JUMBO GROUP

ANNUAL REPORT 2016

ONE OF SINGAPORE'S LEADING MULTI-DINING CONCEPT F&B ESTABLISHMENTS

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This annual report 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 annual report.

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

The contact person for the Sponsor is 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.

Corporate Profile

JUMBO Group Limited ("**JUMBO**", or the "**Company**" and together with its subsidiaries and subsidiary entities, the "**Group**") is one of Singapore's leading multi-dining concept food and beverages ("**F&B**") establishments.

The Group's network of F&B outlets (including those of its associated companies and those under licensing arrangements) spans across Singapore, the People's Republic of China ("**PRC**") and Japan. JUMBO also provides catering services for customers in Singapore, and sells packaged sauces and spice mixes for some of its signature dishes in its outlets, selected stores, supermarkets, travel agencies and online via the JUMBO eShop.

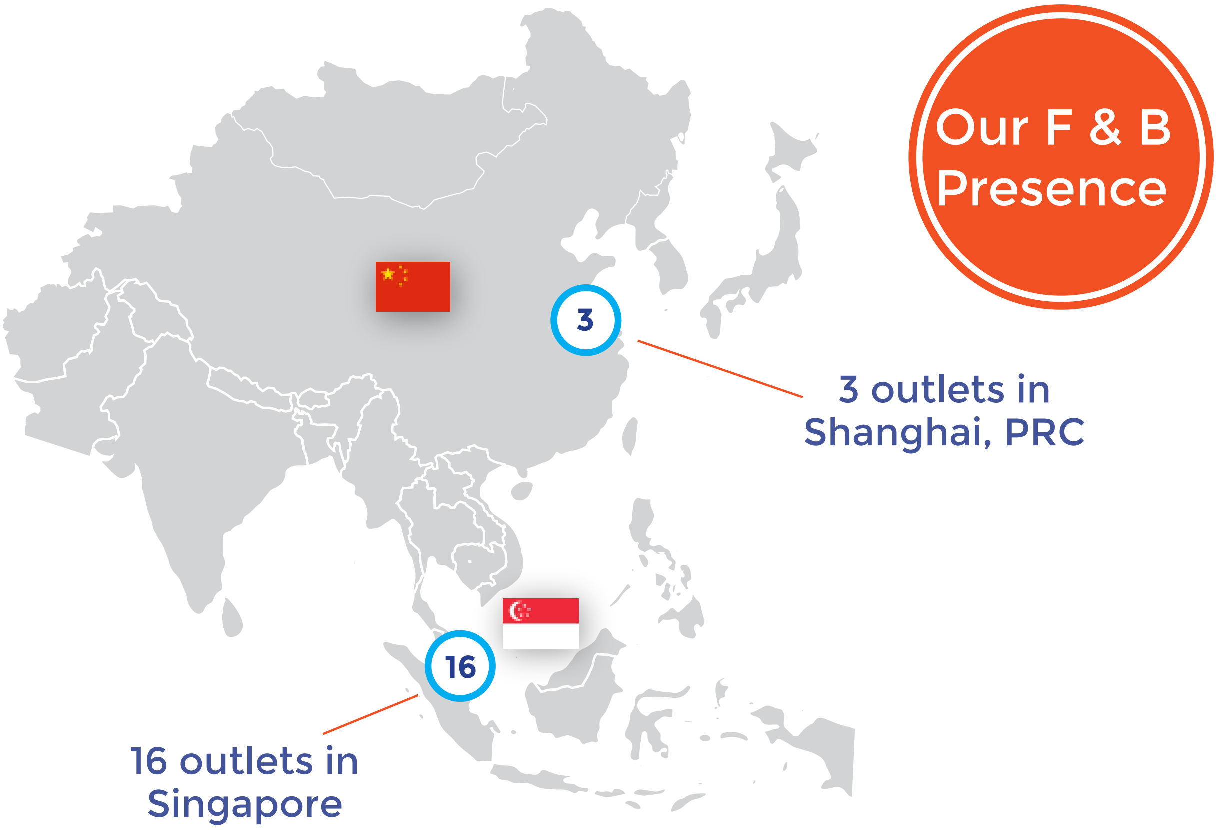
Fulfilling its philosophy of "Bonding People Through Food", JUMBO has a total of 16 F&B outlets in Singapore and 3 F&B outlets in the PRC, under 5 restaurant brands – JUMBO Seafood, JPOT, NG AH SIO Bak Kut Teh, Chui Huay Lim Teochew Cuisine and J Café. It also manages 1 Singapore Seafood Republic outlet.

The Group also 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 Kitchen facilitates the creation of new dishes and improvement of food preparation processes.

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.

Some of the Group's recent awards and accolades include the Excellent Service Award (2016), SIAS 17th Investors' Choice Awards – Winner of Most Transparent Company Award for New Issues (2016), Singapore Business Awards – The Enterprise Award (2016), Singapore Corporate Awards – Best Investor Relations, Merit Award for First-Year Listed Companies (2016), People Excellence Award (2015), HRM Awards – SME Employer of the Year (2015), Influential Brands Award – Top Brand for Seafood Category (2015), Singapore SME 1000 Company (2015), and the Enterprise 50 Award (2nd place in 2015).

JUMBO Seafood was also featured amongst the "Top 50 most iconic places in Singapore to visit" list compiled by TripAdvisor in 2015 in conjunction with SG50 celebrations. In November 2016, JUMBO Seafood outlet at Dempsey Hill won the "Excellence Award (新加坡甄选)", while NG AH SIO Bak Kut Teh at Rangoon Road received the "Local Delights Award (新加坡风味)" at the "Ctrip Food Award (携程美食林) 2016". These 2 awards were conferred by NASDAQ-listed Ctrip (携程旅行网), a leading provider of travel services and China's largest travel company.



Our Brands and Outlets

www.jumboseafood.com.sg

Singapore

East Coast Seafood Centre	+65 6442 3435
Riverside Point	+65 6532 3435
The Riverwalk	+65 6534 3435
NSRCC's Changi Clubhouse	+65 6552 3435
Dempsey Hill	+65 6479 3435

Shanghai, China

iAPM	+86 21 6466 3435
Raffles City	+86 21 6418 3435
IFC Mall	+86 21 6895 3977

/JUMBOSeafood

NG AH SIO Bak Kut Teh

www.ngahsio.com

Rangoon Road	+65 6291 4537
Tanjong Katong Road	+65 6344 4537
Chui Huay Lim Club	+65 6250 4537
Resorts World Sentosa	+65 6835 7540
The Shoppes at Marina Bay Sands	
Ngee Ann City	

醉 花 林 品 潮 轩

www.CHLTeochewCuisine.com.sg

Chui Huay Lim Club	+65 6732 3637

HOTPOT SINGAPORE STYLE
珍 宝 火 锅

www.jpot.com.sg

VivoCity | +65 6273 3536
Tampines 1 | +65 6532 3536
Parkway Parade | +65 6884 3536

/JPOT.SINGAPORE

J Café
SINGAPORE'S LOCAL DELIGHTS

www.jumbogroup.sg/Jcafe

NSRCC's Changi Clubhouse | +65 6546 3839

Singapore Seafood Republic

www.singaporeseafoodrepublic.com.sg

Waterfront @ Resorts World Sentosa | +65 6265 6777

CEO & Executive Chairman's Statement

Dear Shareholders,

On behalf of the board of directors of the Company ("**Board**"), I am pleased to present JUMBO's annual report for the financial year ended 30 September 2016 ("**FY2016**").

FY2016 has been a remarkable year for JUMBO. We steadfastly stood by our guiding principle of leveraging our strengths and focusing our resources at targeted opportunities in order to achieve sustainable growth for our business. This has served us well, as we continue to see broad-based growth across our operations and improved profitability, in spite of the challenging F&B industry.

Financial Highlights

The Group recorded an increase in revenue of 11.4% or $14.0 million from $122.8 million in the financial year ended 30 September 2015 ("**FY2015**") to $136.8 million in FY2016. This was mainly attributable to revenue contributions from our 2 new JUMBO Seafood outlets in Shanghai, PRC as well as an overall increase in revenue from the rest of our restaurants.

In line with the increase in revenue, the Group's profit attributable to owners of the Company for FY2016 leapt 46.3% to $15.5 million from $10.6 million in the previous corresponding year. The increase in net profit was mainly due to our co-operative ventures and the acquisition of a formerly partially-owned subsidiary to become fully-owned by the Company.

Year in Review

In FY2016, JUMBO continued to grow its business footprints in both Singapore and the PRC.

The Group opened its third JUMBO Seafood outlet in Shanghai at the International Finance Centre in January 2016, following the launch of our first 2 outlets in Shanghai, PRC.

In Singapore, the Group announced in October 2016 the expansion of its JUMBO Seafood (Riverside) outlet with the leasing of an additional 3,500 square feet of space at its current location, as well as the opening of its fifth NG AH SIO Bak Kut Teh outlet at Resorts World Sentosa ("**RWS**"). The 1,600 square feet NG AH SIO Bak Kut Teh outlet at RWS features an innovative dining eco-system that effectively utilises a combination of automated systems capable of generating cost savings for the Group. A sixth NG AH SIO Bak Kut Teh outlet at the Food Village (Takashimaya Foodcourt) in Ngee Ann City was added in January 2017.

The expansion of our business is accompanied by growing brand loyalty among our customers. I am pleased to note that membership numbers for our JUMBO Rewards programme had grown from 48,000 members last year at the time of our initial public offering ("**IPO**"), to 54,000 members today. With this, I would like to extend my warmest welcome to all the new members of our JUMBO family.

Awards and Accolades

JUMBO's pioneering spirit, enduring quest for innovation and business excellence, continued to be recognised through prestigious awards and accolades. In FY2016, we are humbled, yet honored, to be conferred with a series of awards including the Singapore Business Awards – The Enterprise Award (2016), Singapore Corporate Awards – Best Investor Relations, Merit Award for First-Year Listed Companies (2016), SIAS 17th Investors' Choice Awards – Winner of Most Transparent Company Award for New Issues (2016) and the Excellent Service Award (2016).

While these accolades may have been awarded to the Group as a whole, they would not have been possible without the hard work, dedication and support put in by our employees and business associates, and I wish to dedicate these awards to every one of you.

Looking Ahead

2017 will be a milestone year for JUMBO as we celebrate our 30th anniversary. To commemorate this momentous occasion, we will be looking forward to launch a year-long series of celebratory events under the overarching theme of "Bonding People Through Food". Importantly, I would like to extend our heartfelt appreciation to all our employees, customers and suppliers who have made this journey possible every step of the way.

On the business front, we are heartened to see that our PRC operations have continued to grow positively year-on-year with increased revenue contribution from this geographical segment from 8.5% in FY2015 to 14.6% in FY2016. Riding on our operational success in Shanghai, PRC to date, the Group intends to expand its brands to other major Chinese cities and to pursue franchising opportunities to diversify and grow our business offerings. In December 2016, the Group inked its first franchise agreement to introduce JUMBO Seafood in Ho Chi Minh City and Danang, Vietnam. We certainly look forward to an exciting year ahead.

The F&B industry will continue to be challenging and competitive, given the weak economic outlook, coupled with pressure on operating costs and keen competition. Nonetheless, we intend to leverage our brands and talented people to stay competitive in the marketplace, and strive to strengthen our brands portfolio for sales and earnings growth.

Dividends

In view of the Group's healthy operating cash flow and to reward shareholders of the Company ("**Shareholders**") for their loyal support, we are pleased to propose a tax exempt (one-tier) final cash dividend of 1.0 cent and a tax exempt (one-tier) special dividend of 0.7 cents, which together, represents a total proposed dividend payout of 1.7 cents per share for FY2016. The dividend payout, amounting to approximately 70.3% of the Group's profit attributable to owners of the Company in FY2016, is subject to the approval of Shareholders at the annual general meeting ("**AGM**").

Acknowledgement

I would like to take this opportunity to express my gratitude to all our employees and management team, who work tirelessly to deliver food, service and operational excellence to our customers and help JUMBO grow the business to what it is today.

Last but not least, I would also like to thank our loyal customers, Shareholders and business partners for your support through the years. I look forward to celebrate another year of success with all of you.

Mr. Ang Kiam Meng
CEO & Executive Chairman

Milestones

2017
- Ngee Ann City
- RWS (Ng Ah Sio Bak Kut Teh)

2016
- IFC Mall (Jumbo Seafood)
- MSCI Singapore Micro Cap Index

2015
- Raffles City (Jumbo Seafood)
- Listed on the Catalist Board of the SGX-ST (42R.SI)

2014
- NSRCC (J Café)
- Parkway Parade (J Pot)

2013
- iAPM Mall (Jumbo Seafood)

2012
- Tanjong Katong CHL Club (Ng Ah Sio Bak Kut Teh)
- Tampines 1 (J Pot)

2011
- CHL Club
- MBS (Ng Ah Sio Bak Kut Teh)

2010
- Rangoon (Ng Ah Sio Bak Kut Teh)
- RWS (Singapore Seafood Republic)

2009
- VivoCity (J Pot)

2008
- Dempsey (Jumbo Seafood)
- Jumbo Group of Restaurants Central Kitchen

2006
- NSRCC (Jumbo Seafood)

2004
- Riverwalk (Jumbo Seafood)

2002
- Riverside (Jumbo Seafood)

1987
- East Coast (Jumbo Seafood)

CELEBRATING 30 YEARS OF BONDING PEOPLE THROUGH FOOD

Awards & Accolades

Singapore Business Awards 2016
The Enterprise Award
Jointly organized by
The Business Times and DHL

Singapore Corporate Awards 2016

Best Investor Relations Award, Merit Award for First Year Listed Companies

Co-organised by Institute of Singapore Chartered Accountants (ISCA), Singapore Institute of Directors (SID) and The Business Times

SIAS - Most Transparent Company Award 2016

Most Transparent Company Award 2016, New Issues Category
Awarded by Securities Investors Association (Singapore)

Excellent Service Award 2016
Awarded by 7 industry bodies
and SPRING Singapore

Ctrip Food Award 2016
(携程美食林) 2016
Singapore Flavour: NG AH SIO Bak Kut Teh
新加坡风味：黄亚细肉骨茶餐室(仰光路店)
Singapore Choice: JUMBO Seafood (Dempsey Hill)
新加坡甄选：珍宝海鲜（登布西山店）

Singapore Tatler Award 2016
Singapore's Best Restaurants 2016

Enterprise 50 Award 2015
2nd place
Awarded by The Business Times
and KPMG, supported by IDA,
IE Singapore, Singapore
Business Federation
and SPRING Singapore

People Excellence Award 2015
Awarded by SPRING Singapore

Singapore Productivity Awards
Excellence in F&B Sector 2015
Awarded by Singapore Business Federation

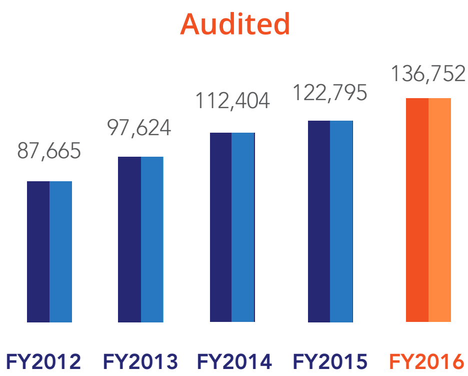
HRM Awards 2015
SME Employer of the Year
Awarded by HRM Asia

Influential Brands Awards 2015
Top Brand for Seafood Category
Awarded by Brand Alliance Group

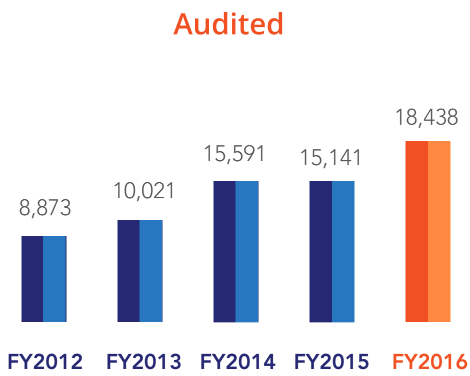
Tatler Beijing & Shanghai
Best Restaurants Guide 2014 – Best restaurants in Shanghai

Financial Review

Revenue ($'000)



Profit before tax ($'000)



$'000	FY2012	FY2013	FY2014	FY2015	FY2016
Revenue	87,665	97,624	112,404	122,795	136,752
Profit before tax	8,873	10,021	15,591	15,141	18,438
Profit for the year	7,651	9,546	13,778	13,322	15,708
Net profit attributable to					
Owners of the Company	6,596	8,539	11,521	10,600	15,508
Fellow co-operative venturers	899	1,009	1,828	2,152	-
Non-controlling interests	156	(2)	429	570	200
	7,651	9,546	13,778	13,322	15,708
Basic and diluted earnings per share (cents)	1.0	1.3	1.8	1.7	2.4

For comparative purposes, the earnings per share for the respective financial years have been computed based on the net profit attributable to owners of the Company and the Company's post-IPO share capital of 641,333,000 shares.

REVIEW OF THE GROUP'S PERFORMANCE

Revenue

Revenue increased by 11.4% or $14.0 million, from $122.8 million in FY2015 to $136.8 million in FY2016 due mainly to revenue contributions from our 2 new JUMBO Seafood outlets in Shanghai, PRC which opened in August 2015 and January 2016 respectively as well as an overall increase in revenue from the rest of our restaurants.

Cost of sales

Cost of sales which comprised raw materials and consumables used increased by 10.5% or $4.8 million, from $45.5 million in FY2015 to $50.3 million in FY2016, in line with the increase in revenue. Cost of sales as a percentage of revenue remained stable at 36.8% in FY2016 and 37.1% in FY2015.

Gross profit

Gross profit increased by 11.9% or $9.2 million, from $77.3 million in FY2015 to $86.5 million in FY2016. Gross profit margin was 63.2% in FY2016 and 62.9% in FY2015.

Other income

Other income increased by 5.5% or $0.1 million, from $3.2 million in FY2015 to $3.3 million in FY2016.

Employee benefits expense

Employee benefits expense increased by 12.9% or $4.4 million, from $34.8 million in FY2015 to $39.2 million in FY2016. This was mainly due to an increase in the number of employees for our 2 new JUMBO Seafood restaurants in Shanghai, PRC. In addition, there was an overall increase in headcount and remuneration for the Group's operations in Singapore.

Operating lease expenses

Operating lease expenses increased by 15.0% or $1.6 million, from $10.3 million in FY2015 to $11.9 million in FY2016 mainly due to the leases for our 2 new JUMBO Seafood restaurants in Shanghai, PRC.

Depreciation expense

Depreciation expense increased slightly by 2.0% or $0.06 million, from $3.46 million in FY2015 to $3.52 million in FY2016 mainly due to the additional depreciation from our 2 new JUMBO Seafood restaurants in Shanghai, PRC which was partially offset by certain fixed assets being fully depreciated.

