



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 2012

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (1Q, 2Q, 3Q & 4Q), HALF YEAR AND FULL YEAR RESULTS

TABLE OF CONTENTS

1 (a)	Statements of Comprehensive Income	2
1 (b)	Statements of Financial Position	5
1 (c)	Statements of Cash Flows	7
1 (d)	Statements of Changes in Equity	9
2	Audit	12
3	Auditors' report	12
4	Accounting Policies	13
5	Changes in Accounting Policies	13
6.	Earnings per Share ("EPS")	13
7.	Net asset value ("NAV") per share	13
8.	Review of Group Performance	14
9.	Variance from Prospect Statement	17
10.	Prospects	17
11.	Dividend	18
12.	Use of IPO proceeds	19
13.	Interested Person Transactions	20
14.	Segmental information	21
15.	Breakdown of sales	21
16.	Disclosure of Person related to Director, CEO or Substantial Shareholder	22

COMPARATIVE STATEMENT

For the purpose of this announcement, the results of the Group for the financial year ended 31 December 2012 and the comparative results of the Group for the financial year ended 31 December 2011 have been prepared on the assumption that the Group structure following the completion of the Restructuring Exercise has been in place since 1 January 2011.

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.



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

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.

	Notes	Group		%	Group		%
		4Q ended 31 December			12 months ended 31 December		
		2012	2011		2012	2011	
		<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	<u>RM'000</u>	
Revenue		194,805	171,788	13.4	583,100	690,623	(15.6)
Cost of sales		(184,345)	(148,179)	24.4	(520,600)	(605,103)	(14.0)
Gross profit		<u>10,460</u>	<u>23,609</u>	(55.7)	<u>62,500</u>	<u>85,520</u>	(26.9)
Other items of income							
Interest income		9	69	(87.0)	95	135	(29.6)
Other income	1	869	3,471	(75.0)	2,910	3,224	(9.7)
Other items of expense							
Selling and distribution expenses		(1,949)	(1,507)	29.3	(6,757)	(6,227)	8.5
Administrative expenses		(3,907)	(2,982)	31.0	(9,713)	(9,247)	5.0
Other expenses		(40)	(717)	(94.4)	(2,130)	(3,589)	(40.7)
Finance costs	2	(726)	(931)	(22.0)	(3,315)	(2,718)	22.0
Profit before income tax	3	<u>4,716</u>	<u>21,012</u>	(77.6)	<u>43,590</u>	<u>67,098</u>	(35.0)
Income tax	4	<u>2,470</u>	<u>(5,033)</u>	(149.1)	<u>(4,429)</u>	<u>(16,073)</u>	(72.4)
Profit for the financial period/year		<u>7,186</u>	<u>15,979</u>	(55.0)	<u>39,161</u>	<u>51,025</u>	(23.3)
Other comprehensive income for the financial period/year							
Currency translation difference		436	-	n.m.	(3)	-	n.m.
Income tax relating to components of other comprehensive income		-	-	n.m.	-	-	n.m.
Other comprehensive income for the financial period/year, net of tax		<u>436</u>	<u>-</u>	n.m.	<u>(3)</u>	<u>-</u>	n.m.
Total comprehensive income for the financial period/year		<u>7,622</u>	<u>15,979</u>	(52.3)	<u>39,158</u>	<u>51,025</u>	(23.3)
Profit attributable to owners of the parent		<u>7,186</u>	<u>15,979</u>	(55.0)	<u>39,161</u>	<u>51,025</u>	(23.3)
Total comprehensive income attributable to owners of the parent		<u>7,622</u>	<u>15,979</u>	(52.3)	<u>39,158</u>	<u>51,025</u>	(23.3)



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Explanatory notes on Statements of Comprehensive Income

