

FOR IMMEDIATE RELEASE

JB Foods achieves PBT of USD848K in 2Q 2016 and USD1,653K in 1H 2016

- *Revenue increased significantly by 77.1% Q-on-Q supported by strong customer demand*
- *Profit recovery driven by combination of higher sales volume and better processing margin*
- *Positive operating cashflow of USD6.6 million in 1H 2016*
- *Healthy net gearing at 1.05 times*

Financial Highlights for 2Q 2016 and 1H 2016

USD'000	2Q 2016	2Q 2015	+ / (-) %	1H 2016	1H 2015	+ / (-) %
Revenue	74,777	42,219	77.1	149,678	84,649	76.8
Cost of sales	(71,160)	(40,344)	(76.4)	(142,284)	(80,901)	(75.9)
Gross profit	3,617	1,875	92.9	7,394	3,748	97.3
Profit/(Loss) before tax	848	(271)	n.m.	1,653	(853)	n.m.

n.m. – not meaningful

Business Performance

SINGAPORE, 12 Aug 2016 – Mainboard-listed **JB Foods Limited** (“**JB Foods**” together with its subsidiaries, the “**Group**”), a major cocoa ingredient producer in Asia, is pleased to announce a profit before tax of USD848K for the second quarter ended 30 June 2016 (“**2Q 2016**”), from a net loss before tax of USD271K for the same period last year (“**2Q 2015**”).

The Group continued its business performance improvement with another positive quarter, achieving a profit before tax of USD1,653k in 1H 2016, compared to a loss before tax of USD853k in 1H 2015. Another encouraging performance highlight is the Group’s significant revenue growth of 76.8% for 1H 2016 against 1H 2015. This revenue growth is attributable to stronger customer demand and higher average selling price to the Group’s customers, a positive result of the Group’s sustained effort to expand business with its existing customers and to acquire new customers, especially in the cocoa powder segment.

Mr Tey How Keong (郑好强), Chief Executive Officer of JB Foods said, “Our efforts to restore profitability and growth to the business has paid off in the Group’s achievement of 4 consecutive quarters of profitability. Notwithstanding this positive trend, we are aware of the fragility of the world economy, in light of the potential adverse economic effects resulting from the impending exit of the United Kingdom from the European Union. In this respect, we will cautiously manage our business risks, but still target to grow our business profitably.”

Financial Position

As at 30 June 2016, the Group maintains a robust balance sheet with shareholders’ equity at USD71.8 million, translating to NAV of USD0.31 per share. The net gearing as at 30 Jun 2015, improved to 1.05 times from 1.17 times as at 31 Dec 2015. For 1H 2016, the Group generated an EBITDA of USD5.0 million vs USD 2.4 million in 1H 2015 and positive operating cashflow (before working capital changes) of USD6.6 million vs USD3.5million in 1H 2015.

Market Outlook

Although the Group’s financial and business position has made steady improvements in the last four quarters, the Group maintains a cautious outlook for the rest of the financial year. The Group expects heightened uncertainties in global economic growth and increased volatility in equities and cocoa bean markets to pose as potential headwinds to the Group’s business performance. Furthermore, the United Kingdom’s vote in June 2016 to leave the European Union has heightened global economic uncertainties, which may negatively impact cocoa and chocolate consumption.

In view of the uncertain macro-economic environment in the second half of 2016, the Group remains confident in her long term growth prospect and will adopt a conservative and prudent stance.

About JB Foods Limited

Established since the 1980s, JB Foods is a major cocoa ingredients producer with operations in Malaysia and Indonesia with a production capacity of 145,000 tonnes of cocoa bean equivalent per year. We are principally engaged in the production and sale of cocoa ingredient products, namely cocoa butter, cocoa powder, cocoa liquor and cocoa cake, which are used to produce chocolate, chocolate confectionary, as well as cocoa-related food and beverages. Our products are sold primarily under the “JBCOCHA” brand name and we export our products worldwide to customers ranging from international trade houses to end users.
