



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 Third Quarter and Nine Months Ended 30 September 2015

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 3Q ended 30 Sept | | | GROUP 9 months ended 30 Sept | | |
|---|------------------------------|-----------------------|---------|------------------------------------|-----------------------|---------|
| | 2015 | 2014 | + / (-) | 2015 | 2014 | + / (-) |
| | USD'000 | USD'000 | % | USD'000 | USD'000 | % |
| | | Restated ¹ | | Restated ¹ | Restated ¹ | |
| Revenue | 62,333 | 55,984 | 11.3 | 146,612 | 164,466 | (10.9) |
| Cost of sales | (58,313) | (57,951) | (0.6) | (139,509) | (167,577) | 16.7 |
| Gross profit/(loss) | 4,020 | (1,967) | n.m | 7,103 | (3,111) | n.m |
| Interest income | 6 | 34 | (82.4) | 25 | 55 | (54.5) |
| Other (losses)/gains, net | (520) | 1,207 | n.m | 323 | 1,785 | (81.9) |
| <i>Other items of expense</i> | | | | | | |
| Selling and distribution expenses | (1,124) | (838) | (34.1) | (2,765) | (2,620) | (5.5) |
| Administrative expenses | (1,074) | (1,049) | (2.5) | (3,293) | (3,004) | (9.6) |
| Finance costs | (447) | (545) | 18.2 | (1,386) | (1,516) | 8.6 |
| Profit/(Loss) before tax | 861 | (3,158) | n.m | 7 | (8,411) | n.m |
| Taxation | (1) | (1) | n.m | (81) | (1) | n.m |
| Profit/(Loss) for the period, representing total comprehensive income for the period | 860 | (3,159) | n.m | (74) | (8,412) | 99.1 |
| Profit/(loss) for the period, representing total comprehensive income attributable to: | | | | | | |
| Owners of the parent | 695 | (3,257) | n.m | (309) | (8,521) | 96.4 |
| Non-controlling interest | 165 | 98 | 68.4 | 235 | 109 | 115.6 |
| | 860 | (3,159) | n.m | (74) | (8,412) | 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 after charging / (crediting) the following:-

| | Group 3Q ended 30 Sept | | | Group 9 months ended 30 Sept | | |
|---|------------------------------|---------|---------|------------------------------------|---------|---------|
| | 2015 | 2014 | + / (-) | 2015 | 2014 | + / (-) |
| | USD'000 | USD'000 | % | USD'000 | USD'000 | % |
| Amortisation of intangible assets | 7 | 7 | - | 21 | 22 | 4.5 |
| Amortisation of prepaid lease payment | 41 | 44 | 6.8 | 122 | 131 | 6.9 |
| Depreciation of property, plant and equipment | 1,110 | 1,082 | (2.6) | 3,289 | 3,198 | (2.8) |
| Foreign exchange gain, net | (441) | (908) | (51.4) | (501) | (1,066) | (53.0) |
| Inventories written down | - | 122 | n.m | - | 1,883 | n.m |
| Loss on disposal of plant & equipment | 5 | - | n.m | 16 | 16 | - |
| Net fair value (gains)/losses on derivative financial instruments | (1,137) | (113) | 906.2 | 99 | (774) | n.m |
| Realised losses/(gains) on cocoa bean derivative contract | 332 | 113 | (193.8) | 37 | 162 | 77.2 |

n.m. - Not Meaningful

¹ On 1 April 2015, the Group acquired 80% equity stake in PT Jebe Koko from its ultimate holding company.

The acquisition involved a business combination of an entity under common control. Accordingly, the Group measured the business combination using pooling of interest method of accounting.

The 2015 and 2014 figures have been restated to take into account for the retrospective adjustments arising from the acquisition of a subsidiary under common control. The Group applied the pooling interest method of accounting for the business combination of an entity under common control. The comparative figures reflect the results, financial position and cash flows of the Group as if the subsidiary had always been combined since the date the subsidiary had come under common control.