Note 1 - Other income

	4Q ended 31 December			12 months ended 31 December		
	2012	2011	Change	2012	2011	Change
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Fair value gain on derivative financial instruments	-	28	n.m.	366	-	n.m.
Gain on disposal of plant and equipment	1	1	n.m.	1	-	n.m.
Foreign exchange gain, net	868	3,415	(74.6)	2,481	3,145	(21.1)
Write back of allowance for doubtful third parties trade receivable no longer required	-	27	n.m.	62	67	n.m.
Others	-	-		-	12	n.m.
	<u>869</u>	<u>3,471</u>	<u>(75.0)</u>	<u>2,910</u>	<u>3,224</u>	<u>(9.7)</u>

Note 2 - Finance costs

	4Q ended 31 December			12 months ended 31 December		
	2012	2011	Change	2012	2011	Change
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Interest expenses:						
- finance lease	-	-	n.m.	-	3	n.m.
- term loans	4	19	(78.9)	41	97	(57.7)
- trade bills	722	845	(14.6)	3,078	2,551	20.7
- bridging loan	-	67	n.m.	196	67	192.5
	<u>726</u>	<u>931</u>	<u>(22.0)</u>	<u>3,315</u>	<u>2,718</u>	<u>22.0</u>

n.m. – Not Meaningful

Note 4 – Income Tax

For the 4Q2012, the credit balance of RM2.4million was mainly due to an over-provision in the earlier 9 months of 2012.

Included in 12M2012 was an over-provision of income tax of a subsidiary for Year of Assessment (YA) 2010 & 2011 amounting to RM1,205,177 and RM2,218,239 respectively due to unclaimed Investment Tax Allowance (ITA) in YA 2010 and 2011.



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

Note 3 - Profit before income tax

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

	4Q ended 31 December			12 months ended 31 December		
	2012	2011	Change	2012	2011	Change
	<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	(1,833)	(1,402)	30.7	(5,983)	(5,254)	13.9
Amortisation of prepaid lease payments	(142)	(253)	(43.9)	(511)	(711)	(28.1)
Fair value (loss)/gain on derivative financial instruments	(200)	-	n.m.	366	(2,296)	n.m.
Listing expenses	185	(643)	128.8	(1,814)	(929)	95.3
Allowance for doubtful third parties trade receivables	-	(2)	n.m.	(19)	(16)	18.8

n.m. – Not Meaningful



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

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-12	31-Dec-11	31-Dec-12
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Non-current assets			
Investments in subsidiaries	-	-	101,292
Intangible asset	5	-	-
Property, plant and equipment	106,702	81,766	-
Prepaid lease payments	5,852	6,251	-
	<u>112,559</u>	<u>88,017</u>	<u>101,292</u>
Current assets			
Inventories	169,733	138,469	-
Trade and other receivables	93,149	50,622	72,144
Prepayments	101	66	-
Income tax recoverable	4,295	-	-
Cash and cash equivalents	51,062	48,630	495
	<u>318,340</u>	<u>237,787</u>	<u>72,639</u>
Less:			
Current liabilities			
Trade and other payables	54,519	62,045	806
Derivative financial instruments	2	368	-
Bank borrowings	171,804	142,179	-
Finance lease payables	-	31	-
Current tax liabilities	17	9,759	-
	<u>226,342</u>	<u>214,382</u>	<u>806</u>
Net current assets	<u>91,998</u>	<u>23,405</u>	<u>71,833</u>
Less:			
Non-current liability			
Deferred tax liabilities	14,692	11,660	-
	<u>14,692</u>	<u>11,660</u>	<u>-</u>
Net assets	<u>189,865</u>	<u>99,762</u>	<u>173,125</u>
EQUITY			
Share capital	160,717	27,500	160,717
Retained earnings	101,413	72,262	12,408
Other reserves	(72,265)	-	-
Total equity attributable to owners of the parent	<u>189,865</u>	<u>99,762</u>	<u>173,125</u>

Note:

(a) There was no statement of Financial Position for the Company as at 31 December 2011 as the Company was incorporated on 3 January 2012.



