



**JB FOODS LIMITED**  
(Incorporated in the Republic of Singapore on 3 January 2012)  
(Company Registration No. 201200268D)

# JB Foods Limited and its Subsidiaries

Company Registration Number 201200268D

Condensed interim financial statements  
For the six months ended 30 June 2022



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**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

	Note	6 months ended		Changes %
		30 June 2022 USD'000	30 June 2021 USD'000 Restated	
<b>Revenue</b>		249,474	210,164	18.7
Cost of sales		(231,138)	(195,968)	(17.9)
<b>Gross profit</b>		18,336	14,196	29.2
<b>Other items of income</b>				
Interest income		39	34	14.7
Other gains/(losses),net		1,362	(64)	n.m
<b>Other items of expenses</b>				
Selling and distribution expenses		(2,899)	(1,755)	(65.2)
Administrative expenses		(5,599)	(5,667)	1.2
Finance costs		(2,318)	(1,636)	(41.7)
<b>Profit before income tax</b>	15	8,921	5,108	74.6
Income tax expense	16	(1,663)	(916)	(81.6)
<b>Profit for the period</b>		7,258	4,192	73.1
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences		(586)	134	n.m
<b>Total comprehensive income for the period</b>		6,672	4,326	54.2
<b>Profit attributable to:</b>				
Owners of the parent		7,258	4,192	73.1
Non-controlling interest		-	-	-
		7,258	4,192	73.1
<b>Total comprehensive income attributable to:</b>				
Owners of the parent		6,672	4,326	54.2
Non-controlling interest		-	-	-
		6,672	4,326	54.2
Earnings per share				
- Basic and diluted (US\$ cents)	17	2.39	1.38	
EBITDA		14,463	10,375	

**B. Condensed interim statements of financial position**

	Note	Group		Company	
		30-June-22 USD'000	31-Dec-21 USD'000	30-June-22 USD'000	31-Dec-21 USD'000
<b>Non-current assets</b>					
Intangible assets	4	2,558	2,914	-	-
Investment properties	5	7,659	7,984	-	-
Property, plant and equipment	6	94,958	94,117	-	-
Right-of-use assets		4,536	4,553	-	-
Investments in subsidiaries	7	-	-	103,728	103,410
Fixed deposits	11	122	122	-	-
Deferred tax assets		148	154	-	-
Other receivables	9	-	-	2,883	2,950
		<u>109,981</u>	<u>109,844</u>	<u>106,611</u>	<u>106,360</u>
<b>Current assets</b>					
Inventories	8	195,360	224,622	-	-
Trade and other receivables	9	65,404	58,919	1,500	3,038
Prepayments		1,624	294	1	8
Derivative financial instruments	10	26,104	24,138	-	-
Current Income tax recoverable		2,449	2,671	-	-
Cash and bank balances	11	27,799	27,931	12	53
		<u>318,740</u>	<u>338,575</u>	<u>1,513</u>	<u>3,099</u>
<b>Current liabilities</b>					
Trade and other payables	12	40,656	35,831	1,396	908
Lease liabilities		211	16	-	-
Derivative financial instruments	10	25,634	26,575	-	-
Bank borrowings	13	164,846	193,056	-	-
Current income tax payable		1,366	3,629	4	8
		<u>232,713</u>	<u>259,107</u>	<u>1,400</u>	<u>916</u>
Net current assets		<u>86,027</u>	<u>79,468</u>	<u>113</u>	<u>2,183</u>
<b>Non-current liabilities</b>					
Bank borrowings	13	17,321	14,368	-	-
Deferred capital grant		464	492	-	-
Provision for post-employment benefits		637	637	-	-
Deferred tax liabilities		6,940	6,940	-	-
		<u>25,362</u>	<u>22,437</u>	<u>-</u>	<u>-</u>
Net assets		<u>170,646</u>	<u>166,875</u>	<u>106,724</u>	<u>108,543</u>
<b>Capital and reserves</b>					
Share capital	14	113,963	113,963	113,963	113,963
Other reserves		(32,520)	(31,934)	(8,458)	(8,458)
Retained earnings		89,193	84,836	1,219	3,038
<b>Equity attributable to owners of the parent</b>		<u>170,636</u>	<u>166,865</u>	<u>106,724</u>	<u>108,543</u>
Non-controlling interest		10	10	-	-
<b>Total equity</b>		<u>170,646</u>	<u>166,875</u>	<u>106,724</u>	<u>108,543</u>

