

FOR IMMEDIATE RELEASE

JB Foods achieves PBT of USD1.2 million in 1Q2017, a growth of 54% quarter-on-quarter

- *EBITDA and profit before tax increase by 21% and 54% respectively*
- *Positive operating cashflow of USD13.0 million*
- *Healthy net gearing at 1.11 times*

Financial Highlights for 1Q2017

USD'000	1Q2017	1Q2016	+ / (-) %
Revenue	71,239	74,901	(4.9)
EBITDA	2,996	2,479	20.9
Profit before tax	1,238	804	54.0

Business Performance

SINGAPORE, 9 May 2017 – 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 USD1.2 million, and earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) of USD3.0 million for the first quarter ended 31 March 2017 (“**1Q2017**”) mainly due to improvements in processing margin.

The Group’s revenue decreased by 4.9% quarter-on-quarter in 1Q2017, mainly attributed to lower average selling price to the Group’s customers arising from the lower cocoa bean prices, which had fallen more than 30% since September 2016.

Mr Tey How Keong (郑好强), Chief Executive Officer of JB Foods said, “We continue to deliver another set of positive results even in these volatile and uncertain market conditions. These achievement were largely due to our on-going strategy to increase efficiency, cost cutting and staying focused on our core business. Notwithstanding this positive trend, we are aware of the fragility of the world economy, and will continue to manage our business risks, and strive to grow our business profitably.”

Financial Position

As at 31 March 2017, the Group maintains a robust balance sheet with shareholders’ equity at USD75.1 million. The net gearing as at 31 March 2017 improve to 1.11 times from 1.28 time as at 31 December 2016. For 1Q2017, the Group generated an EBITDA of USD3.0 million vs USD2.5 million in 1Q2016, and positive operating cashflow of USD13.0 million vs USD0.2million in 1 Q2016.

Market Outlook

The uncertainties in global economic growth and increased volatility in equities and cocoa bean markets continue to pose as potential headwinds to the Group’s business performance. Notwithstanding the improvement of the financial results in the last few quarters, the Group will continue to adopt conservative and prudent measures and strategies and remain confident in its long-term growth prospects. The Group is cautiously optimistic for the next 12 months.

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.