Other operating expenses

Other operating expenses increased slightly by 1.5% or $0.2 million, from $13.1 million in FY2015 to $13.3 million in FY2016 mainly due to an increase in the number of restaurant outlets.

Income tax expense

Income tax expense increased by 50.1% or $0.9 million, from $1.8 million in FY2015 to $2.7 million in FY2016 mainly due to taxes payable on our PRC operations and higher profits in the Singapore operations.

Profit after tax

In view of the above, profit after tax increased by 17.9% or $2.4 million, from $13.3 million in FY2015 to $15.7 million in FY2016.

Profit attributable to owners of the Company

Profit attributable to owners of the Company increased by 46.3% or $4.9 million, from $10.6 million in FY2015 to $15.5 million in FY2016 mainly due to co-operative ventures and a formerly partially-owned subsidiary being acquired to become fully-owned by the Company after the restructuring exercise and an overall increase in net profit.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Current assets

The Group's current assets decreased by $1.3 million from $68.0 million as at 30 September 2015 to $66.7 million as at 30 September 2016 mainly due to the decrease in cash and cash equivalents and trade and other receivables.

Non-current assets

The Group's non-current assets increased by $4.0 million from $15.5 million as at 30 September 2015 to $19.5 million as at 30 September 2016 due to the establishment of 2 new JUMBO Seafood outlets in Shanghai, PRC, a new NG AH SIO Bak Kut Teh outlet in Resorts World Sentosa, the expansion of our JUMBO Seafood (Riverside) outlet and the acquisition of new equipment for our central kitchen.

Current liabilities

The Group's current liabilities increased by $1.3 million from $17.6 million as at 30 September 2015 to $18.9 million as at 30 September 2016 mainly due to the increase in trade and other payables and higher income tax payable.

Non-current liabilities

The Group's non-current liabilities increased by $0.1 million from $0.7 million as at 30 September 2015 to $0.8 million as at 30 September 2016 due to a higher deferred tax liability which was partially offset by lower finance leases and bank borrowings.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

The Group generated net cash from operating activities before changes in working capital of $21.4 million. Net cash used in working capital amounted to $0.1 million. The Group paid income tax of $1.6 million. As a result, net cash generated from operating activities was $19.9 million.

Net cash used in investing activities amounted to $7.6 million, due to the establishment of new outlets and outlet expansion in Shanghai, PRC and Singapore and the acquisition of new equipment for our central kitchen.

Net cash used in financing activities of $13.1 million was due to the payment of dividend amounting to $51.7 million as disclosed in the Company's offer document dated 28 October 2015 ("**Offer Document**"), partially offset by net proceeds of $38.8 million from issue of shares. As a result, net cash and cash equivalents decreased by $0.8 million in FY2016.

Board of Directors

1. Mr. Ang Kiam Meng

Mr. Ang Kiam Meng is our CEO and Executive Chairman and was appointed to our Board on 4 February 2015. Mr. Ang has been serving with the Group for over 20 years since 1993. Mr. Ang is responsible for the overall management, operations, strategic planning and business development of the Group. He has been, and continues to be, instrumental to the Group's continued success and growth. He is responsible for, *inter alia*, setting and executing the Group's vision, mission, core values and goals, driving the operational efficiency of the Group's work processes, monitoring the development and performance of the Group's business, and identifying new opportunities for the Group's expansion domestically and internationally. Prior to joining the Group, Mr. Ang worked with Singapore Technologies Electronics Limited (formerly known as Singapore Electronic & Engineering Limited) from 1986 to 1993, holding various positions such as software engineer and product manager.

Mr. Ang currently also serves as Chairman of the Commerce and Industry Committee and Council Member of the Singapore Chinese Chamber of Commerce & Industry, as well as President Advisor of the Management Committee of the Restaurant Association of Singapore. He sits on the Board of Governors for Hwa Chong Institution, and is the Vice President of the Management Committee for Teochew Poit Ip Huay Kuan.

Mr. Ang obtained a Graduate Diploma in Business Administration from the Singapore Institute of Management in 1991 and graduated with a Bachelor of Arts (majoring in Computer Science) from the University of Texas at Austin (USA) in 1985.

2. Mdm. Tan Yong Chuan, Jacqueline

Mdm. Tan Yong Chuan, Jaqueline is our Executive Director and was appointed to our Board on 4 February 2015. Mdm. Tan has been serving with the Group for over 25 years, since 1990. Mdm. Tan has been, and continues to be, crucial to the operations of the Group, overseeing the procurement and purchasing function, merchandising and pricing strategies of the Group, and monitoring the key performance indicators for the Group, such as customer engagement and reviews. Mdm. Tan is also responsible for strategising and implementing key improvements to the Group's various processes, to continually raise the Group's standards of quality and service. Part of her portfolio includes overseeing the Group's business development and expansion activities. Prior to joining the Group, from 1985 to 1987 and from 1989 to 1990, Mdm. Tan worked at Boulevard Hotel Singapore, a member of the Goodwood Group, holding various positions, including Personnel Manager. From 1988 to 1989, Mdm. Tan worked in the administrative department of NHS Scotland.

Mdm. Tan obtained a Graduate Diploma in Personnel Management from the Singapore Institute of Management in 1987 and graduated with a Bachelor of Business Administration from the National University of Singapore in 1984.

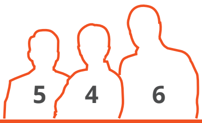
3. Mr. Tan Cher Liang

Mr. Tan Cher Liang was appointed our Lead Independent Director on 22 October 2015. He has more than 40 years of experience in corporate audits, general management and business advisory.

In May 2000, he co-founded Boardroom Limited, a company listed on the Main Board of the SGX-ST. He was the Managing/Finance Director of Boardroom Limited from May 2000 to March 2013. Having retired from Boardroom Limited, he continues to be an advisor. Prior to May 2000, he was with Ernst & Young Singapore and its affiliates since September 1973.

Mr. Tan is currently an Independent Director of Vibrant Group Limited, Ezra Holdings Limited and Kingsmen Creatives Ltd, which are companies listed on the Main Board of the SGX-ST, as well as Wilton Resources Corporation Limited, which is listed on Catalist. He is also a Trustee of Kwan Im Thong Hood Cho Temple and a Director of D S Lee Foundation, EtonHouse Community Fund Ltd and Children's Charity Association.

He is a qualified financial professional from the Association of Chartered Certified Accountants of the United Kingdom. Mr. Tan was awarded the Public Service Medal in 1996.



4. Mrs. Christina Kong Chwee Huan

Mrs. Christina Kong Chwee Huan is our Executive Director and was appointed to our Board on 22 October 2015. She oversees the Group's human resource and training and development divisions, a role which she has undertaken since joining the Group as Manager of Human Resource and Corporate Affairs in 2008. She also supervises the Group's various training and development programs, strategising to ensure the Group's human resource requirements are met, and manages the employee compensation, benefits and human resource issues of the Group. Mrs. Kong has been, and continues to be, instrumental in the continued refinement and development of the Group's human resource and training and development divisions. The Group was accredited by both the Singapore Workforce Development Agency and Singapore's Institute of Technical Education as an approved training organisation in 2008. Mrs. Kong began her career as a purchasing executive with the Group from 1993 to 1994. Between 1995 and 2000, she provided educational services, before joining the Ministry of Education as a teacher from 2001 to 2007.

Mrs. Kong is currently a member of the Tripartite Committee for Low-wage Workers and Inclusive Growth, an initiative of the Ministry of Manpower. She is also a Business Excellence Assessor with SPRING Singapore.

Mrs. Kong obtained a Postgraduate Diploma in Education from the Nanyang Technological University in 2004 and graduated with a Bachelor of Science from the University of Birmingham (UK) in 1991. She also obtained a Human Resource Graduate Certification from the Singapore Management University in 2014.

5. Mr. Richard Tan Kheng Swee

Mr. Richard Tan Kheng Swee was appointed our Independent Director on 22 October 2015. He has more than a decade of experience in legal practice as a corporate and commercial lawyer and is currently the Managing Director of Barker Henley LLC, a Singapore law corporation and a Partner at Barker Henley Australia, an Australian law practice. His practice includes advising and representing companies in a wide range of commercial and intellectual property transactions in relation to asset acquisitions, initial public offerings and other fund raising exercises, mergers and acquisitions, corporate advisory and compliance involving both listed and private companies. Prior to Mr. Tan's current appointments, he previously practised in a mid-sized Singapore law practice as well as a mid-sized Australian law practice in Victoria.

Mr. Tan currently serves as an Independent Director of Mirach Energy Limited which is listed on the Main Board of the SGX-ST.

Mr. Tan obtained a Bachelor of Laws (Honours) from the National University of Singapore in 2003 and a Bachelor of Science (Honours) from the University of Melbourne, Australia, in 2000. He is an Advocate & Solicitor of the Supreme Court of Singapore and a Solicitor of the Supreme Court of New South Wales, Australia.

6. Dr. Lim Boh Soon

Dr. Lim Boh Soon was appointed our Independent Director on 22 October 2015. He has more than 25 years of experience in the banking and finance industry in Asia. Dr. Lim is currently a Director of Arise Asset Management Pte. Ltd. Prior to that, Dr. Lim was the first non-Muslim CEO of Kuwait Finance House (Singapore) Pte. Ltd. from 2007 to 2009, and the first foreign CEO of Vietcombank Fund Management Company in Vietnam from 2005 to 2007. He was a Group Corporate Director of Autron Corporation Limited from 2002 to 2006 (concurrently when he was CEO of Vietcombank Fund Management Company). From 1996 to 1999, he served in various senior management positions with UBS AG, including as a Partner, co-heading UBS Capital Asia Pacific (S) Limited. Dr. Lim currently serves as an Independent Director of CSE Global Limited, which is listed on the Main Board of the SGX-ST, as well as AcrossAsia Limited, which is listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

Dr. Lim obtained a Bachelor of Science with First Class Honours and a Doctor of Philosophy in Mechanical Engineering from the University of Strathclyde, United Kingdom, in 1981 and 1985 respectively. He also received a Graduate Diploma in Marketing Management from the Singapore Institute of Management, and a Diploma in Marketing from the Chartered Institute of Management, United Kingdom, in 1991. Dr. Lim is a Fellow of the Singapore Institute of Directors.

Key Management

Mr. Tay Peng Huat

Mr. Tay Peng Huat was appointed our Chief Financial Officer in December 2014. He is responsible for the overall finance functions and accounting matters of the Group, including implementation of internal controls within the Group, monitoring and reporting on the Group's financial performance and overseeing the preparation of accounts and financial statements of the Group.

Mr. Tay has over 28 years of experience in finance and accounting. Prior to joining the Group, from 2002 to 2013, Mr. Tay held the post of Chief Financial Officer at Beyonics Technology Limited (a company which was listed on the Main Board of the SGX-ST until February 2012). Mr. Tay began his career with Ernst & Young Singapore in 1988 and was an Audit Manager when he left in 1996. From 1996 to 2000, he served as the Group Financial Controller of Electronic Resources Limited (now known as Ingram Micro Asia Limited). Between 2000 and 2002, he held various senior positions in finance and accounting, including Deputy General Manager and Chief Financial Officer of p3.com Pte Ltd (a subsidiary of Pan Pacific Public Company Ltd), Chief Financial Officer at Ezyhealth Asia Pacific Ltd (now known as Wilmar International Ltd), a company listed on the Main Board of the SGX-ST, and Finance Director of Synnex Information Technologies Inc. for its Asia Pacific operations.

Mr. Tay graduated with a Bachelor of Accountancy from the National University of Singapore in 1988. He is a Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants.

Corporate Social Responsibility

At JUMBO, we hold the firm belief that corporate citizenship is increasingly crucial to both business and societal success. Winning companies of the future will be those who prove with their actions that they can be profitable, and still increase social value – companies that do well, and do good. It is with this mindset that we have corporate social responsibility ("**CSR**") as part of our DNA.

In establishing JUMBO Care, our CSR programme, we have made contributions through philanthropic initiatives and programmes, with an emphasis in the areas of education and community welfare. We also support causes which inspire young talents in the F&B fraternity. Some of the causes and organisations we have supported include :

- **Hwa Chong Junior College Alumni Charity Golf 2016**

  Hwa Chong Charity Golf 2016 organised by Hwa Chong Junior College Alumni to raise funds for the construction of the Hwa Chong Holistic Education Centre

- **Singapore Management University ("SMU") Bursary Fund, 2016**

  Support needy students at SMU, enabling them to enroll in a degree programme of their choice and inspiring them to strive for excellence in their pursuit of an all-rounded education

- **Singapore Institute Of Technology "Jumbo Group Book Prize in F&B Management", 2016**

  To groom and reward future F&B talents through recognition of their outstanding performance

- **Temasek Polytechnic, Applied Food Science & Nutrition (Food Service Operations) Graduation Prize, 2016**

  Recognition of students with outstanding performance

- **Pioneer Junior College, 2015**

  Made donations to provide disadvantaged students with the means to complete college education and in ensuring holistic development of these students

- **People's Association, 2015**

  Donated towards the betterment of community clubs in providing communities with a conducive environment for the promotion of multi-racial harmony and social cohesion

- **Cheng Hong Welfare Service Society, 2015**

  To support the needy and disadvantaged in the community

- **Ling Kwang Home for Senior Citizen, 2015**

  Support the increasing need for better care and services for the elderly citizens

- **Children's Cancer Foundation**

  Support children and their families in their battle against childhood cancer and seeking improvements in their quality of life

- **Chinese Development Assistance Council**

  Provide assistance to lower income families within the Chinese community

Corporate Information

BOARD OF DIRECTORS

Mr. Ang Kiam Meng
(CEO and Executive Chairman)

Mdm. Tan Yong Chuan, Jacqueline
(Executive Director)

Mrs. Christina Kong Chwee Huan
(Executive Director)

Mr. Tan Cher Liang
(Lead Independent Director)

Mr. Richard Tan Kheng Swee
(Independent Director)

Dr. Lim Boh Soon
(Independent Director)

AUDIT COMMITTEE

Mr. Tan Cher Liang (Chairman)
Mr. Richard Tan Kheng Swee
Dr. Lim Boh Soon

NOMINATING COMMITTEE

Dr. Lim Boh Soon (Chairman)
Mr. Tan Cher Liang
Mr. Richard Tan Kheng Swee
Mr. Ang Kiam Meng

REMUNERATION COMMITTEE

Mr. Richard Tan Kheng Swee (Chairman)
Mr. Tan Cher Liang
Dr. Lim Boh Soon

COMPANY SECRETARY

Ms. Chee Yuen Li, Andrea, LLB (Honours)

COMPANY REGISTRATION NUMBER

201503401Z

REGISTERED OFFICE

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#03-08
Singapore 417937
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SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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AUDITORS

Deloitte & Touche LLP
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Singapore 068809

Partner-in-charge: Mr. Darren Ng Meng Chuan
(A member of the Institute of Singapore
Chartered Accountants)
Date of appointment: 29 July 2015

PRINCIPAL BANKERS

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

DBS Bank Ltd
12 Marina Boulevard
Level 43 DBS Asia Central @MBFC Tower 3
Singapore 018982

SPONSOR

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

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Corporate Governance Report

JUMBO is committed to achieving a high standard of corporate governance, and to complying with the Code of Corporate Governance 2012 (the "**Code**"). The Company believes that good corporate governance provides the framework for an ethical and accountable corporate environment, which will maximise long-term Shareholders' value and protect the interests of Shareholders. This report describes the Group's main corporate governance practices with specific references to the principles of the Code.

The Company also refers to the disclosure guide ("**Disclosure Guide**") issued by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 and has incorporated answers to the questions set out in the Disclosure Guide in this report.

The Group has complied substantially with the principles and guidelines of the Code. Where there are deviations from the recommendations of the Code, reasons and explanations in relation to the Company's practices are provided, where appropriate.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Every company should be headed by an effective board to lead and control the company. The board is collectively responsible for the long-term success of the company. The board works with management to achieve this objective and management remains accountable to the board.

The principal role of the Board is to:

- set and direct strategic plans and performance objectives of the Group;
- review the performance of the Company's management ("**Management**");
- establish a proper risk management system to ensure that key potential risks faced by the Group are properly identified and managed;
- conduct periodic reviews of the Group's internal controls, financial performance, compliance practices and resource allocation;
- approve financial plans, annual budgets and proposals for acquisitions, investments and disposals;
- ensure the Group's compliance with good corporate governance practices;
- approve the nominations of Directors and appointment of key management personnel; and
- set the Group's values and standards, and ensure that obligations to Shareholders and other stakeholders are understood and met.

Delegation by the Board

Board Committees, namely the Nominating Committee (the "**NC**"), the Remuneration Committee (the "**RC**") and the Audit Committee (the "**AC**"), have been constituted to assist the Board in the discharge of specific responsibilities. The duties, authorities and accountabilities of each committee are set out in their respective written terms of reference. The Board Committees report its activities regularly to the Board and minutes of the Board Committees are also regularly provided to the Board. The effectiveness of each Board Committee is also constantly monitored to ensure their continued relevance. Further information on the roles and responsibilities of the NC, the RC and the AC are provided below.

Board Approval

Matters which specifically require the Board's approval are:

- annual budget;
- corporate strategy and business plans;
- major funding proposals and investments;
- the appointment and remuneration packages of the Directors and the Management;
- the Group's quarterly and full-year financial result announcements;
- annual report and accounts for each financial year;
- material acquisitions and disposals of assets;
- share issuances, interim dividends and other returns to Shareholders; and
- matters involving a conflict of interest for a substantial Shareholder or a Director.

While matters relating to the Group's strategies and policies require the Board's direction and approval, the Management is responsible for the day-to-day operations and administration of the Group.

Board and Board Committee Meetings

The schedule of all Board and Board Committee meetings and the AGM for each financial year is planned well in advance, in consultation with the Directors. The Board meets at least 4 times a year at regular intervals and on an ad hoc basis, as and when circumstances require. Tele- and video-conferencing at Board and Board Committee meetings are allowed under the Company's constitution ("**Constitution**").

The number of Board and Board Committee meetings held during FY2016 as well as the attendance of each Director at these meetings is set out below:

	Board Meeting		AC Meeting		NC Meeting		RC Meeting	
Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Mr. Ang Kiam Meng	7	7	4	4*	1	1	2	2*
Mdm. Tan Yong Chuan, Jacqueline	7	7	4	4*	1	1*	2	2*
Mrs. Christina Kong Chwee Huan	7	7	4	4*	1	1*	2	2*
Mr. Tan Cher Liang	7	7	4	4	1	1	2	2
Dr. Lim Boh Soon	7	7	4	4	1	1	2	2
Mr. Richard Tan Kheng Swee	7	7	4	4	1	1	2	2

* Attendance by invitation

Board Orientation and Training

A formal letter of appointment is provided to every new Director, setting out his/ her duties and obligations. A new Director will attend briefings organised by the Company to familiarise himself/ herself with the Group's business, operations, structure and governance practices relating to, *inter alia*, disclosure of interests in the Company's securities, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information. For new Directors who do not have prior experience as a director of a public listed company in Singapore, they will also attend training courses organised by the Singapore Institute of Directors or other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties.