C. Condensed interim statements of changes in equity

<u>GROUP</u>	Share capital USD'000	Merger reserves USD'000	Statutory Reserves USD'000	Foreign currency translation reserves USD'000	Retained profits USD'000	Equity attributable to the owners of the parent USD'000	Non-controlling interest USD'000	Total equity USD'000
<b>Balance as at 1 January 2022</b>	113,963	(25,472)	150	(6,612)	84,836	166,865	10	166,875
<b>Profit for the financial period</b>	-	-	-	-	7,258	7,258	-	7,258
<b>Other comprehensive income for the financial period</b>								
Foreign currency translation differences, net of tax	-	-	-	(586)	-	(586)	-	(586)
<b>Total comprehensive income for the financial period</b>	-	-	-	(586)	7,258	6,672	-	6,672
<b>Contribution by and distribution to owners</b>								
Dividends on ordinary shares	-	-	-	-	(2,901)	(2,901)	-	(2,901)
<b>Balance as at 30 June 2022</b>	<b>113,963</b>	<b>(25,472)</b>	<b>150</b>	<b>(7,198)</b>	<b>89,193</b>	<b>170,636</b>	<b>10</b>	<b>170,646</b>
<b>Balance as at 1 January 2021</b>	113,963	(25,472)	92	(6,910)	74,903	156,576	10	156,586
<b>Profit for the financial period</b>	-	-	-	-	4,192	4,192	-	4,192
<b>Other comprehensive income for the financial period</b>								
Foreign currency translation differences, net of tax	-	-	-	134	-	134	-	134
<b>Total comprehensive income for the financial period</b>	-	-	-	134	4,192	4,326	-	4,326
<b>Contribution by and distribution owners</b>								
Dividends on ordinary shares	-	-	-	-	(3,414)	(3,414)	-	(3,414)
<b>Balance as at 30 June 2021</b>	<b>113,963</b>	<b>(25,472)</b>	<b>92</b>	<b>(6,776)</b>	<b>75,681</b>	<b>157,488</b>	<b>10</b>	<b>157,498</b>

C. Condensed interim statements of changes in equity (Continued)

	Share capital USD'000	Retained earnings USD'000	Other reserve USD'000	Total USD'000
<b>COMPANY</b>				
<b>Balance as at 1 January 2022</b>	113,963	3,038	(8,458)	108,543
Profit for the period, representing total comprehensive income for the period	-	1,082	-	1,082
Dividends on ordinary shares, net	-	(2,901)	-	(2,901)
<b>Balance as at 30 June 2022</b>	<u>113,963</u>	<u>1,219</u>	<u>(8,458)</u>	<u>106,724</u>
<b>Balance as at 1 January 2021</b>	113,963	4,588	(8,458)	110,093
Loss for the period, representing total comprehensive income for the period	-	(324)	-	(324)
Dividends on ordinary shares, net	-	(3,414)	-	(3,414)
<b>Balance as at 30 June 2021</b>	<u>113,963</u>	<u>850</u>	<u>(8,458)</u>	<u>106,355</u>

