

JB FOODS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201200268D)

AUDIT COMMITTEE REVIEW OF TRANSACTIONS WITH ECOM GROUP

The Board of Directors (the “**Board**”) of the Company (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to inform the Shareholders on a change in internal review procedure in relation to transactions between the Group and Ecom Agroindustrial Corp Limited (“**ECOM**”) and its subsidiaries and associated companies (the “**ECOM Group**”).

Background

As at the Company's initial public offering (“**IPO**”), the Company had established an internal review procedure in which the Company's Audit Committee would review all transactions between the Company and ECOM Group on a half-yearly basis (“**ECOM Transactions Review**”).

The Company had established the ECOM Transactions Review due to the following:

- (a) prior to the Company's IPO, ECOM held a 20% shareholding interest in the Company and was therefore deemed a controlling shareholder of the Company. As at the Company's IPO, ECOM's shareholding interest in the Company was reduced to 13.8% and was no longer deemed a controlling shareholder of the Company. Notwithstanding this, the ECOM Transactions Review was established to ensure that transactions between the Company and ECOM Group are comparable to that of transactions with third parties; and
- (b) notwithstanding that ECOM had ceased to be a controlling shareholder of the Company as at the Company's IPO, as ECOM still held a substantial shareholding in the Company, Mr Yessa Matindas Tuegeh had been appointed to the Company's Board of Directors as a representative Director of ECOM.

Current Position

Following the Company's IPO, ECOM's shareholding interest in the Company was further reduced and ECOM currently holds an 11.5% shareholding interest in the Company.

In addition, at the last annual general meeting of the Company held on 30 April 2014 (“**AGM**”), Mr Yessa Matindas Tuegeh retired as a Director of the Company under Article 98 of the Company's Articles of Association and did not seek re-election. As such, Mr Yessa Matindas Tuegeh ceased being a Director of the Company after the AGM. It is further noted that no replacement Director was elected by ECOM following Mr Yessa Matindas Tuegeh's cessation and ECOM no longer has Board representation on the Company's Board of Directors.

Further, the Company wishes to inform Shareholders that:

- (a) ECOM does not have a right to board representation in the Company as there is no agreement (written, oral or otherwise) which confers such right on ECOM. In addition, the Articles of Association of the Company also does not grant ECOM a right to appoint any director to the Company;
- (b) none of the Company's directors or controlling shareholders or their associates have an interest, direct or indirect, in the ECOM Group; and
- (c) none of the directors and controlling shareholders of ECOM Group has any connection (including business relationship) with the Company, apart from ongoing transactions between the Group and ECOM Group which have been previously disclosed.

Based on the foregoing, the Company takes the view that ECOM Group should now be deemed as a third party which is separate from the Group and is not an interested person as defined in Chapter 9 of the SGX-ST Listing Manual. The Company wishes to additionally inform Shareholders that all transactions between the Company and ECOM Group had been and will continue to be conducted on an arms' length basis, in a manner comparable to that of transactions with other third parties.

As such, the Company wishes to inform Shareholders that, going forward, the Company shall not conduct the ECOM Transactions Review.

BY ORDER OF THE BOARD

ONG BENG HONG

Joint Company Secretary

1 July 2014

The initial public offering of JB Foods Limited was sponsored by AmFraser Securities Pte. Ltd. (a member of AmInvestment Bank Group) and Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Stewart Pte. Limited) (the "**Joint Issue Managers**"). The Joint Issue Managers assume no responsibility for the contents of this announcement.