



**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 3<sup>rd</sup> Quarter and 9 months Ended 30 September 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 3Q ended 30 September			Group 9months ended 30 September		
	2013	2012	%	2013	2012	%
	<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	<u>RM'000</u>	
Revenue	144,755	116,702	24.0	451,514	388,295	16.3
Cost of sales	(149,149)	(101,998)	46.2	(467,371)	(336,255)	39.0
Gross (loss)/profit	(4,394)	14,704	n.m.	(15,857)	52,040	n.m.
Interest Income	36	41	(12.2)	98	87	12.6
Selling and distribution expenses	(1,847)	(1,733)	6.6	(6,649)	(4,809)	38.3
Administrative expenses	(2,313)	(1,974)	17.2	(5,909)	(5,680)	4.0
Other income/(expenses)	1,435	(1,905)	n.m.	(1,599)	(175)	813.7
Finance costs	(768)	(721)	6.5	(2,613)	(2,589)	0.9
<b>(Loss)/Profit before income tax</b>	<b>(7,851)</b>	<b>8,412</b>	n.m.	<b>(32,529)</b>	<b>38,874</b>	n.m.
<b>Income tax (credit)/ expense</b>	<b>874</b>	<b>1,087</b>	<b>(19.6)</b>	<b>2,404</b>	<b>(6,899)</b>	n.m.
<b>(Loss)/Profit for the financial period</b>	<b>(6,977)</b>	<b>9,499</b>	n.m.	<b>(30,125)</b>	<b>31,975</b>	n.m.
<b>Other comprehensive income:</b>						
Foreign currency translation differences	(62)	(439)	n.m.	96	(439)	n.m.
<b>Total comprehensive income for the financial period</b>	<b>(7,039)</b>	<b>9,060</b>	n.m.	<b>(30,029)</b>	<b>31,536</b>	n.m.
<b>(Loss)/profit attributable to owners of the parent</b>	<b>(6,977)</b>	<b>9,499</b>	n.m.	<b>(30,125)</b>	<b>31,975</b>	n.m.
<b>Total comprehensive income attributable to owners of the parent</b>	<b>(7,039)</b>	<b>9,060</b>	n.m.	<b>(30,029)</b>	<b>31,536</b>	n.m.

n.m. ó Not Meaningful

Note:

(1) Comparative figures in these groups have been reclassified to conform with current period/quarter results presentation.



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

	Group 3Q ended 30 September			Group 9 months ended 30 September		
	2013 RM'000	2012 RM'000	Change %	2013 RM'000	2012 RM'000	Change %
Depreciation of property, plant and equipment	1,923	1,387	38.6	5,813	4,150	40.1
Amortisation of prepaid lease payments	147	123	19.5	441	369	19.5
Fair value (gain)/loss on derivative financial instruments	(608)	(124)	390.3	(507)	(566)	(10.4)
Write down / impairment loss on inventories	6,394	-	n.m.	19,515	-	n.m.
Allowance for doubtful third parties trade receivables	-	3	n.m.	-	19	n.m.
Write back of allowance for doubtful third party trade receivable no longer required	-	(44)	n.m.	-	(62)	n.m.
Loss on disposal of property, plant & equipment	4	-	n.m.	6	-	n.m.
Foreign exchange loss/(gain), net	(1,011)	853	n.m.	1,561	(1,528)	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.**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-13</b>	<b>31-Dec-12</b>	<b>30-Sep-13</b>	<b>31-Dec-12</b>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	101,292	101,292
Intangible asset	12	5	-	-
Property, plant and equipment	110,711	106,702	-	-
Prepaid lease payments	5,411	5,852	-	-
	<u>116,134</u>	<u>112,559</u>	<u>101,292</u>	<u>101,292</u>
<b>Current assets</b>				
Inventories	171,062	169,733	-	-
Trade and other receivables	87,213	93,149	117,381	72,144
Prepayments	313	101	-	-
Income tax recoverable	6,184	4,295	-	-
Cash and cash equivalents	28,019	51,062	102	495
	<u>292,791</u>	<u>318,340</u>	<u>117,483</u>	<u>72,639</u>
Less:				
<b>Current liabilities</b>				
Trade and other payables	16,028	54,521	208	806
Bank borrowings	178,553	171,804	-	-
Current tax liabilities	335	17	-	-
	<u>194,916</u>	<u>226,342</u>	<u>208</u>	<u>806</u>
<b>Net current assets</b>	<b><u>97,875</u></b>	<b><u>91,998</u></b>	<b><u>117,275</u></b>	<b><u>71,833</u></b>
Less:				
<b>Non-current liability</b>				
Deferred tax liabilities	11,957	14,692	-	-
	<u>11,957</u>	<u>14,692</u>	<u>-</u>	<u>-</u>
Net assets	<b><u>202,052</u></b>	<b><u>189,865</u></b>	<b><u>218,567</u></b>	<b><u>173,125</u></b>
<b>EQUITY</b>				
Share capital	214,743	160,717	214,743	160,717
Retained earnings	59,478	101,413	3,824	12,408
Other reserves	(72,169)	(72,265)	-	-
<b>Total equity attributable to owners of the parent</b>	<b><u>202,052</u></b>	<b><u>189,865</u></b>	<b><u>218,567</u></b>	<b><u>173,125</u></b>



