



JB FOODS LIMITED

(Company Registration No. 201200268D)
(Incorporated in the Republic of Singapore)
(the “**Company**”)

PROPOSED SALE OF PROPERTY

1. INTRODUCTION

The board of Directors (the “**Board**”) of the Company (and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, JB Cocoa Sdn. Bhd. (“**JBC**”), had on 28 February 2025 entered into a Sale and Purchase SPA (“**SPA**”) with G-Force Sdn. Bhd. (the “**Buyer**”), whereby JBC has agreed to sell and the Buyer has agreed to purchase the subleases over the land situated at Plot D20 and D20A, Jalan Tanjung A/3, Pelabuhan Tanjung Pelepas, 81560 Gelang Patah, Johor, Malaysia (the “**Said Land**”) together with a single storey detached factory and a 2-storey office erected on the Said Land (the “**Building**”, and together with the Said Land, the “**Property**”) (the “**Proposed Sale**”).

2. THE PROPOSED SALE

2.1. Information on the Property

The Property is situated in Johor Bahru, Malaysia. The Said Land is part of a piece of leasehold land (“**Parent Land**”) for which the Johor Port Authority (“**JPA**”) is the registered proprietor. JPA had granted Pelabuhan Tanjung Pelepas Sdn Bhd (“**PTP**”) a lease over the entire Parent Land for a period of sixty (60) years which commenced on 24 March 1995 and expires on 23 March 2055. JBC is the registered sub-lessee of the Property.

2.2. Information on the Buyer

The information presented herein relating to information on the Buyer is based on information provided by the Buyer. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced on this announcement in its proper form and context.

The Buyer is a company incorporated in Malaysia principally involved in the business of transportation and distribution of commercial goods encompassing freight and customs forwarding, warehousing and cross-docking facilities and is an independent third party.

2.3. Consideration and other salient terms of the SPA

The consideration for the Property is Malaysian Ringgit (“**RM**”) 27.00 million (the “**Consideration**”). The Consideration was arrived at based on arm’s length negotiations between the parties and on a willing-buyer willing-seller basis after taking into account, *inter alia*, prevailing market conditions. No valuation has been commissioned.

The Consideration has been/shall be payable by the Buyer in the following manner:

- (a) upon the execution of the SPA, JBC’s agent was authorised to release the sum of RM0.54 million (the “**Earnest Deposit**”), that was paid previously by the Buyer to JBC’s agent, to JBC;

- (b) upon the execution of the SPA, the Buyer deposited a sum of RM2.16 million with the Buyer's solicitors as stakeholders (the "**Balance Deposit**", and together with the Earnest Deposit, the "**Deposit**"), who were authorised to deal with the same sum as follows:
- (i) release the sum of RM1.35 million to JBC's solicitors who were then authorised to release such sum to JBC upon the execution of the SPA; and
 - (ii) pay the retention sum of RM0.81 million ("**Retention Sum**") to Director General of Inland Revenue of Malaysia ("**DGIR**") within 30 days of the date of the SPA. The Retention Sum paid to the DGIR shall be deemed to be payment made to JBC; and
- (c) the balance consideration of RM24.30 million (the "**Balance Consideration**") shall be paid to JBC's solicitors as stakeholders on a date during the Completion Period (the "**Completion Date**").

For the purposes herein, "**Completion Period**" means the period commencing on the date that both the JPA Approval and PTP Approval have been received and ending on the date falling three (3) months thereafter (or as may be extended by an additional one-month period in accordance with the SPA, such extended period to be referred to herein as the "**Extended Completion Period**").

Pursuant to the SPA:

- (a) the Balance Consideration shall be released by JBC's solicitors to JBC upon the earlier of (i) twenty-one (21) days from the last date of receipt by the Buyer's solicitors of all relevant documents (including the transfer documents, redemption documents and duplicate sub-lease) or (ii) the expiry of the Completion Period or the Extended Completion Period; and
- (b) JBC shall be required to deliver vacant possession of the Property to the Buyer within five (5) days from the Completion Date.

In the event that the Proposed Sale does not proceed due to the Buyer's Default:

- (a) if the Buyer's Default is capable of remedy by the Buyer but is not remedied within thirty (30) days of receiving notice from JBC requiring the Buyer to remedy the Buyer's Default, JBC is entitled to terminate the SPA by notice in writing to the Buyer (the "**JBC Termination Notice**"), in which case the Deposit shall be forfeited to and in favour of JBC;
- (b) the Buyer shall within fourteen (14) days from the date of the JBC Termination Notice:
 - (i) remove and cause to be removed all caveats and encumbrances on the Property attributable to the Buyer and/or the Buyer's financier under the SPA and produce a private title search issued by the relevant land registry evidencing such removal;
 - (ii) re-deliver vacant possession of the Said Land to JBC in the same condition as the same has been delivered by JBC to the Buyer; and
 - (iii) return or cause to be returned the all relevant documents (including the transfer documents, redemption documents and duplicate sub-lease) to JBC if the same has earlier been delivered to the Buyer, the Buyer's financier and/or the solicitors for the Buyer's financier; but if the transfer have been stamped, the Buyer shall be authorised to retain and use the same for cancellation and refund of the adjudicated stamp duty paid (the "**Buyer's Restoration**"); and

- (c) JBC shall refund to the Buyer any other sums paid by the Buyer to JBC or JBC's solicitors towards payment of the Balance Consideration within seven (7) days of the Buyer's Restoration. In any case, such refund shall not precede the Buyer's Restoration.