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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 | |
|--|-----------------------|------------------------------------|-----------------------|------------------------------------|
| | 30-Sept-15 USD'000 | 31-Dec-14 USD'000 (Restated) | 30-Sept-15 USD'000 | 31-Dec-14 USD'000 (Restated) |
| Non-current assets | | | | |
| Intangible assets | 473 | 310 | - | - |
| Property, plant and equipment | 59,011 | 60,528 | - | - |
| Prepaid lease payments | 1,509 | 1,631 | - | - |
| Investments in subsidiaries | - | - | 66,177 | 66,177 |
| Other receivables | - | - | 9,100 | 9,100 |
| | <u>60,993</u> | <u>62,469</u> | <u>75,277</u> | <u>75,277</u> |
| Current assets | | | | |
| Inventories | 71,746 | 82,092 | - | - |
| Trade and other receivables | 33,793 | 29,022 | 16,317 | 6,792 |
| Prepayments | 517 | 337 | 12 | 87 |
| Derivative financial statements | 513 | 75 | - | - |
| Income tax recoverable | 982 | 1,435 | - | - |
| Cash and cash equivalents | 13,840 | 32,328 | 6 | 11,296 |
| | <u>121,391</u> | <u>145,289</u> | <u>16,335</u> | <u>18,175</u> |
| Less: | | | | |
| Current liabilities | | | | |
| Trade and other payables | 29,692 | 31,246 | 53 | 9,174 |
| Derivative financial instruments | 714 | 177 | - | - |
| Bank borrowings | 80,939 | 104,674 | - | - |
| Finance lease payables | 160 | - | - | - |
| Income tax payable | 120 | 144 | - | - |
| | <u>111,625</u> | <u>136,241</u> | <u>53</u> | <u>9,174</u> |
| Net current assets | <u>9,766</u> | <u>9,048</u> | <u>16,282</u> | <u>9,001</u> |
| Less: | | | | |
| Non-current liability | | | | |
| Finance lease payables | 35 | - | - | - |
| Bank borrowings | 2,568 | 4,179 | - | - |
| Provision for post-employment benefits | 50 | 48 | - | - |
| Deferred tax liabilities | 297 | 297 | - | - |
| | <u>2,950</u> | <u>4,524</u> | <u>-</u> | <u>-</u> |
| Net assets | <u>67,809</u> | <u>66,993</u> | <u>91,559</u> | <u>84,278</u> |
| EQUITY | | | | |
| Share capital | 99,641 | 90,631 | 99,641 | 90,631 |
| Retained earnings | 586 | 576 | 376 | 2,105 |
| Other reserves | (32,428) | (25,610) | (8,458) | (8,458) |
| Equity attributable to owners of the parent | <u>67,799</u> | <u>65,597</u> | <u>91,559</u> | <u>84,278</u> |
| Non-controlling interest | 10 | 1,396 | - | - |
| Total equity | <u>67,809</u> | <u>66,993</u> | <u>91,559</u> | <u>84,278</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 | |
|---|--------------|---------------|
| | 30-Sept-15 | 31-Dec-14 |
| | USD'000 | USD'000 |
| | | (Restated) |
| Amount repayable in one year or less, or on demand | | |
| - Secured | 2,105 | 2,073 |
| - Unsecured | 78,994 | 102,601 |
| | <hr/> 81,099 | <hr/> 104,674 |
| Amount repayable after one year | | |
| - Secured | 2,568 | 4,179 |
| - Unsecured | 35 | - |
| | <hr/> 2,603 | <hr/> 4,179 |