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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	
<b>30-Sep-13</b>	31-Dec-12
<b><u>RM'000</u></b>	<u>RM'000</u>
<b>Amount repayable in one year or less, or on demand</b>	
- Secured	76,887
- Unsecured	94,917
<b>178,553</b>	<b>171,804</b>

**Amount repayable in one year or less, or on demand**

- Secured	74,503	76,887
- Unsecured	104,050	94,917
	<b>178,553</b>	<b>171,804</b>

**Details of collateral**

The Group’s borrowings as at 31 December 2012 were secured by the following:

- 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 Group’s borrowings as at 30 September 2012 were secured by the following which all have been discharged as at 18 October 2013:

- 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 RM3,267,000 as at 30 September 2013 and as at 31 December 2012 respectively;



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**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	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
	RM'000	RM'000	RM'000	RM'000
<b>Operating Activities</b>				
(Loss)/profit before income tax	(7,851)	8,412	(32,529)	38,874
Adjustments for:-				
Amortisation of prepaid lease payment	147	123	441	369
Depreciation of property, plant & equipment	1,923	1,387	5,813	4,150
Loss on disposal of property, plant and equipment	4	-	6	-
Listing expenses	-	(940)	-	-
Fair value gain on derivative financial instruments	(608)	(124)	(507)	(566)
Write down / impairment loss on inventories	6,394	-	19,515	-
Allowance for doubtful third parties trade receivables	-	3	-	19
Write back of allowance for doubtful third party trade receivable no longer required	-	(44)	-	(62)
Unrealised loss on foreign exchange	1,996	1,335	5,621	686
Interest expense	768	721	2,613	2,589
Interest income	(36)	(41)	(98)	(87)
<b>Operating cash (out)/in flow before working capital changes</b>	<b>2,737</b>	<b>10,832</b>	<b>875</b>	<b>45,972</b>
<b>Changes in working capital:</b>				
Inventories	7,972	(7,434)	(20,844)	(9,945)
Trade and other receivables	8,135	(5,282)	7,824	(2,862)
Prepayment	(8)	48	(212)	(104)
Trade and other payables	(12,917)	(11,320)	(40,939)	(17,824)
Net cash generated from/ (used in) working capital	3,182	(23,988)	(54,171)	(30,735)
Cash (used in)/generated from operations	5,919	(13,156)	(53,296)	15,237
Income tax paid	(17)	(10,283)	(1,903)	(13,184)
<b>Net cash (used in)/ generated from operating activities</b>	<b>5,902</b>	<b>(23,439)</b>	<b>(55,199)</b>	<b>2,053</b>
<b>Investing activities</b>				
Proceeds from disposal of property, plant & equipment	4	-	8	-
Purchase of property, plant & equipment and intangible assets	(2,138)	(6,694)	(8,245)	(26,990)
Interest received	36	41	98	87
<b>Net cash used in investment activities</b>	<b>(2,098)</b>	<b>(6,653)</b>	<b>(8,139)</b>	<b>(26,903)</b>
<b>Financing activities</b>				
Drawdown of trade bills	168,796	203,359	400,913	214,566
Repayment of trade bills	(172,317)	(234,900)	(399,600)	(241,045)
Drawdown of term loan	-	11,855	-	11,207
Repayment of term loan	-	(18,266)	-	(18,297)
Repayment of finance lease payable	-	(31)	-	(31)
Dividend paid	-	-	(11,810)	(20,000)
Interest paid	(768)	(721)	(2,613)	(2,589)
Proceeds from issue of placement shares	-	63,063	54,051	63,063
Shares issue expenses paid	-	(2,535)	(25)	(3,859)
<b>Net cash from financing activities</b>	<b>(4,289)</b>	<b>21,824</b>	<b>40,916</b>	<b>3,015</b>
<b>Net change in cash and cash equivalents</b>	<b>(485)</b>	<b>(8,268)</b>	<b>(22,422)</b>	<b>(21,835)</b>
<b>Cash and cash equivalent at the beginning of the financial period</b>	<b>28,364</b>	<b>36,186</b>	<b>51,062</b>	<b>48,630</b>
Effect of exchange rate changes	140	(644)	(621)	479
<b>Cash and cash equivalents at end of financial period</b>	<b>28,019</b>	<b>27,274</b>	<b>28,019</b>	<b>27,274</b>



