

## PRESS RELEASE

### JUMBO REPORTS AN IMPROVEMENT IN REVENUE BACKED BY EXPANDED BRANDS PORTFOLIO AND A POSITIVE EBITDA OF \$5.4 MILLION

- *Expanded range of offerings and diversified income stream via addition of new Kok Kee Wonton Noodle outlets and new brand, JUMBO Signatures*
- *Registered positive EBITDA of \$5.4 million*
- *Signs of recovery in core market, Singapore, post removal of COVID-19 measures with effect from 26 April 2022*

**Singapore, 12 May 2022** – 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 its financial results for the six months ended 31 March 2022 (“1H2022”).

#### Period under review

Although the COVID-19 pandemic situation remained volatile for 1H2022, the Group’s revenue rose 9.2% or \$4.2 million, from \$45.4 million for the six months ended 31 March 2021 (“1H2021”) to \$49.6 million in 1H2022.

The emergence of the Omicron variant in the last quarter of 2021 effectively derailed the world from the path to recovery from COVID-19. Correspondingly, Singapore, the Group’s biggest market, wound back on COVID-19 relaxation measures, specifically the social gathering size, which had a visible impact on the F&B sector. For the Chinese New Year period, dine-in size was capped at 5-pax, compared to 8-pax during the same period last year, which limited the upside potential on revenue for the festive period. Accordingly, revenue from Zui Teochew Cuisine fell by compared to 1H2021 as the concept is geared towards big group communal sharing. However, the Group’s key anchor brand, namely JUMBO Seafood, improved by a marginal 3.0% compared to 1H2021 despite the dining restrictions. Separately, our steadfast approach to diversify and broaden our product offerings has gained good traction, with Kok Kee Wonton Noodle brand contributing an increase of \$2.1 million from 1H2021, mainly from the addition of new outlets, while the brands, JUMBO Signatures, Slake and Hack It, brought in an incremental revenue of \$2.1 million compared to 1H2021. Revenue from our Singapore operations, as a result, grew an encouraging 14.3% or \$3.8 million from \$26.3 million in 1H2021 to \$30.0 million in 1H2022.

Revenue from the Shanghai outlets have been relatively flat for 1H2022, compared to 1H2021. However, our new JUMBO Seafood outlet at Universal Beijing Resort (“UBR”) contributed an additional \$2.3 million revenue to the PRC operations in 1H2022. As such, revenue from our PRC operations increased by 11.7% or \$1.8 million to \$16.9 million in 1H2022, from \$15.1 million in 1H2021.

With the closure of our Taichung JUMBO Seafood outlet in September 2021, revenue from our Taiwan operations has fallen by 33.2% or \$1.3 million, from \$4.0 million in 1H2021 to \$2.7 million in 1H2022. This is despite an increase in revenue of 11.1% or \$0.3 million for our Taipei outlet.

Cost of sales, which comprised raw materials and consumables, increased by 8.0% or \$1.3 million, from \$17.0 million in 1H2021 to \$18.3 million in 1H2022, in-line with the increase in revenue.

Gross profit increased by 9.9% or \$2.8 million in 1H2022, from \$28.5 million in 1H2021 to \$31.3 million in 1H2022. Gross profit margin improved slightly to 63.1% in 1H2022 from 62.7% in 1H2021, as the Group stabilised its cost of purchases and marketing and promotional efforts.

Other income decreased by 60.6% or \$2.0 million, from \$3.3 million in 1H2021 to \$1.3 million in 1H2022. This was primarily attributed to the lower grants from the Jobs Support Scheme by the Singapore Government, which amounted to \$0.5 million in 1H2022 compared to \$1.7 million in 1H2021. In addition, the Group recorded fair value loss on short-term investments and investments at fair value through profit or loss of \$0.8 million in aggregate in 1H2022 as compared to a fair value gain of \$0.3 million in aggregate in 1H2021.

Employee benefits expenses increased by 4.6% or \$0.8 million from \$17.6 million in 1H2021 to \$18.4 million in 1H2022, mainly due to the bonus payment in 1H2022 compared to no bonus payout in 1H2021.

Operating lease expenses increased by 22.5% or \$0.1 million, from \$0.6 million in 1H2021 to \$0.7 million in 1H2022 due to the increase in number of outlets.

Utilities expenses increased by 8.6% or \$0.1 million, from \$1.5 million in 1H2021 to \$1.6 million in 1H2022, which is in line with the increase in revenue and the number of outlets.

Depreciation expense for property, plant and equipment decreased by 17.4% or \$0.6 million, from \$3.6 million in 1H2021 to \$3.0 million in 1H2022, mainly due to renovation costs of JUMBO Seafood outlet in IAPM Mall Shanghai being fully depreciated in FY2021.

Depreciation expense for right-of-use assets increased marginally by 1.5% or \$0.1 million to \$6.1 million in 1H2022.

Interest expense for leases increased by 28.2% or \$0.1 million from \$0.4 million in 1H2021 to \$0.5 million in 1H2022, mainly due to the new JUMBO Seafood outlet in UBR and new JUMBO Signatures outlet in The Shoppes at Marina Bay Sands (“MBS”).

Interest expense for loans increased mainly due to a higher level of temporary bridging loans drawn down for working capital purpose in 1H2022.

Other operating expenses increased by 9.3% or \$0.5 million to \$6.4 million in 1H2022 mainly due to the new JUMBO Seafood outlet in UBR and new JUMBO Signatures outlet in MBS.

As a result of the above, loss attributable to owners of the Company stood at \$4.5 million for 1H2022 compared to \$4.3 million in 1H2021. EBITDA was \$5.4 million for 1H2022 compared to \$5.8 million for 1H2021.