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 3Q ended 30 Sept | | GROUP 9 months ended 30 Sept | |
|---|------------------------------|-------------------------------|------------------------------------|-------------------------------|
| | 2015 USD'000 | 2014 USD'000 (Restated) | 2015 USD'000 | 2014 USD'000 (Restated) |
| Operating Activities | | | | |
| Profit/(Loss) before tax | 861 | (3,158) | 7 | (8,411) |
| Adjustments for:- | | | | |
| Amortisation of intangible asset | 7 | 7 | 21 | 22 |
| Amortisation of prepaid lease payment | 41 | 44 | 122 | 131 |
| Depreciation of property, plant & equipment | 1,110 | 1,082 | 3,289 | 3,198 |
| Loss on disposal of plant and equipment | 5 | - | 16 | 16 |
| Net fair value (gains)/loss on derivative financial instruments | (1,137) | (113) | 99 | (774) |
| Inventory written down | - | 122 | - | 1,883 |
| Provision for post-employment benefits | - | - | 2 | - |
| Interest expenses | 447 | 435 | 1,386 | 1,407 |
| Interest income | (6) | (9) | (25) | (31) |
| Operating cash flows before working capital changes | 1,328 | (1,590) | 4,917 | (2,559) |
| Changes in working capital: | | | | |
| Inventories | (637) | (7,071) | 10,347 | (7,555) |
| Trade and other receivables | (4,604) | (3,768) | (4,775) | 1,380 |
| Prepayment | 21 | (127) | (180) | (648) |
| Trade and other payables | 17,225 | (1,361) | 10,282 | (9,119) |
| Cash from/(used in) operations | 13,333 | (13,917) | 20,591 | (18,501) |
| Income tax (paid)/refunded | (52) | (3) | 347 | 382 |
| Net cash from/(used in) operating activities | 13,281 | (13,920) | 20,938 | (18,119) |
| Investing activities | | | | |
| Acquisition of subsidiary | - | - | (18,654) | - |
| Proceeds from disposal of plant & equipment | - | - | - | 3 |
| Purchase of plant & equipment | (243) | (3,935) | (1,481) | (5,166) |
| Purchase of intangible assets | (177) | - | (183) | - |
| Interest received | 6 | 9 | 25 | 31 |
| Proceeds from disposal of shares to non-controlling interests | 1 | - | 1 | - |
| Net cash used in investing activities | (413) | (3,926) | (20,292) | (5,132) |
| Financing activities | | | | |
| Drawdown of bank borrowings | 54,903 | 77,703 | 185,669 | 178,066 |
| Repayment of bank borrowings | (59,428) | (64,763) | (211,015) | (165,922) |
| Repayments of finance lease | (37) | - | (112) | - |
| Interest paid | (447) | (435) | (1,386) | (1,407) |
| Acquisition of non-controlling interest | (1,300) | - | (1,300) | - |
| Proceeds from issuance of shares, net | - | - | 9,010 | 11 |
| Net cash (used in)/from financing activities | (6,309) | 12,505 | (19,134) | 10,748 |



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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 3Q ended 30 Sept | | GROUP 9 Months ended 30 Sep | |
|---|---------------------------|-------------------------------|--------------------------------|-------------------------------|
| | 2015 USD'000 | 2014 USD'000 (Restated) | 2015 USD'000 | 2014 USD'000 (Restated) |
| Net change in cash and cash equivalents | 6,559 | (5,341) | (18,488) | (12,503) |
| Cash and cash equivalent at the beginning of the financial period | 7,281 | 14,373 | 32,328 | 21,763 |
| Effect of exchange rate changes on cash and cash equivalents | - | 546 | - | 318 |
| Cash and cash equivalents at end of financial period | <u>13,840</u> | <u>9,578</u> | <u>13,840</u> | <u>9,578</u> |

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.

