



JUMBO GROUP LIMITED

(Company Registration No. 201503401Z)
(Incorporated in the Republic of Singapore)

JOINT VENTURE TO ESTABLISH AND OPERATE HONG KONG-STYLE “CHA CHAAN TENG” (港式茶餐廳) UNDER THE “TSUI WAH (翠華)” BRAND IN SINGAPORE

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Jumbo Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company’s indirect wholly-owned subsidiary, Jumbo F&B Services Pte. Ltd. (“**JFB**”), has entered into a joint venture agreement (“**JVA**”) with Kang Wang Holdings Limited (康旺控股有限公司) (“**Kang Wang**”) dated 9 March 2018, pursuant to which JFB has incorporated a wholly-owned subsidiary in Singapore named Vista F&B Services Pte. Ltd. (the “**JVC**”) to establish and operate Hong Kong-style “Cha Chaan Teng” (港式茶餐廳) outlets under the “Tsui Wah (翠華)” brand in Singapore (the “**Joint Venture**”). As at the date of this announcement, the issued and paid-up capital of the JVC is S\$2 comprising 2 shares. The principal activities of the JVC are restaurant management and operation, and investment holding.

The JVC has also entered into a franchise agreement with Tsui Wah International Patent Limited (“**Tsui Wah IPL**”) dated 9 March 2018 (the “**Franchise Agreement**”), pursuant to which Tsui Wah IPL shall grant the JVC, *inter alia*, the right to use the “Tsui Wah (翠華)” trade marks and trade names in Singapore.

The Franchise Agreement has an initial term of 10 years and may be renewed for a further 10 years subject to certain conditions.

2. RATIONALE FOR THE JOINT VENTURE

The Joint Venture is in line with the Group’s plan to continually expand its stable of F&B brands to further strengthen and grow its presence and market share in Singapore.

The Joint Venture will enable the Group and Tsui Wah (as defined below) to work together to bring Tsui Wah’s well-known and popular brand of Hong Kong-style “Cha Chaan Teng” (港式茶餐廳) F&B offerings to Singapore, coupled with the Group’s extensive local expertise and know-how.

3. INFORMATION ON KANG WANG AND TSUI WAH IPL

Both Kang Wang and Tsui Wah IPL are wholly-owned subsidiaries of Tsui Wah Holdings Limited (翠華控股有限公司) (“**Tsui Wah**” and together with its subsidiaries, the “**Tsui Wah Group**”).

The Tsui Wah Group is principally engaged in operating a chain of Hong Kong-style “Cha Chaan Teng” (港式茶餐廳) F&B outlets under the “Tsui Wah (翠華)” brand.

As at 31 January 2018, there are 32 outlets in Hong Kong, 35 outlets in the People’s Republic of China, and 3 outlets in Macau, operating under the “Tsui Wah (翠華)” brand.

4. SHAREHOLDING STRUCTURE AND CAPITAL CONTRIBUTION

JFB and Kang Wang shall subscribe for 244,998 and 255,000 new shares in the capital of the JVC respectively, for S\$244,998 and S\$255,000, in cash, respectively (“**Proposed Subscription**”). The shareholding interests of JFB and Kang Wang in the JVC immediately following completion of the Proposed Subscription shall be 49% and 51% respectively.

5. FINANCIAL EFFECTS OF THE JOINT VENTURE

The Group’s investment in the JVC shall be funded by internal resources.

None of the JVA, the Franchise Agreement or the Joint Venture is expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 30 September 2018.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any direct or indirect interest in the JVA, the Franchise Agreement or the Joint Venture, other than their respective shareholdings in the Company.

BY ORDER OF THE BOARD

Ang Kiam Meng
Group CEO and Executive Director

9 March 2018

This announcement 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 Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.

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

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