

FOR IMMEDIATE RELEASE

JB Foods reports full year net profit of RM39.2 million

- *Completed expansion of existing facilities in PTP; production capacity increased from 60,000 tonnes to approximately 85,000 tonnes of cocoa bean equivalent per year in FY2013*
 - *Directors propose final dividend of 1 Singapore cent*

Summary of 4Q2012 Financial Results:

RM'million	4Q2012	4Q2011	+/(-) %	FY2012	FY2011	+/(-) %
Revenue	194.8	171.8	13.4	583.1	690.6	(15.6)
Gross Profit	10.5	23.6	(55.7)	62.5	85.5	(26.9)
GP Margin (%)	5.4%	13.7%	(8.3) pts	10.7%	12.4%	(1.7) pts
Profit before income tax	4.7	21.0	(77.6)	43.6	67.1	(35.0)
Net Profit	7.6	16.0	(52.3)	39.2	51.0	(23.3)

SINGAPORE, 26 February 2013 – Mainboard-listed **JB Foods Limited** (“**JB Foods**” together with its subsidiaries, JB Cocoa Sdn Bhd (“**JB Cocoa**”) and JB Foods Global Pte. Ltd., 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 RM7.6 million on the back of RM194.8 million in revenue for the three months ended 31 December 2012 (“4Q2012”).

For the full year ended 31 December 2012 (“FY2012”), JB Foods recorded a revenue of RM583.1 million and a net profit of RM39.2 million, compared to RM690.6 million and RM51.0 million respectively a year ago. The Group’s sales was lower by 15.6% year-on-year mainly due to lower cocoa bean terminal prices, which resulted in lower average selling prices for its cocoa ingredient products.

The Group’s gross profit declined 26.9% to RM62.5 million in FY2012. Despite a higher sales quantity, gross profit margin was lower by 1.7 percentage points, from 12.4% in FY2011 to 10.7% in FY2012 due to lower selling price of cocoa ingredient products.

During the year, the Group’s cost of sales decreased by 14.0% to RM520.6 million, primarily due to lower cocoa bean terminal prices during the same period.

Balance Sheet

The Group's financial position remained strong. After taking into account the interim dividend payment of 1 Singapore cent per share, net repayment of a term loan, listing expenses and interest payments, JB Foods' cash and cash equivalents remained healthy at RM50.8 million as at 31 December 2012.

Based on the Group's latest financial results and weighted average number of 261,431,684 ordinary shares, earnings per share for FY2012 was 14.98 Malaysian sen, while net asset value per ordinary share was 47.47 Malaysian sen as at 31 December 2012, as compared to 24.94 Malaysian sen as at 31 December 2011, based on post-IPO share capital of 400,000,000 shares.

Dividend

The Board of Directors of JB Foods is proposing a one-tier tax exempt final dividend of 1 Singapore cent, taking total FY2012 dividend to 2 Singapore cents. The books closure date and payment date for the final dividend will be announced at a later date.

Prospects

Over the next 12 months, the Group expects that the business environment will continue to remain challenging in view of the 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.

Mr Tey How Keong (郑好强), Chief Executive Officer of JB Foods commented: "We have completed the expansion of our existing production facilities located at the Port of Tanjung Pelepas ("PTP") and added a new production plant and additional equipment. This will ramp up our production capacity from 60,000 tonnes to 85,000 tonnes of cocoa bean equivalent per year in FY2013 and enables us to have greater flexibility in our production capabilities."

"Despite the Eurozone crisis and slowdown in the United States in recent years, there is still demand in Asia and Eastern Europe, where a number of our existing and potential customers are building new plants which would require cocoa ingredient products. We have increased our exports to some of these countries which include China, India and Ukraine, and if the need arises, we will set up representative offices to better serve these customers," added Mr Tey.

Going forward, the Group will continue to target its 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 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 “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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