**D. Condensed interim consolidated statement of cash flows**

	Group	
	6 months ended	
	30 June 2022	30 June 2021
	USD'000	USD'000
<b>Operating Activities</b>		
Profit before tax	8,921	5,108
Adjustments for:-		
Amortisation of intangible asset	356	265
Amortisation of right-of-use assets	198	166
Amortisation of deferred capital grant	(5)	(5)
Depreciation of investment property	119	152
Depreciation of property, plant & equipment	3,211	3,053
Loss on disposal of plant and equipment	249	3
Plant and equipment written off	2	-
Net fair value gain on derivative financial instruments	(2,907)	(4,742)
Interest expenses	2,318	1,636
Interest income	(39)	(34)
Provision for post-employment benefits	-	65
<b>Operating cash flows before working capital changes</b>	12,423	5,667
<b>Changes in working capital:</b>		
Inventories	29,262	(7,401)
Trade and other receivables	(6,485)	(1,174)
Prepayment	(1,330)	(291)
Trade and other payables	4,283	3,566
<b>Cash generated from operations</b>	38,153	367
Income tax paid	(3,703)	(1,564)
<b>Net cash from/(used in) operating activities</b>	34,450	(1,197)
<b>Investing activities</b>		
Purchase of property, plant & equipment	(4,616)	(1,464)
Purchase of intangible assets	-	(369)
Proceed from disposal of plant & equipment	29	-
Interest received	39	34
<b>Net cash used in investing activities</b>	(4,548)	(1,799)
<b>Financing activities</b>		
Drawdown of bank borrowings	250,333	253,182
Repayment of bank borrowings	(275,572)	(241,787)
Dividend paid on ordinary shares	(2,901)	(3,414)
Repayment of obligation under leases	(19)	(12)
Interest paid	(1,784)	(1,636)
<b>Net cash (used in)/from financing activities</b>	(29,943)	6,333
<b>Net change in cash and cash equivalents</b>	(41)	3,337
<b>Cash and cash equivalent at the beginning of the financial period</b>	27,481	19,950
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(55)	270
<b>Cash and cash equivalents at end of financial period</b>	27,385	23,557

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

JB Foods Limited (the “Company”) (Registration Number 201200268D) is a public company limited by shares, incorporated and domiciled in the Republic of Singapore. The Company was listed on Singapore Exchange Securities Trading Limited on 23 July 2012.

The Company’s immediate and ultimate holding company is JB Cocoa Group Sdn Bhd, a company incorporated in Malaysia.

The principal activities of the Group and the Company are those in manufacturing and trading of cocoa ingredients.

### **2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States dollar which is the Company’s functional currency.

#### **2.1. New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.2. Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no critical judgements in applying accounting policies that expect to have a significant risk resulting in a material adjustment within the next reporting period. effect on the amounts recognised in the financial statements.

### **3. Seasonal operations**

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.



#### 4. Intangible Assets

	Group	
	As at 30 June 2022 US\$'000	As at 31 Dec 2021 US\$'000
<b>Computer software, software under development/others</b>		
<i>Cost</i>		
Balance as at 1 Jan and 30 June/ 31 Dec	4,174	4,174
<i>Less: Accumulated Amortisation</i>		
At 1 January	(1,260)	(672)
Depreciation charge for the period/year	(356)	(588)
At 30 June/31 December	<u>(1,616)</u>	<u>(1,260)</u>
<b>Net carrying amount</b>		
At 30 June/31 December	<u>2,558</u>	<u>2,914</u>

#### 5. Investment properties

	Group	
	As at 30 June 2022 US\$'000	As at 31 Dec 2021 US\$'000
<i>Cost</i>		
Balance as at 1 Jan	8,559	13,227
Additions	-	73
Disposal	-	(4,511)
Currency realignment	(223)	(230)
	<u>8,336</u>	<u>8,559</u>
<i>Less: Accumulated depreciation</i>		
Balance as at 1 Jan	575	706
Depreciation charge for the period/year	119	304
Disposal	-	(421)
Currency realignment	(17)	(14)
Balance as at 30 June/31 Dec	<u>677</u>	<u>575</u>
Net carrying amount as at 30 June/31 Dec	<u>7,659</u>	<u>7,984</u>

Investment properties relate to the land and buildings located in Estonia and Malaysia. In previous financial year, the Group disposed a freehold land and building with carrying amount of US\$4,090,000 located in United States of America for a cash consideration of US\$18,000,000.