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

Explanatory notes on Statements of Financial Position

Note 1 – Borrowings

	4Q ended 31 December	31 December	
	2012	2011	Change
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Bank overdraft	290	-	n.m.
Trade bills	171,514	134,324	27.7
Term loans	-	1,582	n.m.
Bridging loan	-	6,273	n.m.
Finance lease payable	-	31	n.m.
	171,804	142,210	20.8

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-12	31-Dec-11
	<u>RM'000</u>	<u>RM'000</u>
Amount repayable in one year or less, or on demand		
- Secured	76,887	100,162
- Unsecured	94,917	42,048
	171,804	142,210

Details of collateral

The Group’s borrowings are secured by the followings

- i) Bank Borrowings
 - a) Joint and several guarantees by certain Directors of the Company;
 - b) Corporate guarantee issued by the holding company and agreed proportion of corporate guarantee by a corporate shareholder;
 - c) First party legal charge over a prepaid lease payment with a carrying amount of RM3,267,000 and RM3,554,496 as at 31 December 2012 and as at 31 December 2011 respectively; and
 - d) Debenture over fixed and floating assets of the subsidiary, both present and future.
- ii) Finance lease is secured by the lessor’s title to the leased assets, which will revert to the lessors in the event of default by the Group.

The unsecured borrowings are secured by :

- a) Joint and several guarantees provided by certain Directors of the Company and
- b) Corporate guarantee issued by the holding company.



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

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.

	Period ended	
	31-Dec-2012	31-Dec-11
	RM'000	RM'000
Operating Activities		
Profit before income tax	43,590	67,098
Adjustments for:-		
Amortisation of prepaid lease payment	511	711
Depreciation of property, plant & equipment	5,983	5,254
(Gain)/loss on disposal of property, plant and equipment	(1)	86
Fair value (gain)/loss on derivative financial instruments	(366)	2,296
Allowance for doubtful third parties trade receivables	19	16
Write-back of allowance of doubtful third parties trade receivables no longer required	(62)	(67)
Unrealised (gain)/loss on foreign exchange	(707)	773
Interest expense	3,315	2,717
Interest income	(105)	(135)
Operating cash flow before working capital changes	52,177	78,749
Changes in working capital:		
Inventories	(31,264)	(16,884)
Trade and other receivables	(42,203)	(26,040)
Prepayment	(35)	61
Trade and other payables	14,662	(6,986)
Cash (used in)/generated from operations	(6,663)	28,900
Income tax paid	(15,434)	(7,487)
Net cash generated (used in)/ from operating activities	(22,097)	21,413
Investing activities		
Proceeds from disposal of property, plant & equipment	2	4
Purchases of property, plant & equipment	(33,159)	(19,309)
Payment of prepaid lease payment	(112)	(3,121)
Interest received	105	135
Net cash used in investing activities	(33,164)	(22,291)
Financing activities		
Drawdown of trade bills	363,508	309,720
Repayment of trade bills	(326,319)	(271,111)
Drawdown of bridging loans	11,207	6,272
Repayment of bridging loans	(17,480)	-
Repayment of term loan	(1,582)	(1,446)
Repayment of finance lease payable	(31)	(59)
Dividend paid	(30,010)	(16,000)
Interest paid	(3,315)	(2,717)
Proceeds from issue of share capital	63,476	-
Listing expenses paid	(2,521)	(728)
Net cash from financing activities	56,933	23,931
Net change in cash and cash equivalents	1,672	23,053
Cash and cash equivalent at the beginning of the financial year	48,630	25,747
Effect of exchange rate changes	470	(170)
Cash and cash equivalents at end of financial period	50,772	48,630



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

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

	12 months ended	
	31-Dec-12	31-Dec-11
	RM'000	RM'000
Cash and cash equivalents	51,062	48,630
Less: Bank overdraft	(290)	-
	50,772	48,630



