

11. Other Events

JOLLIBEE FOODS CORPORATION **JFC Declares Cash Dividend, Delivery Business Paving Way for Recovery**

Metro Manila, Philippines, April 7, 2020 – Jollibee Foods Corporation (PSE: JFC) – Cash Dividend Declaration

Jollibee Foods Corporation (JFC) announced today that its Board of Directors approved on April 7, 2020, a cash dividend of Php0.62 per share of common stock for all shareholders of record as of April 27, 2020 (ex-dividend date of April 22, 2020). This amount represents 50% of the cash dividend declared at about the same time last year. Payment date will be on May 22, 2020.

JFC Chief Financial Officer, Mr. Ysmael V. Baysa gave the following statement: “We continue to declare cash dividend even though at significantly reduced amount, as part of our effort to continue serving all our stakeholders even in the middle of a crisis. We will pay this dividend from JFC’s cash reserves. We look forward to the recovery of our business in different parts of the world in the months ahead following the trend that we are experiencing in China and Singapore.”

JFC Chief Executive Officer, Mr. Ernesto Tanmantiong gave the following statement: “While the COVID-19 pandemic has brought unprecedented disruption to our operations in the Philippines and other parts of the world, we are already planning for the full restoration of our operations. We expect growth to resume even if gradually, driven by our Delivery, Take-Out and Drive Thru business channels. We believe that our consumers will continue patronizing strongly our products and services, once constraints related to the control of the COVID-19 are lifted. Our business and our people had shown great resilience in difficult times in the past, resulting eventually but always in the resurgence of our business. They are demonstrating this resilience once again in this crisis.”

JFC’s business in China has been showing clear indications of recovery and the way forward for JFC’s business. At the height of the corona virus epidemic in China in the week of February 10, 2020, 107 of its 342 stores or 31% were closed temporarily, to ensure the safety of its employees and in view of the very low level of customer visits due to restriction on the mobility of people. Even during that time, the delivery business continued serving customers from the stores that were operating and continued to grow. The delivery business which accounted for 40% of sales of JFC’s biggest brand in China, Yonghe King now accounted for 76% of its sales as of the week of March 30, 2020 and was growing by 20% versus same period a year ago. The number of temporarily closed stores had declined to 22 representing 6% of Yonghe King’s total store network as of the week of March 30, 2020. One innovation that has contributed meaningfully is the “Contactless Take-Out” where the customer sends and pays for its order by mobile phone application to a particular store and picks up the order outside the store at a specified time without having direct interaction with the store crew, thus keeping the social distancing even with a take-out purchase.

In the North America, Smashburger has suspended its Dine-In services, but continued serving its customers through on-line Delivery to Homes and Take-Out business. Philippine brands Jollibee, Chowking and Red Ribbon also continued to operate with Drive-Thru and Take-Out and will start operating its on-line Delivery to Homes this month of April, 2020. In Singapore, the Delivery business grew by 256% in the crisis period versus year ago, increasing its sales contribution from 7% to 22%, enabling total same store sales to grow by about 4%.

In the Philippines, the Delivery Business had grown from the equivalent of 3% of total system wide sales in the early part of 2019 to 5% of sales in the early part of 2020 before the onset of the corona virus epidemic. In Metro Manila, and different parts of the country, the Delivery Business, Drive Thru and Take Out provide the channels for continuing to serve JFC's customers. Delivery business in stores that are currently open during the quarantine period is growing at an average of about 50% same store sales growth versus delivery sales in the early part of 2020.

In response to the disruption in the operations of the business brought by the COVID-19 epidemic, JFC is postponing about Php9 billion worth of capital expenditures from 2020 to 2021 given the operational constraints to the construction of facilities and to the uncertain demand volume due to limited mobility of consumers. Its planned capital expenditures for 2020 are being reduced by 64% from Php14 billion to Php5 billion. Operating costs are also significantly being reduced at all levels- at the stores, commissaries, support services and main offices in all regions in the world.

In its disclosure to the Philippine Stock Exchange dated March 18, 2020, JFC announced that it is donating Php100 million worth of food from its brands to healthcare workers and on-ground checkpoint personnel who are at the frontlines in the fight against COVID-19 in the Philippines. As of April 5, 2020, the JFC Group through its social responsibility arm, the Jollibee Group Foundation had distributed 681,000 food packs amounting to Php50.7 million to over 500,000 frontliners in hospitals and health care institutions. JFC is doing similar assistance in the form of food to hospitals and health care institutions in China.

JFC is also allotting another Php120 million in food aid to the marginalized sector of the society in addition to food aid to health workers and health care institutions. Through the Jollibee Group Foundation, it is coordinating with other private institutions and foundations to distribute food aid to the lower income sectors of the society. As of April 5, 2020, JFC had distributed food packs to some 146,000 families with the equivalent of Php43.4 million in food aid in this segment.

JFC also announced on March 19, 2020 that it had allocated an emergency response fund amounting to Php1 billion to provide its employees with the needed financial support to cope through the Enhanced Community Quarantine period implemented due to the COVID-19 pandemic.

The JFC Group of Companies has been following all the regulations and guidelines imposed by government authorities and health care institutions to ensure the safety of all its stakeholders, including customers in all places where it does business. Employees at support services and main offices work from home while many restaurant outlets and some commissaries are temporarily closed.

JFC operates the largest food service network in the Philippines. As of February 2020, it was operating 3,317 restaurant outlets in the country: Jollibee brand 1,195, Chowking 612, Greenwich 283, Red Ribbon 505, Mang Inasal 614, Burger King 106, PHO24 1 and Panda Express 1. Abroad, it was operating 2,664 stores: Yonghe King (China) 345, Hong Zhuang Yuan (China) 41, Dunkin' Donuts (China) 8, Jollibee 269 (Vietnam 131, Brunei 18, Hong Kong 10, Singapore 9, Macau 1, Malaysia 1, United States 41, Canada 9, Saudi Arabia 12, UAE 15, Qatar 10, Kuwait 7, Bahrain 1, Oman 1, Italy 1, United Kingdom 1, and Guam 1), Red Ribbon in the US 33, Chowking 48 (US 15, UAE 21, Qatar 4, Oman 2, Kuwait 4, and Saudi Arabia 2), Highlands Coffee 405 (Vietnam 359, and Philippines 46), PHO24 38 (Vietnam 22, Indonesia 16), Hard Rock Cafe 6 (Vietnam 2, Hong Kong 3, and Macau 1), Smashburger 298 and CBTL 1,173. The JFC Group's worldwide store network reached 5,981 stores.