The leasehold building with a carrying value of US\$5,262,000 (2021: US\$5,347,000) has been pledged as security for banking facilities as disclosed in Note 13.

#### 6. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquire property, plant and equipment an aggregate cost of USD4,616,000 (30 June 2021: USD 1,464,000).

#### 7. Investment in subsidiaries

In June 2022, JB Sourcing CI, a 100% wholly owned subsidiary of the Company issued and allotted additional 19,990 ordinary shares to the Company for a consideration of XOF199,000,000 (equivalent to USD318,000).

**8. Inventories**

	Group	
	As at 30 June 2022	As at 31 Dec 2021
	US\$'000	US\$'000
Raw materials	90,883	116,897
Work-in-progress	8,070	7,559
Finished goods	90,917	95,276
Stores and supplies	5,490	4,890
	195,360	224,622

**9. Trade and other receivables**

	Group		Company	
	30-June-22	31-Dec-21	30-June-22	31-Dec-21
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current</b>				
Other receivables from a subsidiary	-	-	2,883	2,950
<b>Current</b>				
- Third parties	50,506	48,778	-	-
- Loss allowance for trade receivables	(14)	(14)	-	-
	50,492	48,764	-	-
- Related party	896	485	-	-
	51,388	49,249	-	-
Other receivables				
- Third parties	346	291	-	-
- GST/VAT receivables	1,031	906	-	-
- Dividend receivable due from subsidiaries	-	-	1,500	3,038
	1,377	1,197	1,500	3,038
Advances to third party suppliers	2,139	3,630	-	-
Deposits	10,500	4,843	-	-
Total trade and other receivables	65,404	58,919	1,500	3,038
Add: Cash and bank balances (Note 11)	27,921	28,053	12	53
Less: GST/VAT receivables	(1,031)	(906)	-	-
Less: Advances to third party suppliers	(2,139)	(3,630)	-	-
Financial assets at amortised costs	90,155	82,436	4,395	6,041

9. Trade and other receivables (*Continued*)

*Expected credit loss assessment*

The Group uses an allowance matrix to measure the expected credit loss of trade receivables, which comprise a very large number of small balances.

The allowance matrix is based on actual credit loss experience over the past two years. The expected credit loss computed is derived from historical data and credit assessment includes forward-looking information which management is at the view that customer conditions are representative of the prevailing at the reporting date. Based on management's assessment, no expected credit loss allowance is required as these are not significant.

10. Derivative Financial Instruments

	Group	
	As at 30 June 2022 US\$'000	As at 31 Dec 2021 US\$'000
<b><u>Derivative assets</u></b>		
Foreign currency forward contracts	3,479	923
Derivative cocoa beans contracts	22,625	23,215
	26,104	24,138
<b><u>Derivative liabilities</u></b>		
Foreign currency forward contracts	1,907	2,074
Derivative cocoa beans contracts	23,727	24,501
	25,634	26,575

11. Cash and Bank Balances

	Group	
	As at 30 June 2022 US\$'000	As at 31 Dec 2021 US\$'000
Cash and bank balances as at 30 June/31 Dec	27,921	28,053
Less: fixed deposit pledged with banks	(536)	(572)
Cash and cash equivalents per consolidated statement of cash flows	27,385	27,481

## 12. Trade and other payables

	Group		Company	
	30-June-22 US\$'000	31-Dec-21 US\$'000	30-June-22 US\$'000	31-Dec-21 US\$'000
Trade payables				
- Third parties	24,032	21,594	-	-
- Related parties	8,511	6,794	-	-
	32,543	28,388		
Other payables				
- Third parties	2,718	1,887	-	2
- A subsidiary	-	-	1,321	806
- GST/VAT payables	-	35	-	-
Accrued expenses	3,484	4,441	75	100
Advances from customers	1,886	1,063	-	-
Provisions	25	17	-	-
Total trade and other payables	40,656	35,831	1,396	908
Add: Bank borrowings	182,167	207,424	-	-
Add: Lease liabilities	211	16	-	-
Less: Advances from customers	(1,886)	(1,063)	-	-
Less: GST/VAT payables	-	(35)	-	-
Less: Provisions	(25)	(17)	-	-
Total financial liabilities carried at amortised costs	221,123	242,156	1,396	908