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

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</u> RM'000	<u>Other Reserve</u> <u>Merger reserves</u> RM'000	<u>Translation reserves</u> RM'000	<u>Retained earnings</u> RM'000	<u>Total equity attributable to owners of the parent</u> 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>					
Share swap pursuant to the restructuring exercise	(27,500)	-	-	-	(27,500)
Issuance of ordinary shares pursuant to the restructuring exercise	99,762	(72,262)	-	-	27,500
Issuance of ordinary shares pursuant to the initial public offering exercise	63,476	-	-	-	63,476
Share issue expense	(2,521)	-	-	-	(2,521)
Dividends	-	-	-	(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

**JB FOODS LIMITED**

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

<u>The Group</u>	Share Capital RM'000	Retained earnings RM'000	Total equity attributable to owners of the parent RM'000
Balance as at 1 January 2011	27,500	57,237	84,737
Profit for the financial year	-	51,025	51,025
Total comprehensive income for the financial year	-	51,025	51,025
<u>Distribution to owners of the parent:</u>			
Dividends	-	(36,000)	(36,000)
Total transactions with the owners of the parent	-	(36,000)	(36,000)
Balance as at 31 December 2011	27,500	72,262	99,762



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

<u>The Company</u>	Share Capital	Retained earnings	Total
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Balance as at 1 January 2012	-	-	-
Profit for the financial year	-	22,418	22,418
Total comprehensive income for the financial year	-	22,418	22,418
<u>Distribution to and contribution by owners of the parent:</u>			
Issuance of ordinary shares on date of incorporation	-	-	-
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 expense	(2,521)	-	(2,521)
Dividends	-	(10,010)	(10,010)
Total transactions with the owners of the parent	160,717	(10,010)	150,707
Balance as at 31 December 2012	160,717	12,408	173,125

<u>The Company</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Balance as at 1 January 2011	NA	NA	NA
Profit for the financial year	NA	NA	NA
Total comprehensive income for the financial year	NA	NA	NA
Balance as at 31 December 2011	NA	NA	NA

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.
- (3) There was no statement of changes of equity as at 31 December 2011 as the company was only incorporated on 3 January 2012
- (4) "NA" denotes Not Applicable as the Company was only incorporated on 3 January 2012



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

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 3 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

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-12	31-Dec-11
	No of shares	No of shares
Total number of issued shares	400,000,000	- *

*The Company was incorporated on 3 January 2012.
The Company does not have any treasury shares as at 31 December 2012.

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 period 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).



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

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 Computation 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 2011.

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.

Please refer to item 4 above.

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	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
(i) Earnings per share (Sen)				
Based on weighted average number				
Of ordinary shares on issue – (Sen)	2.75	6.11	14.98	19.52

(a) As there are no potentially dilutive ordinary shares, diluted Earnings per Share (EPS) is the same as basic Earnings per Share, EPS for the period is calculated based on profit attributable to owners of the Company dividing by the weighted average number of shares of 261,431,684.

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-12	31-Dec-11	31-Dec-12
Net asset value per ordinary share based on issued share capital – (Sen)	47.47	24.94	43.28

For comparative and illustrative purpose, net asset per share for the Group as at 31 December 2012 and 31 December 2011 have been calculated based on the post-IPO share capital of 400,000,000 shares

* The Company was incorporated on 3 January 2012.



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

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

4Q2012 vs 4Q2011

The Group's total revenue increased by RM23.0 million, or 13.4% from RM171.8 million in 4Q2011 to RM194.8 million in 4Q2012. This was mainly attributable to higher quantity sales in 4Q2012.

Sale of cocoa increased by 8,811 tonnes from 12,183 tonnes in 4Q2011 to 20,995 tonnes in 4Q2012 mainly due to trading activities at the newly incorporated Singapore entity and additional production capacity.

Cost of sales increased by RM36.0 million or 24.4% from RM148.2 million in 4Q2011 to RM184.2 million in 4Q2012. This was primarily due to higher sales quantity.

