



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

Unaudited Financial Statements and Dividend Announcement
For the First Quarter and Three Months Ended 31 March 2016

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (1Q, 2Q, 3Q & 4Q), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		
	3 Months ended		
	31 Mar		
	2016	2015	+ / (-)
	USD'000	USD'000	%
Revenue	74,901	42,059	78.1
Cost of sales	(71,124)	(40,852)	(74.1)
Gross profit	<u>3,777</u>	<u>1,207</u>	212.9
Interest income	9	16	(43.8)
Other (loss)/gains, net	(315)	750	n.m
<i>Other items of expense</i>			
Selling and distribution expenses	(910)	(919)	1.0
Administrative expenses	(1,193)	(1,133)	(5.3)
Finance costs	(564)	(503)	(12.1)
Profit/(Loss) before tax	<u>804</u>	<u>(582)</u>	n.m
Tax expense	(3)	(80)	96.3
Profit/(Loss) for the period	<u>801</u>	<u>(662)</u>	n.m
Other comprehensive income for the period, net of tax	<u>-</u>	<u>-</u>	n.m
Total comprehensive income for the period	<u><u>801</u></u>	<u><u>(662)</u></u>	n.m
Profit/(Loss) attributable to:			
Owners of the parent	801	(628)	n.m
Non-controlling interest	-	(34)	n.m
	<u>801</u>	<u>(662)</u>	n.m
Total comprehensive income attributable to:			
Owners of the parent	801	(628)	n.m
Non-controlling interest	-	(34)	n.m
	<u>801</u>	<u>(662)</u>	n.m

n.m. - Not meaningful



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- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Profit/(Loss) before tax is arrived at after (charging)/crediting the following:-

	Group		
	3 Months ended		+ / (-) %
	2016	2015	
	USD'000	USD'000	
Amortisation of intangible assets	(35)	(7)	(400.0)
Amortisation of prepaid lease payments	(40)	(40)	-
Depreciation of property, plant and equipment	(1,036)	(1,084)	4.4
Foreign exchange gain, net	242	107	126.2
Loss on disposal of plant & equipment	-	(11)	n.m
Net fair value (loss)/gain on derivative financial instruments	(1,251)	5	n.m
Realised gain on cocoa bean derivative contracts	501	386	29.8
Rental income	79	44	79.5

n.m. - Not Meaningful



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1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediate preceding financial year.

	GROUP		COMPANY	
	31-Mar-16 USD'000	31-Dec-15 USD'000	31-Mar-16 USD'000	31-Dec-15 USD'000
Non-current assets				
Intangible assets	582	471	-	-
Investment property	4,089	4,104	-	-
Property, plant and equipment	54,034	54,378	-	-
Prepaid lease payments	1,429	1,469	-	-
Investments in subsidiaries	-	-	66,177	66,177
Other receivables	-	-	24,000	24,000
	<u>60,134</u>	<u>60,422</u>	<u>90,177</u>	<u>90,177</u>
Current assets				
Inventories	82,800	91,021	-	-
Trade and other receivables	33,688	40,158	1,616	1,699
Prepayments	233	222	12	4
Derivative financial instruments	73	675	-	-
Income tax recoverable	883	982	-	-
Cash and cash equivalents	7,974	7,421	37	5
	<u>125,651</u>	<u>140,479</u>	<u>1,665</u>	<u>1,708</u>
Less:				
Current liabilities				
Trade and other payables	22,004	40,172	148	103
Derivative financial instruments	978	329	-	-
Bank borrowings	89,491	87,289	-	-
Finance lease payables	201	239	-	-
Income tax payable	-	18	-	-
	<u>112,674</u>	<u>128,047</u>	<u>148</u>	<u>103</u>
Net current assets	<u>12,977</u>	<u>12,432</u>	<u>1,517</u>	<u>1,605</u>
Less:				
Non-current liability				
Bank borrowings	1,559	2,085	-	-
Finance lease payables	53	71	-	-
Provision for post-employment benefits	106	106	-	-
Deferred tax liabilities	361	361	-	-
	<u>2,079</u>	<u>2,623</u>	<u>-</u>	<u>-</u>
Net assets	<u>71,032</u>	<u>70,231</u>	<u>91,694</u>	<u>91,782</u>
EQUITY				
Share capital	99,641	99,641	99,641	99,641
Other reserves	(32,428)	(32,428)	(8,458)	(8,458)
Retained earnings	3,809	3,008	511	599
Equity attributable to owners of the parent	<u>71,022</u>	<u>70,221</u>	<u>91,694</u>	<u>91,782</u>
Non-controlling interest	10	10	-	-
Total equity	<u>71,032</u>	<u>70,231</u>	<u>91,694</u>	<u>91,782</u>



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1(b)(ii) In relation to the aggregate amount of the group’s borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	As at	
	31-Mar-16	31-Dec-15
	USD'000	USD'000
Amount repayable in one year or less, or on demand		
- Secured	2,094	2,094
- Unsecured	87,598	85,434
	<u>89,692</u>	<u>87,528</u>
Amount repayable after one year		
- Secured	1,559	2,085
- Unsecured	53	71
	<u>1,612</u>	<u>2,156</u>

Details of collateral

Certain borrowings were secured by one of the subsidiary land and building.