## 13. Bank Borrowings

	Group	
	As at 30 June 2022 US\$'000	As at 31 Dec 2021 US\$'000
<b>Current</b>		
Trade bills	156,249	181,572
Revolving credits	5,243	7,642
Term loans	3,354	3,842
	164,846	193,056
<b>Non-current</b>		
Revolving credits	2,741	2,863
Term loans	14,580	11,505
	17,321	14,368
	182,167	207,424

As at end of each reporting period, the Group's trade bills facilities and revolving credits are secured by corporate guarantees issued by the Company.

The term loans are mainly secured by the subsidiaries' investment property, property and plant, land use rights and corporate guarantee issued by the Company.

#### 14. Share Capital

	Group and Company			
	30 June 2022		31 December 2021	
	Number of shares	Amount	Number of shares	Amount
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Issued and fully paid-up</b>				
At beginning/end of the financial period/year	303,199,966	113,963	303,199,966	113,963

The Company did not hold any treasury shares as at 30 June 2022 (30 June 2021: Nil).

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

#### 15. Profit before taxation

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges/(credits):

	Group	
	6 months ended	
	30 June 2022	30 June 2021
	US\$'000	US\$'000
Outward freight	13,434	6,776
Haulage trucking	1,574	1,364
Amortisation of intangible assets	356	265
Amortisation of right-of-use assets	198	166
Depreciation of property, plant and equipment	3,211	3,053
Depreciation of investment properties	119	152
Rental income from investment properties	(293)	(556)
Fair value gain on derivative financial instruments, net	(2,907)	(4,742)
Foreign exchange loss, net	1,916	1,343

#### 16. Tax expense

	Group	
	6 months ended	
	30 June 2022	30 June 2021
	US\$'000	US\$'000
<b>Current tax expense</b>		
Current year	1,663	916

Income tax is calculated at prevailing tax rates of the respective countries on the estimated assessable profit for the period.

**17. Earnings per share**

	Group 6 months ended	
	30 June 2022 US\$'000	30 June 2021 US\$'000
Profit attributable to equity holders of the Company	7,258	4,192
Weighted average number of ordinary shares in issue for calculation of basic and diluted earnings per share	303,200	303,200
Basic and diluted EPS based on aggregated weighted average number of ordinary share (USD cents)	2.39	1.38

The calculation of basic earnings per share at 30 June was based on profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding.

The Group has no dilution in its earnings per share at 30 June 2022 and 30 June 2021.

**18. Net Asset Value**

	Group		Company	
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
Net asset value per ordinary share based on issued share capital – (USD cents)	56.28	55.04	35.20	35.80

The net asset per share for the Group as at 30 June 2022 and 31 December 2021 have been calculated based on the issued share capital of 303,199,966 shares.

**19. Dividends**

	Group 6 months ended	
	30 June 2022 US\$'000	30 June 2021 US\$'000
Ordinary dividends paid:		
Final dividend in respect of the previous financial year, Approved and paid during the interim period of S\$0.013 per ordinary share (30 June 2021: S\$0.015)	2,901	3,414

## 20. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the chief executive officer. A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resources to be allocated and assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group operates in only one business segment which is production and sale of cocoa ingredients products and therefore no business segment information has been presented.



