



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 4th Quarter and 12 months Ended 31 December 2013

PART 1 ó INFORMATION REQUIRED FOR ANNOUCEMENT 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 4Q ended 31 December			Group 12months ended 31 December		
	2013	2012	%	2013	2012	%
	<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	<u>RM'000</u>	
Revenue	159,694	194,805	(18.0)	611,208	583,100	4.8
Cost of sales	(182,550)	(184,345)	(1.0)	(649,921)	(520,600)	24.8
Gross profit	(22,856)	10,460	n.m.	(38,713)	62,500	n.m.
Interest Income	29	9	n.m.	127	95	33.7
Other Income	-	869	n.m.	-	2,910	n.m.
Selling and distribution expenses	(2,048)	(1,949)	5.1	(8,697)	(6,757)	28.7
Administrative expenses	(2,477)	(3,907)	(36.6)	(8,386)	(9,713)	(13.7)
Other expenses	(7,148)	(40)	n.m.	(8,747)	(2,130)	n.m.
Finance costs	(888)	(726)	22.3	(3,501)	(3,315)	5.6
(Loss)/Profit before income tax	(35,388)	4,716	n.m.	(67,917)	43,590	n.m.
Income tax credit/ (expenses)	12,293	2,470	n.m.	14,697	(4,429)	n.m.
(Loss)/Profit for the financial period/year	(23,095)	7,186	n.m.	(53,220)	39,161	n.m.
Other comprehensive income:						
Foreign currency translation differences	91	436	(79.1)	187	(3)	n.m.
Total comprehensive income for the financial period/year	(23,004)	7,622	n.m.	(53,033)	39,158	n.m.
(Loss)/profit attributable to owners of the parent	(23,095)	7,186	n.m.	(53,220)	39,161	n.m.
Total comprehensive income attributable to owners of the parent	(23,004)	7,622	n.m.	(53,033)	39,158	n.m.

n.m. ó Not Meaningful



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(Loss)/Profit before income tax is arrived after deducting/(crediting) the following:

	Group			Group		
	4Q ended		Change	12 months ended		Change
	31 December			31 December		
	2013	2012		2013	2012	
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Depreciation of property, plant and equipment	1,934	1,833	5.5	7,747	5,983	29.5
Amortisation of intangible assets	42	-	n.m.	42	1	n.m.
Amortisation of prepaid lease payments	148	142	4.2	589	511	15.3
Fair value loss/(gain) on derivative financial instruments	2,796	200	n.m.	2,289	(366)	n.m.
Write down of inventories	3,673	-	n.m.	23,188	-	n.m.
Allowance for doubtful third parties trade receivables	-	-	n.m.	-	19	n.m.
Write back of allowance for doubtful third party trade receivable no longer required	-	-	n.m.	-	(62)	n.m.
Loss/(Gain) on disposal of property, plant & equipment	-	(1)	n.m.	6	(1)	n.m.
Foreign exchange loss/(gain), net	4,080	(868)	n.m.	5,641	(2,481)	n.m.

n.m. ó Not Meaningful



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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	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Non-current assets				
Investments in subsidiaries	-	-	173,792	101,292
Intangible asset	425	5	-	-
Property, plant and equipment	108,802	106,702	-	-
Prepaid lease payments	6,268	5,852	-	-
	<u>115,495</u>	<u>112,559</u>	<u>173,792</u>	<u>101,292</u>
Current assets				
Inventories	202,438	169,733	-	-
Trade and other receivables	97,205	93,149	45,879	72,144
Prepayments	159	101	-	-
Derivative financial instruments	75	-	-	-
Income tax recoverable	6,286	4,295	-	-
Cash and cash equivalents	65,451	51,062	129	495
	<u>371,614</u>	<u>318,340</u>	<u>46,008</u>	<u>72,639</u>
Less:				
Current liabilities				
Trade and other payables	25,759	54,519	220	806
Derivative financial instruments	2,362	2	-	-
Bank borrowings	279,835	171,804	-	-
Current tax liabilities	30	17	-	-
	<u>307,986</u>	<u>226,342</u>	<u>220</u>	<u>806</u>
Net current assets	<u>63,628</u>	<u>91,998</u>	<u>45,788</u>	<u>71,833</u>
Less:				
Non-current liability				
Deferred tax liabilities	75	14,692	-	-
	<u>75</u>	<u>14,692</u>	<u>-</u>	<u>-</u>
Net assets	<u>179,048</u>	<u>189,865</u>	<u>219,580</u>	<u>173,125</u>
EQUITY				
Share capital	214,743	160,717	214,743	160,717
Retained earnings	36,383	101,413	4,837	12,408
Other reserves	(72,078)	(72,265)	-	-
Total equity attributable to owners of the parent	<u>179,048</u>	<u>189,865</u>	<u>219,580</u>	<u>173,125</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	
31-Dec-13	31-Dec-12
<u>RM'000</u>	<u>RM'000</u>
-	76,887
279,835	94,917
279,835	171,804