All Directors are also briefed and provided with regular updates in areas such as corporate governance, commercial risks, changes to laws and regulations pertaining to the Group's business and operations, and changes in financial reporting standards, so as to enable them to properly discharge their duties as Board members.

Further, in order to provide the Independent Directors with a better understanding of the Group's business and operations, the Company conducts visits to the Group's headquarters, including its central kitchen and its various F&B outlets. The Directors can also request for further briefings or information on any aspect of the Group's business or operations from the Management.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the board, which is able to exercise objective judgment on corporate affairs independently, in particular, from management and 10% shareholders[1]. No individual or small group of individuals should be allowed to dominate the board's decision making.

Board Composition

Currently, the Board comprises 6 Directors, 3 of whom are independent, which complies with the Code's guideline on the proportion of Independent Directors on the Board. The Board is constituted as follows:

Mr. Ang Kiam Meng	(CEO and Executive Chairman)
Mdm. Tan Yong Chuan, Jacqueline	(Executive Director)
Mrs. Christina Kong Chwee Huan	(Executive Director)
Mr. Tan Cher Liang	(Lead Independent Director)
Dr. Lim Boh Soon	(Independent Director)
Mr. Richard Tan Kheng Swee	(Independent Director)

As the Independent Directors make up half of the Board, there is a strong independent element on the Board and no individual or small group of individuals dominate the Board's decision-making process.

Each year, the Board reviews its size and composition, taking into account, *inter alia*, the scope and nature of the Group's business and operations and the benefits of all aspects of diversity, including but not limited to gender, age, educational background and professional experience in order to provide the Board access to an appropriate range and balance of skills, experience and backgrounds. The Board is of the view that the Directors hold core competencies such as accounting, finance and legal expertise, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge.

The Independent Directors contribute accounting and finance knowledge, legal expertise and business management experience to the Group, and provide the Executive Directors and the Management with diverse and objective perspectives on issues considered by the Board. The Independent Directors also aid in developing the Group's strategic process, reviewing the performance of the Management in meeting agreed goals and objectives, and monitoring the reporting of performance and operations as an appropriate check and balance. The Independent Directors meet regularly on their own without the presence of the Executive Directors and the Management and provide feedback to the CEO and Executive Chairman after such meetings.

In addition, the Board places emphasis on ensuring gender representation and diversity. At present, the Board has 2 female Executive Directors, namely Mdm. Tan Yong Chuan, Jacqueline, and Mrs. Christina Kong Chwee Huan.

Hence, the Board believes that its current composition and size provides an appropriate balance of skills, experience, gender and knowledge, which facilitates effective decision-making.

Board Independence

The independence of each Director is reviewed by the NC on an annual basis. In determining whether a Director is independent, the NC has considered the guidelines in the Code.

Following its annual review, the Board and the NC are of the view that Mr. Tan Cher Liang, Dr. Lim Boh Soon and Mr. Richard Tan Kheng Swee are independent. The Independent Directors do not have any immediate family relationships with the Directors, the Company, its related corporations, its 10% shareholders[1] and its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment in the best interests of the Company.

1 The term "10% shareholder" shall refer to a person who has an interest or interests in one or more voting shares in the company and the total votes attached to that share, or those shares, is not less than 10% of the total votes attached to all the voting shares in the company. "Voting shares" exclude treasury shares.

The NC notes that under the Code, the independence of any Director who has served on the Board beyond 9 years from the date of first appointment should be subject to particularly rigorous review.

At present, there are no Independent Directors who has served beyond 9 years since the date of his first appointment.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr. Ang Kiam Meng is the CEO and Executive Chairman of the Company. He is responsible for the overall management, operations, strategic planning, and business development of the Group, and ensuring a cohesive working relationship among the Directors and timeliness of information flow between the Board and the Management.

The CEO and Executive Chairman promotes high standards of corporate governance and leads the Board to ensure its effectiveness on all aspects of its role. As part of his administrative duties, the CEO and Executive Chairman sets the Board meeting agenda in consultation with the senior Management and the company secretary, and ensures that adequate time is available for the discussion of all agenda items and that the Directors receive complete, adequate and timely information. He also encourages constructive relations within the Board and between the Board and the Management and facilitates effective contribution of the Independent Directors. In addition, the CEO and Executive Chairman is responsible for ensuring effective communication with Shareholders.

In view of the concurrent appointment of Mr. Ang Kiam Meng as the CEO and Executive Chairman, Mr. Tan Cher Liang has been appointed as the Lead Independent Director of the Company for Shareholders in situations where there are concerns or issues which communication with the CEO and Executive Chairman and/ or Chief Financial Officer has failed to resolve, or where such communication is inappropriate. Mr. Tan Cher Liang will also take the lead in ensuring compliance with the Code.

The NC, the RC and the AC are all chaired by the Independent Directors.

The Board is of the view that given the current composition of the Board, there are sufficient safeguards and checks to ensure that the process of decision-making is carried out without the CEO and Executive Chairman being able to exercise considerable power and influence.

Led by the Lead Independent Director, the Independent Directors meet periodically without the presence of the other Directors, and the Lead Independent Director provides feedback to the CEO and Executive Chairman after such meetings as appropriate.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and reappointment of directors to the board.

<u>Nominating Committee</u>

The NC is chaired by Dr. Lim Boh Soon and comprises Mr. Ang Kiam Meng, Mr. Tan Cher Liang, and Mr. Richard Tan Kheng Swee. A majority of the NC members, including the Chairman of the NC, are Independent Directors.

The NC holds at least 1 meeting in each financial year. The principal role of the NC in accordance with its written terms of reference is as follows:

- reviewing, assessing and recommending the appointment of new Directors and the re-appointment or re-election of Directors, taking into consideration each Director's contribution, performance and ability to commit sufficient time, resources and attention to the affairs of the Group, and each Director's respective commitment(s) outside the Group;

- determining annually, as and when circumstances require, whether or not a Director is independent;

- developing a process for evaluating the effectiveness of the Board as a whole and its committees, and for assessing the contribution of each Director to the effectiveness of the Board;

- reviewing the Board structure, size and composition having regard to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender, knowledge of the Group and core competencies of the Directors as a group, so as to ensure that the Board is able to function competently and efficiently;

- reviewing succession plans for the Directors, in particular, the CEO and Executive Chairman;

- recommending to the Board the induction training programmes for new Directors and reviewing the training and professional development programmes for the Board; and

- determining and recommending to the Board the maximum number of listed company board representations which any Director may hold and disclosing this in the annual report.

The date of first appointment and date of last re-election of each Director is set out below. For the profiles of the Directors, please refer to the section entitled "Board of Directors" of this annual report. In addition, information on each Director's shareholding in the Company, if any, is set out in the section entitled "Directors' Statement" of this annual report.

Name of Director	Date of first appointment	Date of last re-election
Mr. Ang Kiam Meng	4 February 2015	–
Mdm. Tan Yong Chuan, Jacqueline	4 February 2015	29 January 2016
Mrs. Christina Kong Chwee Huan	22 October 2015	29 January 2016
Mr. Tan Cher Liang	22 October 2015	29 January 2016
Dr. Lim Boh Soon	22 October 2015	29 January 2016
Mr. Richard Tan Kheng Swee	22 October 2015	29 January 2016

Mr. Ang Kiam Meng, Mdm. Tan Yong Chuan, Jacqueline, and Mrs. Christina Kong Chwee Huan do not have other public listed company board representations or other principal commitments.

Mr. Tan Cher Liang is an independent director of Vibrant Group Limited, Kingsmen Creatives Limited, Wilton Resources Corporation Limited and Ezra Holdings Limited, which are public listed companies. Mr. Tan Cher Liang does not have any other principal commitments.

Dr. Lim Boh Soon is an independent director of CSE Global Limited and Across Asia Limited, which are public listed companies. Dr. Lim Boh Soon does not have any other principal commitments.

Mr. Richard Tan Kheng Swee is an independent director of Mirach Energy Limited, which is a public listed company. Mr. Richard Tan Kheng Swee is the managing director of Barker Henley LLC, a Singapore law practice and a partner of Barker Henley Australia, an Australian law practice.

None of the Directors have appointed an alternate director in FY2016.

Directors' Commitments

The NC considers whether each Director is able to and has been adequately carrying out his duties as a Director of the Company, taking into consideration, *inter alia*, the Director's number of public listed company board representations and other principal commitments[2]. In addition, the NC will also take into consideration, *inter alia*, a qualitative assessment of each Director's contributions as well as any other relevant time commitments.

2 The term "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations.

The Board noted that none of the Directors has directorships in more than 5 public listed companies and is of the view that at present, it would not be meaningful to define the maximum number of public listed company directorships which any Director may hold, and has instead tasked the NC to review if a Director with multiple board representations is devoting sufficient time and attention to the affairs of the Group. The NC is satisfied that sufficient time and attention is being given by each of the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple board representations.

Process for Nomination and Selection of New Directors

The Company adopts a comprehensive and detailed process in the selection of new Directors. Candidates will be first sourced through an extensive network of contacts and selected based on, *inter alia*, the needs of the Group and the relevant expertise required. When necessary, the NC may seek the help of external consultant(s) in the search process. In selecting suitable candidates, the Board, in consultation with the NC, will consider the Group's strategic goals, business direction and needs. The Board will also consider gender diversity requirements in seeking any new appointment to the Board. The NC will conduct interviews with the candidates, and nominate the candidate deemed most suitable for appointment to the Board.

Process for Re-nomination and Re-election of Directors

In recommending a Director for re-election to the Board, the NC considers, *inter alia*, his/ her performance and contributions to the Board (including attendance and participation at meetings, and time and effort accorded to the Group's business and affairs). All Directors submit themselves for re-nomination and re-election at regular intervals and at least once every 3 years. Pursuant to Regulation 89 of the Constitution, one-third of the Board are to retire from office by rotation and be subject to re-election at the AGM. In addition, Regulation 88 of the Constitution provides that a newly appointed Director must retire and submit himself/ herself for re-election at the next AGM following his/ her appointment. Thereafter, he/ she is subject to be re-elected at least once every 3 years.

Each member of the NC shall abstain from voting on any resolutions in respect of his re-nomination and re-election.

The NC has reviewed and recommended the re-election of Mr. Ang Kiam Meng and Mr. Richard Tan Kheng Swee who will be retiring as Directors at the forthcoming AGM. Mr. Ang Kiam Meng and Mr. Richard Tan Kheng Swee will be retiring pursuant to Regulation 89 of the Constitution. Both Mr. Ang Kiam Meng and Mr. Richard Tan Kheng Swee have offered themselves for re-election. The Board has accepted the recommendation of the NC.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the board as a whole and its board committees and the contribution by each director to the effectiveness of the board.

Board Evaluation Process

The NC assesses and discusses the performance of the Board as a whole and its Board Committees on an annual basis. Each Director completes a confidential questionnaire, and the responses are presented to the NC for review, following which the NC will recommend to the Board key areas for improvement and follow-up actions.

Each Director will evaluate the performance of the Board taking into account a set of performance criteria which includes, *inter alia*, Board composition and size, Shareholders' access to information, Board processes, Board effectiveness, Board standards of conduct and financial performance indicators. The Board is of the view that this set of performance criteria allows for appropriate comparison and addresses how the Directors have enhanced long-term Shareholders' value. For FY2016, the NC is of the view that the Board has fared well against the performance criteria and the NC is satisfied with the performance of the Board.

Individual Director Evaluation

The NC will assess each Director's contribution to the effectiveness of the Board. In evaluating the contribution by each Director, various factors will be taken into consideration, including individual performance of principal functions and fiduciary duties, attendance and participation in meetings and commitment of time to Director's duties. The NC will also consider other contributions by a Director such as providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and the Director's accessibility to the Management outside of formal Board and/ or Board Committee meetings. The performance of each Director will be taken into account in re-election. In FY2016, the NC has formalised the procedures and criteria in assessing each Director's contribution to the effectiveness of the Board, which will be used for the individual Director evaluation in FY2017.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Company makes available to all Directors the Group's quarterly management accounts and other financial statements, budgets and forecasts, together with other relevant information. In addition, the Management will inform and/ or update the Board of any significant issues and/ or matters on a timely basis. The Directors can also seek detailed information from the Management regarding, *inter alia*, the Group's management accounts, where necessary. Detailed Board papers are provided to the Directors before the scheduled meetings so as to enable them to make informed decisions. In respect of budgets, any material variance between the projections and actual results is reviewed by the Board, with the Management providing explanations and further details as required.

At each quarterly Board meeting, the Executive Directors and the Management brief the Independent Directors on the progress report of the Group's business, finances and risks. The Independent Directors are also briefed on key developments in the F&B industry both locally and overseas, where appropriate.

The Directors have also been provided with the contact details of the Management and the company secretary to facilitate separate and independent access. The company secretary or his/ her representative(s) attends all Board and Board Committee meetings. Together with the Management, the company secretary is responsible for ensuring that appropriate Board procedures are followed and that the requirements of the Companies Act, Chapter 50 of Singapore and the provisions in the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**") are complied with. The appointment and removal of the company secretary is subject to the Board's approval as a whole.

The Directors may, in furtherance of their duties, take independent professional advice, if necessary, at the Company's expense.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Remuneration Committee

The RC is chaired by Mr. Richard Tan Kheng Swee and comprises Mr. Tan Cher Liang and Dr. Lim Boh Soon. All the RC members, including the Chairman, are Independent Directors. The RC holds at least 1 meeting in each financial year. The principal role of the RC, in accordance with its written terms of reference, is as follows:

- recommending to the Board a framework of remuneration for the Directors and key management personnel, and determine specific remuneration packages for each Executive Director;

- reviewing the remuneration of the employees related to the Directors and substantial Shareholders who hold managerial positions;

- reviewing and approving any bonuses, pay increments and/ or promotions for the related employees who hold managerial positions;

- setting the remuneration guidelines and policies of the Group; and

- administering the Jumbo employee share option scheme (the "**Share Option Scheme**") and the Jumbo performance share plan (the "**Performance Share Plan**"). Details of the Share Option Scheme and the Performance Share Plan are contained in the Company's Offer Document.

The Board considers that the members of the RC, who each have many years of experience in senior management positions and/ or on the boards of various listed companies, collectively have strong management experience and expertise on remuneration issues. If necessary, the RC members may seek expert advice inside and/ or outside the Company on the remuneration of all Directors and the Management.

Procedures for Setting Remuneration

The Company has implemented formal and transparent procedures and policies in relation to executive remuneration and for determining the remuneration packages of individual Directors. The RC reviews and recommends to the Board a general framework of remuneration and specific remuneration packages for the Board and key management personnel, covering all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind. The RC's recommendations are submitted for endorsement by the entire Board. Each RC member does not participate in discussions, and abstains from decision-making, in relation to any remuneration, compensation, options or any form of benefits to be granted to him. No Director is involved in deciding his/ her own remuneration.

The RC also reviews the Company's obligations, if any, arising in the event of termination of the Executive Directors' and/ or key management personnel's contracts of service, to ensure that the termination clauses of such contracts of service are fair and reasonable. Currently, save as required for compliance with the applicable laws of Singapore and the PRC, the Group has not set aside any amounts to provide for pension, retirement or similar benefits for the Group's employees.

Remuneration Policies

In order to maximise Shareholders' value and promote the long-term success of the Group, the Company seeks to attract, retain and motivate the Management and employees by offering competitive remuneration packages. The remuneration of the Management and employees is set based on, *inter alia*, each individual's scope of responsibilities, prevailing market conditions, and comparable industry benchmarks. The Company rewards the Management and employees based on achievement of individual performance objectives using indicators such as competencies, key result areas, performance ratings and the Group's financial performance. The Board is of the view that performance-based remuneration will motivate the Management and employees to achieve superior performance and promote the long-term growth of the Group.

Under the terms of the service agreements entered into with the Executive Directors, the Company is entitled to reclaim, in full or in part, any incentive bonus paid to the Executive Director, under circumstances of (i) misstatement of financial results, or (ii) misconduct of the Executive Director, resulting, directly or indirectly, in financial loss to the Company, as may be determined by the Board in its absolute discretion.

Executive Directors and Key Management's Remuneration

Each of the Executive Directors and key management personnel is entitled to, *inter alia*, a base salary and performance-related incentives linked to the financial performance of the Group and the individual's performance, which is assessed based on the respective key performance indicators allocated to them. The Executive Directors do not receive Directors' fees from the Company.

Each of the Executive Directors has entered into a service agreement with the Company, which takes effect upon the date of admission of the Company to Catalist. Under the terms of their service agreements, each of the Executive Directors is entitled to an incentive bonus based on, *inter alia*, the financial performance of the Group and his/ her individual performance for that year. The terms of the Executive Directors' service agreements and their remuneration packages are subject to review by the RC. There are no excessive or onerous removal clauses in these service agreements. Further details of the service agreements with the Executive Directors are set out in the Company's Offer Document.

The following performance conditions have been selected to motivate the Executive Directors and key management personnel to work in alignment with the interests of all stakeholders:

Performance Conditions	Performance Criteria	
Qualitative	(a)	Leadership
	(b)	People development
	(c)	Commitment
	(d)	Teamwork
	(e)	Current market and industry practices
Quantitative	(a)	Profit before tax
	(b)	Relative financial performance of the Group to its industry competitors

For FY2016, the RC is of the view that the performance conditions were met by each of the Executive Directors and the key management personnel.

Independent Directors' Remuneration

The Independent Directors have not entered into service agreements with the Company. Each Independent Director receives a basic fee for serving on the Board. The fees are determined by the Board, taking into account the effort, time spent and responsibilities of the Independent Director, and subject to approval of Shareholders at each AGM. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

Level and Mix of Remuneration

Details of the remuneration of the Directors and the Company's key management personnel for FY2016 are set out below:

(a) Directors

Name of Director	Fees	Salary	Bonus/ Incentives	Benefits	Stock Option	Share Award	Total Remuneration	
	%	%	%	%	%	%	%	Band [1]
Executive Directors								
Mr. Ang Kiam Meng	–	33	66	1	–	–	100	IV
Mdm. Tan Yong Chuan, Jacqueline	–	42	50	8	–	–	100	III
Mrs. Christina Kong Chwee Huan	–	35	56	9	–	–	100	II
Independent Directors								
Mr. Tan Cher Liang	100	–	–	–	–	–	100	I
Dr. Lim Boh Soon	100	–	–	–	–	–	100	I
Mr. Richard Tan Kheng Swee	100	–	–	–	–	–	100	I

Note:

(1) Band I: Remuneration of between $0 and $250,000 per annum
Band II: Remuneration of between $500,001 and $750,000 per annum
Band III: Remuneration of between $750,001 and $1,000,000 per annum
Band IV: Remuneration of between $1,000,001 and $1,250,000 per annum

The Company has disclosed each Director's remuneration in bands of $250,000 and provided a further detailed breakdown of the remuneration in percentage terms into fixed salary, variable or performance-related incentives/ bonuses, benefits-in-kind, share-based incentives and awards. The Company is of the view that this is sufficient to provide Shareholders insight into the links between the Directors' remuneration and their performance. Further details regarding the remuneration of each Director are deemed, in light of the sensitivities of remuneration in a small and medium size enterprise environment, not to be in the best interests of the Company. Save as disclosed above, no other long-term incentives and no termination, retirement or post-employment benefits have been granted to the Directors or the CEO.