## 20.1 Reportable segments

*Analysis by geographical segments*

	Malaysia US\$'000	Singapore US\$'000	United States of America US\$'000	Indonesia US\$'000	Others US\$'000	Elimination US\$'000	Consolidated US\$'000
<b>1 January 2022 to 30 June 2022</b>							
<b>Revenue</b>							
External revenue	23,138	149,259	33,357	18,984	24,736	-	249,474
Inter-segment revenue	151,158	214,995	-	67,901	-	(434,054)	-
	<u>174,296</u>	<u>364,254</u>	<u>33,357</u>	<u>86,885</u>	<u>24,736</u>	<u>(434,054)</u>	<u>249,475</u>
<b>Results</b>							
Segment results	7,558	5,640	1,365	2,839	722	(3,040)	15,084
Interest income							39
Finance costs							(2,318)
Depreciation and amortisation							(3,884)
Profit before income tax							8,921
Income tax expense							(1,663)
Profit after income tax							<u>7,258</u>
<b>Additions to non-current assets</b>							
Property, plant and equipment	4,014	5	-	86	511	-	4,616
Right-of-use assets	-	222	-	-	-	-	222
<b>Segment assets</b>	<u>204,638</u>	<u>366,017</u>	<u>34,613</u>	<u>84,301</u>	<u>35,648</u>	<u>(296,496)</u>	<u>428,721</u>
<b>Segment liabilities</b>	<u>123,937</u>	<u>192,427</u>	<u>24,376</u>	<u>44,809</u>	<u>22,484</u>	<u>(149,958)</u>	<u>258,075</u>





**20.1 Reportable segments** (Continued)

*Analysis by geographical segments*

	Malaysia US\$'000	Singapore US\$'000	United States of America US\$'000	Indonesia US\$'000	Others US\$'000	Elimination US\$'000	Consolidated US\$'000
<b>1 January 2021 to 30 June 2021</b>							
<b>Revenue</b>							
External revenue	17,649	141,918	25,032	6,293	19,272	-	210,164
Inter-segment revenue	146,131	187,178	-	60,352	-	(393,661)	-
	<u>163,780</u>	<u>329,096</u>	<u>25,032</u>	<u>66,645</u>	<u>19,272</u>	<u>(393,661)</u>	<u>210,164</u>
<b>Results</b>							
Segment results	4,688	4,709	(502)	1,701	(250)	-	10,346
Interest income							34
Finance costs							(1,636)
Depreciation and amortisation							(3,636)
Profit before income tax							<u>5,108</u>
Income tax expense							(916)
Profit after income tax							<u><u>4,192</u></u>
<b>Additions to non-current assets</b>							
Property, plant and equipment	1,371	2	-	50	41	-	1,464
Intangible assets	-	365	-	-	-	-	365
	<u>185,413</u>	<u>348,424</u>	<u>16,953</u>	<u>81,714</u>	<u>31,627</u>	<u>(264,957)</u>	<u>399,174</u>
<b>Segment assets</b>	<u>185,413</u>	<u>348,424</u>	<u>16,953</u>	<u>81,714</u>	<u>31,627</u>	<u>(264,957)</u>	<u>399,174</u>
<b>Segment liabilities</b>	<u>104,870</u>	<u>172,116</u>	<u>17,612</u>	<u>45,384</u>	<u>19,108</u>	<u>(117,414)</u>	<u>241,676</u>

The analysis by geographical segments is based on entities in the Group in the respective countries.

**20. Segment and revenue information** *(Continued)*

**20.2 Disaggregation of Revenue**

Revenue is based on the country and location of the customer in which goods are delivered and services are provided.

	Group	
	6 months ended	
	30 June 2022	30 June 2021
	US\$'000	US\$'000
North America		
- United States of America	40,171	22,292
- Others*	13,575	7,536
Asia		
- China	28,487	24,009
- Others*	99,099	73,937
Europe		
- Russian Federation	28,693	25,245
- Others*	11,803	30,689
Others*	27,646	26,456
Total revenue	249,474	210,164

\* Others comprise countries where revenue derived was not material individually.

**21. Fair value of financial assets and financial liabilities**

The carrying amounts of the current financial assets and current financial liabilities approximate their fair values as at the end of the reporting period due to the relatively short period of maturity of these financial instruments. The fair value of non-current borrowings approximately their carrying amounts as these borrowings are subject to floating interest rates.

