



**JB Foods Limited**

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**FOR IMMEDIATE RELEASE**

## **JB Foods welcomes strategic investment by leading food manufacturer, Tee Yih Jia**

- *Proposed subscription of 80 million new ordinary shares in the share capital of JB Foods Limited by Tee Yih Jia Food Manufacturing Pte Ltd*
  - *Subscription represents a 16.67% stake at an issue price of S\$0.27 per share*

**SINGAPORE, 23 January 2013** – Mainboard-listed **JB Foods Limited** (“**JB Foods**” together with its subsidiary, JB Cocoa Sdn Bhd (“**JB Cocoa**”), the “**Group**”), a major cocoa ingredient producer in Malaysia principally engaged in the production and sale of cocoa powder, cocoa butter, cocoa liquor and cocoa cake, today announced that the Group has entered into a conditional share subscription agreement with Tee Yih Jia Food Manufacturing Pte Ltd (“**Tee Yih Jia**”, the “**Subscriber**”), a global leader in frozen convenience foods

Under the agreement, Tee Yih Jia shall subscribe for 80 million new ordinary shares in the share capital of JB Foods, representing approximately 16.67% of the share capital of the Group on an enlarged basis to be allotted and issued by the Group.

The issue price of S\$0.27 per share represents a discount of approximately 9.27% of the weighted average price for trades done on the preceding market day up to the time the agreement was signed.

The subscription will be undertaken by way of a private placement and the subscription shares when allotted and issued, shall rank *pari passu* in all respects with and carry all rights similar to existing shares, including any dividend, right, allotment or other distributions, the record date for which falls on or after the completion date of the subscription.

Commented Mr Tey How Keong (郑好强), Chief Executive Officer of JB Foods: “We are heartened to have secured a strategic investment from Tee Yih Jia as this serves as an endorsement of JB Foods’ robust business fundamentals and prospects. Today, JB Foods is one of the major cocoa ingredient products in Malaysia with a global customer base, and we are strongly positioned in the cocoa industry,

underpinned by our Group's sturdy financial standing and clear plans for growth. Our expansion in production capacity, in tandem with market demand, is progressing well. We firmly believe that the investment by Tee Yih Jia, itself the largest spring roll pastry manufacturer in the world, will further advance our growth plans in increasingly important markets, such as Asia and Eastern Europe."

JB Foods is on track with the expansion of its existing facilities located at the Port of Tanjung Pelepas ("PTP") to ramp up production capacity from 60,000 tonnes to 85,000 tonnes of cocoa bean equivalent per year by FY2013. The capacity upgrade will enable the Group to retain production flexibility and minimise bottlenecks as it progressively and simultaneously assess the level of demand required to support its capacity expansion.

The net proceeds of the approximately S\$21.59 million, after deducting estimated expenses, will be used to fund future acquisitions and on-going expansion plans of the Group, as well as for general working capital.

Said Mr Sam Goi, Executive Chairman of Tee Yih Jia Group: "I know food very well, having established a global market for Tee Yih Jia since 1977. I can see a lot of potential for growth in the F&B industry, not only in Asia where there is strong GDP and consumption growth, but in other international markets as well. I like what I see in JB Foods – it is well run, and has clear growth strategies to expand its cocoa ingredients business beyond Asia and to the rest of the world."

As at 23 January 2013, the issued and paid-up share capital of the Group is S\$65.03 million divided into 400,000,000 shares. Following completion, the issued and paid-up share capital of the Group will increase to S\$86.63 million divided into 480,000,000 shares.

The completion of the subscription is scheduled to take place no later than five business days after the last of the conditions of the agreement are satisfied or waived.

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**About JB Foods Limited**

Established since the 1980s, JB Foods is one of the major cocoa ingredient producers in Malaysia with a production capacity of 85,000 tonnes of cocoa bean equivalent per year. We are principally engaged in the production and sale of cocoa ingredient products, namely cocoa butter, cocoa powder, cocoa liquor and cocoa cake, which are used to produce chocolate, chocolate confectionary, as well as cocoa-related food and beverages. Our cocoa processing plant – which is ISO 9001:2008, HACCP, Kosher and Pareve, and Halal-certified – is located at the Port of Tanjung Pelepas, a free trade zone in Johor, Malaysia where all our products are manufactured under stringent food safety standards. Our products are sold primarily under the “JBCOCHA” brand name and we export our products worldwide to customers ranging from international trade houses to end users.

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**Issued by and on behalf of JB Foods Limited*****August Consulting***

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