(b) Key Management Personnel

Name of Key Management Personnel [1]	Fees	Salary	Bonus/ Incentives	Benefits	Stock Option	Share Award	Total Remuneration
	%	%	%	%	%	%	%
Between $500,001 and $750,000 per annum							
Mr. Tay Peng Huat	–	44	49	7	–	–	100

Note:

(1) The Company only has 1 key management personnel who is not a Director or the CEO

The Company has disclosed its key management personnel's remuneration in bands of $250,000 as well as a breakdown (in percentage terms) into fixed salary, variable or performance-related incentives/ bonuses, benefits-in-kind, share-based incentives and awards. Save as disclosed above, there are no other long-term incentives and no termination, retirement or post-employment benefits granted to the key management personnel.

As the Company only has 1 key management personnel who is not a Director or the CEO, it is not in the best interests of the Company to disclose the aggregate remuneration paid to the top 5 key management personnel.

During FY2016, the following employees of the Group are immediate family members of a Director or the CEO:

Name of employees who are immediate family members	Relationship with the Directors or the CEO	Remuneration Band (1)
Mr. Ang Hon Nam	Father of Mr. Ang Kiam Meng and Mrs. Christina Kong Chwee Huan	IV
Mr. Ang Kiam Lian	Brother of Mr. Ang Kiam Meng and Mrs. Christina Kong Chwee Huan	III
Mdm. Wendy Ang Chui Yong	Sister of Mr. Ang Kiam Meng and Mrs. Christina Kong Chwee Huan	II
Ms. Angie Ang Yun-Lin	Daughter of Mr. Ang Kiam Meng and Mdm. Tan Yong Chuan, Jacqueline	I

Note:

(1) Band I: Remuneration of between $50,001 and $100,000 per annum
Band II: Remuneration of between $150,001 and $200,000 per annum
Band III: Remuneration of between $200,001 and $250,000 per annum
Band IV: Remuneration of between $250,001 and $300,000 per annum

Save as disclosed above, there are no other employees who are related to the Directors or the CEO, and whose remuneration exceeds $50,000.

Employee Share Scheme(s)

The Company has adopted the Share Option Scheme and the Performance Share Plan. The Share Option Scheme and the Performance Share Plan will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The Share Option Scheme and the Performance Share Plan, which form an integral part and important component of the employee compensation plan, are designed to primarily reward and retain Directors and employees whose services are vital to the Group's well-being and success. As at the date of this annual report, no options and/ or awards have been granted under the Share Option Scheme and the Performance Share Plan respectively.

Further details of the Share Option Scheme and the Performance Share Plan are set out in the Company's Offer Document.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The board should present a balanced and understandable assessment of the company's performance, position and prospects.

In line with the Company's disclosure obligations under the Catalist Rules, the Board's policy is that Shareholders shall be informed of all major developments relating to the Group. Information is communicated to Shareholders on a timely basis through SGXNET and the press. The Board also provides Shareholders with a detailed explanation of the Group's performance, position and prospects on a quarterly basis.

The Management makes available to all Directors, the management accounts and other financial statements, together with all other relevant information of the Group's performance, position and prospects on a quarterly basis and as and when the Directors may require from time to time.

The Board ensures that relevant regulatory requirements and any updates thereof will be highlighted from time to time to ensure compliance with all relevant regulatory requirements.

Risk Management and Internal Controls

Principle 11: The board is responsible for the governance of risk. The board should ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the board is willing to take in achieving its strategic objectives.

The Board, with the assistance of the AC, has oversight of the Group's risk management framework and policies, including reviewing the Group's business and operational activities to identify areas of significant business risks, and recommending to the Board the appropriate strategy and resources required for managing risks that are consistent with the Group's risk appetite.

The Group has put in place appropriate risk management processes to evaluate the operating, investment and financial risks of the Group. The Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies. The Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC.

The Board reviews the adequacy and effectiveness of the Group's risk management and internal controls framework, including financial, operational, compliance, information technology controls and sustainability.

Material transactions are also subject to risk analysis by the AC and the Management, and measures to safeguard against significant risks are established prior to undertaking new projects. The AC, together with the Management, will continue to enhance and improve the existing risk management and internal control systems.

The internal and external auditors also assist in the risk management process by identifying certain areas of concern that are uncovered through financial/ audit checks. The key risks facing the Group have been identified and appropriate measures are in place to mitigate such risks.

For FY2016, the Board has received assurance from the CEO and Executive Chairman, and the Chief Financial Officer that the financial records have been properly maintained, the financial statements give a true and fair view of the Group's operations and finances, and the Group's risk management and internal control systems are effective.

Based on the internal controls (including financial, operational, compliance, information technology controls and sustainability) established and maintained by the Group, work performed by the internal and external auditors, information provided to the AC and the Board and reviews performed by the AC and the Board at least annually, the Board, with the concurrence of the AC, is of the opinion that for FY2016 the Group's internal controls, addressing financial, operational, compliance, information technology controls and sustainability, and risk management systems are adequate and effective.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Audit Committee

Principle 12: The board should establish an audit committee with written terms of reference which clearly set out its authority and duties.

The AC is chaired by Mr. Tan Cher Liang and comprises Dr. Lim Boh Soon and Mr. Richard Tan Kheng Swee. All the AC members, including the Chairman, are Independent Directors.

The members of the AC are appropriately qualified and possess the relevant accounting or related financial management expertise or experience to discharge their duties.

The AC holds at least 4 meetings in each financial year. The principal role of the AC in accordance with its written terms of reference is as follows:

- reviewing with the internal and external auditors, the audit plans, scope of work, their evaluation of the Group’s system of internal controls, audit reports, their letter(s) to the Management and the Management’s responses and the results of the audits compiled by the internal and external auditors, and reviewing at regular intervals with the Management the implementation by the Group of the internal control recommendations made by the internal and external auditors;

- reviewing the periodic consolidated financial statements and any formal announcements relating to the Group’s financial performance before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards, compliance with the Catalist Rules and any other relevant statutory or regulatory requirements, concerns and issues arising from the audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary;

- reviewing the effectiveness and adequacy of the Group’s risk management and internal controls systems, including financial, operational, compliance and information technology controls, discussing issues and concerns, if any, arising from the internal audits and reporting to the Board at least annually in connection therewith;

- reviewing and discussing with the external and/ or internal auditors any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group’s operating results or financial position and the Management’s response;

- reviewing the adequacy and effectiveness of the Group’s internal audit function;

- reviewing the assistance given by the Management to the internal and external auditors;

- reviewing the independence and objectivity of the internal and/ or external auditors at least annually, considering the appointment or re-appointment of the internal and external auditors and matters relating to the resignation or dismissal of the auditors, and approving the remuneration and terms of engagement of the internal and external auditors;

- reviewing interested person transactions (if any) falling within the scope of the Catalist Rules;

- reviewing the procedures by which employees of the Group and any other persons may, in confidence, report to the Chairman of the AC regarding possible improprieties in matters of financial reporting or other matters and ensuring that there are arrangements in place for independent investigation and follow-up actions thereto;

- undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters requiring the attention of the AC; and

- generally undertaking such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments as may be made thereto from time to time.

In addition, the AC is tasked to commission independent investigations of any suspected fraud or irregularity, which has or is likely to have a material impact on the Group's operating results or financial position, and to review the findings of such investigations. The AC has reasonable resources to enable it to discharge its responsibilities properly. It has full access to, and the co-operation of, the Management and full discretion to invite any Director or key executive to attend its meetings.

The AC also meets with the internal auditors and external auditors without the Management, at least annually and whenever necessary to review the adequacy of audit arrangements, with emphasis on the scope and quality of audit and the independence and objectivity of the auditors.

The external auditors provides regular updates and briefings to the AC on changes to accounting standards and other financial issues to enable the AC to keep abreast of such changes and its corresponding impact on the financial statements.

No former partner or director of the Company's current auditing firm or auditing corporation is a member of the AC.

External Auditors

The AC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees paid to them. The AC received an audit report from the external auditors setting out the non-audit services provided and the fees charged for FY2016. A breakdown of the audit and non-audit fees paid to the Company's auditors is disclosed on page 85 of this annual report. The non-audit fees paid to the Company's auditors were in relation to tax services.

Having undertaken a review of the non-audit services provided during the year, the AC remains confident that the objectivity and independence of the external auditors are not in any way impaired by reason of the non-audit services which they provide to the Group. Moreover, the AC is satisfied that these services were provided efficiently by the external auditors as a result of their existing knowledge of the business.

The Company has complied with Rules 712 and 715 of the Catalist Rules in the appointment of its external auditors.

Whistle-blowing Policy

The Company has implemented a whistle-blowing policy, which provides the Group's employees and any other persons with well-defined and accessible channels through which they may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Whistle-blowing concerns may be reported in person or in writing via electronic mail.

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Group will treat all information received confidentially and protect the identity and the interest of all whistle-blowers. Anonymous disclosures will be accepted and anonymity honoured.

The AC reviews such policy to ensure that arrangements are in place for independent investigation of such matters and for appropriate follow-up action.

No whistle-blowing concerns were reported for FY2016.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has engaged KPMG Services Pte. Ltd. ("**KPMG**") as its internal auditors. KPMG has confirmed that it is a certified public accounting firm and a member of the Institute of Internal Auditors ("**IIA**"). In performing the internal audit, KPMG applied the Standards for the Professional Practice of Internal Auditing set by IIA.

The Board recognises that it is responsible for maintaining a sound system of internal controls to safeguard Shareholders' investments and the Group's business and assets. The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The internal auditors reports directly to the Chairman of the AC on audit matters and to the Management on administrative matters, and has full access to the documents, records, properties and personnel (including the AC) of the Group. The audit plan is submitted to the AC for approval prior to commencement of the internal audit.

The AC reviews the adequacy and effectiveness of the internal audit function at least annually to, *inter alia*, ensure that (i) the internal audit function is adequately resourced and has appropriate standing within the Group; (ii) the majority of the identified risks are audited by cycle; (iii) the recommendations of the internal auditors are properly implemented; and (iv) the effectiveness and independence of the internal auditors.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board is mindful of the obligation to provide regular, effective and fair communication with Shareholders. Information is communicated to Shareholders on a timely basis. The Company does not practise selective disclosure. Information will be publicly released via SGXNET and/ or the Company's corporate website before the Company meets with any group of investors or analysts. The Group's financial results and annual reports are announced or issued within the period specified under the Catalist Rules, and are also made available to the public via the Company's website.

The Board welcomes the views of Shareholders on matters affecting the Group, whether at Shareholders' meetings or on an ad-hoc basis. The Board will also engage in investor relation activities to allow the Company to engage Shareholders as and when it deems necessary and appropriate.

Shareholders are informed of Shareholders' meetings through notices published in the newspapers, reports and/ or circulars provided to all Shareholders. Each item of special business included in the notices of Shareholders' meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at Shareholders' meetings for approval. "Bundling" of resolutions are done only where the resolutions are interdependent and linked so as to form one significant proposal and only where there are reasons and material implications involved. All resolutions are to be voted by poll, following which the detailed results showing, *inter alia*, the number of votes cast for and against each resolution and the respective percentages will be announced.

The CEO and Executive Chairman and chairpersons of the AC, the NC and the RC will be available at Shareholders' meetings to answer queries. The external auditors will also be present at the AGM to assist the Directors in addressing any relevant queries by Shareholders regarding the conduct of audit and the preparation and content of the auditors' report. The AGM is the principal forum for dialogue with Shareholders.

In addition, the Company's investor relations team is led by the Chief Financial Officer who is responsible for integrating finance, accounting, corporate communications and legal compliance to enable effective communication between the Company and investors. The Company holds briefings to present its financial results for the media and analysts, when requested. Outside of the financial announcement periods, when necessary and appropriate, the Management will meet investors and analysts who wish to seek a better understanding of the Group's business and operations. This also enables the Company to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insights to the Company on investors' views. When opportunities arise, the Company conducts media interviews to give its Shareholders and the public a better perspective of the Group's business, operations and prospects.

The Constitution allows a member of the Company to appoint 1 or 2 proxies to attend and vote instead of the member. Voting in absentia, including voting by mail, electronic mail or facsimile, may only be possible following careful study to ensure the integrity of the information and authentication of the identity of member through the web is not compromised and is also subject to legislative amendment to recognise electronic voting.

The minutes of general meetings, which include substantial and relevant questions and comments from Shareholders and responses from the Board and the Management, are available to Shareholders upon written request.

The Company currently does not have a fixed dividend policy. The Board has proposed, for Shareholders' approval, a tax exempt (one-tier) final cash dividend of 1.0 cent and a tax exempt (one-tier) special dividend of 0.7 cents, which together, represent a total dividend of 1.7 cents per share for FY2016. This will amount to approximately 70.3% of the Group's profit attributable to owners of the Company in FY2016. Any declaration and payment of dividends in the future will depend on, *inter alia*, the Group's operating results, financial conditions, cash flows, expected future earnings, capital expenditure programme(s) and investment plans, the terms of the borrowing arrangements (if any) and other factors deemed relevant by the Directors. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

DEALINGS IN SECURITIES

(Rule 1204(19) of the Catalist Rules)

The Company has adopted an internal compliance code on dealings in the Company's securities, pursuant to Rule 1204(19) of the Catalist Rules, which all Directors and officers of the Group have been notified of. The Company and all Directors and officers of the Group are prohibited from dealing in the Company's securities during the period commencing 2 weeks before the announcement of the Group's quarterly financial results, and the period commencing 1 month before the announcement of its full-year financial results.

All Directors and officers of the Group are expected to observe insider trading laws at all times. In particular, they are aware that dealing in the Company's securities, when they are in possession of unpublished material price-sensitive information in relation to those securities, is an offence. The Directors and officers of the Group are also discouraged from dealing in the Company's securities on short-term considerations.

INTERESTED PERSON TRANSACTIONS

(Rules 907 and 1204(17) of the Catalist Rules)

The Group has adopted an internal policy in respect of any transaction with an interested party within the definition set out in Chapter 9 of the Catalist Rules and has in place procedures for review and approval of all interested person transactions. In the event that a potential conflict of interest arises, the Director concerned will not participate in discussions, abstains from decision-making, and refrains from exercising any influence over other members of the Board.

The Group does not have a general mandate for interested person transactions. There were no interested person transactions of $100,000 or more in FY2016.

Corporate Governance Report

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and the transactions will not be prejudicial to the interest of the Group and its minority Shareholders. To ensure compliance with Chapter 9 of the Catalist Rules, the Board and the AC review, on a quarterly basis, interested person transactions entered into by the Group (if any).

MATERIAL CONTRACTS

(Rule 1204(8) of the Catalist Rules)

Save for the service agreements between the Company and the Executive Directors, disclosures in the section entitled "Directors' Statement" of this annual report and the Financial Statements of the Group, there were no other material contracts of the Company and its subsidiaries involving the interests of the CEO, any Director or controlling Shareholder which is either subsisting at the end of FY2016 or, if not then subsisting, entered into since the end of FY2015.

NON-SPONSOR FEES

(Rule 1204(21) of the Catalist Rules)

There were no non-sponsor fees paid to the Company's sponsor, United Overseas Bank Limited, in FY2016.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

(Rule 1204(22) of the Catalist Rules)

Pursuant to the Company's IPO, the Company received net proceeds from the IPO of approximately $37.2 million (the "**Net Proceeds**"). As at the date of this annual report, the Net Proceeds have been utilised as follows:

Purpose	Allocation of Net Proceeds (as disclosed in the Offer Document) ($'000)	Net Proceeds Utilised ($'000)	Balance of Net Proceeds ($'000)
Establish new outlets and refurbish existing outlets	12,000	(2,259)	9,741
Acquire new premises, equipment and machinery	11,500	(1,694)	9,806
Working capital and general corporate purposes [1]	13,700	(10,000)	3,700
	37,200	(13,953)	23,247

Note:

(1) For the Group's operating expenses.

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 September 2016.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 37 to 87 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2016, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Ang Kiam Meng
Tan Yong Chuan, Jacqueline
Christina Ang Chwee Huan
Tan Cher Liang
Richard Tan Kheng Swee
Lim Boh Soon

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in the name of directors		
Name of directors and company in which interests are held	**At beginning of year**	**At end of year**	**At 21 October 2016**
Jumbo Group Limited			
(Ordinary shares)			
Ang Kiam Meng	1	–	–
Tan Yong Chuan, Jacqueline	1	–	–
JBO Holdings Pte Ltd			
(Ordinary shares)			
Ang Kiam Meng	–	110,167	110,167
Tan Yong Chuan, Jacqueline	–	34,060	34,060
Christina Ang Chwee Huan	–	14,238	14,238

4 SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or any other corporation in the Group were granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any other corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company or any other corporation in the Group under option.