Amount repayable in one year or less, or on demand

- Secured
- Unsecured

As at 31 December 2013, the Group had no secured borrowings. Its borrowings were secured by corporate guarantee issued by the Company. One of the bank borrowings amounting RM36.5 million was secured by a corporate guarantee issued by a related party which is in the process of being replaced by a corporate guarantee from the Company.

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.

	Quarter ended		Period ended	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
	RM'000	RM'000	RM'000	RM'000
Operating Activities				
(Loss)/profit before income tax	(35,388)	4,716	(67,917)	43,590
Adjustments for:-				
Amortisation of prepaid lease payment	148	142	589	511
Amortisation of intangible assets	42	-	42	1
Depreciation of property, plant & equipment	1,934	1,833	7,747	5,983
Loss/(Gain) on disposal of property, plant and equipment	-	(1)	6	(1)
Fair value loss/(gain) on derivative financial instruments	2,796	200	2,289	(366)
Write-down on inventories	3,673	-	23,188	-
Allowance for doubtful third party trade receivables no longer required	-	-	-	19
Write back of allowances for doubtful third party trade receivables no longer required	-	-	-	(62)
Unrealised loss/(gain) on foreign exchange	1,489	(1,393)	2,837	(707)
Interest expense	888	726	3,501	3,315
Interest income	(29)	(8)	(127)	(95)
Operating cash (out)/in flow before working capital changes	(24,447)	6,215	(27,845)	52,188
Changes in working capital:				
Inventories	(35,049)	(21,319)	(55,893)	(31,264)
Trade and other receivables	(9,992)	(39,341)	(1,453)	(42,203)
Prepayment	154	69	(58)	(35)
Trade and other payables	6,401	31,869	(32,816)	14,045
Net cash used in working capital	(38,486)	(28,722)	(90,220)	(59,457)
Cash used in operations	(62,933)	(22,507)	(118,065)	(7,269)
Income tax credit/(paid)	6	(2,250)	(1,897)	(15,434)
Net cash used in operating activities	(62,927)	(24,757)	(119,962)	(22,703)



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Investing activities

Proceeds from disposal of property, plant & equipment	1	1	9	1
Purchase of property, plant & equipment	(116)	(5,546)	(7,899)	(32,536)
Purchase of intangible assets	-	(6)	(462)	(6)
Payment of prepaid lease payment	(1,004)	(112)	(1,004)	(112)
Interest received	29	8	127	95
Net cash used in investment activities	(1,090)	(5,655)	(9,229)	(32,558)

Financing activities

Drawdown of trade bills	272,281	148,942	670,437	363,508
Repayment of trade bills	(170,999)	(85,274)	(566,585)	(326,319)
Drawdown of term loan	-	-	-	11,207
Repayment of term loan	-	(765)	-	(19,062)
Repayment of finance lease payable	-	-	-	(31)
Dividend paid	-	(10,010)	(11,810)	(30,010)
Interest paid	(888)	(726)	(3,501)	(3,315)
Proceeds from issue of placement shares	-	413	54,051	63,476
Shares issue expenses paid	-	1,338	(25)	(2,521)
Net cash from financing activities	100,394	53,918	142,567	56,933
Net change in cash and cash equivalents	36,377	23,506	13,376	1,672
Cash and cash equivalent at the beginning of the financial period/year	28,019	27,274	50,772	48,630
Effect of exchange rate changes	1,055	(8)	1,303	470
Cash and cash equivalents at end of financial period/year	65,451	50,772	65,451	50,772