The Group's derivative financial instruments (financial assets and financial liabilities) are carried at fair value and considered as Level 2 hierarchy fair value measurement for financial periods ended 30 June 2022 and 31 December 2021.

Fair value Hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value and classified by level of the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**21. Fair value of financial assets and financial liabilities (Continued)**

There were no transfers between levels during the financial year.

The derivative financial instruments are not traded in active market. The management determines the fair value of derivative financial instruments through the valuation based on brokers' quotations. The key inputs to the calculations are the cocoa bean and foreign exchange spot and forward rates.

There have been no changes in the valuation techniques of the various classes of financial instruments during the financial period.

**22. Subsequent events and additional information required pursuant to Rule 706A of the Listing Manual**

In July 2022, in connection with an internal reorganisation exercise, the Company has entered into a share transfer agreement with a wholly owned subsidiary, JB Cocoa AG to acquire all the ordinary shares of JB Cocoa CI for a consideration of EUR401,000 (equivalent to USD410,000). Subsequent to this reorganisation exercise, JB Cocoa CI became direct wholly owned subsidiary of the Company. The consideration was arrived at on arm's length willing-buyer willing-seller basis. The consideration was funded by internal resources and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year.

**23. Reclassification**

In previous financial year, the Group classified certain sales related direct logistics costs and administrative expenses to costs of sales to better reflect the nature of the transactions. Accordingly, the prior year's comparative figures have been reclassified to enhance the comparability with current period's financial statement.

The line items have been amended in the statement of comprehensive income as set out below.

	As previously stated	Reclassification	As restated
	US\$'000	US\$'000	US\$'000
Financial period from 1 Jan 2021 to 30 June 2021			
Cost of sales	187,114	8,854	195,968
Selling and distribution expenses	10,020	(8,265)	1,755
Administrative expenses	6,256	(589)	5,667

## OTHER INFORMATION

### 1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed interim statements of financial position of JB Foods Limited and its subsidiaries as at 30 June 2022 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim financial statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### Consolidated Statement of Comprehensive Income

The Group's revenue increased by USD39.3million or 18.7% from USD210.2million for the half year ended 30 June 2021 ("1H2021") to USD249.5million for the half year ended 30 June 2022 ("1H2022") mainly due to higher shipment volume fuelled by growth in demand for cocoa ingredients. The Group managed to mitigate the supply chain disruption challenges faced in the year 2021. The current low cocoa price and overall stable supply chain situation had contributed to the Group's profitability. Accordingly, the Group's gross profit increased by USD4.1million or 29.2% from USD14.2million in 1H2021 to USD18.3million in 1H2022.

Other gains of USD1.4million in 1H2022 was mainly due to fair value gains on forward foreign exchange contracts denominated in Great British Pound ("GBP").

The selling and distribution expenses increased by USD1.1million or 65.2% from USD1.8million in 1H2021 to USD2.9million in 1H2022, mainly due to an increase in the Group's head count and staff costs to support the sales growth, higher sales commission and warehousing expenses arising from higher sales shipment volume. The finance costs increased by USD0.7million or 41.7% from USD1.6million in 1H2021 to USD2.3million in 1H2022, mainly due to increase in the financing interest rate.

Correspondingly, the income tax expenses increased by USD0.8million or 81.6% from USD0.9million in 1H2021 to USD1.7million in 1H2022 mainly due to higher profit generated in 1H2022. As a result of the above, the Group registered an increase in the profit after tax by USD3.1million from USD4.2million in 1H2021 to USD7.3million in 1H2022.

#### Review of Consolidate Statement of Financial Position

The Group's non-current assets increased marginally as at 30 June 2022, mainly due to capital expenditure incurred in plant and equipment amounting USD4.6million, partially offset by the depreciation and amortisation charge of USD3.6 million on property, plant and equipment and intangible assets.