Gross profit decreased by RM13.1 million or 55.7%, from RM23.6 million in 4Q2011 to RM10.5 million in 4Q2012 mainly due to the lower sales price of cocoa ingredients.

Other income decreased by RM2.6 million from RM3.5 million in 4Q2011 to RM0.9 million in 4Q2012 mainly due to lower gain of foreign exchange during the same period.

Selling and distribution expenses increased by RM0.4 million or 29.3% from RM1.5 million in 4Q2011 to RM1.9 million in 4Q2012 due to increase in freight cost resulted from higher quantity of products shipped.

Administrative expenses increased by RM0.9 million or 31.0% from RM3.0 million in 4Q2011 to RM3.9 million in 4Q2012, mainly due to increase in professional fees.

Other expenses decreased by RM0.7 million or 94.4% from RM0.7 million in 4Q2011 to RM40,000 in 4Q2012 mainly due to listing expenses incurred during 4Q2011.

As a result of the above, our Group generated a profit before tax of RM4.7 million in 4Q2012.



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

12M2012 vs 12M2011

The Group's total revenue decreased by RM107.5 million, or 15.6% from RM690.6 million in 12M2011 to RM583.1 million in 12M2012. This was mainly attributable to lower cocoa bean terminal prices quoted on the futures market by either the InterContinental Exchange (ICE) in New York or the NYSE Euronext (NYSE Liffe) in London, which resulted in lower average selling prices of our cocoa ingredient products.

Cost of sales decreased by RM84.5 million or 14.0% from RM605.1 million in 12M2011 to RM520.6 million in 12M2012. This was primarily due to lower cocoa bean terminal prices during the same period.

Overall, gross profit decreased by RM23.0 million or 26.9%, from RM85.5 million in 12M2011 to RM62.5 million in 12M2012. Despite a higher sales quantity, our gross profit margin deteriorated by 1.7% for 12M2012 from 12.4% in 12M2011 to 10.7% in 12M2012 mainly due to lower selling price of cocoa ingredient.

Other income decreased by RM0.3 million or 9.7% from RM3.2 million in 12M2011 to RM2.9 million in 12M2012, mainly due to lower gain on foreign exchange during the same period.

Administrative expenses increased by RM0.5 million or 5.1% from RM9.2 million in 12M2011 to RM9.7 million in 12M2012 mainly due to increase in professional fees.

Other expenses decreased by RM1.5 million or 40.6% from RM3.6 million in 12M2011 to RM2.1 million in 12M2012 mainly due to a reduction in fair value loss on derivative financial instruments of RM2.0 million partially offset by an increase in the listing expenses of RM0.5 million incurred during the period.

Finance costs increased by RM0.6 million or 22.0% from RM2.7 million in 12M2011 to RM3.3 million in 12M2012 to support higher working capital requirement for higher inventory and drawdown of bridging loan to finance the expansion in Tanjung Pelepas. This expansion was related to the construction of factory and warehouse, as well as acquisition of production equipment and machinery.

As a result of the above, our Group generated a profit before tax of RM43.6 million in 12M2012.



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

Review of Statement of Financial Position

The Group's non-current assets increased by RM24.6 million from RM88.0 million as at 31 December 2011 to RM112.6 million as at 31 December 2012. The increase was mainly due to the capital expenditure incurred for the expansion of production capacity.

The Group's current assets increased by RM80.5 million from RM237.8 million as at 31 December 2011 to RM318.3 million as at 31 December 2012, mainly attributable to an increase in inventories of RM31.2 million, trade and other receivables of RM42.5 million, and cash and cash equivalents of RM2.5 million.

The increase in trade and other receivables by RM42.5 million from RM50.6 million as at 31 December 2011 to RM93.1 million as at 31 December 2012 mainly due to higher sales in 4Q2012.

The increase in inventories by RM31.2 million from RM138.5 million as at 31 December 2011 to RM169.7 million as at 31 December 2012, was mainly to meet the anticipated demand.