For the purpose of presenting the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	Quarter ended		Period ended	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents on statement of financial position	65,451	51,062	65,451	51,062
Less: Bank overdraft	-	(290)	-	(290)
Cash and cash equivalents on statement of cashflow	65,451	50,772	65,451	50,772



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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>The Group</u>	<u>Share Capital RM'000</u>	<u>Other Reserve Merger Reserves RM'000</u>	<u>Translation Reserves RM'000</u>	<u>Retained Earnings RM'000</u>	<u>Total equity attributable to owners of the parent RM'000</u>
Balance as at 1 January 2013	160,717	(72,262)	(3)	101,413	189,865
Loss for the financial period	-	-	-	(53,220)	(53,220)
Other comprehensive income for the financial period:					
Foreign currency differences , net of tax	-	-	187	-	187
Total comprehensive income for the financial period	-	-	187	(53,220)	(53,033)
<u>Distribution to and contribution by owners of the parent:</u>					
Issue of Shares	54,051	-	-	-	54,051
Share issue expense	(25)	-	-	-	(25)
Dividends	-	-	-	(11,810)	(11,810)
Total transactions with the owners of the parent	54,026	-	-	(11,810)	42,216
Balance as at 31 December 2013	214,743	(72,262)	184	36,383	179,048



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<u>The Group</u>	Share Capital RM'000	Other Reserve Merger Reserves RM'000	Translation Reserves RM'000	Retained Earnings RM'000	Total equity attributable to owners of the parent RM'000
Balance as at 1 January 2012	27,500	-	-	72,262	99,762
Profit for the financial year	-	-	-	39,161	39,161
Other comprehensive income for the financial year					
Foreign currency differences, net of tax	-	-	(3)	-	(3)
Total comprehensive income for the financial year	-	-	(3)	39,161	39,158
<u>Distribution to and contribution by owners of the parent:</u>					
Adjustment upon Restructuring Exercise ¹	(27,500)	(72,262)	-	-	(99,762)
Issuance of ordinary shares pursuant to the restructuring exercise	99,762	-	-	-	99,762
Issuance of ordinary shares pursuant to the initial public offering exercise	63,476	-	-	-	63,476
Share issue expenses	(2,521)	-	-	-	(2,521)
Dividend	-	-	-	(10,010)	(10,010)
Total transactions with the owners of the parent	133,217	(72,262)	-	(10,010)	50,945
Balance as at 31 December 2012	160,717	(72,262)	(3)	101,413	189,865

Notes:

(1) The Restructuring Exercise was completed on 29 May 2012.

<u>The Company</u>	Share Capital RM'000	Retained Earnings RM'000	Total RM'000
Balance as at 1 January 2013	160,717	12,408	173,125
Profit for the financial year	-	4,239	4,239
Total comprehensive income for the financial Year	-	4,239	4,239
<u>Distribution to and contribution by owners of the parent:</u>			
Issue of Shares	54,051	-	54,051
Share issue expense	(25)	-	(25)
Dividends	-	(11,810)	(11,810)
Total transactions with the owners of the parent	54,026	(11,810)	42,216
Balance as at 31 December 2013	214,743	4,837	219,580



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	Share Capital RM'000	Retained Earnings RM'000	Total RM'000
<u>The Company</u>			
Balance as at 1 January 2012	-	-	-
Issuance of ordinary shares on date of incorporation ⁽¹⁾	-	-	-
Profit for the financial period	-	22,418	22,418
Other comprehensive income for the financial year	-	-	-
Foreign currency difference, net of tax	-	-	-
Total comprehensive income or the financial year	-	22,418	22,418
<u>Distribution to and contribution by owners of the parent:</u>			
Issuance of ordinary shares pursuant to the restructuring exercise and share swap ⁽²⁾	99,762	-	99,762
Issuance of ordinary shares pursuant to the initial public offering exercise	63,476	-	63,476
Share issue expenses	(2,521)	-	(2,521)
Dividend	-	(10,010)	(10,010)
Total transaction with owners of the parent	160,717	(10,010)	150,707
Balance as at 31 December 2012	160,717	12,408	173,125

Notes:

- (1) The Company was incorporated on 3 January 2012 with an issue and paid-up capital of S\$10.00. (equivalent to RM24.43 determined based on the closing exchange rate of S\$1:RM2.4434 as at 31 December 2011)
- (2) The Restructuring Exercise was completed on 29 May 2012.

