

# JB FOODS LIMITED

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

---

## CALL OPTION IN RELATION TO JB KAKAO GMBH

---

The Board of Directors of JB Foods Limited (the “Company” and together with its subsidiaries, the “Group”) refers to the section entitled “Potential Conflicts of Interest – Interests of Our Directors, Controlling Shareholders or their Associates – Kakao GmbH” of the Company’s prospectus dated 13 July 2012 (the “Prospectus”) in relation to the Kakao GmbH Call Option (as defined in the Prospectus).

Under the Kakao GmbH Call Option (granted by Tey How Keong, the Chief Executive Officer and the Executive Director of the Company and Saw Poh Chin, the Group Sales and Marketing Manager of the Group to the Company on 15 May 2012, collectively the “Grantors”), the Grantors had irrevocably granted the Company the right to purchase all their shares in the issued and paid-up share capital of JB Kakao GmbH (“JB Kakao”) together with any other form of capital injections made by them in JB Kakao, including but not limited to, debentures or shareholders’ advances (the “Call Option Shares”).

As at the date of this announcement, the Call Option Shares comprise one share with nominal value of €20,000 held by Tey How Keong and one share with nominal value of €5,000 held by Saw Poh Chin. The call option period commenced on 15 May 2012 and shall continue for as long as Tey How Keong, Tey Kan Sam @ Tey Hin Ken, Goh Lee Beng and their associates remain as directors and/or controlling shareholders of the Company.

JB Kakao was incorporated under the laws of Germany on 21 September 2010. As at the date of this announcement, it has not commenced business and its only asset is a plot of land situated in Valluhn-Gallin, Germany (the “Land”). At the point of the Company’s listing, it had been the Group’s intention to construct a cocoa butter melting, deodorising and warehousing facility on the Land. However, as at the date of this announcement, such facility has not been constructed and the Land remains greenfield in nature.

Under the Kakao GmbH Call Option, if at any time during the call option period and for so long as Tey How Keong, Tey Kan Sam @ Tey Hin Ken, Goh Lee Beng and their associates remain as directors and/or controlling shareholders of the Company, the Grantors propose to sell the Call Option Shares to an unrelated third-party purchaser (the “Prospective Purchaser”) at a price agreed with the Prospective Purchaser, the Grantors shall before proceeding with the sale to the Prospective Purchaser first offer (the “Offer”) the Company the right to purchase the Call Option Shares at (i) the price agreed with the Prospective Purchaser or (ii) the exercise price of the Call Option Shares as at the date the Grantors give notice to the Company of the Offer, whichever is the lower (the “Offer Price”).

The Grantors have recently been approached by a Prospective Purchaser for the purchase of the Call Option Shares and have, in accordance with the Kakao GmbH Call Option, given notice of the Offer to the Company.

Pursuant to the terms of the Kakao GmbH Call Option, if the Company does not accept the Offer, the Grantors shall be entitled to sell the Call Option Shares to the Prospective Purchaser at the Offer Price.

The Board has, after careful evaluation of the Offer and on the recommendation of the Audit Committee, resolved not to accept the Offer nor exercise the Kakao GmbH Call Option, after taking into consideration various relevant strategic and other factors, including the following:

- (i) the Group has no immediate plans nor business need for the Land or a cocoa butter melting, deodorising and warehousing facility in Germany. Furthermore, the Land is undeveloped and

significant time and capital expenditure would be required to develop and construct a cocoa butter melting, deodorising and warehousing facility on the Land;

- (ii) JB Kakao is not competing for business with the Group; and
- (iii) the Grantors do not have any relationship (including business relationship) with the Prospective Purchaser.

Save as disclosed above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above, save for their shareholdings in the Company (if any).

**BY ORDER OF THE BOARD**

Ong Beng Hong  
Joint Company Secretary  
19 November 2019