| GROUP | Share capital USD'000 | Merger reserves USD'000 | Capital 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 |
|---|--------------------------|----------------------------|-----------------------------|------------------------------|--|-------------------------------------|-------------------------|
| (Restated) | | | | | | | |
| Balance as at 1 Jan 2015 | 90,631 | (22,654) | (2,956) | 576 | 65,597 | 1,396 | 66,993 |
| Loss for the financial period , Representing total comprehensive income | - | - | - | (309) | (309) | 235 | (74) |
| Contribution by owners of the parent: | | | | | | | |
| Issue of shares (net) as part of acquisition of subsidiary under common control | 9,010 | (2,818) | (4,000) | - | 2,192 | - | 2,192 |
| Transactions with non-controlling interest: | | | | | | | |
| Acquisition without a change in control | - | - | - | 321 | 321 | (1,621) | (1,300) |
| Disposal interests without change in control | - | - | - | (2) | (2) | - | (2) |
| | - | - | - | 319 | 319 | (1,621) | (1,302) |
| Balance as at 30 Sept 2015 | <u>99,641</u> | <u>(25,472)</u> | <u>(6,956)</u> | <u>586</u> | <u>67,799</u> | <u>10</u> | <u>67,809</u> |



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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 | Capital 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 |
|---|--------------------------|----------------------------|-----------------------------|------------------------------|--|-------------------------------------|-------------------------|
| (Restated) | | | | | | | |
| Balance as at 1 Jan 2014 | 68,137 | (22,654) | (2,965) | 13,668 | 56,186 | 1,304 | 57,490 |
| Loss for the financial period, representing total comprehensive income for the period | - | - | - | (8,521) | (8,521) | 109 | (8,412) |
| Balance as at 30 Sept 2014 | 68,137 | (22,654) | (2,965) | 5,147 | 47,665 | 1,413 | 49,078 |

| <u>COMPANY</u> | Share Capital USD'000 | Retained Earnings USD'000 | Capital Reserve USD'000 | Total USD'000 |
|---|--------------------------|------------------------------|----------------------------|------------------|
| Balance as at 1 Jan 2015 | 90,631 | 2,105 | (8,458) | 84,278 |
| Loss for the period, representing total comprehensive income for the period | - | (1,729) | - | (1,729) |
| <u>Contribution by owners of the parent:</u> | | | | |
| Issue of shares (net) | 9,010 | - | - | 9,010 |
| Balance as at 30 Sept 2015 | 99,641 | 376 | (8,458) | 91,559 |

| <u>COMPANY</u> | Share Capital USD'000 | Retained Earnings USD'000 | Capital Reserve USD'000 | Total USD'000 |
|---|--------------------------|------------------------------|----------------------------|------------------|
| (Restated) | | | | |
| Balance as at 1 Jan 2014 | 68,137 | 1,652 | (8,458) | 61,331 |
| Loss for the period, representing total comprehensive income for the period | - | (402) | - | (402) |
| Balance as at 30 Sept 2014 | 68,137 | 1,250 | (8,458) | 60,929 |



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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.

| Company | No. of Shares | Share Capital | Share Capital |
|-----------------------------------|---------------|---------------|---------------|
| | ('000) | (S\$'000) | USD'000 |
| As at 1 Jan 2015 | 720,000 | 115,232 | 90,631 |
| Issue of shares | 38,000 | 12,597 | 9,010 |
| As at 26 Aug 2015 | 758,000 | 127,829 | 99,641 |
| Share consolidation | (530,600) | - | - |
| As at 30 Sept 2015 | 227,400 | 127,829 | 99,641 |
| As at 1 Jan 2014 and 30 Sept 2014 | 480,000 | 87,629 | 68,137 |

On 26 August 2015, the Company has completed the shares consolidation of every ten (10) existing issued ordinary shares in the capital of the Company held by shareholders of the Company into three (3) ordinary shares. As a result of the completion of the share consolidation exercise, the number of ordinary shares of the Company is now 227,399,975.

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 | |
|--------------------------------------|------------|-----------|
| | 30-Sept-15 | 31-Dec-14 |
| Total number of issued shares ('000) | 227,400 | 720,000 |

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.



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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 2014 except the effect of the acquisition of a subsidiary under common control as described in Note 1.

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.