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 (S\$)	Share Capital RM
As at 1 January 2012	10	10	24
Issue of Shares pursuant to the Restructuring Exercise	126,399,933	32,663,485	79,809,935
Issue of Shares pursuant to the Share Swap	31,600,057	40,829,354	19,952,484
	158,000,000	73,492,849	99,762,443
Sub-division of shares	158,000,000	-	-
As at 30 June 2012	316,000,000	73,492,849	99,762,443
New shares issues for IPO, net	84,000,000	24,198,869	60,954,531
As at 31 December 2012	400,000,000	97,691,718	160,716,974
Issue of Shares	80,000,000	21,584,650	54,026,359
As at 31 March 2013	480,000,000	119,276,368	214,743,333
As at 30 June 2013	480,000,000	119,276,368	214,743,333
As at 30 September 2013	480,000,000	119,276,368	214,743,333
As at 31 December 2013	480,000,000	119,276,368	214,743,333



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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	
	31-Dec-13	31-Dec-12
	No of shares	No of shares
Total number of issued shares	480,000,000	400,000,000

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 year 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.

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 Company and the Group have applied the same accounting policies and methods of accounting in the preparation of the financial statements for the current reporting period compared with those for the audited financial statements for the year ended 31 December 2012.

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.



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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		Group	
	4Q ended 31 December		12 months ended 31 December	
	2013	2012	2013	2012
(Loss)/profit attributable to owners of the parent (RM'000)	(23,095)	7,186	(53,220)	39,161
Aggregated weighted average number of ordinary shares	479,755,352	261,431,684	479,755,352	261,431,684
Basic and diluted EPS based on aggregated weighted average number of ordinary shares (Sen) ⁽ⁱ⁾⁽ⁱⁱ⁾	(4.81)	2.75	(11.09)	14.98

- (i) The calculation for the basic and diluted EPS for the respective period is based on the aggregated weighted average number of shares in issue in the respective financial period/year.
- (ii) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial period/year.

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	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Net asset value per ordinary share based on issued share capital ó (Sen)	37.30	47.47	45.75	43.28

The net asset value per share for the Group as at 31 December 2013 and 31 December 2012 have been calculated based on the share capital of 480,000,000 and 400,000,000 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

FY2013 vs FY2012

Total revenue grew by RM28.1 million or 4.8% from RM583.1 million in FY2012 to RM611.2 million in FY2013 mainly due to higher sales volume of cocoa ingredient products in FY2013 as a result of increase in production capacity. However, the Group registered a negative gross margin of RM38.7 million and net loss after tax of RM53.2 million in FY2013 respectively. This was mainly due to the write-down on inventories amounting to RM23.2 million in FY2013 and depressed processing margins affecting the cocoa ingredients suppliers as a result of the unusual market consolidation in the cocoa ingredients industry.

Selling and distribution expenses increased by RM1.9 million or 28.7% from RM6.8 million in FY2012 to RM8.7 million in FY2013 due mainly to higher freight costs and warehouse expense in line with higher sales volume.

Administrative expenses decreased by RM1.3 million or 13.7% from RM9.7 million in FY2012 to RM8.4 million in 4Q2013. This was mainly due to decrease in indirect staff cost of RM1.2 million.

Other expenses increased by RM6.6 million due mainly to net foreign exchange losses as a result of the appreciation of the USD and GBP against the RM during the year amounting to RM5.6 million, comprising RM2.8 million realised and RM2.8 million unrealised exchange losses. Unrealised losses relating to the revaluation of USD and GBP bank borrowings, payables and receivables amounted to RM4.1 million. This was offset by the unrealised gain on revaluation of USD and GBP cash and cash equivalents amounting to RM1.3 million. In addition, there was a fair value loss on currency forwards amounting to RM2.3 million but partially offset by the non-recurring IPO expenses amounting to RM1.8 million in FY2012.