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

	Quarter ended		Period ended	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents	28,019	29,188	28,019	29,188
Less: Bank overdraft	-	(1,914)	-	(1,914)
	<b>28,019</b>	<b>27,274</b>	<b>28,019</b>	<b>27,274</b>

**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>	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 2013	160,717	(72,262)	(3)	101,413	189,865
Profit for the financial period	-	-	-	(30,125)	(30,125)
<b>Other comprehensive income for the financial period:</b>					
Foreign currency differences , net of tax	-	-	96	-	96
<b>Total comprehensive income for the financial period</b>	-	-	96	(30,125)	(30,029)
<b><u>Distribution to and contribution by owners of the parent:</u></b>					
Issue of Placement Shares	54,051	-	-	-	54,051
Share issue expense	(25)	-	-	-	(25)
Dividends	-	-	-	(11,810)	(11,810)
<b>Total transactions with the owners of the parent</b>	<b>54,026</b>	-	-	<b>(11,810)</b>	<b>42,216</b>
<b>Balance as at 30 September 2013</b>	<b>214,743</b>	<b>(72,262)</b>	<b>93</b>	<b>59,478</b>	<b>202,052</b>



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<u>The Group</u>	<b>Share Capital RM'000</b>	<b>Other Reserve Merger Reserves RM'000</b>	<b>Translation Reserves RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total equity Attributable to owners of the parent RM'000</b>
<b>Balance as at 1 January 2012</b>	<b>27,500</b>	-	-	<b>72,262</b>	<b>99,762</b>
Adjustment upon Restructuring Exercise <sup>2</sup>	(27,500)	(72,262)	-	-	(99,762)
Profit for the financial period	-	-	-	31,975	31,975
<b>Other comprehensive income for the financial period</b>					
Foreign currency differences, net of tax	-	-	(459)	-	(459)
<b>Total comprehensive income for the financial period</b>	<b>(27,500)</b>	<b>(72,262)</b>	<b>(459)</b>	<b>31,975</b>	<b>(68,246)</b>
<b><u>Distribution to and contribution by owners of the parent:</u></b>					
Issuance of ordinary shares on date of incorporation	- <sup>1</sup>	-	-	-	- <sup>1</sup>
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	-	-	-	(10,011)	(10,011)
<b>Total transactions with the owners of the parent</b>	<b>160,717</b>	<b>-</b>	<b>-</b>	<b>(10,011)</b>	<b>150,706</b>
<b>Balance as at 30 September 2012</b>	<b>160,717</b>	<b>(72,262)</b>	<b>(459)</b>	<b>94,226</b>	<b>182,222</b>

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.



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	Share Capital	Retained Earnings	Total
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b><u>The Company</u></b>			
<b>Balance as at 1 January 2013</b>	160,717	12,408	173,125
Profit for the financial period	-	3,226	3,226
<b>Total comprehensive income for the financial period</b>	-	3,226	3,226
<b><u>Distribution to and contribution by owners of the parent:</u></b>			
Issue of Placement Shares	54,051	-	54,051
Share issue expense	(25)	-	(25)
Dividends	-	(11,810)	(11,810)
<b>Total transactions with the owners of the parent</b>	54,026	(11,810)	42,216
<b>Balance as at 30 September 2013</b>	214,743	3,824	218,567

	Share Capital	Translation Reserve	Retained Earnings	Total
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b><u>The Company</u></b>				
Profit for the financial period	-	-	10,482	10,482
<b>Other comprehensive income for the financial period</b>				
Foreign currency difference, net of tax	-	(911)	-	(911)
<b>Total comprehensive income or the financial period</b>	-	(911)	-	9,571
<b><u>Distribution to and contribution by owners of the parent:</u></b>				
Issued and paid-up capital <sup>(1) (2)</sup>	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	-	-	(10,011)	(10,011)
<b>Total transaction with owners of the parent</b>	160,717	-	(10,011)	150,706
<b>Balance as at 30 September 2012</b>	160,717	(911)	471	160,277

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.





