



**JB Foods Limited**

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## **JB Foods' 1Q2013 revenue up 13.5% to RM162.5 million**

**Summary of 1Q2013 Financial Results:**

<b>RM'million</b>	<b>1Q2013</b>	<b>1Q2012</b>	<b>+/(-) %</b>
<b>Revenue</b>	162.5	143.2	13.5
<b>Gross Profit</b>	4.5	20.6	(78.3)
<b>GP Margin (%)</b>	2.8	14.4	(11.6) pts
<b>Profit/(Loss) before Income Tax</b>	(2.3)	16.4	n.m.
<b>Net Profit/(Loss)</b>	(1.4)	12.0	n.m.

**SINGAPORE, 13 May 2013** – Mainboard-listed **JB Foods Limited** (“**JB Foods**” together with its subsidiaries, JB Cocoa Sdn Bhd and JB Foods Global Pte. Ltd., the “**Group**”), a major cocoa ingredient producer in Malaysia principally engaged in the production and sale of cocoa powder, cocoa butter, cocoa liquor and cocoa cake, today reported a net loss of RM1.4 million on the back of a 13.5% rise in revenue to RM162.5 million for the three months ended 31 March 2013 (“1Q2013”).

For the quarter under review, the revenue increase was largely due to a 67.8% jump in sales quantity to 18,129 tonnes compared to 10,803 tonnes in 1Q2012. This was achieved from new trading activities and increase in production capacity from 60,000 tonnes to 85,000 tonnes of cocoa bean equivalent per year with the completion of the expansion of its existing facilities in the Port of Tanjung Pelepas (“PTP”).

As a result of higher sales quantity, cost of sales increased 29.0% to RM158.0 million, and selling and distribution expenses increased 99.0% to RM2.4 million due to increase in freight cost. The Group’s gross profit declined 78.3% year-on-year to RM4.5 million while margin dipped 11.6 percentage points to 2.8% due to lower weighted average selling price of cocoa ingredient products. These factors contributed to the Group registering a net loss in 1Q2013.

### **Healthy financial position**

The Group's financial position remained healthy. As at 31 March 2013, the Group's net assets increased to RM242.5 million compared to RM189.9 million as at 31 December 2012. This was further backed by strong cash and cash balances amounting to RM89.5 million.

### **Prospects**

The Group expects the business environment to remain challenging for the next 12 months. Nevertheless, the board remains confident in the long term prospect of the business and will continue to seek out new business opportunities.

“Due to unusual cocoa market consolidation, we believe that the low average selling price of cocoa ingredient products to be short-term. With the increase in our production capacity at PTP, we have managed to achieve higher sales quantity in 1Q2013. Orders remain strong and we are confident that we will continue to ramp up production capacity progressively this year. Sales to Asia and Eastern Europe continue to expand and we are positive about industry prospects,” said Mr Tey How Keong (郑好强), Chief Executive Officer of JB Foods.

“Moving forward, we will conscientiously manage costs to improve our operational efficiencies, continue to target key market segments and customise products for the premium market, as well as focus on product development and enhancing the quality of our cocoa ingredient products,” added Mr Tey.

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### **About JB Foods Limited**

Established since the 1980s, JB Foods is one of the major cocoa ingredient producers in Malaysia with a production capacity of 85,000 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 cocoa processing plant – which is ISO 9001:2008, HACCP, Kosher and Pareve, and Halal-certified – is located at the Port of Tanjung Pelepas, a free trade zone in Johor, Malaysia where all our products are manufactured under stringent food safety standards. 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.

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### **Issued by and on behalf of JB Foods Limited**

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