



**JB Foods Limited**

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## **PRESS RELEASE**

# **JB Foods Limited, one of the major cocoa ingredient producers in Malaysia, garners strong response for its IPO**

- *IPO is approximately 5.1 times subscribed*
- *Shares expected to commence trading on the Mainboard of SGX-ST at 9.00 a.m. on 23 July 2012*

**SINGAPORE, 20 July 2012** – One of the major cocoa ingredient producers in Malaysia, **JB Foods Limited** (“**JB Foods**” together with its subsidiary, JB Cocoa Sdn Bhd (“**JB Cocoa**”), the “**Group**”), today announced that its initial public offering (“**IPO**” or “**Invitation**”) of 100,000,000 shares comprising 84,000,000 New Shares and 16,000,000 Vendor Shares at S\$0.30 each (“**Invitation Shares**”) has been oversubscribed.

The Invitation comprised 3,000,000 Offer Shares to the public for subscription and 97,000,000 Placement Shares. As at the close of the Invitation at 12.00 noon on 19 July 2012, there were 5,136 valid applications received for the 3,000,000 Offer Shares available to the public for subscription and/or purchase. In total, these applicants applied for an aggregate of 408,912,000 Offer Shares, with application monies received amounting to approximately S\$122.7 million. In addition, the Group received valid applications for 96,967,000 Placement Shares.

Based on the total Invitation size of 100,000,000 Invitation Shares and total valid applications received for 505,879,000 Invitation Shares (comprising 408,912,000 Offer Shares and 96,967,000 Placement Shares), the Invitation was approximately 5.1 times subscribed.

Trading of JB Foods’ shares is expected to commence on a “ready” basis on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) 9.00 a.m. on 23 July 2012.

**AmFraser Securities Pte. Ltd.** (a member of AmInvestment Bank Group) and **Canaccord Genuity Singapore Pte. Ltd.** (formerly known as Collins Stewart Pte. Limited) are the **Joint Issue Managers, Underwriters and Placement Agents** for the IPO.

Mr Tey How Keong (郑好强), Chief Executive Officer of JB Foods commented: “We are delighted to have garnered a strong response for our Invitation, despite the uncertain market conditions and concurrent IPOs by other companies in recent weeks. Having established a firm footing in Malaysia’s cocoa processing industry, we will now make good use of the funds raised to roll out our growth plans, including expanding our production capacity and facilities to capitalise on the increase in demand for our cocoa ingredient products from Asia and Eastern Europe. We also intend to further enhance our product development capability to better serve our customers.”

Besides growing organically, the Group has been granted call options to acquire equity interests in PT Jebe Koko, a cocoa liquor processing facility in Maspion Industrial Estate in Gresik, Indonesia, as well as JB Kakao GmbH, a cocoa butter melting, deodorising and warehouse facility in Valluhn-Gallin, Germany. The construction of both facilities is expected to be completed by the second half of 2013. The Audit Committee will evaluate the feasibility and benefit of exercising the call options at the appropriate time.

#### **Use of Proceeds**

We intend to use the net proceeds of S\$23.0 million from the Issue of the New Shares for the following purposes:

- Approximately S\$8.3 million for repayment of bank borrowings, which relates to two short term bridging loans of RM9.1 million and RM11.5 million respectively (equivalent to approximately S\$8.3 million in aggregate), for the purposes of financing the construction of a factory and warehouse to be erected on Lot CP3B, Distripark A, Jalan Tanjung A/5, Pelabuhan Tanjung Pelepas, 81560 Gelang Patah, Johor, Malaysia as well as the acquisition of production equipment and machinery; and
- Approximately S\$14.7 million for general working capital and to fund acquisitions, joint ventures and/or strategic alliances when opportunities arise.

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#### **About JB Foods Limited**

Established since the 1980s, JB Foods is one of the major cocoa ingredient producers in Malaysia with a production capacity of 60,000 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 cocoa processing plant – which is ISO 9001:2008, HACCP, Kosher and Pareve, and Halal-certified – is located at the Port of Tanjung Pelepas, a free trade zone in Johor, Malaysia where all our products are manufactured under stringent food safety standards. 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.

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#### **Issued by and on behalf of JB Foods Limited**

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