5 AUDIT COMMITTEE

The Audit Committee of the Company, consisting all independent and non-executive directors, is chaired by Mr Tan Cher Liang, and includes Mr Richard Tan Kheng Swee and Dr Lim Boh Soon. The Audit Committee has met four times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

(a) The audit plans, scope of work, evaluation of the adequacy of the internal controls, audit reports, management letters on internal controls and management response;

(b) The adequacy and effectiveness of the Group's internal controls addressing financial, operational and compliance risks prior to the incorporation of such results in the annual report;

(c) The financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements;

(d) The quarterly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

(e) The co-operation and assistance given by the management to the Group's external auditors;

(f) Interested person transactions falling within the scope of Chapter 9 of the Listing Manual, Section 8: Rules of Catalist of the Singapore Securities Trading Limited and other relevant statutory requirements and any potential conflicts of interests; and

(g) The re-appointment of the external and internal auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Ang Kiam Meng

Tan Cher Liang

21 December 2016

Independent Auditors' Report to The Members of Jumbo Group Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Jumbo Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2016, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 37 to 87.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2016, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

21 December 2016

Statements of Financial Position

As at 30 September 2016

	Note	Group 2016	Group 2015	Company 2016	Company 2015
		$	$	$	$
ASSETS					
Current assets					
Cash and cash equivalents	6	59,265,086	60,060,873	30,309,703	10,002
Trade and other receivables	7(a)	6,024,836	6,601,426	17,143	343,145
Due from subsidiaries	7(b)	–	–	10,702,340	–
Dividend receivable	7(b)	–	–	14,500,000	–
Short-term investments	8	331,509	329,202	–	–
Inventories	9	1,095,426	1,034,377	–	–
Total current assets		66,716,857	68,025,878	55,529,186	353,147
Non-current assets					
Investments in subsidiaries	10	–	–	5,424,202	–
Investments in associates	11	416,063	414,973	–	–
Available-for-sale investment	12	75,000	75,000	–	–
Goodwill	13	782,088	782,088	–	–
Property, plant and equipment	14	18,010,899	13,980,619	–	–
Club memberships	15	238,300	238,300	–	–
Total non-current assets		19,522,350	15,490,980	5,424,202	–
Total assets		86,239,207	83,516,858	60,953,388	353,147
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	16(a)	14,527,425	14,166,361	176,452	828,800
Due to a subsidiary	16(b)	–	–	–	613,779
Finance leases	17	–	72,741	–	–
Bank borrowings	18	87,296	109,298	–	–
Provision for reinstatement costs	19	1,618,380	1,476,967	–	–
Income tax payable		2,685,360	1,751,767	–	–
Total current liabilities		18,918,461	17,577,134	176,452	1,442,579
Non-current liabilities					
Finance leases	17	–	62,259	–	–
Bank borrowings	18	512,294	586,778	–	–
Deferred tax liability	20	300,688	93,348	–	–
Total non-current liabilities		812,982	742,385	–	–
Capital and reserves					
Share capital	21	48,440,648	2,595,940	48,440,648	2
Currency translation reserve		(108,333)	237,261	–	–
Merger reserve	22(a)	(2,828,262)	–	–	–
Equity reserve	22(b)	–	94,702	–	–
Retained earnings/(Accumulated losses)		19,276,709	53,995,458	12,336,288	(1,089,434)
Equity attributable to owners of the Company		64,780,762	56,923,361	60,776,936	(1,089,432)
Fellow co-operative venturer's interests	23	–	5,440,357	–	–
Non-controlling interests		1,727,002	2,833,621	–	–
Total equity		66,507,764	65,197,339	60,776,936	(1,089,432)
Total liabilities and equity		86,239,207	83,516,858	60,953,388	353,147

See accompanying notes to financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 30 September 2016

	Note	Group 2016	2015
		$	$
Revenue	24	136,752,226	122,794,613
Raw materials and consumables used		(50,361,258)	(45,339,011)
Changes in inventories		61,049	(181,364)
Other income	25	3,334,752	3,160,336
Employee benefits expense		(39,246,582)	(34,751,499)
Operating lease expenses		(11,889,752)	(10,334,848)
Utilities expenses		(3,457,258)	(3,630,833)
Depreciation expense	14	(3,524,295)	(3,455,276)
Other operating expenses	26	(13,341,535)	(13,145,585)
Finance costs		(25,928)	(32,269)
Share of results of associates	11	137,090	56,815
Profit before tax		18,438,509	15,141,079
Income tax expense	27	(2,730,172)	(1,819,251)
Profit for the year	29	15,708,337	13,321,828
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		(473,766)	287,590
Other comprehensive (loss)/income for the year, net of tax		(473,766)	287,590
Total comprehensive income for the year		15,234,571	13,609,418
Profit attributable to:			
Owners of the Company		15,507,672	10,599,659
Fellow co-operative venturer		–	2,152,251
Non-controlling interests		200,665	569,918
		15,708,337	13,321,828
Total comprehensive income attributable to:			
Owners of the Company		15,162,078	10,814,285
Fellow co-operative venturer		–	2,152,251
Non-controlling interests		72,493	642,882
		15,234,571	13,609,418
Basic and diluted earnings per share (cents)	31	2.4	1.7

See accompanying notes to financial statements.

Statements of Changes in Equity

Year ended 30 September 2016

Group	Share capital	Currency translation reserve	Merger reserve	Equity reserve	Retained earnings	Equity attributable to owners of the Company	Fellow co-operative venturer's interests	Non-controlling interests	Total
	$	$	$	$	$	$	$	$	$
Balance at 1 October 2014	2,595,940	22,635	–	94,702	44,395,799	47,109,076	3,288,106	1,620,739	52,017,921
Total comprehensive income for the year:									
Profit for the year	–	–	–	–	10,599,659	10,599,659	2,152,251	569,918	13,321,828
Other comprehensive income for the year	–	214,626	–	–	–	214,626	–	72,964	287,590
Transactions with owners, recognised directly in equity:									
Non-controlling interest arising from changes in interest in a subsidiary	–	–	–	–	–	–	–	570,000	570,000
Dividend paid to owners of the Company (Note 32)	–	–	–	–	(1,000,000)	(1,000,000)	–	–	(1,000,000)
Balance at 30 September 2015	2,595,940	237,261	–	94,702	53,995,458	56,923,361	5,440,357	2,833,621	65,197,339
Total comprehensive income for the year:									
Profit for the year	–	–	–	–	15,507,672	15,507,672	–	200,665	15,708,337
Other comprehensive loss for the year	–	(345,594)	–	–	–	(345,594)	–	(128,172)	(473,766)
Transactions with owners, recognised directly in equity:									
Issue of shares pursuant to IPO (Note 21)	38,838,744	–	–	–	–	38,838,744	–	–	38,838,744
Acquisition of remaining interest in fellow co-operative ventures (Note 21)	3,369,050	–	–	–	1,431,543	4,800,593	(5,440,357)	–	(639,764)
Acquisition of remaining interest in subsidiary (Note 21)	808,650	–	–	(94,702)	(813,964)	(100,016)	–	(280,942)	(380,958)
Adjustment pursuant to the Restructuring Exercise (Note 21)	(2,595,940)	–	(2,828,262)	–	–	(5,424,202)	–	–	(5,424,202)
Issue of shares pursuant to the Restructuring Exercise (Note 21)	5,424,204	–	–	–	–	5,424,204	–	–	5,424,204
Dividend paid to owners of the Company (Note 32)	–	–	–	–	(50,844,000)	(50,844,000)	–	–	(50,844,000)
Dividend paid to non-controlling interests (Note 32)	–	–	–	–	–	–	–	(898,170)	(898,170)
Balance at 30 September 2016	48,440,648	(108,333)	(2,828,262)	–	19,276,709	64,780,762	–	1,727,002	66,507,764

See accompanying notes to financial statements.

Statements of Changes in Equity

Year ended 30 September 2016

Company	Share capital	Retained earnings / (Accumulated losses)	Total
	$	$	$
Issuance of shares (Note 21), at date of incorporation, representing transactions with owners, recognised directly in equity	2	–	2
Loss for the period, representing total comprehensive loss for the period	–	(1,089,434)	(1,089,434)
Balance at 30 September 2015	2	(1,089,434)	(1,089,432)
Issuance of shares (Note 21), representing transactions with owners, recognised directly in equity	48,440,646	–	48,440,646
Profit for the year, representing total comprehensive income for the year	–	13,425,722	13,425,722
Balance at 30 September 2016	48,440,648	12,336,288	60,776,936

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

Year ended 30 September 2016

	Group	
	2016	2015
	$	$
Operating activities		
Profit before income tax	18,438,509	15,141,079
Adjustments for:		
Depreciation expense	3,524,295	3,455,276
Interest income	(264,468)	(100,990)
Finance costs	25,928	32,269
Dividend income from short-term investments	(13,659)	(122,227)
Loss on property, plant and equipment written off	24,961	40,112
Gain on disposal of short-term investments	–	(133,750)
Gain on disposal of property, plant and equipment	(10,119)	(4,135)
Fair value loss/(gain) on short-term investments	4,358	(145,939)
Unrealised foreign exchange (gain)/loss	(193,025)	143,074
Share of results of associates	(137,090)	(56,815)
Operating cash flows before movements in working capital	21,399,690	18,247,954
Trade and other receivables	576,590	(1,255,612)
Inventories	(61,049)	181,364
Trade and other payables	(659,658)	335,804
Cash generated from operations	21,255,573	17,509,510
Interest income	264,468	100,990
Finance costs	(25,928)	(32,269)
Income tax paid	(1,592,780)	(2,460,280)
Net cash from operating activities	19,901,333	15,117,951
Investing activities		
Acquisition of property, plant and equipment [Note (a)]	(7,893,108)	(5,469,285)
Proceeds from disposal of property, plant and equipment	187,906	15,204
Proceeds from disposal of short-term investments	–	3,359,750
Dividend income from short-term investments	6,994	103,778
Dividend income from an associate	136,000	–
Net cash used in investing activities	(7,562,208)	(1,990,553)
Financing activities		
Additional capital contribution from non-controlling interest in a subsidiary	–	570,000
Proceeds from issuance of shares capital, net of IPO expenses	38,838,744	–
Dividend paid (Note 32)	(51,742,170)	(1,000,000)
Withdrawal of structured fixed deposit	–	200,000
Repayment of bank borrowings	(96,486)	(94,918)
Repayment of finance leases	(135,000)	(179,583)
Net cash used in financing activities	(13,134,912)	(504,501)
Net (decrease)/increase in cash and cash equivalents	(795,787)	12,622,897
Cash and cash equivalents at beginning of the year	60,060,873	47,437,976
Cash and cash equivalents at end of the year (Note 6)	59,265,086	60,060,873
Note (a):		
Purchase of property, plant and equipment	(8,056,026)	(5,376,902)
Add non-cash movement:		
- Provision/ (Write back) for reinstatement costs (Note 19)	162,918	(92,383)
	(7,893,108)	(5,469,285)

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 201503401Z) is incorporated in Singapore with its principal place of business and registered office at 4 Kaki Bukit Avenue 1, #03-08, Singapore 417937. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

In 2015, pursuant to the Group restructuring exercise ("Restructuring Exercise") to rationalise the structure of the Company and its subsidiary corporations (here in after collectively referred to as the "Group") in preparation for the proposed listing of the Company on the SGX-ST, the Company underwent the following:

(a) Incorporation of the Company

The Company was incorporated on 4 February 2015 in Singapore in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital of $2 comprising one share held by each of Mr. Ang Kiam Meng and Mdm. Tan Yong Chuan, Jacqueline.

(b) Restructuring Deed

The shareholders of Jumbo Seafood Pte. Ltd. ("JSPL") and the shareholders of Jardine Enterprise Pte Ltd ("JEPL") executed a restructuring deed dated 12 August 2015 ("Restructuring Deed").

Pursuant to the Restructuring Deed, the parties agreed, *inter alia*, procured:

(i) the declaration and payment of the proposed Conditional Interim Dividend (as described below);

(ii) the completion of the proposed Share Swap (as described below); and

(iii) the completion of the issue of shares to the Fellow Co-operative Venturers and non-controlling interests (as described below).

(c) Conditional Interim Dividends

Conditional interim tax exempt dividends were declared out of the profits available for distribution of (i) JSPL to the JSPL shareholders; (ii) JEPL to the JEPL shareholders; and (iii) Ng Ah Sio Investments Pte Ltd to its shareholders on a date not later than five (5) business days after the date of determination of the issue price of the new shares to be issued for the initial public offer ("IPO") of the Company (the "Conditional Interim Dividend").

The Conditional Interim Dividend of $51.7 million were paid on a date within five (5) business days after the Company was admitted to Catalist.

(d) Share Swap

Pursuant to an agreement between the Company, the JSPL shareholders and the JEPL shareholders dated 12 August 2015, the Company acquired all of the issued and paid-up share capital of JSPL and JEPL for an aggregate purchase consideration of $5.4 million, based on a willing buyer-willing seller basis, with the consideration satisfied by the allotment and issue of an aggregate of 725,330 new shares to the JSPL shareholders, and an aggregate of 325,872 new shares to the JEPL shareholders (the "Share Swap"). Further, the JEPL shareholders and certain JSPL shareholders directed certain new shares to be issued and allotted to JBO Holdings Pte Ltd ("JBO") instead.

1 GENERAL (cont'd)

(e) Sub-Division of shares

On 19 October 2015, the shareholders of the Company approved the sub-division of 1,051,204 shares in the capital of the Company into 463,929,800 shares (the "Sub-Division").

Following the completion of the Sub-Division, the shareholders of the Company were as follows:

Shareholders	Number of shares	Shareholding (%)
JBO	371,582,400	80.1
Mr. Tan Gee Jian	42,254,900	9.1
Mr. See Boon Huat	28,169,800	6.1
Mr. Koh Ah Say @ See Boon Chye	14,084,700	3.0
Others	7,838,000	1.7
	463,929,800	100.0

(f) Transfer of fellow co-operative venturers' interests

The Group entered into various agreements with (i) Palm Beach Seafood Restaurant Pte Ltd; (ii) DWKB LLP; (iii) Mr. Ng Kok Kiang; and (iv) Mr. Chua Seng Chong and/or Mdm. Chan Hwee Eng (as the administrator of the estate of Mr Chua Seng Chong (collectively, the "Fellow Co-operative Venturers") to transfer, *inter alia*, the remaining interests which the Group did not hold in each of Jumbo Seafood (Riverside), Jumbo Seafood Gallery, JPOT (Vivocity) and Chui Huay Lim Teochew Cuisine. The Group paid an aggregate consideration of approximately $3.73 million, with the consideration satisfied by the allotment and issue of an aggregate of 13,476,200 new shares at $0.25 per share ("Issue Price") and $0.36 million cash to the Fellow Co-operative Venturers.

(g) Acquisition of remaining shares in Ng Ah Sio Investments Pte. Ltd.

The Group entered into an agreement with NSH Holdings Pte. Ltd. to, *inter alia*, acquire 49.0% of the equity interests in Ng Ah Sio Investments Pte Ltd from NSH Holdings Pte. Ltd. The Group paid an aggregate consideration of $0.81 million via the issuance of 3,594,000 new shares at a discount of 10.0% to the Issue Price.

The Group, resulting from the above Restructuring Exercise, was regarded as a continuing entity as the Group was ultimately controlled by the common shareholders acting in concert both before and after the Restructuring Exercise. Accordingly, although the Company was only incorporated on 4 February 2015, the first set of financial statements of the Group was prepared using the principles of merger accounting on the basis that the Restructuring Exercise transfers of equity interest in the combining entities under the common control to the Company has been effected for the years ended 30 September 2014 and 2015.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the year ended 30 September 2016 were authorised for issue by the Board Of Directors on 21 December 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS – On 1 October 2015, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- FRS 109 *Financial Instruments* [2]
- FRS 115 *Revenue from Contracts with Customers* [2]
- FRS 116 *Leases* [4]
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative* [1]
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative* [3]
- Amendments to FRS 115 *Clarifications to FRS 115 Revenue from Contracts with Customers* [2]
- Amendments to FRS 27 *Separate Financial Statements: Equity Method in Separate Financial Statements* [1]
- Amendments to Financial Reporting Standards (November 2014) [1]

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

1 Applies to annual periods beginning on or after 1 January 2016, with early application permitted.

2 Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

3 Applies prospectively to annual periods beginning on or after 1 January 2017, with early application permitted.

4 Applies to annual periods beginning on or after 1 January 2019, with early application permitted for entities that apply FRS 115 at or before the date of initial application of FRS 116.

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL is presented in profit or loss.

- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Based on an analysis of the Group's financial assets and financial liabilities as at 30 September 2016 on the basis of the facts and circumstances that exist at that date, the management has performed a preliminary assessment of the impact of FRS 109 to the Group's consolidated financial statements.

Management do not anticipate the application of FRS 109 will have a material impact on the Group's financial statements.

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

In June 2016, amendments to FRS 115 was issued to provide clarifications on (i) identifying performance obligations (ii) principal versus agent considerations and (iii) licensing application guidance. The amendments also included two additional transition reliefs on contract modifications and completed contracts.

Management is still in process of assessing the full impact of the application of FRS 115 on the Group's financial statements and it is not practical to provide a reasonable financial estimate of the effect until management complete the detailed review. The management does not intend to early apply the standard and intend to use the full retrospective method upon adoption.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FRS 116 *Leases*

FRS 116 was issued in June 2016 and will supersede FRS 17 Leases and its associated interpretative guidance.

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

As at 30 September 2016, the Group has non-cancellable operating lease commitments of $23,582,862. FRS 17 does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments in Note 30. A preliminary assessment indicates that these arrangements will meet the definition of a lease under FRS 116, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of FRS 116. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Group's consolidated financial statements and the management is currently assessing its potential impact. It is not practicable to provide a reasonable estimate of the financial effect until the management complete the review.

Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*

The amendments have been made to the following:

- Materiality and aggregation - An entity shall not obscure useful information by aggregating or disaggregating information and materiality considerations apply to the primary statements, notes and any specific disclosure requirements in FRSs.

- Statement of financial position and statement of profit or loss and other comprehensive income - The list of line items to be presented in these statements can be aggregated or disaggregated as relevant. Guidance on subtotals in these statements has also been included.

- Presentation of items of other comprehensive income ("OCI") arising from equity-accounted investments - An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single items based on whether or not it will subsequently be reclassified to profit or loss.

- Notes - Entities have flexibility when designing the structure of the notes and guidance is introduced on how to determine a systematic order of the notes. In addition, unhelpful guidance and examples with regard to the identification of significant accounting policies are removed.

Management do not anticipate the application of these amendments will have a material impact on the Group's financial statements.

Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*

The amendments required an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The amendments applies prospectively to annual periods beginning on or after 1 January 2017, with earlier application permitted.

Management do not anticipate the application of these amendments will have a material impact on the Group's financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Amendments to FRS 27 *Separate Financial Statements: Equity Method in Separate Financial Statements*

FRS 27 requires an entity to account for its investments in subsidiaries, joint ventures and associates either at cost or in accordance with FRS 39 (or FRS 109 when effective). The amendments allow an additional option for an entity to account for these investees in its separate financial statements using the equity method as described in FRS 28.

The accounting option must be applied by category of investments.

Management do not anticipate the application of these amendments will have a material impact on the Group's financial statements.

BASIS OF COMBINATION – In 2015, the financial statements incorporate the financial statements of the Company and its subsidiaries and had been prepared using the principles of merger accounting and on the assumption that the re-organisation of entities controlled by the same shareholders collectively has been effected as at the beginning of the earliest period presented in these financial statements.

Under merger accounting, the assets, liabilities, revenue, expenses and cash flows and all the entities within the Group are combined after making such adjustments as are necessary to achieve consistency of accounting policies. This manner of presentation reflects the economic enterprise, although the legal parent-subsidiary relationship between the Company and the subsidiaries was not established until 9 November 2015.

Where necessary, adjustments are made to the financial statements of the group entities to bring their accounting policies in line with those used by other members of the Group.

All significant intercompany transactions and balances between Group enterprises are eliminated on combination.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company 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 listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring its accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiaries and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiaries (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39, or when applicable, the cost on initial recognition of an investment in an associate.

In the Company's separate financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS – Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non- current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS.

If the initial accounting for a business combination is incomplete by the end of the financial year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs.

