

FOR IMMEDIATE RELEASE

JB Foods reports earnings of RM9.5 million in 3Q2012

- *On track to increase production capacity from 60,000 tonnes to approximately 85,000 tonnes of cocoa bean equivalent per year by FY2013*

Summary of 3Q2012 Financial Results:

RM'million	3Q2012	3Q2011	+ / (-) %	9M2012	9M2011	+ / (-) %
Revenue	116.7	173.8	(32.9)	388.3	518.8	(25.2)
Gross Profit	14.7	22.4	(34.4)	52.0	61.9	(15.9)
GP Margin (%)	12.6	12.9	(0.3) pts	13.4	11.9	1.5 pts
Profit before income tax	8.4	12.7	(33.9)	38.9	46.1	(15.7)
Net Profit	9.5	9.7	(1.8)	32.0	35.0	(8.8)

SINGAPORE, 12 November 2012 – 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 reported earnings of RM9.5 million on the back of RM116.7 million in revenue for the three months ended 30 September 2012 (“3Q2012”).

On a year-to-date basis, JB Foods achieved a revenue of RM388.3 million and a net profit of RM32.0 million for the nine-month period ended 30 September 2012 (“9M2012”), compared to RM518.8 million and RM35.0 million respectively for the same period in 2011. The Group’s revenue was lower year-on-year mainly due to lower cocoa bean terminal prices, which resulted in lower average selling prices for its cocoa ingredient products.

In addition, sales quantity decreased by 2,917 tonnes from 35,928 tonnes in 9M2011 to 33,011 tonnes in 9M2012 mainly due to the disruption in production caused by the integration processes required for the new plant. Nevertheless, despite the lower sales quantity, the Group’s gross profit margin in 9M2012 improved by 1.5 percentage points to 13.4% from 11.9% in 9M2011 and JB Foods managed to maintain the gross profit margin of RM1,576 per metric tonne in 9M2012.

In 9M2012, cost of sales decreased by 26.4% to RM336.2 million, primarily in response to the “pass through effect” of lower cocoa bean terminal prices during the same period.

Balance Sheet

The Group's financial position remained healthy. After taking into account the interim dividend payment, repayment of a term loan and investment in construction of new production facilities and new equipment, JB Foods' cash resources remained positive at RM27.3 million as at 30 September 2012.

Based on weighted average number of 214,905,096 ordinary shares, earnings per share for 3Q2012 was 4.42 Malaysian sen while net asset value per ordinary share based on total existing share capital of 400,000,000 shares stood at 45.56 Malaysian sen as at 30 September 2012, as compared to 24.94 Malaysian sen as at 31 December 2011.

Prospects

In view of the uncertain global economic situation and the current Eurozone debt crisis, the Group expects the business environment to continue to remain challenging.

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

Mr Tey How Keong (郑好强), Chief Executive Officer of JB Foods commented: "We are on track with the expansion plans at our existing facilities located at the Port of Tanjung Pelepas ("PTP"). This will ramp up our production capacity from 60,000 tonnes to 85,000 tonnes of cocoa bean equivalent per year by FY2013. With the capacity upgrade, we will be able to retain production flexibility and minimise bottlenecks as we progressively and simultaneously assess the level of demand required to support our capacity expansion."

Going forward, the Group will target key market segments and customise products for the premium market, as well as focus on product development and enhancing the quality of its cocoa ingredient products.

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 60,000 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 “JBCOCOA” brand name and we export our products worldwide to customers ranging from international trade houses to end users.

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

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