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 3Q ended 30 Sept | | GROUP 9 months ended 30 Sept | |
|---|---------------------------|---------|------------------------------------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| Profit/(Loss) attributable to owners of the parent (USD'000) | 695 | (3,257) | (309) | (8,521) |
| Aggregated weighted average number of ordinary shares ('000) ⁽¹⁾ | 227,400 | 480,000 | 223,723 | 480,000 |
| Basic and diluted EPS based on aggregated weighted average number of ordinary shares (USD cents) ^{(2) (3)} | 0.003 | (0.007) | (0.001) | (0.018) |

Notes:

- (1) The aggregated weighted average number of ordinary shares have been calculated assuming that the share consolidation has been occurred on 1 January 2015.
 (2) 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.
 (3) 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 | |
|--|------------|-----------|------------|-----------|
| | 30-Sept-15 | 31-Dec-14 | 30-Sept-15 | 31-Dec-14 |
| Net asset value per ordinary share based on issued share capital - (USD cents) | 29.82 | 9.30 | 40.26 | 11.70 |

The net asset per share for the Group as at 30 September 2015 and 31 December 2014 have been calculated based on the issued share capital of 227,399,975 shares and 720,000,000 shares respectively.



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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

9M2015 vs 9M2014

The Group's revenue decreased by USD17.9million or 10.9% from USD164.5million for the nine months period ended 30 September 2014 ("9M2014") to USD146.6million for the nine months period ended 30 September 2015 ("9M2015"), mainly due to lower product shipment volume and lower average selling prices. However, on the back of improved processing margin, resulting from lower carrying costs of our inventory versus our selling prices and the absence of inventory written-down in the 9M2015, the Group registered a gross profit of USD7.1million in 9M2015(9M2014: Gross loss of USD3.1million).

The Group registered other gains (net) of USD0.3million in 9M2015 (9M2014: Other gains of USD1.8million) were mainly due to lower net foreign exchange gain and net fair value gain on derivative foreign exchange contracts compared to previous reporting period.

Selling and distribution expenses in 9M2015 were higher by USD145K or 5.5% from USD2.6million in 9M2014 to USD2.8million in 9M2015, mainly due to higher warehousing costs incurred for the inventories held at third party premises.

Administrative expenses in 9M2015 were higher by USD289K or 9.6% from USD3.0million in 9M2014 to USD3.3million in 9M2015, mainly due to additional administrative expenses incurred for the newly incorporated subsidiaries operations in the United States of America ("USA") and Indonesia in 9M2015.

Finance costs in 9M2015 were lower by USD0.1million or 8.6% from USD1.5million in 9M2014 to USD1.4million in 9M2015, mainly due lower borrowings costs incurred on bank borrowings.

The Group registered a profit before tax of USD7K in 9M2015 compared to a loss before tax of USD8.4million in 9M2014.



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- (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

3Q2015 vs 3Q2014

The Group's revenue increased by USD6.3million or 11.3% from USD56.0million in the third quarter period ended 30 September 2014 ("3Q2014") to USD62.3million in the third quarter period ended 30 September 2015 ("3Q2015"), mainly due to higher product shipment volume. On the back of improved processing margin, resulting from lower carrying costs of our inventory versus our selling prices, the Group registered a gross profit of USD4.0million in 3Q2015 (3Q2014: Gross loss of USD2.0million).

The Group registered other losses (net) of USD0.5million in 3Q2015 (3Q2014: Other gains of USD1.2million) were mainly due to lower net foreign exchange gain and net fair value gain on derivative foreign exchange contracts compared to previous reporting period.

Selling and distribution expenses in 3Q2015 were higher by USD286K or 34.1% from USD838K in 3Q2014 to USD1,124K in 3Q2015, mainly due to higher warehousing costs incurred for the inventories held at third-party premises.

Finance costs in 3Q2015 were lower by USD99K or 18.2% from USD545K in 3Q2014 to USD446K in 3Q2015, mainly due to lower bank borrowings.