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**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.**

<b>Company</b>	<b>No. of shares</b>	<b>Share Capital (\$S)</b>	<b>Share Capital RM</b>
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
	<u>158,000,000</u>	<u>73,492,849</u>	<u>99,762,443</u>
Sub-division of shares	158,000,000	-	-
As at 30 June 2012	316,000,000	73,492,849	99,762,443
New share issue for IPO	84,000,000	24,198,869	60,954,531
As at 31 December 2012	<u>400,000,000</u>	<u>97,691,718</u>	<u>160,716,974</u>
Issue of Placement Shares	80,000,000	21,584,650	54,026,359
As at 31 March 2013	<u>480,000,000</u>	<u>119,276,368</u>	<u>214,743,333</u>
As at 30 June 2013	<u>480,000,000</u>	<u>119,276,368</u>	<u>214,743,333</u>
As at 30 September 2013	<u>480,000,000</u>	<u>119,276,368</u>	<u>214,743,333</u>

**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.**

<b>Company</b>	<b>As at</b>	
	<b>30-Sep-13</b>	<b>31-Dec-12</b>
	No of shares	No of shares
Total number of issued shares	<u>480,000,000</u>	<u>400,000,000</u>

**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).**

Not applicable.



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**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.

**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	
	3Q ended 30 September		9 months ended 30 September	
	2013	2012	2013	2012
(Loss)/profit attributable to owners of the parent (RM'000)	(6,977)	9,499	(30,125)	31,975
Aggregated weighted average number of ordinary shares	480,000,000	204,954,751	470,036,630	211,936,484
Basic and diluted EPS based on aggregated weighted average number of ordinary shares (Sen) <sup>(i)(ii)</sup>	(1.45)	4.63	(6.41)	15.09

(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.

(ii) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial period.

**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	
	30-Sep-13	31-Dec-12	30-Sep-13	31-Dec-12
Net asset value per ordinary share based on issued share capital (Sen)	42.08	47.47	45.53	43.28

The net asset value per share for the Group as at 30 September 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**

**9M2013 vs 9M2012**

Total revenue grew by RM63.2 million or 16.3% from RM388.3 million for the 9 months ended 30 September 2012 (9M2012) to RM451.5 million for the 9 months ended 30 September 2013 (9M2013) mainly due to higher sales volume of cocoa ingredient products in 9M2013 as a result of new trading activities and the increase in production capacity. However, the Group registered a negative gross margin of RM15.9 million and net loss after tax of RM30.1 million in 9M2013 respectively. This was mainly due to an impairment loss on inventories amounting to RM19.5 million as at 9M2013 as a result of the oversupply of cocoa powder and unusual market consolidation that significantly reduced the average selling prices of cocoa powder. Net other expenses increased RM1.4 million due to unrealised foreign exchange losses.

**3Q2013 vs 3Q2012**

The Group's total revenue increased by RM28.1 million, or 24.0% from RM116.7 million in 3Q2012 to RM144.7 million in 3Q2013. This was mainly attributable to higher sales volume in 3Q2013 mainly due to the increase in production capacity.

Gross profit declined by RM19.1 million from a gross profit of RM14.7 million in 3Q2012 to a gross loss of RM4.4 million in 3Q2013. This was mainly due to a write down of inventories to its net realisable value amounting to RM6.4 million in 3Q2013. The stock impairment was made as a result of lower cocoa powder prices affected by oversupply conditions.

Net other expenses reduced by RM3.3 million from an expense of RM1.9 million in 3Q2012 to an income of RM1.4 million in 3Q2013 mainly due to realised foreign exchange gain.

Selling and distribution expenses increased by RM0.1 million or 6.6% from RM1.7 million in 3Q2012 to RM1.8 million in 3Q2013 mainly due to the increase in outward freight costs arising from the corresponding increase in sales volume of cocoa ingredient products in 3Q2013.

Administrative expenses increased by RM0.3 million or 17.2% from RM2.0 million in 3Q2012 to RM2.3 million in 3Q2013, mainly due to an increase in indirect staff costs of about RM0.4 million.

Net income tax credit decreased by RM0.2 million from RM1.1 million in 3Q2012 to RM0.9 million in 3Q2013 mainly due to the reversal of deferred tax in a subsidiary.

