

NEWS RELEASE

JUMBO'S FY2019 EARNINGS GREW 5.9% TO \$11.7 MILLION

- ***Singapore operations continues to be the bedrock of earnings growth for the Group***
- ***Expanded to new geographical locations and increased number of outlets in existing markets***
- ***Proposed final cash dividend of 0.7 cents per share; including interim dividend, total dividends will be 1.2 cents per share***

Singapore, 26 November 2019 – 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, announced its full year results for the financial year ended 30 September 2019 (“**FY2019**”).

The Group reported a revenue of \$153.6 million for FY2019, a marginal decrease of 0.1% from \$153.7 million in the previous corresponding year (“**FY2018**”). Despite an estimated loss of revenue of \$1.2 million due to a 4-week renovation at the JUMBO Seafood Gallery outlet, revenue from the Group’s Singapore operations increased by \$4.0 million largely due to two new JUMBO Seafood restaurants, a new Zui Yu Xuan Teochew Cuisine restaurant, and a new Chao Ting Teochew Pao Fan outlet. However, the gains were offset by a decrease in revenue of \$4.1 million from restaurants in the People’s Republic of China (“**PRC**”).

Cost of sales, which comprises raw materials and consumables used, decreased by 2.5% from \$57.1 million in FY2018 to \$55.7 million in FY2019, due to better cost control measures.

Gross profit therefore increased by 1.4%, from \$96.6 million in FY2018 to \$97.9 million in FY2019, due to the lower cost of sales. Gross profit margin was higher at 63.8% in FY2019 as compared to 62.8% in FY2018.

Other income decreased by 11.3%, from \$2.7 million in FY2018 to \$2.4 million in FY2019. This was mainly due to lower payment from government credit schemes, an absence of write back of impairment loss of associate and higher fair value loss in investments at fair value through profit or loss; and partially offset by higher interest income and government grants.

Despite an increase in the number of restaurants, there was a decrease in employee benefits expense of 0.6%, from \$47.5 million in FY2018 to \$47.2 million in FY2019 due to better manpower productivity.

Operating lease expenses decreased by 1.3%, from \$14.3 million in FY2018 to \$14.1 million in FY2019 mainly due to the closure of restaurants. Utilities expenses increased by 6.6% from \$3.7 million in FY2018 to \$3.9 million in FY2019. The increase was in line with the increase in the number of restaurants in Singapore.

As a result of the above, profit attributable to owners of the Company increased by 5.9%, from \$11.0 million in FY2018 to \$11.7 million in FY2019.

Expanding JUMBO's Geographical Footprint

In line with the Group's strategy of growing its business through the opening of new outlets, joint ventures and strategic alliances with partners, it had expanded JUMBO Seafood restaurants' overseas footprint to Fuzhou, PRC, and other new geographical locations – Thailand and South Korea. Bangkok's outlet opened in November 2018, while Seoul's Gangnam outlet opened in July 2019, and Ilsan in October 2019.

In Taiwan, the Group opened its second, third and fourth Ng Ah Sio Bak Kut Teh (“**NASBKT**”) outlets in April, June, and October 2019 respectively.

On the home front, the Group opened a JUMBO Seafood outlet at ION Orchard in December 2018 and another at Jewel Changi Airport in April 2019. It had also introduced two new dining concepts in Singapore – Zui Yu Xuan Teochew Cuisine and Chao Ting Teochew Pao Fan, both located at Far East Square. Additionally, a second Tsui Wah “Cha Chuan Teng” (Hong Kong-styled restaurant) was added to the Group’s growing portfolio in September 2019.

Final Dividend

The board of directors of JUMBO has proposed a tax exempt (one-tier) final cash dividend of 0.7 cents per share. The proposed dividend is 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 1.2 cents per share for FY2019, amounting to approximately 66.0% of the Group’s FY2019 profit attributable to owners of the Company.

Mr. Ang Kiam Meng (黄建铭), Executive Director and Group CEO, said, “In FY2019, we boosted our growth momentum and opened 9 new outlets under various brands in several cities. There were four new JUMBO Seafood restaurants across Asia; two new NG AH SIO Bak Kut Teh outlets; one new Tsui Wah Cha Chuan Teng; and two new Teochew dining concepts. Subsequent to FY2019, we had expanded that network to include one other JUMBO Seafood outlet and a NG AH SIO Bak Kut Teh outlet.”

“At the recently concluded Franchising & Licensing Awards 2019, JUMBO Seafood won the International Franchisor of the Year and Franchisor of the Year, while NG AH

SIO Bak Kut Teh won the Promising Franchisor of the Year. Both brands also won the Customer Service Excellence Awards.”

“We are pleased to deliver another set of resilient results despite the growth in our portfolio. While the Group continues to extend its geographical footprint, we are guided by the principle of sustainable growth, and recognize the need to prudently balance the costs with our expansion plans.”

Outlook

Despite continued headwinds such as operating cost pressures and competition in the environment the Group operates in, it is confident that it will be able to navigate these challenges and remain stable.

The Singapore operations is expected to remain as the Group’s foundation in its earnings growth, as it looks towards strengthening its position with the opening of new restaurants under its belt.

Barring any unforeseen circumstances, plans are in the pipeline to introduce the NASBKT brand to the PRC and add more NASBKT outlets in Taiwan. The Group also plans to add new franchised JUMBO Seafood restaurants in Thailand, Vietnam and the PRC in the next 12 months.

While the Group maintains its momentum in growing its overseas footprint by exploring suitable opportunities to increase its network of F&B outlets and business, it is also focusing on improving the performance of outlets by refreshing its marketing strategies, operation workflows and dining offerings.

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Page 4 of 7

About JUMBO Group Limited

JUMBO is one of Singapore's leading multi-dining concept F&B establishments. It has a portfolio of 5 restaurant brands - *JUMBO Seafood, NG AH SIO Bak Kut Teh, Chui Huay Lim Teochew Cuisine, Zui Yu Xuan Teochew Cuisine and Chao Ting.*

Fulfilling its philosophy of “Bonding People Through Food”, JUMBO has 36 F&B outlets (including those of its associated companies and those under licensing arrangements) in 15 cities in Asia. It has presence in Singapore, Shanghai, Beijing, Xi'an, Fuzhou, Taipei, Taichung, Hsinchu, Taoyuan, Seoul, Ilsan, Ho Chi Minh, Bangkok, Tokyo and Osaka.

JUMBO 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.

It has a Central Kitchen in Singapore 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 *International Franchisor of the Year*, *Franchisor of the Year*, *Promising Franchisor of the Year* and *Customer Service Excellence at the Franchising & Licensing Awards (2019)*; the *Excellent Service Award (2019)*; *5S Excellence Award by Restaurant Association of Singapore (2018)*; *Asia Enterprise BRAND Awards – Special Award – Gastronomy Excellence Brand Award 2018/2019*; *Diners' Choice – Best Seafood Platinum Winner 2018*; *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 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 the SG50 celebrations.

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

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26 November, 2019

Important Notice

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 Catalist. 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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