

FOR IMMEDIATE RELEASE

JB Foods narrowed net loss by 82% to US\$0.5 million in 1Q2015

- *Achieved gross profit of US\$1.2 million compared to gross loss of US\$1.1 million in 1Q2014*
- *Changed functional and reporting currency from Ringgit Malaysia to United States Dollar with effect from 1 January 2015*

Financial highlights for 1Q2015

US\$'000	1Q2015	1Q2014	+ / (-) %
Revenue	42,059	53,256	(21.0)
Cost of Sales	(40,865)	(54,370)	24.8
Gross Profit/(Loss)	1,194	(1,114)	n.m.
Loss before income tax	(409)	(2,706)	84.9
Loss attributable to owners of the parent	(489)	(2,706)	81.9

n.m. – not meaningful

SINGAPORE, 13 May 2015 – Mainboard-listed **JB Foods Limited** (“**JB Foods**” together with its subsidiaries, the “**Group**”), a major cocoa ingredient producer in Asia principally engaged in the production and sale of cocoa powder, cocoa butter, cocoa liquor and cocoa cake, today reported a 81.9% reduction in net loss to US\$0.5 million for the first quarter ended 31 March 2015 (“**1Q2015**”), from a net loss of US\$2.7 million for the same period last year (“**1Q2014**”).

This improvement in financial performance was achieved on the back of the Group posting a gross profit of US\$1.2 million in 1Q2015, from a gross loss of US\$1.1 million in 1Q2014. The positive gross profit was driven by more favourable average selling prices of the products delivered when compared to the unit inventory carrying costs and the absence of inventory written down in the current quarter.

Overall, the Group closed the quarter with a reduced loss before tax of US\$0.4 million compared to a loss before tax of US\$2.7 million in 1Q2014.

Mr Tey How Keong (郑好强), Chief Executive Officer of JB Foods said, “We are encouraged by the improvement in gross profit and the significant reduction in net loss which was achieved amidst continued challenges in the operating environment. Over the past year, we have made adjustments to our operations to improve productivity and cost-efficiency and we are heartened to see the results coming through in the form improved gross profitability.”

With effect from 1 January 2015, the Company changed both its functional and reporting currency from Ringgit Malaysia (“**RM**”) to United States Dollar (“**USD**”). This is because a significant amount of the Group’s revenue and purchases are currently transacted in USD, and will remain so with the expansion into the USA and Indonesia.

As at 31 March 2015, the Group had fully utilised the S\$28.6 million net proceeds from the Rights Issue exercised in October 2014 - S\$11.6 million was used to fund the acquisition of PT Jebe Koko and the remaining S\$17.0 million was used for general working capital purposes.

Outlook

Over the last 2 years, poor cocoa processing margins caused by sluggish demand, capacity over-supply and high cocoa bean prices, have prompted cocoa processors worldwide to slow down their processing throughput in the recent quarters.

We are encouraged to see this development. However, the industry is still faced with challenges such as high bean and weak product prices, brought about by the prevailing weak global economic conditions and continuing effects of industry consolidation.

Mr Tey added, “The Group continues to remain vigilant on the business risks posed by the current environment and will act accordingly to manage our costs and financial position through this difficult period, while strengthening our business fundamentals in preparation for a recovery in market demand.”

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 “JBCOCOA” brand name and we export our products worldwide to customers ranging from international trade houses to end users.

Issued by and on behalf of JB Foods Limited

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