the feedback from customers on the "innovative self-ordering and payment kiosks" and the tray return system at the Resorts World Sentosa outlet? What are the cost savings at this outlet?**
- b) **How does the group ensure the quality and freshness of food is maintained with the use of the central kitchen?**
- c) **How successful is the group in tapping the new sales channel, such as food delivery services?**

Q3. Can the company provide more clarity into the following items from the financial statements?

Note		2016 \$	2015 \$	Remarks/Comments
Note 8 – Short-term investments	Quoted equity securities	331,509	329,202	What are the quoted equity securities?
Note 16 – Trade and other payables	Other payables	1,391,709	798,185	What makes up “Other payables”? Why is there a large percentage increase?
Note 25 – Other income	Others	516,531	46,064	What makes up “Others” in “Other income”? Why is there a large percentage increase?
Note 26 – Other operating expenses	Other expenses	3,328,829	2,569,793	What makes up “Other expenses”? Why is there a 30% percentage increase?