The Group's current liabilities increased by RM12.0 million, from RM214.4 million as at 31 December 2011 to RM226.4 million as at 31 December 2012, mainly due to an increase in bank borrowings of RM29.6 million and partially offset by a decrease in trade and other payables of RM7.5 million, decrease in derivative liabilities of financial instrument and finance lease payables of RM0.4 million and a decrease in current tax liabilities of RM9.7 million.

The decrease in trade and other payables by RM7.5 million from RM62.0 million as at 31 December 2011 to RM54.5 million as at 31 December 2012 were mainly attributable to the payment of dividends of RM20.0 million, a decrease in other payables of RM0.6 million consisting of expenses accrued, and partially offset by an increase in trade payable of RM13.0 million.

The increase in bank borrowings by RM29.6 million from RM142.2 million as at 31 December 2011 to RM171.8 million as at 31 December 2012 was mainly due to, an increase in utilisation of trade bills of RM37.2 million and partially offset by repayment of term loan of RM7.8 million.

Equity attributable to the owners of the Company increased by RM90.1 million from RM99.8 million as at 31 December 2011 to RM189.9 million as at 31 December 2012. The increase was mainly attributable to net profit generated and issuance of new shares in 12M2012.



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

Cash Flow

For 12M2012, the Group generated net cash from operating activities before working capital changes of RM52.2 million. Net cash used in operating activities of RM22.1 million was mainly due to a decrease in trade and other payables of RM14.7 million, partially offset by an increase in inventories of RM31.3 million and an increase in trade and other receivables of RM42.2 million. The Group also paid income tax of RM15.4 million.

Net cash used in investing activities of RM33.2 million was mainly due to payment of the construction of factory and warehouse building and production equipment and machineries.

Net cash from financing activities of RM56.9 million was mainly due to receipt of IPO proceeds of RM63.4 million and an increase in utilisation of trade finance facilities of RM37.2 million, offset by the followings,

- i) Dividend payment of RM30.0 million,
- ii) Net repayment of term loan and bridging loans of RM7.9 million,
- iii) Listing expenses of RM2.5 million, and
- iv) Interest payment of RM3.3 million.

As a result, there was a net increase in our cash and cash equivalents of RM1.7 million with positive effects of exchange rate changes amounting to RM0.5 million, from RM48.6 million as at 1 January 2012 to RM50.8 million as at 31 December 2012.

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.

Over the next 12 months, the Group expects that the business environment will continue to be challenging in the view of volatile global economic situation.

Nevertheless, the board remains confident in the long term prospect of the business and will continue to seek out new business opportunities.



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	Interim	Proposed final
Dividend Type	Cash	Cash
Dividend amount per ordinary share (in Singapore cents)	1 cent per ordinary share	1 cent per ordinary share
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Not Applicable. The Company was incorporated on 3 January 2012.

(c) Date payable

The date of payment of the proposed final dividends will be announced at a later date.

(d) Books closure date

The books closure date for the proposed final dividends will be announced at a later date.

(e) If no dividend has been declared/recommended, a statement to that effect.

Not applicable.



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

12. Use of Initial Public Offering (“IPO”) proceeds

As at the date of this announcement, the IPO proceeds has been fully utilised as follows:-

Use of proceeds	Allocated amount (S\$'000)	Amount Utilised (S\$'000)	Balance amount (S\$'000)
Repayment of bank borrowings	8,300	6,955	1,345
General working capital and to fund acquisitions, joint venture and /or strategic alliances when opportunities arise	14,642	15,987 ⁽¹⁾	(1,345)
Net Proceeds	22,942	22,942	-

Note :

- (1) This includes the balance of S\$1.345 million which has been channeled from the allocated amount reserved for repayment of bank borrowings. For more details, please refer to Note 1 on page 45 of our Prospectus.

13. Interested Person Transactions

The Group has not obtained a general mandate from shareholders for Interested Person Transactions. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii).