<u>Loans and receivables</u>

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets (cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are not classified into any of the other categories. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss where the financial asset is either held for trading or it is designated as at fair value through profit or loss. Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Short term investments, comprising quoted equity shares, are classified as financial assets at fair value through profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to the relevant exchange's quoted market bid prices at the close of business on the end of the financial year. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets (cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserves.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, except for short-term balances when the recognition of interest would be immaterial.

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial liabilities and equity instruments (cont'd)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVENTORIES - Inventories comprising mainly food and beverages are stated at the lower of cost and net realisable value. Cost comprises all cost of purchase and overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

PROPERTY, PLANT AND EQUIPMENT – Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, other than plant and equipment under work in progress, using the straight-line method, on the following bases:

Audio, visual and office equipment	-	3 to 10 years
Kitchen equipment and utensils	-	3 to 10 years
Furniture and fittings	-	3 to 10 years
Renovation	-	3 to 10 years
Leasehold industrial buildings	-	44 to 50 years
Motor vehicles	-	10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

GOODWILL – Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL – At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

ASSOCIATES – An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

<u>Provision for reinstatement costs</u>

The Group recognises a liability and capitalise an expense in property, plant and equipment if the Group has a present legal or constructive obligation to reinstate the leased premises to their original state upon expiry of the lease. The provision is made based on management's best estimate of the expected costs to be incurred to reinstate the leased premises to their original state. The capitalised provision for reinstatement costs in plant and equipment is amortised over the period of the lease.

GOVERNMENT GRANTS – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. Considerations received in advance are deferred until the goods and services are provided.

<u>Sale of food and beverages</u>

Revenue from the sale of food and beverages is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the food and beverages i.e. when the food and beverages are delivered;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control after the good sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

<u>Interest income</u>

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

<u>Management fees</u>

Revenue from management contracts is recognised over the management period when the services are rendered.

<u>Dividend income</u>

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

<u>Sponsorship income</u>

Sponsorship income from suppliers is recognised when the rights to receive payment have been established.

<u>Sale of rewards card</u>

Sale of rewards card is recognised as income on a straight-line basis over the membership period.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is reduced from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they are accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

CLUB MEMBERSHIP – This comprises of investment in club membership which is stated at cost less any impairment in net recoverable value that has been recognised in profit or loss.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from manner in which Group expects, at the end of the financial year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS – The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing on the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

MERGER RESERVE – Merger reserve represents the difference between the nominal amount of the share capital of the subsidiaries at the date on which it was acquired by the Company and the amount of the share capital issued as consideration for the acquisition.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS – Cash and cash equivalents in the statement of cash flows comprise cash at bank and on hand and fixed deposits, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Apart from those involving estimates, management is of the opinion that any instance of application of judgement is not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives to be 44 to 50 years for leasehold industrial buildings and 3 to 10 years for others. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets; therefore future depreciation charges could be revised. The carrying amount of the property, plant and equipment are set out in Note 14 to the financial statements.

(b) Impairment of property, plant and equipment

Property, plant and equipment are stated at cost less any impairment loss. The Group reviews the carrying amount of the property, plant and equipment to determine whether there are any indicators of impairment. If any such indication exists, the recoverable amount of the property, plant and equipment is estimated in order to determine the extent of the impairment loss (if any). The carrying amount of the property, plant and equipment are set out in Note 14 to the financial statements.

(c) Income tax

Significant assumptions are required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of income tax payable and deferred tax liability as at the end of the reporting period are set out in the statements of financial position and Note 27 to the financial statements respectively.

(d) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. No impairment loss was recognised during the financial year. The carrying amount of goodwill at the end of the reporting period is set out in Note 13 to the financial statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Key sources of estimation uncertainty (cont'd)

(e) Provision for reinstatement costs

Provision for reinstatement costs represents costs to reinstate the Group's leased premises to its original state upon expiry of the lease. The provision was made based on management's best estimates of the expected costs which are to be incurred to reinstate the leased premises for its restaurant outlets. Details of the provision for reinstatement costs are set out in Note 19 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the financial year:

	Group	
	2016	**2015**
	$	**$**
Financial assets		
Loans and receivables:		
Cash and cash equivalents	59,265,086	60,060,873
Trade and other receivables	4,936,222	4,538,468
Subtotal	64,201,308	64,599,341
Available-for-sale investment	75,000	75,000
Fair value through profit or loss (comprising short-term investments)	331,509	329,202
Total	64,607,817	65,003,543
Financial liabilities		
Trade and other payables	13,380,980	12,888,594
Provision for reinstatement costs	1,618,380	1,476,967
Finance leases	–	135,000
Bank borrowings	599,590	696,076
Total	15,598,950	15,196,637

	Company	
	2016	**2015**
	$	**$**
Financial assets		
Loans and receivables:		
Cash and cash equivalents	30,309,703	10,002
Due from subsidaries	10,702,340	–
Dividend receivable	14,500,000	–
Total	55,512,043	10,002
Financial liabilities		
Trade and other payables	176,452	828,800
Due to a subsidiary	–	613,779
Total	176,452	1,442,579

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar arrangements

The Group and the Company do not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar agreements.

(c) Financial risk management policies and objectives

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the costs of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below:

(i) Foreign exchange risk management

The Group operates principally in Singapore and has operations in the People's Republic of China ("PRC"), giving rise to some exposures to market risk from changes in foreign exchange rates primarily with respect to Chinese Renminbi. The Group relies on the natural hedges between such transactions.

The Group does not enter into any derivative contracts to hedge the foreign exchange risk. The Group's monetary assets and monetary liabilities are largely denominated in the respective Group entities' functional currencies.

As the Group's and Company's principal operations are predominantly in Singapore, it is not significantly exposed to foreign exchange risk and thus foreign currency risk sensitivity analysis has not been disclosed.

(ii) Interest rate risk management

The Group and the Company is not exposed to significant interest rate risk as there are no significant interest-bearing assets and liabilities except for fixed deposits, finance leases and bank borrowings. Further details can be found in Notes 6, 17 and 18 to the financial statements respectively.

No sensitivity analysis is prepared as the Group and the Company does not expect any material effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk is primarily attributable to its cash and bank balances and trade receivables. Liquid funds are placed with financial institutions with high credit ratings. The credit risk with respect to the trade receivables is limited as the Group's revenue are generated mainly from cash and credit card sales. Where transactions are conducted other than on a cash basis, the Group practises stringent credit review. Allowance for impairment is made where there is an identified loss event which, based on previous experience is evidence of a reduction in the recoverabilities.

The Group have no significant concentration of credit risk. Trade receivables are spread over a broad base of customers.

The Company is exposed to a concentration of credit risk of which 100% of its receivables are due from subsidiaries. These subsidiaries have been assessed to be creditworthy and management has assessed that no allowance for doubtful receivables is required.

The carrying amount of financial assets recorded in the financial statements represents the Group's and the Company's maximum exposure to credit risks.

Further details of credit risk on trade receivables are disclosed in Note 7 to the financial statements.

(iv) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as short-term investments and available-for-sale investment. Available-for-sale equity investment is unquoted, and is held for strategic rather than trading purposes.

Further details of the short term investments and available-for-sale investment are disclosed in Notes 8 and 12 to the financial statements respectively.

Equity price sensitivity

In respect of the short term investments, if equity price had been 10% higher/lower, the Group's net profit for the year ended 30 September 2016 would increase/decrease by $33,151 (2015 : $32,920).

(v) Liquidity risk management

Liquidity risk refers to the risk that the Group may not be able to meet its obligations.

The Group maintains sufficient cash and bank balances and internally generated cash flows to finance its working capital requirements.

All financial liabilities are repayable on demand or due within 1 year from the end of the financial year, except for bank borrowings in which information of the maturity profile and interest rate is disclosed in Note 18 to the financial statements.

All financial assets mature within 1 year from the end of the reporting period, except for available-for-sale investment in Note 12 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statements of financial position.

Group	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$	$	$	$	$
2016						
Non-interest bearing	–	14,999,360	–	–	–	14,999,360
Bank borrowings	2.23	111,205	444,820	83,365	(39,800)	599,590
		15,110,565	444,820	83,365	(39,800)	15,598,950
2015						
Non-interest bearing	–	14,365,561	–	–	–	14,365,561
Finance lease liability	3.59	65,640	82,050	–	(12,690)	135,000
Bank borrowings	1.72	117,990	471,958	206,482	(100,354)	696,076
		14,549,191	554,008	206,482	(113,044)	15,196,637

Company

The Company's financial liabilities as at 30 September 2016 and 2015 are repayable on demand or due within 1 year from the end of the reporting period.

Non-derivative financial assets

The following tables detail the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statements of financial position.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$	$	$	$	$
Group						
2016						
Non-interest bearing	–	34,278,576	–	–	–	34,278,576
Fixed deposits	0.91	30,398,296	–	–	(69,055)	30,329,241
		64,676,872	–	–	(69,055)	64,607,817
2015						
Non-interest bearing	–	39,281,173	–	–	–	39,281,173
Fixed deposits	0.82	25,737,475	–	–	(15,105)	25,722,370
		65,018,648	–	–	(15,105)	65,003,543
Company						
2016						
Non-interest bearing	–	25,285,072	–	–	–	25,285,072
Fixed deposits	0.91	30,295,770	–	–	(68,799)	30,226,971
		55,580,842	–	–	(68,799)	55,512,043
2015						
Non-interest bearing	–	10,002	–	–	–	10,002

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

Financial instruments measured at fair value

Group	Total	Level 1	Level 2	Level 3	Cost
	$	$	$	$	$
Financial assets					
2016					
Available-for-sale investment (Note a)	75,000	–	–	–	75,000
Financial assets at fair value through profit or loss (comprising short-term investments)					
- Quoted equity shares	331,509	331,509	–	–	–
2015					
Available-for-sale investment (Note a)	75,000	–	–	–	75,000
Financial assets at fair value through profit or loss (comprising short-term investments)					
- Quoted equity shares	329,202	329,202	–	–	–

Note a

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

The Group determines fair values of various financial assets in the following manner:

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each financial year. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Group **Financial assets**	**Fair value ($)**		**Fair value hierarchy**	**Valuation technique and key input**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
	2016	**2015**				
	Short-term investments (see Note 8 to the financial statements)					
Listed equity shares	331,509	329,202	Level 1	Quoted bid prices in an active market.	N/A	N/A

There were no transfers between the levels of the fair value hierarchy during the financial year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial risk management policies and objectives (cont'd)

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values:

	2016		2015	
Group	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
	$	**$**	**$**	**$**
Financial liabilities				
Finance leases (Note 17)	–	–	135,000	147,690

The fair value of the finance leases represent the minimum lease payments based on contractual terms.

(d) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remain unchanged from 2015. The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued capital, reserves and retained earnings.

5 HOLDING COMPANY, RELATED COMPANIES AND OTHER RELATED PARTIES TRANSACTIONS

(a) Holding company and related companies transactions

Related companies in these financial statements refer to members of the Company's group of companies.

The ultimate controlling party is JBO Holdings Pte Ltd, incorporated in Singapore, which is substantially owned by Mr Ang Hon Nam and his family members, whose interest in the Company is held through their shareholdings in the ultimate controlling party.

Some of the Company's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free, expected to be settled in cash and repayable on demand unless otherwise stated.

5 HOLDING COMPANY, RELATED COMPANIES AND OTHER RELATED PARTIES TRANSACTIONS (cont'd)

(b) Other related party transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free, expected to be settled in cash and repayable on demand unless otherwise stated.

During the year, significant transactions entered into by group entities with related parties was as follows:

	Group	
	2016	2015
	$	$
Consultancy services provided by related parties	106,000	18,387
Management fees received from associates	(257,092)	(241,541)
Rental paid to directors of subsidiaries	–	132,000
Rental paid to related parties	45,600	–

Remunerations of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2016	2015
	$	$
Short-term employee benefits	3,567,347	4,033,152
Post-employment benefits	83,700	106,272
Total compensation	3,651,047	4,139,424

6 CASH AND CASH EQUIVALENTS

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Cash on hand	306,849	192,343	2	2
Cash at bank	28,628,996	34,146,160	82,730	10,000
Fixed deposits	30,329,241	25,722,370	30,226,971	–
Cash and cash equivalents in the statement of cash flows	59,265,086	60,060,873	30,309,703	10,002

The fixed deposits mature within a year and bear interests ranging from 0.89% to 0.93% (2015 : 0.05% to 0.90%) per annum.

7 (a) TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade receivables				
- outside parties	817,118	838,764	–	–
- associates	82,648	106,082	–	–
	899,766	944,846	–	–
Other receivables				
- outside parties	334,218	1,249	–	–
- associate	–	175,000	–	–
- allowance for doubtful debts (associate)	–	(175,000)	–	–
Staff loans	67,560	108,975	–	–
Refundable deposits	3,634,678	3,483,398	–	–
Prepayments	1,088,614	2,062,958	17,143	343,145
	6,024,836	6,601,426	17,143	343,145

The credit period ranges from 3 to 30 days (2015 : 3 to 30 days). No interest is charged on the outstanding balance.

The table below is an analysis of trade receivables as at 30 September:

	Group	
	2016	2015
	$	$
Not past due and not impaired	899,766	802,762
Past due but not impaired [(i)]	–	142,084
	899,766	944,846

[(i)] Aging of receivables that are past due but not impaired:

	Group	
	2016	2015
	$	$
< 3 months	–	134,901
3 to 6 months	–	–
> 6 months to 12 months	–	–
> 12 months	–	7,183
	–	142,084

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated. Included in the Group's trade receivables balances are debtors with a carrying amount of $Nil (2015: $142,084) which are past due at the end of the reporting period for which the Group has not recognised an allowances for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable.

7 (a) TRADE AND OTHER RECEIVABLES (cont'd)

Other receivables are unsecured, interest-free and repayable on demand.

In 2015, the Group provided for non-recoverability for the specific balances of $175,000 owing from an associate investment. In 2016, the amount was received from associate and the allowance was written back. The Group has not provided for non-recoverability for other receivables which are past due as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Movement in allowance for doubtful debts:

	Group	
	2016	**2015**
	$	**$**
Balance at beginning of the year	175,000	175,000
Write back of allowance (Note 25)	(175,000)	–
Balance at end of the year	–	175,000

The refundable deposits are placed with reputable financial institutions. There has not been a significant change in credit quality of refundable deposits and the amounts are considered recoverable.

7 (b) DUE FROM SUBSIDIARIES AND DIVIDEND RECEIVABLE

Amount due from subsidiaries and dividend receivable from subsidiaries are unsecured, interest-free and repayable on demand. The Company has not recognised any allowance as the directors are of the view the receivables are recoverable.

8 SHORT-TERM INVESTMENTS

	Group	
	2016	**2015**
	$	**$**
Quoted equity shares, at fair value	331,509	329,202

The investments above include investments in quoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on the quoted closing market prices on the last market day of the financial year.

9 INVENTORIES

	Group	
	2016	**2015**
	$	**$**
Consumables	873,978	849,703
Liquor and beverages	221,448	184,674
	1,095,426	1,034,377

10 INVESTMENTS IN SUBSIDIARIES

	Company	
	2016	2015
	$	$
Unquoted equity shares – at cost	5,424,202	–

Details of the Group's significant subsidiaries at 30 September 2016 are as follows:

Name of subsidiary	Principal activities	Country of incorporation and operation	Proportion of ownership interest and voting power held	
			2016	2015
			%	%
Held by the Company				
Jumbo Seafood Pte. Ltd. [1]	Operation and management of restaurants	Singapore	100	100[3]
Jardine Enterprise Pte. Ltd. [1]	Investment holding	Singapore	100	100[3]
Subsidiary held by Jumbo Seafood Pte. Ltd.				
Jumbo Group of Restaurants Pte. Ltd. [1]	Operation and management of restaurants	Singapore	100	100
Subsidiaries held by Jumbo Group of Restaurants Pte. Ltd.				
Jumbo F&B Services Pte Ltd. [1]	Investment holding	Singapore	100	100
Ng Ah Sio Investments Pte. Ltd. [1][4]	Operation and management of restaurants	Singapore	100	51
Subsidiary held by Ng Ah Sio Investments Pte Ltd				
Ng Ah Sio Pte Ltd [1]	Manufacturer of food stuff	Singapore	100	100
Subsidiaries held by Jumbo F&B Services Pte. Ltd				
JBT (China) Pte Ltd. [1]	Investment holding	Singapore	70	70
Jumbo F&B Services (Shanghai) Co Ltd [2]	Management of seafood restaurant	PRC	100	100
Subsidiary held by JBT (China) Pte. Ltd.				
JBT F&B Management (Shanghai) Co Ltd [2]	Operation and management of seafood restaurant	PRC	70	70

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by an overseas practices of Deloitte Touche Tohmatsu Limited for consolidation purposes.

(3) In 2015, the financial statements was prepared based on merger accounting as the Group was ultimately controlled collectively by common shareholders.

(4) In 2016, the subsidiary, Jumbo Group of Restaurants Pte Ltd purchased the remaining interests in its subsidiary, Ng Ah Sio Investments Pte Ltd.

10 INVESTMENTS IN SUBSIDIARIES (cont'd)

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the Group is as follows:

Principal activities	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2016	**2015**
Investment holding	Singapore	2	2
Operations, management of restaurants and manufacturer of food stuff	Singapore and PRC	5	4

Non-wholly owned subsidiaries

Information about the composition of non-wholly owned subsidiaries of the Group is as follows:

Principal activities	Place of incorporation and operation	Number of non-wholly owned subsidiaries	
		2016	**2015**
Investment holding	Singapore	1	1
Operations and management of restaurants	Singapore and PRC	1	2

Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group are disclosed below:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2016	**2015**	**2016**	**2015**	**2016**	**2015**
		%	**%**	**$**	**$**	**$**	**$**
JBT (China) Pte Ltd	Singapore	30	30	200,665	191,286	1,727,002	1,575,748
Ng Ah Sio Investments Pte. Ltd.	Singapore	–	49	–	378,632	–	1,257,873
				200,665	569,918	1,727,002	2,833,621

10 INVESTMENTS IN SUBSIDIARIES (cont'd)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	JBT (China) Pte Ltd		Ng Ah Sio Investments Pte. Ltd.	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Current assets	4,143,369	3,865,473	–	3,217,498
Non-current assets	4,453,606	3,677,630	–	76,914
Current liabilities	(2,958,978)	(2,028,082)	–	(1,210,702)
Non-current liabilities	–	–	–	(23,545)
Equity attributable to owners of the Company	3,910,995	3,939,273	–	802,292
Non-controlling interests	1,727,002	1,575,748	–	1,257,873
Revenue	19,970,869	10,462,715	–	7,617,856
Expenses	(19,301,984)	(9,825,097)	–	(6,845,140)
Profit for the year	668,885	637,618	–	772,716
Profit attributable to owners of the Company	468,220	446,332	–	394,084
Profit attributable to non-controlling interests	200,665	191,286	–	378,632
Profit for the year	668,885	637,618	–	772,716
Other comprehensive (loss)/income attributable to owners of the Company	(296,138)	170,249	–	–
Other comprehensive (loss)/income attributable to non-controlling interests	(126,917)	72,964	–	–
Other comprehensive (loss)/income for the year	(423,055)	243,213	–	–
Total comprehensive income attributable to owners of the Company	172,082	616,581	–	394,084
Total comprehensive income attributable to non-controlling interests	73,748	264,250	–	378,632
Total comprehensive income for the year	245,830	880,831	–	772,716
Net cash inflow from operating activities	2,327,982	815,138	–	787,052
Net cash outflow from investing activities	(2,022,886)	(1,760,964)	–	(54,819)
Net cash inflow from financing activities	–	1,900,000	–	–
Net cash inflow	305,096	954,174	–	732,233

11 INVESTMENTS IN ASSOCIATES

	Group	
	2016	**2015**
	$	**$**
Unquoted equity shares – at cost	744,000	744,000
Accumulated impairment losses	(459,631)	(459,631)
Share of post-acquisition profit	267,694	130,604
Dividend received	(136,000)	–
	416,063	414,973

11 INVESTMENTS IN ASSOCIATES (cont'd)

Management carried out a review of the investments in associates having regard to the existing performance of the associates that had indicators of impairment and concluded that no further impairment loss is necessary.