### **Dividends**

Despite early signs of recovery, the Group expects the path to normalcy to take some time. The board of directors of the Company prefers to stay conservative and conserve liquidity till the business volume stabilises and cashflows from operations return to a healthy, comfortable level. As such, no interim dividend will be declared for 1H2022.

### **Outlook**

The Singapore Government lifted most of the COVID-19 measures, effective from 26 April 2022. In particular, the removal of social group size limit and safe distancing requirements will effectively increase the total capacity, and hence increase the revenue generating potential of our outlets. Allowing 100% of workforce to return to workplace offers even more optimism for our outlets located within the CBD district. Dispensing with the capacity limits for events will also likely help boost volumes for our events and catering business. Separately, the Group is excited and looking forward to welcome overseas travellers with the further relaxation of borders controls.

The above measures are expected to provide significant uplift to our business, boosting customer flows in all our three key market segments – tourists, business crowds and locals. Pickup in footfall and revenue are already visible, particularly for our principal brands, namely JUMBO Seafood and Zui Teochew Cuisine.

Since the start of the financial year ending 30 September 2022, as part of the Group's strategy to expand our offerings and diversify our income, we have added 5 more Kok Kee Wonton Noodles outlets across the island and launched our new premium dining concept, JUMBO Signatures at MBS. These new outlets are gradually building up their customer base contributing towards the Group's revenue. We are hopeful that with the uptick in demand for dining out alongside the pickup in consumer sentiments in Singapore, we will be able to see encouraging recovery in our business volume.

The Group, however, is mindful of the pandemic situation in the PRC, specifically in Shanghai and Beijing, where most of our outlets are located. Revenue from the PRC has seen a sharp dip and is expected to remain lacklustre until the outbreak of COVID-19 cases in these key cities stabilises.

We added a third franchise outlet in Vietnam in May 2022 and is in negotiations on further franchise arrangements in Indo-China region. Barring any tightening and extension of pandemic controls, the Group is cautiously optimistic of a rebound in business performance going forward.

**Mr. Ang Kiam Meng (黄建铭), Group CEO and Executive Director of JUMBO,** commented, “With the removal of majority of the COVID-19 measures on 26 April 2022, we are finally moving out of the trough for the Singapore market. Particularly for our anchor concepts, such as JUMBO Seafood and Zui Teochew Cuisine, we have seen encouraging pickup in terms of footfall at our restaurants, well distributed across our key market segments – tourists, business crowd and local market.

Our strategy to diversify and beef up our spectrum of concepts is also starting to bear fruits, as our casual concepts, such as Kok Kee Wonton Noodle and Tsui Wah Cha Chaan Teng, steadily build up a stable and resilient income stream for the Group.

We are optimistic that business performance will continue to improve. We are strengthening our core operations to prepare for the expected increase in corporate and tourism activities.”



## About JUMBO Group Limited

JUMBO is one of Singapore’s leading multi-dining concept F&B establishments. It has a portfolio of 9 F&B brands – JUMBO Signatures, JUMBO Seafood, HACK IT, Slake, NG AH SIO Bak Kut Teh, Zui Teochew Cuisine, Chao Ting Pao Fan, Kok Kee Wonton Noodle and XINYAO Hainanese Chicken Rice, operates 4 Tsui Wah Hong Kong-style “Cha Chaan Teng” outlets as a franchisee in Singapore and co-owns the Singapore Seafood Republic brand which has three outlets, operated under the franchise model in Japan.

Fulfilling its philosophy of “Bonding People Through Food”, JUMBO has 44 F&B outlets (including those of its associated companies and those under licensing arrangements) in 10 cities in Asia – Singapore, Shanghai, Beijing, Xi’an, Fuzhou, Taipei, Ho Chi Minh, Bangkok, Tokyo and Osaka.

In June 2021, JUMBO launched a new lifestyle brand, Love, Afare and expanded the range of products under it to include packaged sauces and spice mixes for its signature dishes, tea and merchandise that are representative of Singapore authentic flavours and food culture.

JUMBO also has a catering arm and a Central Kitchen in Singapore, which helps to maintain stringent quality standards and the consistency in the taste 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.

It has received many awards, accolades and notable mentions in prestigious publications for the high quality of food and service offered under its F&B brands.

Some of JUMBO’s more recent awards and accolades include *the Best Taste of Singapore Award by Singapore Tatler in 2021 and 2020, Food Choice Awards 2020 by Klook, Diners’ Choice 2020 – Restaurant of the Year (Runner-up) and the Superbrands Award (Singapore’s Choice) in 2019. JUMBO Seafood outlet at Riverside Point received the Diner’s Choice 2021 – Singapore River Signatures awards, while JUMBO Seafood outlet at The Riverwalk was recommended as a “Must-Try Restaurant 2019” by Meituan-Dianping (美团点评). The Tasty Singapore Brand Ambassadors 2020/2021 award was another significant accolade for JUMBO Seafood and Ng Ah Sio Bak Kut Teh. JUMBO’s signature Chilli Crab was also highlighted by Lifestyle Asia as one of the best in Singapore in 2020. Separately, well-known Straits Times food critic, Wong Ah Yoke recommended JUMBO Seafood retail sambal sauce as one of the Top 5 sambal sauces fit for a queen. Packaged sauces and spice mixes of JUMBO Seafood and Ng Ah Sio Bak Kut Teh signature dishes are also awarded the “Made With Passion” mark in November 2020 – under a national initiative that celebrates local brands who bring to life the Singapore spirit of turning possibilities into reality.*

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

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*This press release has been prepared by the Company and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.*

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

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