

FOR IMMEDIATE RELEASE**JB Foods achieves half year profit after tax of US\$4.2million on the back of USD210.2million in revenue**

- Profitable despite the pandemic due to resilience of cocoa products.
- Global supply chain disruption and shortage of shipping vessels, caused a surge in the ocean freight rates and rise in our costs.
- Interim dividend of 0.20 Singapore cents

Financial Highlights

	1H2021 (USD'000)	1H2020 (USD'000)	+ / (-) %
Revenue	210,164	208,826	0.6
Profit after tax	4,192	10,419	(59.8)

Singapore, 11 August 2021 - 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\$210.2million, and profit after tax of US\$4.2 million for the first half financial period ended 30 June 2021 (“1H2021”), mainly driven by higher shipment volume for the cocoa ingredients, and partially offset with the decrease in the average selling price of the cocoa ingredients due to lower cocoa bean price.

The selling and distribution expenses increased by USD5.9 million or 142.9% from USD4.1million in 1H2020 to USD10.0million in 1H2021, mainly due to significant surge in the ocean freight rates caused by disruption in global supply chain and shortage of shipping vessels since last quarter of year 2020, and higher trucking costs arising from higher local delivery sales in North America and Russia market.

The administrative expenses increased by USD0.8million or 14.7% from USD5.5million in FY2019 to USD6.3million FY2020, mainly due to an increase in the Group’s staff costs and professional fee incurred in certain country of origin for the sustainability and feasibility study in those region, and additional staff health screening costs in compliance to Covid-19 safety measurement at our Group’s manufacturing plants.

The finance cost decreased by USD1.2million or 42.3% from USD2.8million in 1H2020 to USD1.6million in 1H2021, mainly due to lower financing interest rates.

As a result of the above impact, the Group profit after tax lower by USD6.2 million or 59.8% from USD10.4 million in 1H2020 to USD4.2million in 1H2021.

Mr. Tey How Keong, Chief Executive Officer of JB Foods, commented, **“We are pleased to report healthy results for the first half year despite the pandemic which continues to impact the world, our businesses and operations. I would like to thank our team for their resilience and continued focus on safe management measures and yet remained agile where restrictions were reintroduced in some of the countries where we are operating.**

The lower profitability for the first half year financial results is mainly due to a significant surge in ocean freight rates caused by the global supply chain disruptions. We are constantly reviewing our strategy to overcome this challenge in those impacted markets.

I am pleased to inform that the Group proposed an interim dividend of 0.20 Singapore cent per share for the 1H2021.”

Outlook

The COVID-19 pandemic continues to pose challenges and disruptions for the Group’s businesses and operations. The Group expects the rest of the year will continue to be volatile.

The uncertainty in the ocean freight rates will continue to pose as a headwind to the Group as more than 90% of revenue are export oriented. The Group will closely monitor the development in the industry and will be assertive on our pricing strategy. However, the Group believes the cocoa consumption environment will continue to be supported by the recovery of the economy after the COVID-19 Pandemic 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 “JBCOCA” 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