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1(c)(i) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP	
	3 Months ended 31 Mar 2016	2015
	USD'000	USD'000
Operating activities		
Profit/(Loss) before tax	804	(582)
Adjustments for:		
Amortisation of intangible assets	35	7
Amortisation of prepaid lease payments	40	40
Depreciation of property, plant & equipment	1,036	1,084
Loss on disposal of plant and equipment	-	11
Net fair value loss/ (gain) on derivative financial instruments	1,251	(5)
Rental income	(79)	(44)
Interest expenses	564	503
Interest income	(10)	(16)
Operating cash flows before working capital changes	3,641	998
Changes in working capital:		
Inventories	8,221	9,913
Trade and other receivables	6,470	2,705
Prepayment	(11)	(382)
Trade and other payables	(18,168)	(595)
Cash generated from/(used in) operations	153	12,639
Income tax refunded	78	492
Net cash generated from operating activities	231	13,131
Investing activities		
Purchase of property, plant & equipment	(677)	(767)
Purchase of intangible assets	(146)	-
Rental income	79	44
Interest received	10	16
Net cash used in investment activities	(734)	(707)
Financing activities		
Drawdown of bank borrowings	77,039	68,444
Repayment of bank borrowings	(75,363)	(91,907)
Repayment of finance lease payables	(56)	(50)
Interest paid	(564)	(503)
Net cash from/(used in) financing activities	1,056	(24,016)
Net change in cash and cash equivalents	553	(11,592)
Cash and cash equivalent at the beginning of the financial period	7,421	32,328
Cash and cash equivalents at end of financial period	7,974	20,736



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>GROUP</u>	Share Capital USD'000	Merger reserves USD'000	Foreign currency translation reserves USD'000	Retained profits USD'000	Equity attributable to the owners of the parent USD'000	Non-controlling interest USD'000	Total equity USD'000
Balance as at 1 January 2016	99,641	(25,472)	(6,956)	3,008	70,221	10	70,231
Profit for the financial period	-	-	-	801	801	-	801
Balance as at 31 March 2016	99,641	(25,472)	(6,956)	3,809	71,022	10	71,032

<u>GROUP</u>	Share capital USD'000	Merger reserves USD'000	Foreign currency translation reserves USD'000	Other Reserves USD'000	Retained earnings USD'000	Equity attributable to the owners of the parent USD'000	Non-controlling interest USD'000	Total equity USD'000
Balance as at 1 January 2015	90,631	(22,654)	(6,956)	4,000	576	65,597	1,396	66,993
Loss for the financial period	-	-	-	-	(628)	(628)	(34)	(662)
Balance as at 31 March 2015	90,631	(22,654)	(6,956)	4,000	(52)	64,969	1,362	66,331

<u>COMPANY</u>	Share capital USD'000	Retained earnings USD'000	Capital reserve USD'000	Total USD'000
Balance as at 1 January 2016	99,641	599	(8,458)	91,782
Loss for the period, representing total comprehensive income for the period	-	(88)	-	(88)
Balance as at 31 March 2016	99,641	511	(8,458)	91,694

<u>COMPANY</u>	Share capital USD'000	Retained earnings USD'000	Capital reserve USD'000	Total USD'000
Balance as at 1 January 2015	90,631	2,105	(8,458)	84,278
Loss for the period, representing total comprehensive income for the period	-	(818)	-	(818)
Balance as at 31 March 2015	90,631	1,287	(8,458)	83,460



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1(d)(ii) Details of any changes in the company’s share capital arising from right issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no new shares issued in the first quarter ended 31 March 2016.
There were no outstanding convertibles or treasury shares held as at 31 March 2016 and 31 March 2015.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Company	As at	
	31-Mar-16	31-Dec-15
	No of shares	No of shares
Total number of issued shares ('000)	227,400	227,400

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Whether the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.



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6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP	
	3 Months ended 31 Mar	
	2016	2015
Profit/(Loss) attributable to owners of the parent (USD'000)	801	(628)
Aggregated weighted average number of ordinary shares ('000)	227,400	227,400
Basic and diluted EPS based on aggregated weighted average number of ordinary shares (USD cents) ^{(1) (2)}	0.004	(0.003)

Notes:

- (1) The calculation for the basic and diluted EPS for the respective financial periods is based on the aggregated weighted average number of ordinary shares in issue in the respective financial periods.
(2) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
Net asset value per ordinary share based on issued share capital - (USD cents)	31.23	30.88	40.32	40.36

The net asset per share for the Group as at 31 March 2016 and 31 December 2015 have been calculated based on the issued share capital of 227,399,975 shares.