The Group's current assets decreased by USD19.9million or 5.9% from USD338.6 million as at 31 December 2021 to USD318.7million as at 30 June 2022, mainly due to the decrease in inventories and income tax recoverable of USD29.3million and USD0.2million respectively and partially offset by an increase in trade and other receivables, prepayments and derivative financial instruments of USD6.5million, USD1.3million and USD2.0million respectively.

The Group's current liabilities decreased by USD26.4million or 10.2%, from USD259.1million as at 31 December 2021 to USD232.7million as at 30 June 2022, mainly due to the decrease in bank borrowings and derivative financial instruments and income tax payable of USD28.2million, USD0.9million and USD2.3million respectively and partially offset by an increase in trade and other payables of USD4.8million.

The Group's equity attributable to owners of the parent increased by USD3.8million or 2.3% mainly due to profit of USD7.3million generated in 1H2022, partially offset with dividend of USD2.9million.

**2. Review of performance of the Group (Continued)**

**Review of Statement of Cash Flows**

The Group's cash and cash equivalent marginally decreased by USD0.1million in 1H2022 mainly due to net cash inflows from operating activities of USD34.5million partially offset by net outflow from investing activities and financing activities of USD4.6million and USD29.9million respectively.

The net cash from operating activities of USD34.5million in 1H2022 was mainly attributable to:

- a) Positive operating cash flows of USD12.4million;
- b) Net cash inflows in inventories, trade and other payables of USD29.3million and USD4.3million respectively;
- c) Net cash outflows in trade and other receivables and prepayments of USD6.5million and USD1.3million respectively; and
- d) Income tax paid of USD3.7million.

The net cash used in investing activities of USD4.6million was mainly due to the capital expenditure incurred in the purchase of plant and equipment.

The net cash used in financing activities of USD29.9million was mainly due to net repayment of bank borrowings, dividend payment and interest paid of USD25.2million, USD2.9million and USD1.8million respectively.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been previously disclosed to shareholders.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Relaxation of Covid-19 restrictions and the reopening of borders around the world in the first half of the year 2022 have boosted overall cocoa consumption. The Group remains optimistic that cocoa consumption is expected to remain strong with the current low cocoa price and overall stable supply chain situation.

The Group will continue to closely monitor global macro-economic forces, including geopolitical uncertainties and the continued volatile market environment, while keeping a close eye on industry developments and adapt its pricing strategy accordingly.

**5. Dividend**

**(a) Current Financial Period Reported On**

Name of dividend	Interim
Dividend type	Cash
Dividend per share (in Singapore cents)	0.20 Singapore cents per share

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Name of dividend	Interim
Dividend type	Cash
Dividend per share (in Singapore cents)	0.20 Singapore cents per share

**(c) Date payable**

The date payable for the proposed interim cash dividend will be on or about 23 September 2022.

**(d) Record date**

The record date for the proposed interim cash dividend will be on 9 September 2022.

**6. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable

**7. Interested person transactions**

The Company has not obtained a general mandate from shareholders for IPTs. The Company has the following related person transactions with a related person who is not an “interested person” as defined in Chapter 9 of the listing manual.

Name of Interested Person	Aggregate value of all Interested person transactions during the financial year under review (exclude transactions less than S\$100,000 and transactions conducted under the shareholders’ mandate pursuant to Rule 920)
	6 months 2022
	USD’000
<b>Guan Chong Cocoa Manufacturer Sdn Bhd</b>	
- Purchase of cocoa ingredients	9,289
- Sales of cocoa ingredients	963
<b>GCB Cocoa Singapore Pte Ltd</b>	
- Purchase of cocoa ingredients	1,392

**8. Confirmation pursuant to Rule 720 (1) of the Listing Manual**

The Group has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.



**9. Negative confirmation pursuant to Rule 705 (5)**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the six months period ended 30 June 2022 to be false or misleading in any material aspect.

**By Order of the Board**

**Tey How Keong**

Chief Executive Officer and Executive Director

11 August 2022

**Goh Lee Beng**

Executive Director