4Q2013 vs 4Q2012

The Group's total revenue decreased by RM35.1 million, or 18.0% from RM194.8 million in 4Q2012 to RM159.7 million in 4Q2013. This was mainly attributable to lower sales volume in 4Q2013 and selling price of cocoa ingredients.

Gross profit declined RM33.3 million from gross profit of RM10.4 million in 4Q2012 to a gross loss of RM22.9 million in 4Q2013. Cocoa ingredient margins continued to be negative in 4Q2013 due to continuing oversupply conditions. As a result, inventories were written down by RM3.7 million to its net realisable value in 4Q2013.



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Other expenses increased by RM7.1 million from RM40,000 in 4Q2012 to RM7.1 million in 4Q2013. Other expenses include foreign exchange losses amounting RM4.1 million, comprising realised foreign exchange losses of RM2.6 million and unrealised foreign exchange loss of RM1.5 million. In addition, there was RM2.8 million loss on foreign currency contracts when marked to market to the closing rate as at 31 December 2013. Foreign currency forwards were entered into to lock in the cost of the beans in USD. The marked to market is a non-cash item in the cash flow statement.

Administrative expenses decreased by RM1.4 million or 36.6% from RM3.9 million in 4Q2012 to RM2.5 million in 4Q2013, This was mainly due to decrease in directors remuneration by RM2.1 million but partially offset by the increase in staff cost and professional fee of RM0.4 million and RM0.3 million respectively.

Net income tax credit increased by RM9.8 million from RM2.5 million in 4Q2012 to RM12.3 million in 4Q2013 mainly due to the reversal of deferred tax liabilities in a subsidiary arising from the net losses incurred.

As a result of the above, our Group registered a net loss before tax of RM23.1 million in 4Q2013.

Review of Statement of Financial Position

Non-current assets increased by RM2.9 million or 2.6% from RM112.6 million as at 31 December 2012 to RM115.5 million as at 31 December 2013. The increase was mainly due to capital expenditure incurred for the expansion project in Tanjung Pelepas.

The Group's current assets increased by RM53.3 million or 16.7% from RM318.3 million as at 31 December 2012 to RM371.6 million as 31 December 2013. Inventories increased by RM32.7 in line with the enlarged capacity and higher bean prices. Cash and cash equivalents increased due to timing of receipts from customers. Trade and other receivables increased mainly due to an increase in advance payment to suppliers of approximately RM15.5 million as at 31 December 2013. Income tax recoverable increased RM2.0 million due to one of the subsidiaries having to pay estimated corporate taxes in advance for the period based on its FY2012 profitability.

Current liabilities increased by RM81.6 million or 36.1% from RM226.3 million as at 31 December 2012 to RM307.9 million as at 31 December 2013, mainly due to an increase in bank borrowings amounting to RM108.0 million and increase in the marked to market losses on foreign currency contracts as at 31 December 2013 by RM2.4 million but partially offset by a decrease in trade and other payables of RM28.8 million. Bank borrowings increased mainly due to the increased utilisation of trade bills for the payment of cocoa beans. Other payables and accruals decreased due to progress billing payments relating to the expansion project in Tanjung Pelepas and staff related costs.

Non-current liabilities decreased RM14.6 million or 99.5% from RM14.7 million as at 31 December 2012 to RM0.1 million as at 31 December 2013 due to the reversal of deferred tax in a subsidiary.



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Cash Flow(FY2013)

Cash and cash equivalents increased by RM14.7 million in FY2013 due to:

- net cash used in operating activities amounting RM120.0 million;
- net cash used in investing activities amounting to RM9.2 million;
- net cash from financing activities amounting to RM142.6 million; and
- unrealised exchange gain on cash and cash equivalents amounting to RM1.3 million

Net cash used in operating activities was mainly attributable to the increase in working capital amounting to RM90.2 million resulting from an overall increase in inventories and trade and other receivables, and decrease in trade and other payables of RM55.9 million, RM1.5 million and RM32.8 million, respectively.

The net cash used in investing activities of RM9.2 million was mainly due to additional capital expenditure incurred for the expansion project in Tanjung Pelepas.

Net cash from financing activities was largely due to net proceeds from a shares placement of RM54.0 million and net increase in trade finance borrowings amounting to RM103.9 million which were partially offset by dividend and interest payments of RM11.8 million and RM3.5 million, respectively.

