



JUMBO GROUP LIMITED

(Company Registration No. 201503401Z)
(Incorporated in the Republic of Singapore)

PROFIT GUIDANCE FOR THE UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2020

The board of directors (the “**Board**” or the “**Directors**”) of Jumbo Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), after an assessment of the Group’s unaudited financial results for the six-month period ended 31 March 2020 (the “**1H FY2020**”), deems it appropriate to issue guidance that the Group is expected to report a significantly lower profit after tax for 1H FY2020, compared to the same period last year, due to the impact of COVID-19 on the Group’s business operations across our key markets of Singapore and the People’s Republic of China (“**China**”).

The pandemic had significantly impacted our China’s operations since January 2020 before the Chinese New Year (“**CNY**”). In order to stop the spread of the COVID-19 virus, the Chinese government began imposing various measures to restrict the movement of people in January 2020. As a result, footfall in malls, and correspondingly, our outlets in China located in those malls, fell significantly.

For Singapore, we also observed a decline in the number of customers during the CNY period as the country started to report new COVID-19 cases. Topline trend worsened with the banning of new visitors from China (one of our key customer groups) from end-January and the stepping up of border controls in February and March 2020 which substantially reduced the number of tourists coming to Singapore. Restrictions placed on large-scale events and social distancing measures put in place since early February 2020 and the fear of the spread of COVID-19 further reduced the number of local dine-in customers. As a result, for the period of January to March 2020, our topline registered a significant decline, especially after the CNY season. The decline in revenue coupled with the minimal reduction in rental expenses and less than proportionate decrease in staff costs, our two largest components of expenses, led to a much depressed bottom line for the second quarter of FY2020, and consequently a significantly lower profit for 1H FY2020.

Although our profitability had declined significantly, the Directors believe that our working capital position remains healthy with minimal bank borrowings. However, there are significant uncertainties in assessing how long the pandemic would last and its impact. As such, the Group’s current key priority is to preserve cash to support working capital requirements until COVID-19 situation improves.

The Company is still in the process of finalising the financial results for 1H FY2020. Further details on the Group’s financial performance will be provided when the Group releases its unaudited financial results for 1H FY2020 on or before 15 May 2020.

The Board wishes to advise shareholders and potential investors to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take, should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers before trading in or making any investment decision regarding the Company's securities.

BY ORDER OF THE BOARD

Ang Kiam Meng
Group CEO and Executive Director

4 May 2020

This announcement 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 Rules 226(2) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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

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.