For the purposes herein, "**Buyer's Default**" means:

- (a) the failure, refusal, or neglect to pay the Balance Consideration, late payment interest, or any part thereof after the obtainment of the JPA Approval and PTP Approval within the Completion Period or the Extended Completion Period;
- (b) the Buyer committing a material breach of the SPA;
- (c) prior to the payment in full of the Consideration, the repudiation of any of its material obligations under the SPA by the Buyer;
- (d) the Buyer fails or refuses to complete the purchase of the Property simultaneously as one transaction on an "*en-bloc*" basis; and/or
- (e) the breach of any of the declarations, representations and warranties set out in the SPA by the Buyer.

In the event that the Proposed Sale does not proceed due to JBC's Default:

- (a) if the JBC's Default is capable of remedy by the Buyer but is not remedied within thirty (30) days of receiving notice from the Buyer requiring JBC to remedy the JBC's Default, the Buyer is entitled to elect (i) to terminate the SPA by notice in writing to the Buyer (the "**Buyer Termination Notice**") or (ii) compel JBC by way of specific performance to complete Proposed Sale and for damages;
- (b) if the Buyer elects to terminate the SPA by giving the Buyer Termination Notice, the Buyer shall within fourteen (14) days from the date of the Buyer Termination Notice complete the Buyer's Restoration; and
- (c) after the Buyer Termination Notice is given, JBC shall:
 - (i) refund the Deposit and all sums paid by the Buyer to JBC or JBC's solicitor towards the payment of the Balance Consideration; and
 - (ii) pay to the Buyer a sum equivalent to the Deposit,

within 7 days of the Buyer's Restoration. In any case, such refund/payment shall not precede the Buyer's Restoration.

For the purposes herein, "**JBC's Default**" means:

- (a) JBC committing a material breach of the SPA;
- (b) prior to the registration of the transfer of the Property, the repudiation of any of its material obligations under the SPA by JBC;
- (c) JBC fails or refuses to complete the sale of the Property simultaneously as one transaction on an "*en-bloc*" basis; and/or
- (d) the breach of any of the declarations, representations and warranties set out in the SPA by JBC.

2.4. Conditions Precedent to the completion of the Proposed Sale

The completion of the Proposed Sale shall be conditional upon the following conditions being fulfilled:

- (a) the obtainment by JBC of the approval in writing from JPA for the sale and transfer of the Property to the Buyer in the form and content acceptable to the relevant land registry for the registration of the transfer (“**JPA Approval**”). The JPA Approval shall be deemed to be obtained on the date the JPA Approval is received by the Buyer’s solicitors; and
- (b) the obtainment by JBC of approval in writing from PTP for the sale and transfer of the Property to the Buyer in the form and content acceptable to the relevant land registry for the registration of the transfer (“**PTP Approval**”). The PTP Approval shall be deemed to be obtained on the date the PTP Approval is received by the Buyer’s solicitors,

within six (6) months from the date of the SPA (or such extension as JBC and the Buyer may mutually agree in writing).

3. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL

The relative figures in relation to the Proposed Sale are computed on the applicable bases set out in Rule 1006 of the listing manual of the of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”) based on the latest announced unaudited consolidated financial statements of the Group for the financial period ended 30 June 2024 (as at the date of the SPA).

Rule 1006	Bases	Relative Figures
(a)	Net asset value of the assets to be disposed of, compared with the group’s net asset value	2.32% ⁽¹⁾
(b)	Net profits attributable to the assets to be disposed of, compared with the group’s net profits	1.48% ⁽²⁾
(c)	Aggregate value of the consideration received, compared with the issuer’s market capitalisation based not the total number of issued shares excluding treasury shares	5.72 % ⁽³⁾
(d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas company, but not to an acquisition of such assets	Not applicable ⁽⁵⁾

Notes:

- (1) The net asset or book value of the Property and the net asset value of the Group as at 30 June 2024 are approximately RM21.71 million¹ (equivalent to approximately US\$4.92 million) and US\$211.64 million (equivalent to approximately RM934.05 million) respectively.
- (2) The net profits attributable to the asset (being the net rental proceeds derived from the Property) is approximately RM2.36 million (equivalent to approximately US\$0.53 million) and the Group’s net

¹ In this announcement, all figures converted from Malaysian Ringgit (“**RM**”) to United States Dollar (“**US\$**”) is based on the prevailing exchange rate of RM4.41:US\$1.00, as at 23 February 2025.

profit for the financial period ended 30 June 2024 is approximately US\$36.13 million (equivalent to approximately RM159.44 million).