As a result of the above, our Group registered a net loss before tax of RM7.0 million in 3Q2013.



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**Review of Statement of Financial Position**

Non-current assets increased by RM3.5 million or 3.2% from RM112.6 million as at 31 December 2012 to RM116.1 million as at 30 September 2013. The increase was mainly due to the capital expenditure incurred for the expansion project in Tanjung Pelepas.

The Group's current assets decreased by RM25.5 million or 8.0% from RM318.3 million as at 31 December 2012 to RM292.8 million as at 30 September 2013. This was mainly attributable to a decrease in cash and cash equivalents and trade and other receivables by RM23.0 million and RM5.9 million respectively. Cash and cash equivalents decreased mainly due to the payment of trade and other payables. Trade and other receivables decreased mainly due to lower sales in 3Q2013 as compared to 4Q2012. Inventories increased RM1.3 million due to the oversupply in the cocoa powder industry. Income tax recoverable increased RM1.9 million due to one of the Company's subsidiaries having to pay estimated corporate taxes in advance for the period based on its FY2012 profitability.

Current liabilities decreased by RM31.4 million or 13.9% from RM226.3 million as at 31 December 2012 to RM194.9 million as at 30 September 2013. This was mainly due to a decrease in trade and other payables of RM38.5 million but partially offset by an increase in bank borrowings amounting to RM6.7 million. Trade payables decreased mainly due to payment made for raw materials. Other payables and accruals decreased due to progress billing payments relating to the expansion project in Tanjung Pelepas and staff related costs. Bank borrowings increased mainly due to the increased utilisation of trade bills for the settlement of cocoa beans at the end of the period.

Non-current liabilities decreased RM2.7 million or 18.6% from RM14.7 million as at 31 December 2012 to RM12.0 million as at 30 September 2013 due to the reversal of deferred tax in a subsidiary.

**Cash Flow (9M2013)**

Cash and cash equivalents decreased by RM23.0 million in 9M2013 due to:

- net cash used in operating activities amounting to RM55.2 million;
- net cash used in investing activities amounting to RM8.2 million;
- net cash from financing activities amounting to RM40.9 million; and
- exchange loss amounting to RM0.6 million.

Net cash used in operating activities was mainly attributable to the increase in cash used in working capital amounting to RM54.2 million resulting from an overall increase in inventories and decrease in trade and other payables of RM20.8 million and RM40.9 million respectively, partially offset by the decrease in trade and other receivables of RM7.8 million.

The net cash used in investing activities of RM8.2 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 share placement of RM54.0 million and net increase in trade finance borrowings amounting to RM1.3 million which were partially offset by dividend and interest payments of RM11.8 million and RM2.6 million respectively.

**Cash Flow (3Q2013)**

Cash and cash equivalents decreased by RM0.3 million during 3Q2013. Net cash generated from operating activities for 3Q2013 increased to RM5.9 million mainly due to decrease in inventories by RM8.0 million. Net cash used in investing and financing activities were RM2.1 million and RM4.3 million respectively. Net cash used in financing activities were mainly related to repayment of trade bills.



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**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 the business environment to continue to be challenging in view of the current oversupply in the cocoa powder industry. There may also be a new round of market consolidation activities within the industry. Nevertheless, the board remains confident in the long term prospects of the business and will continue to seek out new business opportunities.

**11. Dividend**

**(a) Current Financial Period Reported On**

The Company did not recommend or declare any dividend for the financial period ended 30 September 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 period ended 30 September 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 (“IPTs”), 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.**

<b>Name of Interested Person</b>	<b>9M2013 RM'000</b>
<b>PT Jebe Koko</b>	
- Sales of goods	15,901
- Purchase of raw materials	76,087
	<b>91,988</b>
<b>Guan Chong Cocoa Manufacturer Sdn Bhd</b>	
- Purchase of raw materials	<b>813</b>
<b>GCB Cocoa Singapore Pte Ltd</b>	
- Sales of goods	6,793
- Purchase of raw materials	10,621
	<b>17,414</b>
<b>Total</b>	<b>110,215</b>



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**CONFIRMATION BY THE BOARD**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 3Q2013 financial results of the Company and the Group to be materially false or misleading in any material aspect.

**On behalf of the Board of Directors**

**Tey How Keong**  
**Chief Executive Officer and Executive Director**

**Goh Lee Beng**  
**Executive Director**

*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.*