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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Statement of Comprehensive Income

1Q2016 vs 1Q2015

The Group's revenue increased by USD32.8million or 78.1% from USD42.1million in the first quarter period ended 31 March 2015 ("1Q2015") to USD74.9million in the first quarter period ended 31 March 2016 ("1Q2016") mainly due to higher product shipment volume. As such, the Group's gross profit increased by USD2.8million or 212.9% from USD1.2million in 1Q2015 to USD3.8million in 1Q2016.

The Group registered other losses of USD0.3million in 1Q2016 (1Q2015: Other gains of USD0.8million) mainly due to higher net fair value loss on derivative foreign exchange contracts but partially offset by the higher net foreign exchange gain compared to previous reporting period.

Finance costs in 1Q2016 were higher by USD61K or 12.1% from USD502K in 1Q2015 to USD563K in 1Q2016, mainly due to higher utilisation of trade bills to finance our bean inventories.

The Group's registered a profit after tax of USD801K in 1Q2016 as compared to a loss after tax of USD662k in 1Q2015.

Review of Statement of Financial Position

31 March 2016 vs 31 December 2015

The Group's current assets decreased by USD14.7million or 10.5% from USD140.1million as at 31 December 2015 to USD125.8million as at 31 March 2016, mainly due to the decrease in inventories, trade and other receivables of USD8.1million and USD6.5million respectively.

The Group's current liabilities decreased by USD15.4million or 12.0% from USD128.0million as at 31 December 2015 to USD112.7million as at 31 March 2016, mainly due to the decrease in the trade and other payables by USD18.2million, with partial offset from the increase in bank borrowing of USD2.2million respectively.

The Group's equity attributable to the owners of the parents increased by USD0.8million from USD70.2million as at 31 December 2015 to USD71.0million as at 31 March 2016 mainly due to profits generated in 1Q2016.



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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Statement of Cash Flows

The Group's cash and cash equivalent increased by USD0.6million in 1Q2016 resulting from net operating and financing cash inflows of USD0.2million and USD1.1million respectively, with partial offset from net investing cash outflows of USD0.7million.

The net cash generated from operating activities of USD0.2million in 1Q2016 was mainly attributable to:

- a) the positive operating cash flows of USD3.6million;
- b) net cash inflows from inventories and trade and other receivables of USD8.1million and USD6.5million respectively;
- c) net cash outflows in trade and other payables of USD18.2million

The net cash used in financing activities of USD1.0million was mainly due to net drawdown of trade bills of USD1.6million, with partial offset from the payment of finance cost of USD0.6million.

The net cash used in investing activities of USD0.7million was mainly due to cash payments of USD0.8million made to capital expenditure incurred in property, plant and equipment and intangible assets, with partial offset from the rental income of USD0.1million generated from the investment property.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been previously disclosed to shareholders.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Although the Group's financial and business position has made steady improvements for the last three quarters, the Group will still maintain a cautious outlook for the rest of the financial year. The Group expects the heightened uncertainties in global economic growth, increased volatility in equities and cocoa bean markets to pose as potential headwinds to our business performance. While we believe cocoa and chocolate consumption is resilient, it may have some negative impact on the end demand for our cocoa products if global economies deteriorate further into a recession.

In view of the uncertain macro-economic environment in 2016, the Group will adopt a conservative and prudent stance. We will remain focused on executing our business strategy to achieve our growth and profitability targets.



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11. Dividend

(a) Current Financial Period Reported On

No dividend has been declared for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend has been declared for the corresponding period of the immediately preceding financial year.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the period ended 31 March 2016.

13. If the Group has obtained a general mandate from Shareholders for interested person transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Person	Aggregate value of all Interested person transactions during the financial year under review (exclude transactions less than S\$100,000 and transactions conducted under the shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial period under review under a shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	3 months 2016	3 months 2016
	USD’000	USD’000
Guan Chong Cocoa Manufacturer Sdn Bhd		
-Purchase of cocoa ingredients	171	-
- Sales of cocoa ingredients	184	-

The Company has not obtained a general mandate from shareholders for IPTs.

14. Negative confirmation pursuant to Rule 705 (5)

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the three months financial results for the period ended 31 March 2016 to be false or misleading.

15. Confirmation pursuant to Rule 720 (1)

The Group has procured undertakings from all its directors and executive officers.

By Order of the Board

Tey How Keong
Chief Executive Officer and Executive Director
13 May 2016

Goh Lee Beng
Executive Director