

## NEWS RELEASE

### **JUMBO RECORDS 6.1% INCREASE IN FY2017 REVENUE TO \$145.1 MILLION**

- ***Turns in net profit of \$14.5 million***
- ***Records revenue growth from both Singapore and PRC operations***
- ***Business expansion gains momentum in North Asia***
- ***Proposed final and special cash dividends of 0.5 cents and 0.7 cents respectively. Including interim dividend, the total dividends will be 1.7 cents.***

**Singapore, 24 November 2017** – JUMBO Group Limited (“**JUMBO**”, or the “**Company**” and together with its subsidiaries, the “**Group**”), one of Singapore’s leading multi-dining concept food and beverage (“**F&B**”) establishments, today announced revenue of \$145.1 million for the financial year ended September 2017 (“**FY2017**”), up 6.1% from \$136.8 million recorded in the previous corresponding period (“**FY2016**”).

The increase in revenue was mainly due to an overall increase in revenue from JUMBO’s operations in both Singapore and the People’s Republic of China (“**PRC**”), coupled with full year revenue contribution from the Group’s third JUMBO Seafood restaurant in Shanghai, PRC.

In line with the increase in revenue, cost of sales which comprised raw materials and consumables used increased by 5.7% or \$2.9 million, from \$50.3 million in FY2016 to \$53.2 million in FY2017. Cost of sales as a percentage of revenue remained stable at 37% in both FY2017 and FY2016.

Employee benefits expense increased by 6.4% or \$2.6 million, from \$39.2 million in FY2016 to \$41.8 million in FY2017. This was mainly due to an overall increase in employee headcount and remuneration to support its regional expansion.

Operating lease expenses increased by 16.7% or \$2.0 million, from \$11.9 million in FY2016 to \$13.9 million in FY2017 mainly due to the additional floor space for the Group's new outlets, outlet expansion and new corporate offices in Singapore and Shanghai, PRC.

Depreciation expense increased by 29.9% or \$1.1 million, from \$3.5 million in FY2016 to \$4.6 million in FY2017 mainly due to the additional depreciation for JUMBO's new outlets and new corporate offices in Singapore and Shanghai, PRC.

Other operating expenses increased slightly by 1.1% or \$0.2 million, from \$13.3 million in FY2016 to \$13.5 million in FY2017. Included in other operating expenses were expenses of approximately \$1.0 million used for the Group's 30th Anniversary celebrations. These expenses included monthly lucky draws, celebration dinners and gifts.

In view of the above, profit attributable to owners of the Company decreased by 6.7% or \$1.0 million, from \$15.5 million in FY2016 to \$14.5 million in FY2017.

## **Final and Special Dividends**

To reward shareholders of the Company for their loyal support, the board of directors of JUMBO has proposed a tax exempt (one-tier) final cash dividend of 0.5 cents and a tax exempt (one-tier) special dividend of 0.7 cents. The proposed dividends are subject to shareholders' approval at the upcoming annual general meeting (“**AGM**”).

Together with the tax exempt (one tier) interim dividend of 0.5 cents per share, the Group will see a total dividend payout of 1.7 cents per share for FY2017, amounting to approximately 75.4% of the Group's FY2017 net profit attributable to owners of the Company.

**Mr. Ang Kiam Meng (黄建铭), Group CEO and Executive Director of JUMBO,** commented, “We are pleased to see JUMBO's operations grow from strength to strength in both Singapore and the PRC. This enables us to deliver a resilient set of results to our shareholders year-on-year since our listing in 2015. We believe that this is validation of our existing business strategy and we look forward to continuing this momentum as we keep our focus in growing JUMBO's network of operations in Asia.”

## **Recent Developments in Q4 FY2017**

JUMBO continued to make significant headway in expanding its North Asian business presence.

In November 2017, the Group announced the establishment of a new branch office in Shanghai, PRC in connection with the opening of its fourth JUMBO Seafood outlet in the city's L'Avenue Mall, Hongqiao. The new outlet, which will also be the Group's fifth JUMBO Seafood outlet in the PRC, is slated to open in December 2017.

Outside of the PRC, the Group also announced in November that it has entered into a joint venture agreement with local strategic partner Baipin Co., Ltd. (柏品有限公司) (“**Baipin**”) to open at least eight JUMBO Seafood outlets in the Republic of China (“**Taiwan**”). Baipin was founded by Mr. Henry Tseng, co-founder and Chief Strategy Officer of HOYII Life Co., Ltd., which is engaged in the operation of the “HOYII Main Station” artistic cuisine mall in Taipei, Taiwan. Mr. Tseng is responsible for introducing several Michelin-starred restaurants into Taiwan, including “TimHoWan”, “Tsuta” and “Hawker Chan”.

Mr. Ang commented, “We are highly encouraged by the progress we have made in growing our “JUMBO Seafood” brand in the PRC market. North Asia’s sizeable and fast-growing consumer market will be a key growth driver for JUMBO going forward. We expect that the region’s share of contribution towards the Group’s revenue will continue to grow with the opening of our new Shanghai outlet and Taiwan franchise.”

### **Outlook**

The F&B industry is expected to continue to be challenging due to pressure on operating costs and keen competition.

The Group will continue to focus on cost rationalisation and improving work flow processes, manpower utilisation and information technology applications to increase productivity, efficiency and lower operating costs. This is especially pertinent in light of reduced government grants such as the wage credit scheme and productivity and innovation credit scheme.

The Group will continue to explore suitable opportunities to expand our network of F&B outlets and business through the opening of new outlets, acquisitions, joint ventures or strategic alliances with partners who can strengthen our market position and value add to our existing business.

Leveraging on its four years of operational success in Shanghai, PRC, the Group intends to continue expanding the Jumbo Seafood brand to other major Chinese cities, as well as introduce its other brands to the PRC.

Outside of Singapore and the PRC, the Group will be pursuing franchising opportunities to diversify and grow its business offerings.

### **About JUMBO Group Limited**

JUMBO is one of Singapore's leading multi-dining concept F&B establishments.

The Group's network of F&B outlets (including those of its associated companies and those under licensing arrangements) spans Singapore, the PRC, Japan and Vietnam. 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 15 F&B outlets in Singapore and 4 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's first franchised JUMBO Seafood restaurant opened in Ho Chi Minh City, Vietnam in May 2017.

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 more recent awards and accolades include the *Excellent Service Award (2016)*, *SIAS 17<sup>th</sup> 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)*, *Singapore Prestige Brand Award – Established Brand Category (2012)* and *Heritage Category (2012)*, and the *Enterprise 50 Award (2<sup>nd</sup> 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.

For more information, please visit [www.jumbogroup.sg](http://www.jumbogroup.sg).

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Page 6 of 7

## **Important Notice**

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