- (3) The aggregate value of the Consideration is RM27.00 million² (equivalent to approximately SGD8.15 million). The market capitalisation of the Company of approximately S\$142.50 million (equivalent to approximately RM472.32 million) is determined by multiplying 303,199,966 ordinary shares in issue ("**Shares**") as at the date of this announcement by the volume weighted average price of the Shares of approximately S\$0.47 for trades done on 27 February 2025 being the full market day immediately preceding the date of the SPA.
- (4) Rule 1006(d) of the Listing Manual is not applicable to disposal of assets.
- (5) Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil and gas company.

4. FINANCIAL INFORMATION

4.1. Book value of the Property and excess of the Consideration over book value

Based on the unaudited consolidated financial statements of the Group for the financial period ended 30 June 2024, the net asset or book value of the Property amounted to approximately US\$4.92 million as at 30 June 2024. The excess of the Consideration over the book value of the Property will amount to approximately US\$1.20 million. After deducting estimated expenses in connection with the Proposed Sale of approximately US\$0.17 million, there will be a net excess on the Proposed Sale of approximately US\$1.03 million.

4.2. Use of net proceeds from the Proposed Sale

The estimated net proceeds from the Proposed Sale is approximately RM26.25 million (equivalent to approximately US\$5.95 million), after deducting estimated expenses to be incurred in connection with the Proposed Sale of approximately RM0.75 million (equivalent to approximately US\$0.17 million ("**Net Proceeds**").

The Company intends to utilise the Net Proceeds for general working capital requirements of the Group.

4.3. Financial effects of the Proposed Sale

The *pro forma* financial effects of the Proposed Sale on the net tangible assets ("**NTA**") per share and earnings per share ("**EPS**") of the Group set out below are purely for illustrative purposes only and are therefore not indicative of the actual future financial position of the Company and/or the Group after the completion of the Proposed Sale.

The financial effects of the Proposed Sale of the Group as set out below are based on the Group's audited consolidated financial statements of the Group for the financial year ended 31 December 2023 ("**FY2023**") and the following assumptions:

- (a) the Proposed Sale had been completed on 31 December 2023 for the computation of the effect of the NTA per share of the Group;
- (b) the Proposed Sale had been completed on 1 January 2023 for the computation of the effect of the EPS of the Group;
- (c) no adjustments have been made to align any differences that may result from the adoption of different accounting standards and policies by the Group; and
- (d) the expenses to be incurred in connection with the Proposed Sale are estimated to be approximately US\$0.17 million.

² In this announcement, all figures converted from Singapore Dollar ("**S\$**") to RM is based on the prevailing exchange rate of S\$0.30:RM1.00, as at 27 February 2025.

NTA	Before completion of the Proposed Sale	After completion of the Proposed Sale
NTA attributable to equity holders of the company (US\$' million)	175.53	170.53
Number of ordinary shares in issue ('million) (excluding treasury shares)	303.20	303.20
NTA per share (US\$)	0.58	0.56

EPS	Before completion of the Proposed Sale	After completion of the Proposed Sale
Profit attributable to equity holders of the Company ⁽¹⁾ (US\$'million)	1.90	2.68
Weighted average number of ordinary shares in issue ('million) (excluding treasury shares)	303.20	303.20
EPS ⁽²⁾ per share (US\$ cents)	0.63	0.88

Notes:

- (1) In arriving at the profit attributable to shareholders assuming that the Proposed Sale was completed on 1 January 2023, adjustment has been made for depreciation expenses which were incurred for the Property during the financial year.
- (2) EPS is calculated based on weighted average number of ordinary shares in issue during FY2023.

5. RATIONALE FOR THE PROPOSED SALE

The Company believes that the Proposed Sale is in its best interests. Due to the Said Land's location within the Parent Land, JPA has imposed restrictions on the use of the Said Land, preventing the Property from being fully utilised as a manufacturing facility. Furthermore, the Company anticipates that significant maintenance costs will be incurred in the coming years if it continues to lease the Property. As a result, the Proposed Sale will allow the Company to realise its investment in the underutilised Property, while avoiding future maintenance expenses. In addition, the Proposed Sale will provide the Company with additional working capital for its operations and enable it to focus on its business and operations.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholder(s) of the Company and/or their respective associates has any interest, direct or indirect, in the Proposed Sale (other than through their respective shareholdings in the Company, if any).

7. SERVICE CONTRACTS

No person will be appointed to the Board of the Company in connection with the Proposed Sale. Accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

8. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Sale, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

9. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection at the Company's office at 80 Robinson Road, #17-02, Singapore 068898 during normal business hours for three (3) months from the date of this announcement.

10. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Sale as and when there are material developments.

11. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares in the Company. There is no certainty or assurance as at the date of this announcement that no changes will be made to the terms of the Proposed Sale or that the Proposed Sale will be completed. Shareholders and potential investors of the Company are advised to read this announcement and further announcements made by the Company, if any, carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

TEY HOW KEONG

Executive Director and Chief Executive Officer

28 February 2025