Name of Interested Person	Aggregate value of all Interested person transactions during the financial year under review (exclude transactions less than S\$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial period under review under a shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	12 months 2012 RM'000	12 months 2012 RM'000
Atlantic (USA), Inc - Sales of goods	27,827	Not applicable
Guan Chong Cocoa Manufacturer Sdn Bhd - Purchase of raw materials	3,340	Not applicable
ECOM Agroindustrial Asia Pte Ltd - Sale of goods - Purchase of raw materials	5,551 78,461	Not applicable Not applicable
PT Jebe Koko - Sales of goods - Purchase of raw materials	11,270 245	Not applicable Not applicable
GCB Cocoa Singapore Pte Ltd - Sales of goods - Purchase of raw materials	29,032 32,057	Not applicable Not applicable

Note

- (1) Ecom AgroIndustrial Corp Limited is a private company limited by shares incorporated in Switzerland as a soft commodities wholesale merchant. Prior to the Initial Public Offering, Ecom AgroIndustrial Corp Limited holds 20.0% of the issued and paid-up share capital of our Company. Transactions with the Ecom AgroIndustrial Corp Limited Group were interested person transactions prior to the Initial Public Offering. Immediately after the Initial Public Offering, Ecom AgroIndustrial Corp Limited will hold 13.8% of the Shares, and as such, Ecom AgroIndustrial Corp Limited will not be a Controlling Shareholder. Thus, Ecom AgroIndustrial Corp Limited is not an "Interested Person" as defined in Chapter 9 of the Listing Manual. Ecom AgroIndustrial Corp Limited's subsidiaries, including Ecom AgroIndustrial Asia Pte. Ltd., AgroIndustrias Unidas de Cacao S.A. de C.V., Atlantic (USA), Inc and Dutch Cocoa B.V. will not be considered to be "Associates" of interested persons thereafter as defined in the Listing Manual. Therefore, Post Initial Public Offering transactions with the Ecom AgroIndustrial Corp Limited Group are not interested person transactions.



JB FOODS LIMITED

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

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>Twelve months Ended 31 December 2012</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	33,152	6	-	33,158
Segment result	56,649	22,759	(25,104)	53,304
Interest income				95
Finance cost				(3,315)
Depreciation & amortisation				(6,494)
Profit before income tax				43,590
Tax expense				(4,429)
Profit for the financial year				39,161
Segment assets	399,035	207,633	(175,770)	430,037
Segment liabilities	282,692	32,715	(74,373)	241,034

Note: There are no comparative figures for 2011 as the Group operated in one geographical segment in Malaysia.

15. A breakdown of sales

	<u>Group</u>		Increase/ (Decrease)
	FY 2012 <u>RM'000</u>	FY 2011 <u>RM'000</u>	
Sales reported for first half year	271,593	345,002	▼ (21.3%)
Profit after tax for first half year	22,476	25,372	▼ (11.4%)
Sales reported for second half year	311,507	345,621	▼ (9.9%)
Profit after tax for second half year	16,685	25,653	▼ (35.0%)

**JB FOODS LIMITED**

(Incorporated in the Republic of Singapore on 3 January 2012)
(Company Registration No. 201200268D)

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).

Name	Age	Family relationship with any director and/or substantial shareholder	**Current position and duties, and the year the position was first held	**Details of changes in duties and position held, if any, during the year
Tey How Keong	47	Son of Mr Tey Kan Sam @ Tey Hin Ken, Non-Executive Director and Substantial Shareholder of the Company Spouse of Madam Goh Lee Beng, Executive Director of the Company	Chief Executive Officer (“CEO”) of JB Foods Limited	N/A
Goh Lee Beng	47	Spouse of Mr Tey How Keong, CEO and Substantial Shareholder of the Company. Daughter-in-law of Mr Tey Kan Sam @ Tey Hin Ken, Non-Executive Director and Substantial Shareholder of the Company.	Executive Director of JB Foods Limited	N/A

By Order of the Board

Lee Wei Hsiung
Company Secretary
26 February 2013