

FOR IMMEDIATE RELEASE**JB Foods' revenue growth of 31% to US\$208.8 million for 1H2020
year-on-year**

- Revenue rose 31% to US\$208.8 million due to higher shipment
- Healthy operating cash inflows of US\$42.9 million

Financial Highlights

USD'000	1H2020	1H2019	+ /(-) %
Revenue	208,826	159,353	31.0

USD'000	June 2020	June 2019	+ /(-) %
Inventory	152,660	115,879	31.7
Total Borrowings	145,533	111,804	30.2

Singapore, 13 August 2020 - JB Foods Limited. ("JB Foods" or the "Company", and together with its subsidiaries, the "Group"), a major cocoa ingredients producer, is pleased to announce that the Group has registered a revenue of US\$208.8 million, earnings before interest, tax, depreciation and amortisation of US\$18.8 million, and profit after tax of US\$10.4 million for the first half ended 30 June 2020 ("1H2020"), mainly driven by higher shipment volume.

Revenue for 1H2020 was US\$208.8 million, an increase of 31% compared with the US\$159.4 million revenue recorded for 1H2019 supported by higher shipment volume for cocoa ingredients, and the increased in the average selling prices of the cocoa ingredients due to the increase in the cocoa bean price.

In line with the increase in the shipment volume and the Group annual processing capacity from 145,000MT to 180,000MT bean equivalent since second half of 2019, the associated expenses have also increased accordingly in 1H2020.

The selling and distribution expenses increased by USD1.5million or 57.2% from USD2.6million in 1H2019 to USD4.1million in 1H2020, mainly due to increase warehouse storage costs for the higher volume of finished goods, increase in the export freight and handling cost incurred as a result of higher product shipment volume.

The administrative expenses increased by USD0.9million or 20.1% from USD4.5million in 1H2019 to USD5.4million 1H2020, mainly due to an increase in the Group's middle management headcount, higher payroll cost and increase in the Group's depreciation in 1H2020.

The finance cost increased by USD0.7million or 33.4% from USD2.1million in 1H2019 to USD2.8million in 1H2020, mainly due to higher drawdown of trade bills facilities arising from the higher inventories maintained in 1H2020 as compared to 1H2019.

Mr. Tey How Keong, Chief Executive Officer of JB Foods, commented, **“I am glad to see that the Group registered a growth of 31% year-on-year in our Group's revenue in 1H2020 leveraging from the customer's orders secured in year 2019 from the increased in our Group's enlarged processing capacity.**

However, the Group does not operate as per intended capacity in view of the slowdown in the global demand amid COVID-19 pandemic and having to observe the health and safety standard operating procedures imposed by the authorities, in particular for the second quarter of 2020 due to lockdowns and reduced manpower supporting the daily supply chain activities. I am mindful on the impact of the outbreak of COVID-19 pandemic and will adopt prudent measures in executing our strategy.

I am pleased to inform that the Group proposed an interim dividend of 0.50 Singapore cent per share for the 1H2020.”

Outlook

In addition to the global economic uncertainties from trade tensions, the Group notes that the outbreak of COVID-19 and lockdown control measures in many countries has led to a slowdown in global consumption and demand for cocoa ingredients. Customer sentiments remain cautious.

The recent imposition of the USD 400 Living Income Differential in Ivory Coast and Ghana has dampened market sentiments further and resulted in higher cocoa bean costs. This will affect the processing margin of the Group if we are unable to pass on this additional cost to the customers.

The Group will closely monitor the developments in the industry, including the potential effects of the outbreak of COVID-19 and takes prudent measures in executing our strategy. However, the Group believes the cocoa consumption environment will continue to be supported by robust economies and the growing middle-income classes over the long term.

About JB Foods Limited

Established since the 2000s, JB Foods is a major cocoa ingredients producer with operations in Malaysia and Indonesia with a cocoa bean processing capacity of 180,000 tonnes 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.

For more information, kindly refer to www.jbcocoa.com