Details of the Group's associates as at 30 September 2016 are as follows:

Name of associate	Principal activities	Place of incorporation and operation	Proportion of ownership interests and voting power held	
			2016	2015
			%	%
Associates held by Jumbo Group of Restaurants Pte. Ltd.				
Seafood Republic Pte. Ltd. ("SRPL") [1]	Operation and management of restaurants	Singapore	20	20
Singapore Seafood Republic Pte. Ltd. ("SSRPL") [1][2][3]	Investment holding	Singapore	27	27
SSR Sentosa Pte. Ltd. ("SSR Sentosa") [1][2]	Operation and management of restaurant	Singapore	27	27

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Although the Group holds 100% equity interests in SSR Sentosa, management has assessed that SSRPL, rather than the Group, has the ability to direct the relevant activities of SSR Sentosa because of a loan financing arrangement by SSRPL to SSR Sentosa which gives SSRPL authority to direct the activities of SSR Sentosa that significantly affect the returns of SSR Sentosa. As SSRPL is an associate of the Group, SSR Sentosa is deemed to be an associate of the Group.

(3) The Group has not recognised profits amounting to $187,310 (2015 : $133,319) for SSRPL as the investment in SSRPL had been fully impaired. The accumulated losses not recognised were $214,218 (2015 : $401,528).

Summarised financial information of the Group's material associate, Seafood Republic Pte Ltd, is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with FRSs.

	2016	2015
	$	$
Current assets	1,442,724	1,539,264
Non-current assets	542,106	552,547
Current liabilities	(45,401)	(163,832)
Revenue	986,905	1,222,492
Profit for the year	685,451	284,075
Dividends received from the associate during the year	136,000	–

11 INVESTMENTS IN ASSOCIATES (cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Seafood Republic Pte Ltd recognised in these consolidated financial statements:

	2016	2015
	$	$
Net assets of the associate	1,939,429	1,927,979
Proportion of the Group's ownership interest	20%	20%
Carrying amount of the Group's interest	387,886	385,596

The Group has not recognised any profit from operations of associates that are not individually material for the years ended 30 September 2016 and 2015.

12 AVAILABLE-FOR-SALE INVESTMENT

	Group	
	2016	2015
	$	$
Unquoted equity shares, at cost	75,000	75,000

The investment in unquoted equity investments represents 15% unquoted equity interest in Slappy Cakes (Singapore) Pte Ltd, a company incorporated in Singapore.

The management is of the view that the fair value of unquoted equity shares cannot be measured reliably as there is a wide range of reasonable fair value estimates and the probabilities of the various estimates cannot be reasonably assessed.

13 GOODWILL

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGU") that are expected to benefit from that business combination.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU, relating to Ng Ah Sio Investments Pte. Ltd. and its business in Ng Ah Sio Bak Kut Teh, is determined from a value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budget approved by management for the next 5 years based on an estimated growth rate of 3% (2015 : 3%) and at a discount rate of 15% (2015 : 15%) per annum.

For the years ended 30 September 2016 and 2015, management has assessed that no allowance for impairment was required.

As at 30 September 2016, any reasonably possible change to the key assumptions applied are not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

14 PROPERTY, PLANT AND EQUIPMENT

Group	Audio, visual and office equipment	Kitchen equipment and utensils	Furniture and fittings	Renovation	Leasehold industrial buildings	Motor vehicles	Work in progress	Total
	$	$	$	$	$	$	$	$
Cost:								
At 1 October 2014	3,005,245	3,430,656	3,647,829	10,522,094	4,941,144	1,252,018	–	26,798,986
Additions	377,469	1,707,678	331,089	2,706,502	–	328,116	–	5,450,854
Disposals	(2,415)	(99,961)	–	(6,300)	–	(93,268)	–	(201,944)
Write back of reinstatement costs	–	–	–	(483,850)	–	–	–	(483,850)
Exchange difference	8,954	48,403	4,316	119,376	–	–	–	181,049
At 30 September 2015	3,389,253	5,086,776	3,983,234	12,857,822	4,941,144	1,486,866	–	31,745,095
Additions	972,432	1,887,780	1,076,575	3,242,769	–	192,167	684,303	8,056,026
Disposals	(11,277)	(36,400)	–	–	–	(235,219)	–	(282,896)
Write offs	(8,432)	(16,245)	–	(64,679)	–	–	–	(89,356)
Exchange difference	(19,173)	(91,893)	(7,002)	(271,412)	–	–	–	(389,480)
At 30 September 2016	4,322,803	6,830,018	5,052,807	15,764,500	4,941,144	1,443,814	684,303	39,039,389
Accumulated depreciation:								
At 1 October 2014	2,109,644	2,032,313	2,701,672	7,047,680	567,158	374,861	–	14,833,328
Depreciation for the year	532,032	531,905	515,315	1,639,735	104,651	131,638	–	3,455,276
Disposals	(287)	(61,010)	–	(6,300)	–	(83,164)	–	(150,761)
Write back of reinstatement costs	–	–	–	(409,896)	–	–	–	(409,896)
Exchange difference	3,051	12,266	1,141	20,071	–	–	–	36,529
At 30 September 2015	2,644,440	2,515,474	3,218,128	8,291,290	671,809	423,335	–	17,764,476
Depreciation for the year	501,937	743,350	422,694	1,613,695	104,652	137,967	–	3,524,295
Disposals	(5,232)	(16,062)	–	–	–	(83,815)	–	(105,109)
Write offs	(8,324)	(11,216)	–	(44,855)	–	–	–	(64,395)
Exchange difference	(7,454)	(27,519)	(2,613)	(53,191)	–	–	–	(90,777)
At 30 September 2016	3,125,367	3,204,027	3,638,209	9,806,939	776,461	477,487	–	21,028,490
Carrying amount:								
At 30 September 2016	1,197,436	3,625,991	1,414,598	5,957,561	4,164,683	966,327	684,303	18,010,899
At 30 September 2015	744,813	2,571,302	765,106	4,566,532	4,269,335	1,063,531	–	13,980,619

The cost of fully depreciated assets still in use for the Group amounted to $13,032,141 (2015 : $12,123,384).

At the end of the financial year, the Group has plant and equipment with carrying amount of $NIL (2015 : $298,707) under finance leases (Note 17).

Leasehold property amounting to $2,057,143 (2015 : $2,108,572) owned by the Group is mortgaged to secure a loan facility (Note 18).

15 CLUB MEMBERSHIPS

	Group	
	2016	2015
	$	$
Country club memberships, at cost	273,300	273,300
Less: Allowance for impairment	(35,000)	(35,000)
	238,300	238,300

16 (a) TRADE AND OTHER PAYABLES

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade payables	4,507,170	4,024,730	–	–
Other payables	1,391,709	798,185	–	–
Deposits received	266,662	324,498	–	–
Accrued employee benefits expense	6,652,539	5,475,303	–	–
Accrued directors' fees	46,250	640,000	46,250	–
Accrued operating expenses	783,312	1,950,376	130,202	828,800
Accrued credit expenses	656,000	573,218	–	–
Deferred revenue	223,783	380,051	–	–
	14,527,425	14,166,361	176,452	828,800

The credit period on purchases of goods ranges from 30 days (2015 : 30 days).

The Group has a loyalty programme which allows members to accumulate credits when they spend in the Group's restaurants. These credits can be off-set against billings from the Group's restaurants and/or redeem for certain merchandise. Accrued credits expense relates to the credits issued under the loyalty programme that are expected to be redeemed but are still outstanding as at the end of the financial year.

Deferred revenue relates to deferred rewards card fees which are recognised as income over the membership period.

(b) DUE TO A SUBSIDIARY

Amount due to a subsidiary is unsecured, interest-free and repayable on demand.

17 FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2016	2015	2016	2015
	$	$	$	$
Amounts payable under finance leases:				
Within one year	–	65,640	–	72,741
In the second to fifth years inclusive	–	82,050	–	62,259
	–	147,690	–	135,000
Less: Future finance charges	–	(12,690)	–	N/A
Present value of lease obligations	–	135,000	–	135,000
Less: Amount due for settlement within 12 months (shown under current liabilities)			–	(72,741)
Amount due for settlement after 12 months			–	62,259

It is the Group's policy to lease certain of its motor vehicles under finance lease. In 2015, the lease term was for a period of 1 to 5 years and the average effective borrowing rate was approximately 3.59% per annum. Interest rates were fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases were on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations were denominated in the functional currency of the Company. The Group's obligations under finance leases were secured by the lessor's title to the leased assets.

In 2016, the finance leases were fully repaid.

18 BANK BORROWINGS

	Group	
	2016	2015
	$	$
Secured – at amortised cost		
Current	87,296	109,298
Non-current	512,294	586,778
	599,590	696,076

The bank loan was taken up in 19 June 2012 and borne interest of 0.88% per annum over the bank's prevailing three-month cost of funds for the first year, 1.28% per annum over the bank's prevailing three-month cost of funds for the second year and 3% per annum over the bank's prevailing three-month cost of funds for subsequent years.

In 2015, the Group refinanced the bank loan. Effective 26 December 2014, the refinanced bank loan bears interest of 0.88% per annum over the bank's prevailing three-month cost of funds for the first year, 1.28% per annum over the bank's prevailing three-month cost of funds for the second year, 3% per annum over the bank's prevailing three-month cost of funds for the third year and 0.75% per annum over the bank's commercial financing rate for subsequent years. Leasehold property amounting to $2,057,143 (2015 : $2,108,572) owned by the Group is mortgaged to secure the loan which is repayable over 90 monthly principal instalments ending on 20 June 2022.

18 BANK BORROWINGS (cont'd)

Management estimates the fair value of the above loans to approximate their carrying amounts.

As at 30 September 2016, the Group had available $10,000,000 (2015 : $10,000,000) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The borrowing facilities are secured against a corporate guarantee given by the Company.

19 PROVISION FOR REINSTATEMENT COSTS

	Group	
	2016	2015
	$	$
Balance at beginning of year	1,476,967	1,569,350
Provision during the year	162,918	391,467
Write back to profit or loss (Note 25)	–	(483,850)
	162,918	(92,383)
Foreign exchange loss	(21,505)	–
Balance at end of year	1,618,380	1,476,967

Provision for reinstatement costs are estimation to reinstate the Group's leased premises to their original state upon expiry of the respective leases.

20 DEFERRED TAX LIABILITY

	Accelerated Tax depreciation
	$
Group	
At 1 October 2014 and 30 September 2015	93,348
Charge to profit or loss for the year (Note 27)	207,340
At 30 September 2016	300,688

21 SHARE CAPITAL

	Group			
	2016	2015	2016	2015
	Number of ordinary shares		$	$
Issued and paid up:				
At the beginning of the year[2]	1,825,330	1,825,330	2,595,940	2,595,940
Adjustment pursuant to the Restructuring Exercise	(1,825,330)	–	(2,595,940)	–
Issued of shares for:				
- acquisition of remaining interest in subsidiary	3,594,000	–	808,650	–
- acquisition of remaining interest in fellow co-operative ventures	13,476,200	–	3,369,050	–
- pursuant to the Restructuring Exercise	463,929,800	–	5,424,204	–
- pursuant to IPO[1]	160,333,000	–	38,838,744	–
At the end of the year	641,333,000	1,825,330	48,440,648	2,595,940

	Company			
	2016	2015	2016	2015
	Number of ordinary shares		$	$
Issued and paid up:				
At the beginning of the year[2]	2	2	2	2
Issued of shares	641,332,998	–	48,440,646	–
At the end of the year	641,333,000	2	48,440,648	2

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividend as and when declared by the Company.

(1) During the financial year, a total of 160,333,000 shares were offered to the public at $0.25 per share. This takes into account the capitalisation of listing expenses of $1,244,506.

(2) The Company was incorporated on 4 February 2015. In 2015, the share capital in the combined statements of financial position as at the end of 30 September 2015 relates to the aggregate amounts of the Group's share of the share capital of the subsidiaries, JSPL and JEPL.

22 RESERVES

(a) Merger reserve

Merger reserve represents the difference between the nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Company and the purchase consideration paid by the Company for the acquisition using the principles of merger accounting applicable to business combination under common control.

(b) Equity reserve

The equity reserve represents effects of disposal of partial interests in a subsidiary, Ng Ah Sio Investments Pte. Ltd., without loss of control. In 2016, the subsidiary, Jumbo Group of Restaurants Pte Ltd purchased the remaining interests in its subsidiary, Ng Ah Sio Investments Pte. Ltd and equity reserve is reversed to $nil.

23 FELLOW CO-OPERATIVE VENTURER'S INTERESTS

The Group had co-operative venture agreements with a third party to run certain restaurant businesses under Jumbo Seafood (Riverside) ("JSR") and Jumbo Seafood Gallery ("JSG"). The fellow venturer's interest comprising 35% share of the net assets of the businesses is repayable at the expiry or termination of the co-operative venture agreements after all liabilities of the businesses to third parties have been paid.

In 2016, the Group paid an aggregate consideration of approximately $3.73 million for the remaining interests which the Group did not hold in each of JSR, JSG, JPOT (Vivocity) and Chui Huay Lim Teochew Cuisine, with the consideration satisfied by the allotment and issue of an aggregate of 13,476,200 new shares at $0.25 per share and $0.36 million cash to the Fellow Co-operative Venturers, subsequent to the completion of IPO as at 15 November 2015.

Details of fellow co-operative ventures that have material fellow co-operative venturer's interests to the Group are as follows:

Name of co-operative venture	Place of incorporation and principal place of business	Proportion of ownership interests held by fellow co- operative venturer		Profit allocated to fellow co-operative venturer		Accumulated interests to fellow co-operative venturer	
		2016	2015	2016	2015	2016	2015
		%	%	$	$	$	$
Jumbo Seafood (Riverside)	Singapore	–	35	–	1,029,930	–	2,628,949
Jumbo Seafood Gallery	Singapore	–	35	–	1,122,321	–	2,811,408
				–	2,152,251	–	5,440,357

Summarised financial information in respect of each of the Group's co-operative ventures that has material fellow co-operative venturer's interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Jumbo Seafood (Riverside)		Jumbo Seafood Gallery	
	2016	2015	2016	2015
	$	$	$	$
Current assets	–	8,732,548	–	8,999,949
Non-current assets	–	43,663	–	108,557
Current liabilities	–	(1,264,926)	–	(1,088,261)
Equity attributable to owners of the Company	–	4,882,336	–	5,208,837
Fellow co-operative venturer's interests	–	2,628,949	–	2,811,408
Revenue	–	19,150,244	–	18,294,507
Expenses	–	(16,207,586)	–	(15,087,876)
Profit for the year	–	2,942,658	–	3,206,631
Profit attributable to owners of the Company	–	1,912,728	–	2,084,310
Profit attributable to fellow co-operative venturer	–	1,029,930	–	1,122,321
Profit for the year	–	2,942,658	–	3,206,631
Net cash (outflow)/inflow from operating activities	–	(148,293)	–	261,320
Net cash outflow from investing activities	–	(32,610)	–	(89,892)
Net cash outflow from financing activities	–	–	–	(1,050)
Net cash (outflow)/inflow	–	(180,903)	–	170,378

24 REVENUE

Revenue comprises mainly sales of food and beverages, net of discounts and sales related taxes.

25 OTHER INCOME

	Group	
	2016	2015
	$	$
Government credit schemes	1,215,086	911,018
Interest income	264,468	100,990
Management fees received from associates	257,092	241,541
Dividend income from short-term investments	13,659	122,227
Fair value gains on short-term investments	–	145,939
Gain on disposal of short-term investments	–	133,750
Gain on disposal of property, plant and equipment	10,119	4,135
Customer rewards card fee	355,580	377,691
Government grants	389,843	397,128
Write back of reinstatement cost (Note 19)	–	483,850
Write back of allowance for doubtful debt (Note 7)	175,000	–
Sponsorships	45,632	48,601
Insurance claims	66,510	118,345
Sale of waste	25,232	29,057
Others	516,531	46,064
	3,334,752	3,160,336

26 OTHER OPERATING EXPENSES

	Group	
	2016	2015
	$	$
Cleaning supplies and services	1,903,464	1,690,781
Credit card commission	1,865,019	1,677,665
Directors' fee		
- Directors of the Company	185,000	170,000
- Directors of subsidiaries	–	500,000
Fair value loss on short-term investments	4,358	–
General supplies	1,339,719	1,172,168
Repair and maintenance	1,578,717	1,331,898
Professional fees	938,057	1,870,078
Transportation fees	882,968	810,332
Marketing expense	1,315,404	1,352,870
Other expenses	3,328,829	2,569,793
	13,341,535	13,145,585

27 INCOME TAX EXPENSE

	Group	
	2016	2015
	$	$
Tax expense comprises:		
Current tax		
- Current year	2,564,304	1,751,100
- (Over)/Underprovision in respect of prior years	(41,472)	68,151
Deferred tax (Note 20)		
- Current year	207,340	–
	2,730,172	1,819,251

Domestic income tax is calculated at 17% (2015 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2016	2015
	$	$
Profit before tax	18,438,509	15,141,079
Income tax calculated at 17% (2015 : 17%)	3,134,547	2,573,983
Tax effect of expenses that are not deductible/(taxable) in determing taxable profit	93,823	(460,277)
Tax effect of share of results of associates	(23,305)	–
Tax effect of deduction from tax incentives	(553,224)	(470,788)
Tax effect of exempt income	(89,375)	(99,363)
Effect of different tax rate of subsidiaries operating in other jurisdiction	90,605	57,344
Deferred tax assets not recognised	182,627	185,204
Effect of tax rebates	(57,913)	(60,000)
(Over)/Underprovision of current tax in respect of prior years	(41,472)	68,151
Others	(6,141)	24,997
	2,730,172	1,819,251

As at the end of the financial year, the Group have the following unutilised tax losses available for offsetting against their future taxable profits:

	Group	
	2016	2015
	$	$
At beginning of the year	1,089,435	–
Adjustment	(1,089,435)	–
Arising during the year	1,074,279	1,089,435
At end of the year	1,074,279	1,089,435
Unrecorded deferred tax assets on the above balance	182,627	185,204

27 INCOME TAX EXPENSE (cont'd)

The realisation of the future income tax benefits from tax loss carryforwards from Singapore companies is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined. No deferred tax asset has been recognised on the above tax benefit due to the unpredictability of future profit streams.