Cash Flow(4Q2013)

Cash and cash equivalents increased by RM37.4 million in 4Q2013 due to:

- net cash used in operating activities amounting RM62.9 million;
- net cash used in investing activities amounting to RM1.1 million;
- net cash from financing activities amounting to RM100.4 million; and
- unrealised exchange gain on cash and cash equivalents amounting to RM1.0 million

Cash and cash equivalents increased by RM37.4 million during 4Q2013. Net cash used in operating activities for 4Q2013 increased to RM62.9 million mainly due to increase in inventories by RM35.0 million and increase in trade and other receivables of RM10.0 million and decrease in trade and other payables of RM6.4 million. Net cash used in investing activities was RM1.1 million was mainly additional lease land rental payment in Tanjung Pelepas. Net cash generated from financing activities was RM100.4 million which were mainly used to finance the cash flow in operating activities.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

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 the near term, we expect the unusual consolidation in the cocoa ingredients industry to continue to exert margin pressure affecting the cocoa ingredients suppliers. JB Foods may continue to incur operating losses over the next few quarters.

Nevertheless, the Board remains confident in the long term prospects of the business and will continue to pursue new business opportunities arising from market consolidation.

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11. Dividend**(a) Current Financial Period Reported On**

The Company did not recommend or declare any dividend for the financial year ended 31 December 2013.

(b) Corresponding Period of the Immediately Preceding Financial Year

The Company distributed an interim tax exempt (one-tier) dividend of S\$0.01 per share for the year ended 31 December 2012.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended.

13. If the Group has obtained a general mandate from Shareholders for interested person transactions (“IPs”), 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.

The Company had in its Extraordinary General Meeting on 8 May 2013 obtained approval from its shareholders for a general mandate for transactions with certain interested persons. Please refer to the Company’s circular dated 23 April 2013 (the “Circular”) for details. The Company’s Circular can be accessed through the website www.sgx.com.

Name of Interested Person	FY2013 RM’000
PT Jebe Koko	
- Sales of goods	15,905
- Purchase of raw materials	165,779
	181,684
Guan Chong Cocoa Manufacturer Sdn Bhd	
- Purchase of raw materials	1,214
GCB Cocoa Singapore Pte Ltd	
- Sales of goods	6,793
- Purchase of raw materials	10,621
	17,414
Total	200,312



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14. Segmental Information

Business segments

No segmental information is presented based on business segment as the Group operates in only one business segment, namely cocoa ingredients, and derives its operating revenue solely from this segment.

Geographical segments

<u>FY2013</u>	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	560,817	50,391	-	611,208
Internal segment revenue	296	312,115	(312,411)	-
Total revenue	561,113	362,506	(312,411)	611,208
Capital expenditure	8,086	462	-	8,548
Segment result	(62,306)	6,036	105	(56,165)
Interest income				127
Finance cost				(3,501)
Depreciation & amortization				(8,378)
Loss before income tax				(67,917)
Tax credit				14,697
Loss for the year				(53,220)
Segment assets	459,631	323,034	(295,556)	487,109
Segment liabilities	330,929	98,896	(121,764)	308,061
<u>FY2012</u>	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	543,359	39,741	-	583,100
Internal segment revenue	-	28,964	(28,964)	-
Total revenue	543,359	68,705	(28,964)	583,100
Capital expenditure	30,919	6	-	30,925
Segment result	55,649	22,759	(25,103)	53,305
Interest income				95
Finance cost				(3,315)
Depreciation & amortization				(6,494)
Profit before tax				43,590
Tax expenses				(4,429)
Profit for the period				39,161
Segment assets	399,036	207,633	(175,770)	430,899
Segment liabilities	282,692	32,715	(74,373)	241,034



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15. A breakdown of sales

	FY2013	FY2012	
	RM'000	RM'000	
Sales reported for first half year	306,759	271,593	12.9%
(Loss) /Profit after tax for first half year	(23,148)	22,476	n.m.
Sales reported for second half year	304,449	311,507	-2.3%
(Loss) /Profit after tax for second half year	(30,072)	16,685	n.m.

16. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).

There were no persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder.

By Order of the Board

Ong Beng Hong
Company Secretary
28 February 2014