The Group registered a profit before tax of USD861K in 3Q2015 compared to loss before tax of USD3.2million in 3Q2014.



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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 Financial Position

The Group's non-current assets decreased by net amount of USD1.5million or 2.4% from USD62.5million as at 31 December 2014 to USD61.0million as at 30 September 2015, mainly due to the depreciation charge of USD3.3million on the property, plant and equipment in 9M2015, with partial offset from the acquisition of plant and equipment of USD1.5million.

The Group's current assets decreased by USD23.9million or 16.4% from USD145.3million as at 31 December 2014 to USD121.4million as at 30 September 2015, mainly due to the decrease in inventories and cash and cash equivalents of USD10.3million and USD18.5million respectively, with partial offset from the increase in trade and other receivables of USD4.8million.

The Group's current liabilities decreased by USD24.6million or 18.1% from USD136.2million as at 31 December 2014 to USD111.6million as at 30 September 2015, mainly due to the decrease in the trade and other payables and short-term bank borrowings of USD1.6million and USD23.7million respectively.

The Group's non-current liabilities decreased by USD1.6million or 34.8% from USD4.5million as at 31 December 2014 to USD2.9million as at 30 September 2015, mainly due to the decrease in the long-term bank borrowings of USD1.6million.

The Group's equity attributable to owners of the parent increased by USD2.2million or 3.4% from USD65.6million as at 31 December 2014 to USD67.8million as at 30 September 2015, mainly due to issuance of 38million new ordinary shares at USD9.0 million to the ultimate holding company (JB Cocoa Group Sdn Bhd) as part of the consideration to acquire PT Jebe Koko in April 2015, the share issuance was partially offset by merger reserve of USD2.8million arising from this acquisition.

Review of Statement of Cash Flows

The Group's cash and cash equivalent decreased by USD18.5million in 9M2015 resulting from investing and financing cash outflows of USD20.3million and USD19.1million respectively, which was offset by net operating cash inflows of USD20.9mil.

The net cash used in investing activities of USD20.3million was mainly due to payments of USD18.7million for the acquisition of a subsidiary and cash payments of USD1.5million was made to capital expenditure incurred in Group's plant and equipment.

The net cash used in financing activities of USD19.1million was mainly due to net repayment of bank borrowings of USD25.4million and payment of finance costs of USD1.4million, which was partially offset by the proceeds of USD9.0million from the issuance of 38million new ordinary shares to the ultimate holding company in April 2015. In addition, there was a cash payment of USD1.3million for the acquisition of non-controlling interest.

The net cash generated from operating activities of USD20.9million in 9M2015 was mainly attributable to:

- a) the positive operating cash flows of USD4.9million;
- b) net cash inflows from inventories of USD10.3million, trade and other payables of USD10.3million, and tax refund (net) of USD0.3million respectively; and
- c) net cash outflows in trade and other receivables of USD4.8million



JB FOODS LIMITED

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

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.**

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.

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 30 September 2015.

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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) |
|---|--|---|
| | 9 months 2015 | 9 months 2015 |
| | USD’000 | USD’000 |
| PT Jebe Koko - Purchase of cocoa ingredients | - | 22,533 (Note 1) |
| Guan Chong Cocoa Manufacturer Sdn Bhd - Purchase of cocoa ingredients - Sales of cocoa ingredients | 242 (Note 2) 345 (Note 2) | 144 - |

Note 1 : USD22,533,000 related to the transactions with PT Jebe Koko prior to 1 April 2015.

Note 2 : The Company did not seek for renewal of the IPT mandate during the last AGM on 30 April 2015.

CONFIRMATION BY THE BOARD

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 nine months financial results for the period ended 30 September 2015 to be false or misleading.

By Order of the Board

Tey How Keong
Chief Executive Officer and Executive Director
12 November 2015

Goh Lee Beng
Executive Director