

**FOR IMMEDIATE RELEASE**

## Profit Recovery continues with Pre-Tax Profit of USD804k

- *Revenue increased significantly by 78.1% supported by strong product shipment volume*
- *Profit recovery driven by combination of higher sales volume and better processing margin*
- *Robust balance sheet with net gearing at 1.17 times*

### **Financial highlights for 1Q 2016**

USD'000	1Q 2016	1Q 2015	+ / (-) %
Revenue	74,901	42,059	78.1
Cost of Sales	(71,124)	(40,852)	(74.1)
Gross Profit/(Loss)	3,777	1,207	212.9
Profit/(Loss) before tax	<b>804</b>	<b>(582)</b>	<b>n.m.</b>

*n.m. – not meaningful*

### **Business Performance**

SINGAPORE, 13 May 2016 – 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 USD804K for the first quarter ended 31 March 2016 (“**1Q 2016**”), from a net loss before tax of USD582K for the same period last year (“**1Q 2015**”).

Building on the positive momentum of the business turnaround in FY2015, the Group in 1Q 2016 managed to grow its revenue by 78.1%, largely due to buoyant market demand which led to increased sales volume shipped to our global customers.

Mr Tey How Keong (郑好强), Chief Executive Officer of JB Foods said, “We have now achieved 3 consecutive quarters of positive financial performance, further strengthening the business case that the processing industry is on a recovery path. Notwithstanding this positive trend, we continue to focus on building and strengthening our market position to create a business model with sustainable long term shareholder value.”

### **Financial Position**

As at 31 March 2016, the Group maintains a robust balance sheet with strong and improving shareholders’ equity at USD71.0 million. This translates to NAV of USD0.31 per share and the net gearing is maintained at 1.17 times, same as 31 December 2015.

The Group generated an EBITDA of USD2.5 million and positive operating cashflow (before working capital changes) of USD3.6 million.

### **Market Outlook**

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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#### **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.

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