



JB Foods Limited

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FOR IMMEDIATE RELEASE

JB Foods turns positive with profit before tax of US\$0.86 million in 3Q 2015

- Revenue grew 11.3% year-on-year to US\$62.3 million, driven by improved sales volume and customer demand

Financial highlights for 3Q 2015

US\$'000	3Q 2015	Restated ¹ 3Q 2014	+ / (-) %
Revenue	62,333	55,984	11.3
Cost of Sales	(58,313)	(57,951)	(0.6)
Gross Profit/(Loss)	4,020	(1,967)	n.m.
Profit/(loss) before income tax	861	(3,158)	n.m.
Profit/(loss) attributable to owners of the parent	695	(3,257)	n.m.

n.m. – not meaningful

1. Included the results of PT Jebe Koko based on pooling of interest method of accounting

Business Performance

SINGAPORE, 13 Nov 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, is pleased to announce a profit before tax of US\$0.86 million for the third quarter ended 30 Sep 2015 (“**3Q 2015**”), from a net loss of US\$3.16 million for the same period last year (“**3Q 2014**”).

YTD Sep 2015, the Group is profitable, which marks a critical milestone in the Group’s effort to turn this business around, after two consecutive years of losses in 2013 and 2014.

Mr Tey How Keong (郑好强), Chief Executive Officer of JB Foods said, “While we are encouraged and pleased with the positive results we have achieved YTD, we will not rest on our laurels, but continue to focus on our business strategy to build and grow the business sustainably and profitably .”

The Group’s improved performance is mainly attributable to better processing margin, higher capacity utilisation and sales volume.

Financial Position

Overall, the Group’s financial position is robust; as at 30 Sep 2015, the Group’s NAV stands at US\$0.30 per share and net gearing is at 1.03 times.

Market Conditions

In general, the market demand and outlook for cocoa ingredients improved in 3Q vs 2Q 2015; and we are also witnessing marginal improvement in processing margin. The cocoa bean supply outlook for 2016 remain uncertain. The potential adverse impact from the strong El Nino weather phenomenon may materially reduce the crop harvest and push up cocoa bean prices as a result. The higher cocoa bean prices may crimp demand for cocoa ingredients, negatively impacting the cocoa processing industry in terms of processing margins and volume. In addition, demand for cocoa ingredients may also be impacted by the uncertain and weak global economic conditions.

Notwithstanding the above challenges, we maintain a cautious outlook for the next 12 months. The Group will continue to focus on managing its business risks prudently and to grow the business sustainably.

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