

# JB FOODS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201200268D)  
(the “Company”)

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## UPDATE ON THE GROUP'S BUSINESS IN RUSSIA AND UKRAINE

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The board of Directors (the “Board”) of JB Foods Limited, (the “Company”) together with its subsidiaries (the “Group”) wishes to provide an update on the Group’s business in Russia and Ukraine. The Group does not have any physical assets situated in both Russia and Ukraine. In terms of revenue contributions, both countries jointly accounted for about 17% of the Group’s 2021 revenue.

For the year 2022 and based on actual shipments delivered to-date and forward orders on hand, the revenue contribution is expected to be about 10% of the Group. Of which, the remaining undelivered contracts for year 2022 is about 7% of the Group’s 2022 revenue target.

In Russia, the United States of America, the European Union and other countries have progressively imposed sanctions and restrictions targeting its financial system, its industries and Russian individuals who may have broad implications to the Group’s business in Russia, the extent of which remains unclear at this point in time. Severe devaluation of the Russian Rouble and Ukrainian Hryvnia are noted and these currencies may continue to remain volatile. While the Central Bank of Russia is acting to stabilise its banking system, a number of Russian local banks, which are not included in the sanction list are continuing to operate and sustain the banking system.

The current raft of sanctions is aimed primarily at restricting the ability of the Russian Government to transact internationally, as well as limiting market access for certain sensitive sectors, such as Technology and Energy. The essential industries such as Food & Beverages that the Group operates in are not included in the restrictions, and are unlikely to face immediate demand destruction. However, the Group expects its business in Russia to be negatively impacted in the short term due to various factors such as the massive devaluation of the Russian Roubles and supply chain disruption from the war. The Group is actively assessing the conflict situation in Russia and Ukraine, and would continue to exercise caution, as well as adopt remedial measures to mitigate its impact.

In Ukraine, the Group is concerned for the safety and well-being of our agent and customers. The exposure relating to the outstanding receivables is not expected to have significant impact to the Group’s financial performance. In view of the uncertain environment in Ukraine, the Group has temporarily halted sales related activities due to massive damage to public infrastructure and disruption to its supply chain.

On 5 March 2022, the Singapore Government announced sanctions against Russia in response to the Russia-Ukraine conflict. The sanctions cover the financial measures targeting Russian banks, entities and activities in Russia, as well as export controls measures covering electronics, computers and defence related equipment. The Company is not a financial institution and the Group is not involved in any of the sanctioned business activities as described in the Annex to Ministry of Foreign Affairs’ statement. Accordingly, the sanctions should not have direct financial impact on the Group.

To the best of our knowledge, none of the Company’s directors, executive officers and/or substantial shareholders are persons or entities identified as Sanctioned Subjects, nor are they engaged in identified activities, which are in violation of sanctions-related law or regulation, or controlled by any person, entity or government that is a Sanctioned Subject.

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Barring any unforeseen turn of events in the volatile and constantly evolving situation, the Board and Audit Committee confirm that the Group has in place adequate and effective internal controls to monitor, address and mitigate sanction-related risks at the date of this announcement.

Shareholders and potential investors are advised to exercise caution when dealing with or trading in the Company's shares in the short term. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

### **BY ORDER OF THE BOARD**

**CHUA CHEOW KHOON MICHAEL**

Independent Director & Chairman

16 March 2022