

NEWS RELEASE

JUMBO REVENUE INCREASES 2.9% TO \$35.8 MILLION IN Q3 FY2018

- *Revenue bolstered by China operations, mainly due to contributions from two new outlets in Beijing and Shanghai and opening of Xi'an outlet*
- *Intends to continue expansion of brands in both Singapore and other major Asian cities*

Singapore, 13 August 2018 – 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 \$35.8 million for the three-month period ended 30 June 2018 (“**Q3 FY2018**”). This was an increase of 2.9% or \$1.0 million from \$34.8 million in the previous corresponding period (“**Q3 FY2017**”).

The increase in revenue was mainly due to an increase in revenue contribution from the People’s Republic of China (“**PRC**”) operations. Revenue from the Group’s JUMBO Seafood outlets in the PRC increased by \$1.8 million mainly due to full quarter revenue contribution from two new outlets in Beijing and Shanghai and the opening of the Xi’an outlet in May 2018. This offsets the decrease in revenue of \$0.8 million from the Group’s Singapore operations, due to the closure of two NG AH SIO Bak Kut Teh outlets in March and April 2018, as well as the JPOT outlet in Parkway Parade in September 2017. Revenue from the Singapore JUMBO Seafood outlets remained relatively stable in the quarter under review.

Cost of sales which comprised of raw materials and consumables used, increased by 5.0% from \$13.0 million in Q3 FY2017 to \$13.6 million in Q3 FY2018, in line with the increase in the Group’s revenue.

For the period under review, gross profit increased by 1.7%, from \$21.8 million in Q3 FY2017 to \$22.2 million in Q3 FY2018, due to the increase in revenue. Gross profit margin was lower at 62.0% in Q3 FY2018 as compared to 62.7% in Q3 FY2017, mainly due to higher fresh seafood costs and promotional prices for the Group's new JUMBO Seafood outlets in Xi'an and Shanghai, the PRC.

To support JUMBO's regional expansion, there was an increase in the number of employees for its new outlets in the PRC as well as an overall increase in headcount of the corporate head offices in Singapore and the PRC, which resulted in employee benefits expense increasing by 9.8% or \$1.0 million, from \$10.3 million in Q3 FY2017 to \$11.3 million in Q3 FY2018.

Operating lease expenses remained relatively stable at \$3.5 million in Q3 FY2018 and Q3 FY2017. Other operating expenses increased by 40.6% or \$1.1 million, from \$2.7 million in Q3 FY2017 to \$3.8 million in Q3 FY2018 mainly due to the increase in the number of outlets, the expansion of JUMBO's PRC corporate office as well as marketing expenses relating to the Group's 30th anniversary celebrations.

As a result of the above, profit attributable to owners of the Company decreased from \$3.4 million in Q3 FY2017 to \$2.2 million in Q3 FY2018.

JUMBO continues to make headway in its overseas expansion plans. Earlier in May 2018, the Group opened its first JUMBO Seafood outlet in Xi'an at the Xi'an SKP, a newly-opened luxury shopping mall. This is the Group's sixth JUMBO Seafood outlet in the PRC, and the first outside of Shanghai and Beijing.

Last month, the Group also announced the opening of its first franchise outlet for the NG AH SIO Bak Kut Teh brand in Taipei City, Taiwan, which also marks the first NG AH SIO Bak Kut Teh outlet outside of Singapore.

Mr. Ang Kiam Meng (黄建铭), Executive Director and Group CEO, said, “I am heartened that our business expansion in the region has borne fruit. Our PRC operations continue to bring increased revenue contributions to the Group, and we have also successfully opened our first NG AH SIO Bak Kut Teh overseas outlet in Taiwan. On the domestic front, we see an overwhelming response at the new Tsui Wah outlet at Clarke Quay. This is in line with our strategy to increase the vibrancy of our business and Singapore’s food and beverage landscape.”

“As a growing business, there will be a gestation period as reflected in our latest set of financial results. We are confident that we will be able to produce a sustainable performance as we expand our footprint regionally and strengthen our position.”

Outlook

The Group’s Q3 FY2018 results reflect the gestation period of its expansions, locally and regionally. The Group continues to focus on cost efficiency and improving work flow processes to increase productivity.

The Group intends to open two new JUMBO Seafood restaurants, one Teochew cuisine restaurant and at least two more Tsui Wah Hong Kong-styled Cha Chaan Teng outlets in Singapore in the next 12 months. The Group’s franchise business will also see one new JUMBO Seafood restaurant opening in the major cities – Bangkok (Thailand), Taichung (Taiwan) and Fuzhou (the PRC).

As part of its optimisation efforts for its operations, the Group closed down two NG AH SIO Bak Kut Teh outlets in March and April 2018. In July 2018, the lease of the JPOT outlet at VivoCity was not renewed due to unfavourable renewal terms.

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

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, Taiwan 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 12 F&B outlets in Singapore and 6 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 operates 1 Tsui Wah Hong Kong-style "Cha Chaan Teng" in Singapore as a franchisee and manages 1 *Singapore Seafood Republic* outlet. Through franchising to third parties, it has 1 Jumbo Seafood outlet each in Taiwan and Vietnam, and recently opened its first NG AH SIO Bak Kut Teh outlet in Taiwan.

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 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)**, **Singapore Prestige Brand Award – Established Brand Category (2012) and Heritage Category (2012)**, 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.

For more information, please visit www.jumbogroup.sg.

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13 August 2018

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