

## NEWS RELEASE

### JUMBO Q2 FY2018 REVENUE UP 6.0% TO \$41.7 MILLION

- ***Increased revenue from operations in both Singapore and the PRC***
- ***Revenue growth in the PRC bolstered by contributions from first JUMBO Seafood restaurant in Beijing and fourth JUMBO Seafood restaurant in Shanghai***
- ***Declared tax exempt (one-tier) interim dividend of 0.5 cents per share***

**Singapore, 14 May 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 \$41.7 million for the three-month period ended 31 March 2017 (“**Q2 FY2018**”), up 6.0% from \$39.4 million recorded in the previous corresponding period (“**Q2 FY2017**”).

Revenue from JUMBO’s Singapore operations increased by \$0.8 million while revenue from the Group’s operations in the People’s Republic of China (“**PRC**”) increased by \$1.5 million. The increase in revenue from JUMBO’s PRC operations was mainly due to contributions from its first JUMBO Seafood restaurant in Beijing and fourth JUMBO Seafood restaurant in Shanghai, which commenced operations in July 2017 and November 2017, respectively.

Cost of sales which comprised raw materials and consumables used increased by 7.8% or \$1.1 million, from \$14.2 million in Q2 FY2017 to \$15.3 million in Q2 FY2018, in line with the increase in revenue.

Employee benefits expense increased by 25.8% or \$2.7 million, from \$10.3 million in Q2 FY2017 to \$13.0 million in Q2 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 of the Group's corporate head offices in Singapore and the PRC to support its regional expansion.

Operating lease expenses increased by 5.8% or \$0.2 million, from \$3.5 million in Q2 FY2017 to \$3.7 million in Q2 FY2018 mainly due to the leases for the new outlets in Shanghai and Beijing, PRC, and expansion of the Group's PRC corporate office.

Other operating expenses increased by 16.2% or \$0.6 million, from \$3.4 million in Q2 FY2017 to \$4.0 million in Q2 FY2018 mainly due to the increase in the number of outlets, the expansion of the PRC corporate office, coupled with marketing expenses relating to the Group's 30<sup>th</sup> anniversary celebrations.

As a result of the above, profit attributable to owners of the Company decreased from \$5.8 million in Q2 FY2017 to \$4.3 million in Q2 FY2018.

**Mr. Ang Kiam Meng (黄建铭), Group CEO and Executive Director of JUMBO,** commented, "Revenue from our Singapore and PRC operations have grown steadily. This underscores the success of our business expansion strategy and the appeal of the JUMBO Seafood brand among consumers within our core markets."

"While the higher expenses associated with the opening of new outlets as well as the performance of new outlets during their initial gestation period were reflected in our Q2 FY2018 results, we believe that these are the necessary short-term costs to support our expansion and JUMBO's long-term growth story remains intact in view of the rising consumerism in the PRC," Mr. Ang added.

### **Dividends**

JUMBO's board of directors has declared a tax exempt (one-tier) interim dividend of 0.5 cents per share for Q2 FY2018, which will amount to approximately \$3.2 million.

## Outlook

As the Group continues to grow its core operations and strengthen its organisation structure and depth for its planned expansion in Asia, performance may be varied as human capital, gestation period for new outlets and operational costs will be some of the key challenges faced. Pre-operating expenses and promotional expenses for new outlets and the performance of new outlets during the initial gestation period will also affect the Group's performance. These have been reflected in the Group's Q2 FY2018 results.

Nevertheless, 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.

In March 2018, the Group entered into a joint venture to establish and operate Hong Kong-style "Cha Chaan Teng" under the "Tsui Wah" brand in Singapore. The first Tsui Wah Cha Chaan Teng is expected to open in June 2018.

The Group intends to continue expanding the JUMBO Seafood brand to other major PRC cities. The Group's sixth JUMBO Seafood restaurant is expected to commence operation in Xi'an by June 2018.

Outside of Singapore and the PRC, the Group will continue to explore franchising opportunities to diversify and grow its business offerings. In this respect, a second franchised JUMBO Seafood restaurant is expected to commence operation in late 2018 in Taichung, Taiwan.

The Group will continue to explore suitable opportunities to expand its 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 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 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 13 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 17<sup>th</sup> 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 (2<sup>nd</sup> 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](http://www.jumbogroup.sg).

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ISSUED ON BEHALF OF : JUMBO Group Limited  
BY : Citigate Dewe Rogerson Singapore Pte Ltd  
55 Market Street  
#02-01  
Singapore 048941  
CONTACT : Mr. Winston Choo / Ms. Melissa Chia  
at telephone  
DURING OFFICE HOURS : 6534-5122  
EMAIL : [winston.choo@citigatedewerogerson.com](mailto:winston.choo@citigatedewerogerson.com) /  
[melissa.chia@citigatedewerogerson.com](mailto:melissa.chia@citigatedewerogerson.com)

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14 May 2018

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*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.*