

NEWS RELEASE

JUMBO Q1 FY2018 REVENUE UP 9.3% TO \$35.7 MILLION

- *Records revenue growth from both Singapore and PRC operations*
- *Business expansion continues to gain momentum in North Asia*

Singapore, 14 February 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 \$35.7 million for the three-month period ended 31 December 2017 (“**Q1 FY2018**”), up 9.3% from \$32.7 million recorded in the previous corresponding period (“**Q1 FY2017**”).

The revenue growth was on the back of an increase in revenue from the Group’s operations in Singapore and the People’s Republic of China (“**PRC**”), which rose by \$1.3 million and \$1.7 million, respectively. Revenue from the PRC operations in Q1 FY2018 took into account contributions from the Group’s first JUMBO Seafood restaurant in Beijing, PRC and the fourth JUMBO Seafood restaurant in Shanghai, PRC.

Cost of sales which comprised raw materials and consumables used increased by 14.0% or \$1.6 million, from \$11.7 million in Q1 FY2017 to \$13.3 million in Q1 FY2018, in line with the increase in revenue.

Employee benefits expense increased by 12.2% or \$1.2 million, from \$10.1 million in Q1 FY2017 to \$11.3 million in Q1 FY2018. This was mainly due to an increase in the number of employees for the Group’s new JUMBO Seafood outlets in Shanghai and Beijing, PRC as well as an overall increase in headcount and remuneration to support its regional expansion.

Operating lease expenses increased by 8.3% or \$0.2 million, from \$3.3 million in Q1 FY2017 to \$3.5 million in Q1 FY2018 mainly due to the leases for the new outlets in Shanghai and Beijing, PRC, and expansion of the Group's PRC corporate office.

Depreciation expense remained stable at \$1.1 million in Q1 FY2018 and Q1 FY2017.

Other operating expenses increased by 18.2% or \$0.5 million, from \$3.0 million in Q1 FY2017 to \$3.5 million in Q1 FY2018 mainly due to the increase in the number of outlets and expansion of the PRC corporate office, coupled with pre-operating and promotional expenses for the fourth JUMBO Seafood outlet in Shanghai, PRC, which opened in November 2017, and marketing expenses relating to the Group's 30th Anniversary celebrations.

As a result of the above, profit attributable to owners of the Company ("**net profit**") decreased from \$2.6 million in Q1 FY2017 to \$2.1 million in Q1 FY2018.

Mr. Ang Kiam Meng (黄建铭), Group CEO and Executive Director of JUMBO, commented, "JUMBO's operations in Singapore and the PRC have continued to perform well and our Group has made further headway in growing our overseas presence. We are excited and positive about our growth as we seek to expand our presence in existing and new markets."

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 explore suitable opportunities to expand our network of F&B outlets and business through the opening of new outlets, acquisitions, joint ventures and/or strategic alliances with partners who can strengthen our market position and add value 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 cities in the PRC. Outside of Singapore and the PRC, the Group will continue to explore franchising opportunities to diversify and grow its business offerings. In this respect, the Group recently announced its entry into Taiwan through franchising, with a local joint venture partner for its JUMBO Seafood brand.

As the Group continues to grow its core operations, human capital and rising costs will likely be some of the key challenges faced. The Group's results for Q1 FY2018 were reflective of the pre-operating and promotional expenses for its new outlets as well as the performance of new outlets during their initial gestation period in this period of expansion. The Group will continue to focus on cost efficiency and improving work flow processes, manpower utilisation and application of information technology systems to increase productivity, efficiency and lower operating costs.

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 and franchising arrangements) spans Singapore, the PRC, Taiwan, Vietnam 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 15 F&B outlets in Singapore and 5 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. Through franchising, it has 1 franchised JUMBO Seafood outlet each in Taiwan and Vietnam.

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* (2017), *TripAdvisor Certificate of Excellence* (2017), *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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