

FOR IMMEDIATE RELEASE

**JB Foods’ EBITDA improves 7.4% to US\$21.2 million for 1H2019
year-on-year**

- Revenue rose 7.6% to US\$159.4 million on the back of stronger customer demand
- Proposes interim dividend of S\$0.01 per share

Singapore, 13 August 2019 - JB Foods Limited. (“JB Foods” or the “Company”, and together with its subsidiaries, the “Group”), a major cocoa ingredients producer, is pleased to announce a 0.9% year-on-year (“yoy”) increase in net profit to US\$13.4 million for the 6 months ended 30 June 2019 (“1H2019”).

Financial Highlights

USD’000	1H2019	1H2018	+ / (-) %
Revenue	159,353	148,038	7.6
EBITDA	21,195	19,736	7.4
Net Profit	13,428	13,305	0.9

Revenue for 1H2019 was US\$159.4 million, an increase of 7.6% compared with the US\$148.0 million revenue recorded for 1H2018 due to stronger customer demand for cocoa ingredients which resulted in higher shipment volume. In line with the increase in demand and revenue, the Group recorded an EBITDA of US\$21.2 million for 1H2019, an increase of 7.4% as compared with the US\$19.7 million recorded for 1H2018.

Administrative expenses increased by US\$0.8 million or 21.4% from US\$3.7 million for 1H2018 to US\$4.5 million for 1H2019. This is attributable to an increase in accruals for performance bonuses as well as an increase in the Group’s headcount and payroll costs. Finance costs increased by US\$0.8 million or 62.7% from US\$1.3 million for 1H2018 to US\$2.1 million for 1H2019, mainly due to higher trade bills utilization arising from the higher cocoa bean inventories maintained in 1H2019 following a processing capacity expansion in April 2019.

For the period under review, the Group experienced a net cash outflow of US\$12.5 million from operating activities. This comes as a direct result of the increase in bean processing capacity, which required the Group to increase its inventory to cater to stronger customer demand and thus additional working capital was incurred. As a result, the Group recorded a net cash outflow in inventories, trade and other receivables, and trade and other payables of US\$3.0 million, US\$8.0 million and US\$20.3 million respectively.

For 1H2019, the Group proposed an interim dividend of S\$0.01 per share.

Mr. Tey How Keong, Chief Executive Officer of JB Foods, commented, **“The demand for confectionery and chocolate products has been growing, boding well for us and the cocoa ingredients industry in general. Going forward, we will continue to expand our presence in existing and new markets while keeping an eye on developments in the industry.”**

Outlook

The global economic uncertainties from trade tensions continue to be a business concern and may pose as a potential headwind to the Group in the near-term. However, the long-term growth prospects on the global cocoa consumption is expected to remain strong. Over the years, cocoa demand has been on the rise due to growing affluence coupled with increasing popularity of cocoa and related ingredients in the food and beverage sector.

About JB Foods Limited

Established since the 2000s, JB Foods is a major cocoa ingredients producer with operations in Malaysia and Indonesia with a cocoa bean processing capacity of 180,000 tonnes 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 “JBCOCA” brand name and we export our products worldwide to customers ranging from international trade houses to end users.

For more information, kindly refer to www.jbcocoa.com

Issued for and on behalf of JB Foods Limited.

By Financial PR

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