28 SEGMENT INFORMATION

Reportable segment

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is specifically focused on the restaurant business which forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*. The aggregated restaurant business is therefore the Group's reportable segment.

The accounting policies of the reportable segment are the same as the Group's accounting policies described in Note 2.

Geographical information

The Group operates in Singapore and the PRC.

The following table provides an analysis of the Group's revenue from external customers based on the geographical location where revenue is generated:

	Group	
	Sales revenue by geographical market	
	2016	**2015**
	$	**$**
Singapore	116,781,357	112,331,898
PRC	19,970,869	10,462,715
Total	136,752,226	122,794,613

The following is an analysis of the carrying amount of segment assets (non-current assets excluding financial instruments, goodwill, club memberships, available-for-sale investment and investments in associates) analysed by the geographical location in which the assets are located:

	Group	
	Non-current assets	
	2016	**2015**
	$	**$**
Singapore	13,556,485	10,254,901
PRC	4,454,414	3,725,718
Total	18,010,899	13,980,619

28 SEGMENT INFORMATION (cont'd)

The non-current assets comprise property, plant and equipment.

Information about major customers

There is no single major customer that contributed more than 5% of the Group's total revenue. The revenue is spread over a broad base of customers.

29 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	Group	
	2016	2015
	$	$
Employment benefits - directors and key management of the Company		
- Salary and allowances	3,178,275	1,922,732
- Cost of defined contribution plans	66,870	61,525
Employment benefits - directors of subsidiaries		
- Salary and allowances	204,072	1,440,420
- Cost of defined contribution plans	16,830	44,747
Directors' fees		
- Directors of the Company	185,000	170,000
- Directors of subsidiaries	–	500,000
Audit fees:		
- paid to auditors of the Company	207,400	215,400
- paid to other auditors	32,600	24,600
Non-audit fees paid to auditors of the Company	45,900	45,900
Cost of inventories recognised as an expense	50,300,209	45,520,375
Expenses relating to the Company's IPO(1)	650,682	1,029,434
Operating lease expenses	11,889,752	10,334,848
Net exchange loss/(gain)	118,079	(57,379)
Cost of defined contribution plans included in employee benefit expense	2,398,046	1,835,819
Rental paid to directors of subsidiaries	45,600	132,000
Finance costs	25,928	32,269

(1) This included non-audit fee of $110,000 (2015 : $330,000) paid to auditors of the Company in connection with the Company's IPO.

30 COMMITMENTS

The Group as a lessee

	Group	
	2016	2015
	$	$
Minimum lease payments under operating leases recognised as an expense		
- operating lease rental	9,573,953	8,185,358
- contingent lease rental	2,315,799	2,149,490
	11,889,752	10,334,848

The Group has operating lease agreements for restaurant outlets. The lease typically runs for a period of three years, with an option to renew the lease contract after that date. The lease term does not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Operating lease commitments

At the end of the financial year, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2016	2015
	$	$
Within one year	11,272,299	9,579,559
Within two to five years	12,310,563	15,375,063
	23,582,862	24,954,622

Contingent rental for the Group payable at certain percentage of monthly gross turnover has been excluded from the minimum lease rental commitments above.

31 EARNINGS PER SHARE

The calculation of the earnings per share attributable to the ordinary owners of the Company is based on the following data:

	Group	
	2016	2015
	$	$
Earnings per ordinary share ("EPS")		
Profit attributable to owners of the Company	15,507,672	10,599,659
Weighted average number of ordinary shares for purpose of earnings per share	641,333,000	641,333,000[1]
EPS -Basic and diluted (cents)	2.4	1.7

31 EARNINGS PER SHARE (cont'd)

There were no dilutive equity instruments for 2016 and 2015.

Note:

(1) In 2015, for comparative purposes pursuant to the IPO, the earnings per share for 2015 have been computed based on the profit attributable to owners of the Company and the Company's enlarged share capital of 641,333,000 shares, which included the following:

a. sub-division of 1,051,204 shares in the capital of the Company into 463,929,800 shares;

b. issuance of 17,070,200 new shares to fellow co-operative venturers and non-controlling interests;

c. assuming that the Restructuring Exercise and the issuance of 72,100,000 cornerstone shares and 88,233,000 new shares pursuant to the IPO had been completed as at the end 30 September 2015.

32 DIVIDENDS

2015

On 21 November 2014, JSPL declared a second interim tax-exempt dividend of $1.38 per share (total dividend of $1,000,000) in respect of financial year ended 30 September 2014 to the then shareholders of JSPL. The dividend was paid on 1 December 2014.

2016

On 19 October 2015, JSPL, JEPL and Ng Ah Sio Investments Pte Ltd declared a conditional interim dividend of $51,742,170 for the financial year ended 30 September 2015. The dividend has been paid on 11 November 2015 to the respective shareholders then.

In respect of the current year, the directors proposed that a dividend of 1.7 cents to be paid to shareholders. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated dividend to be paid is $10,903,000.

33 COMPARATIVE FIGURES

Group

The combined financial statements of the Group for the year ended 30 September 2015 was prepared based on merger accounting method as if the Group, who is ultimately controlled collectively by the common shareholders both before and after the Restructuring Exercise, has been in existance prior to the Restructuring Exercise.

Company

In 2015, the financial statements of the Company cover the financial period since incorporation on 4 February 2015 to 30 September 2015. In 2016, the financial statements of the Company cover the financial year from 1 October 2015 to 30 September 2016.

Statistics of Shareholdings

As at 13 December 2016

SHAREHOLDERS' INFORMATION

Number of shares issued	:	641,333,000
Issued and fully paid-up capital	:	$48,440,648
Class of shares	:	Ordinary shares
Voting rights	:	On a poll: 1 vote for each ordinary share
Number of treasury shares	:	Nil

BREAKDOWN OF SHAREHOLDINGS BY RANGE

AS AT 13 DECEMBER 2016

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1 - 99	1	0.05	1	0.00
100 - 1,000	131	6.78	94,200	0.02
1,001 - 10,000	933	48.24	6,089,800	0.95
10,001 - 1,000,000	849	43.90	51,829,202	8.08
1,000,001 AND ABOVE	20	1.03	583,319,797	90.95
TOTAL	**1,934**	**100.00**	**641,333,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

AS AT 13 DECEMBER 2016

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital
1	JBO HOLDINGS PTE LTD	371,582,400	57.94
2	CITIBANK NOMINEES SINGAPORE PTE LTD	46,799,980	7.30
3	TAN GEE JIAN	42,254,900	6.59
4	UOB KAY HIAN PTE LTD	40,946,000	6.38
5	SEE BOON HUAT	15,400,000	2.40
6	DBS NOMINEES PTE LTD	10,703,792	1.67
7	KOH AH SAY @ SEE BOON CHYE	8,178,700	1.27
8	PALM BEACH SEAFOOD RESTAURANT PTE LTD	8,000,000	1.25
9	RAFFLES NOMINEES (PTE) LTD	7,562,625	1.18
10	HSBC (SINGAPORE) NOMINEES PTE LTD	7,356,100	1.14
11	DB NOMINEES (SINGAPORE) PTE LTD	6,725,500	1.05
12	NSH HOLDINGS PTE LTD	3,594,000	0.56
13	PHILLIP SECURITIES PTE LTD	2,749,500	0.43
14	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,691,000	0.42
15	MAYBANK KIM ENG SECURITIES PTE LTD	1,822,300	0.28
16	BNP PARIBAS SECURITIES SERVICES	1,776,500	0.28
17	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	1,650,900	0.26
18	NG CHONG GUAN	1,225,600	0.19
19	LEE HUA HOON	1,200,000	0.19
20	SIM SAI GIN	1,100,000	0.17
	TOTAL	**583,319,797**	**90.95**

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
JBO Holdings Pte. Ltd.	371,582,400	57.9		
Tan Gee Jian	42,254,900	6.6		
Orchid 1 Investments Pte. Ltd.	40,000,000	6.2		
Ron Sim Chye Hock	32,100,000	5.0		
Ang Hon Nam (1)			371,582,400	57.9
Heliconia Capital Management Pte. Ltd.(2)			40,000,000	6.2
Temasek Holdings (Private) Limited (3)			40,000,000	6.2
Fullerton Fund Investments Pte Ltd (3)			40,000,000	6.2
Seletar Fund Investments Pte Ltd (3)			40,000,000	6.2
Heliconia Holdings Pte. Ltd. (3)			40,000,000	6.2

Notes:

(1) Ang Hon Nam is entitled to exercise not less than 20.0% of the votes attached to the voting shares in JBO Holdings Pte. Ltd.. Ang Hon Nam is deemed interested in the shares held by JBO Holdings Pte. Ltd. by virtue of Section 7 of the Companies Act.

(2) Heliconia Capital Management Pte. Ltd. ("**Heliconia Capital**") has authority to dispose of, or exercise control over the disposal of the shares held by Orchid 1 Investments Pte. Ltd. ("**Orchid 1**"). Heliconia Capital is deemed interested in the shares held by Orchid 1 by virtue of Section 7 of the Companies Act.

(3) Temasek Holdings (Private) Limited ("**Temasek**") is the holding company of Fullerton Fund Investments Pte Ltd ("**FFI**") which is the holding company of Seletar Fund Investments Pte Ltd ("**SFI**") which is the holding company of Heliconia Holdings Pte Ltd ("**Heliconia Holdings**") which is the holding company of Heliconia Capital. Temasek, FFI, SFI and Heliconia Holdings are deemed interested in the shares in which Heliconia Capital has a deemed interest, by virtue of Section 7 of the Companies Act.

PUBLIC FLOAT

Based on the information available to the Company as at 13 December 2016, approximately 24.2% of the total number of issued shares in the Company was held in the hands of the public as defined in the Catalist Rules. Accordingly, Rule 723 of the Catalist Rules has been complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting ("**AGM**") of JUMBO GROUP LIMITED (the "**Company**") will be held at 190 Keng Lee Road, Chui Huay Lim Club, Singapore 308409 on 26 January 2017 at 9.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the directors' statement and audited financial statements of the Company for the financial year ended 30 September 2016 ("**FY2016**") together with the auditors' report thereon. **(Resolution 1)**

2. To declare a final tax exempt (one-tier) dividend of $0.01 per share for FY2016. **(Resolution 2)**

3. To declare a special tax exempt (one-tier) dividend of $0.007 per share for FY2016. **(Resolution 3)**

4. To re-elect the following directors ("**Directors**") retiring pursuant to Regulation 89 of the constitution of the Company ("**Constitution**"):

   Mr. Ang Kiam Meng *[See Explanatory Note (i)]* **(Resolution 4)**
   Mr. Richard Tan Kheng Swee *[See Explanatory Note (ii)]* **(Resolution 5)**

5. To approve the payment of Directors' fees of $200,000 for the financial year ending 30 September 2017. **(Resolution 6)**

6. To re-appoint Deloitte & Touche LLP as the independent auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

7. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following as ordinary resolutions, with or without any modifications:

8. **Authority to allot and issue shares in the capital of the Company - Share Issue Mandate**

   "That, pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Companies Act**"), the Constitution and the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors be and are hereby authorised to:

   (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (iii) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority is in force (notwithstanding that such issue of Shares pursuant to the Instrument may occur after the expiration of the authority contained in this resolution), provided that:

      (A) the aggregate number of Shares issued pursuant to such authority (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this resolution) does not exceed 100.0% of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to the then existing shareholders of the Company ("**Shareholders**") (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 50.0% of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (B) below);

(B) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (A) above, the total number of issued Shares shall be based on the total number of issued Shares in the capital of the Company (excluding treasury shares) at the time of the passing of this resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) (where applicable) new Shares arising from exercising options or vesting of awards outstanding or subsisting at the time this authority is passed, provided the options or awards were granted in compliance with the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or sub-division of Shares;

(C) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being in force; and

(D) unless revoked or varied by the Company in a general meeting, the authority conferred by this resolution shall continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.” **(Resolution 8)**

[See Explanatory Note (iii)]

9. **Authority to grant options and to allot and issue Shares under the Share Option Scheme**

“That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised and empowered to grant options in accordance with the Jumbo Employee Share Option Scheme (“**Share Option Scheme**”) and to allot and issue from time to time such number of Shares in the capital of the Company to the holders of options granted by the Company under the Share Option Scheme established by the Company upon the exercise of such options in accordance with the terms and conditions of the Share Option Scheme, provided always that the aggregate number of Shares issued and/or issuable pursuant to the Share Option Scheme, the Performance Share Plan and any other share-based incentive schemes of the Company shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time; and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.” **(Resolution 9)**

[See Explanatory Note (iv)]

10. **Authority to grant awards and to allot and issue Shares under the Performance Share Plan**

“That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised and empowered to grant awards in accordance with the Jumbo Performance Share Plan (“**Performance Share Plan**”) and to allot and issue from time to time such number of Shares in the capital of the Company to the holders of awards granted by the Company under the Performance Share Plan established by the Company upon the vesting of such awards in accordance with the terms and conditions of the Performance Share Plan, provided always that the aggregate number of Shares issued and/or issuable pursuant to the Performance Share Plan, the Share Option Scheme and any other share-based incentive schemes of the Company shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time time; and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.” **(Resolution 10)**

[See Explanatory Note (v)]

By Order of the Board

Chee Yuen Li, Andrea
Secretary

Singapore, 11 January 2017

Explanatory Notes:

(i) Detailed information on Mr. Ang Kiam Meng can be found in the Company's annual report 2016. Mr. Ang Kiam Meng, if re-elected as a Director, will remain as Executive Chairman and CEO of the Company. Mr. Ang Kiam Meng is the son of Mr. Ang Hon Nam (controlling Shareholder), the spouse of Mdm. Tan Yong Chuan, Jacqueline (Executive Director) and brother of Mrs. Christina Kong Chwee Huan (Executive Director). Save as disclosed in the Company's annual report 2016, there are no relationships including immediate family relationships between Mr. Ang Kiam Meng and the other Directors, its 10% Shareholders or its officers.

(ii) Detailed information on Mr. Richard Tan Kheng Swee can be found in the Company's annual report 2016. Mr. Richard Tan Kheng Swee, if re-elected as a Director, will remain as the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee, and shall be considered independent for the purposes of Rule 704(7) of the Catalist Rules. There are no relationships including immediate family relationships between Mr. Richard Tan Kheng Swee and the Directors, its 10% Shareholders or its officers.

(iii) The ordinary resolution 8 proposed in item 8 above, if passed, will empower the Directors to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, 100.0% of the total number of issued Shares (excluding treasury shares) in the capital of the Company, of which up to 50.0% may be issued other than on a *pro rata* basis to Shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares) will be calculated based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this ordinary resolution is passed after adjusting for new Shares arising from the conversion or exercise of convertible securities, exercise of options or vesting of awards which are outstanding or subsisting at the time when the ordinary resolution 8 is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(iv) The ordinary resolution 9 proposed in item 9 above, if passed, will empower the Directors, to allot and issue such number of fully paid Shares upon the exercise of such options in accordance with the provisions of the Share Option Scheme.

(v) The ordinary resolution 10 proposed in item 10 above, if passed, will empower the Directors, to allot and issue such number of fully paid Shares upon the vesting of such awards in accordance with the provisions of the Performance Share Plan.

Notes:

(1) (a) A member who is not a relevant intermediary is entitled to appoint not more than 2 proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than 1 proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.

(b) A member who is a relevant intermediary is entitled to appoint more than 2 proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than 2 proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

(2) A proxy need not be a member of the Company.

(3) The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, not less than 48 hours before the time for holding the AGM.

Notice of Annual General Meeting

Personal Data Privacy:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and/or representatives appointed for the AGM and/or any adjournment thereof and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM and/or any adjournment thereof, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where a member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

JUMBO GROUP LIMITED

Company Registration Number 201503401Z
(Incorporated in Singapore)

IMPORTANT

1. A relevant intermediary may appoint more than 2 proxies to attend the AGM and vote (please see Note 3 for the definition of "relevant intermediary").
2. This proxy form is not valid for use by investors whose shares are held under their Supplementary Retirement Scheme (SRS) accounts and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. PLEASE READ THE NOTES TO THE PROXY FORM.

PROXY FORM

(Please see notes overleaf before completing this form)

I/We ______________________________ (name) of

______________________________ (address)

being a member/members of **JUMBO GROUP LIMITED** (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of shareholdings %

and/or (delete as appropriate)

or failing him/her/them, the Chairman of the annual general meeting ("**AGM**") as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM to be held at 190 Keng Lee Road, Chui Huay Lim Club, Singapore 308409 on 26 January 2017 at 9.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote on the business before the AGM as indicated below. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	Resolutions relating to:	For	Against
1.	Directors' Statement, Audited Financial Statements and Auditors' Report for FY2016		
2.	Declaration of the proposed final dividend		
3.	Declaration of the proposed special dividend		
4.	Re-election of Mr. Ang Kiam Meng as a Director		
5.	Re-election of Mr. Richard Tan Kheng Swee as a Director		
6.	Directors' fees amounting to $200,000 for the financial year ending 30 September 2017		
7.	Re-appointment of Deloitte & Touche LLP as auditors		
8.	Authority to allot and issue Shares - Share Issue Mandate		
9.	Authority to grant options and to allot and issue Shares under the Share Option Scheme		
10.	Authority to grant awards and to allot and issue Shares under the Performance Share Plan		

Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick [✓] within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this ____________ day of ________________ 2017

Total number of shares in:	No. of shares held
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Shareholder(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint 1 or 2 proxy/proxies to attend and vote in his/her stead.

2. Where a member appoints more than 1 proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named, or, at the Company's option, to treat this proxy form as invalid.

3. A member who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than 2 proxies to attend and vote at the AGM instead of such member, but each such proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than 2 proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Cap. 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Cap. 289 of Singapore ("**SFA**"), and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act, Cap. 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. A proxy need not be a member of the Company.

5. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy from will be deemed to relate to all the shares held by you.

6. This proxy form must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not less than **48 hours** before the time set for the AGM.

7. This proxy form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

8. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.

General:

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the notice of AGM.

JUMBO GROUP LIMITED
(Company Registration Number 201503401Z)
(Incorporated in the Republic of Singapore)

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