



JB FOODS LIMITED

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

Unaudited Financial Statements and Dividend Announcement
For the Fourth Quarter and Twelve Months Ended 31 December 2015

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (1Q, 2Q, 3Q & 4Q), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP 4Q ended 31 Dec			GROUP 12 months ended 31 Dec		
	2015	2014	+ / (-)	2015	2014	+ / (-)
	USD'000	USD'000	%	USD'000	USD'000	%
		Restated ¹		Restated ¹	Restated ¹	
Revenue	79,340	54,226	46.3	226,535	218,691	3.6
Cost of sales	(73,999)	(53,799)	(37.5)	(214,836)	(221,005)	2.8
Gross profit/(loss)	5,341	427	1,150.8	11,699	(2,314)	n.m
Interest income	6	18	(66.7)	31	74	(58.1)
Other gains/(losses), net	318	(2,380)	n.m	1,387	(966)	n.m
<i>Other items of expense</i>						
Selling and distribution expenses	(1,062)	(670)	(58.5)	(3,827)	(3,290)	(16.3)
Administrative expenses	(1,620)	(1,072)	51.1	(4,913)	(4,076)	(20.5)
Finance costs	(550)	(608)	9.5	(1,937)	(2,124)	8.7
Profit/(Loss) before tax	2,433	(4,285)	n.m	2,440	(12,696)	n.m
Taxation	-	(313)	n.m	(78)	(314)	75.2
Profit/(Loss) for the period/year	2,433	(4,598)	n.m	2,362	(13,010)	n.m
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Remeasurement of post-employment benefits	(14)	-	n.m	(14)	-	n.m
Other comprehensive income for the period/year, net of tax	(14)	-	n.m	(14)	-	n.m.
Total comprehensive income for the period/year	2,419	(4,598)	n.m	2,348	(13,010)	n.m.

n.m. - Not meaningful



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1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP 4Q ended 31 Dec			GROUP 12 months ended 31 Dec		
	2015	2014	+ / (-)	2015	2014	+ / (-)
	USD'000	USD'000	%	USD'000	USD'000	%
		Restated ¹		Restated ¹	Restated ¹	
Profit/(loss) attributable to:						
Owners of the parent	2,433	(4,571)	n.m	2,127	(13,092)	n.m
Non-controlling interest	-	(27)	n.m	235	82	186.6
	<u>2,433</u>	<u>(4,598)</u>	n.m	<u>2,362</u>	<u>(13,010)</u>	n.m
Total comprehensive income attributable to:						
Owners of the parent	2,419	(4,571)	n.m	2,113	(13,092)	n.m
Non-controlling interest	-	(27)	n.m	235	82	186.6
	<u>2,419</u>	<u>(4,598)</u>	n.m	<u>2,348</u>	<u>(13,010)</u>	n.m

¹ On 1 April 2015, the Group acquired 80% equity stake in PT Jebe Koko from its ultimate holding company and acquired the remaining 20% in September 2015.

The acquisition involved a business combination of an entity under common control. Accordingly, the Group measured the business combination using the pooling of interest method of accounting.

The 2015 and 2014 figures have been restated to take into account for the retrospective adjustments arising from the acquisition of a subsidiary under common control. The Group applied the pooling of interest method of accounting for the business combination of an entity under common control. The comparative figures reflect the results, financial position and cash flows of the Group as if the subsidiary had always been combined since the date the subsidiary had come under common control.



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Profit/(Loss) before tax is arrived after charging / (crediting) the following:-

	Group 4Q ended 31 Dec			Group 12 months ended 31 Dec		
	2015	2014	+ / (-)	2015	2014	+ / (-)
	USD'000	USD'000	%	USD'000	USD'000	%
Amortisation of intangible assets	(7)	(6)	(16.7)	(28)	(28)	-
Amortisation of prepaid lease payment	(40)	(38)	(5.3)	(162)	(169)	4.1
Bad debts written off	-	-	-	(88)	-	n.m
Depreciation of property, plant and equipment	(875)	(962)	9.0	(4,164)	(4,161)	(0.1)
Foreign exchange gains/(losses), net	357	(2,840)	n.m	858	(1,774)	n.m
Inventories written down	-	-	n.m	-	(1,883)	n.m
Gain/(Loss) on disposal of plant & equipment	3	(6)	n.m	(13)	(22)	40.1
Net fair value gains/(losses) on derivative financial instruments	545	(406)	n.m	446	368	21.2
Realised (losses)/gains on cocoa bean derivative contract	(823)	684	n.m	(860)	522	n.m

n.m. - Not Meaningful



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1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediate preceding financial year.

	GROUP		COMPANY	
	31-Dec-15 USD'000	31-Dec-14 USD'000 (Restated)	31-Dec-15 USD'000	31-Dec-14 USD'000 (Restated)
Non-current assets				
Intangible assets	471	310	-	-
Investment property	4,150	-	-	-
Property, plant and equipment	54,332	60,528	-	-
Prepaid lease payments	1,469	1,631	-	-
Investments in subsidiaries	-	-	66,177	66,177
Other receivables	-	-	24,000	9,100
	<u>60,422</u>	<u>62,469</u>	<u>90,177</u>	<u>75,277</u>
Current assets				
Inventories	91,021	82,092	-	-
Trade and other receivables	40,158	29,022	1,699	6,792
Prepayments	222	337	4	87
Derivative financial statements	675	75	-	-
Income tax recoverable	982	1,435	-	-
Cash and cash equivalents	7,421	32,328	5	11,296
	<u>140,479</u>	<u>145,289</u>	<u>1,708</u>	<u>18,175</u>
Less:				
Current liabilities				
Trade and other payables	40,140	31,246	103	9,174
Derivative financial instruments	331	177	-	-
Bank borrowings	87,289	104,674	-	-
Finance lease payables	239	-	-	-
Income tax payable	48	144	-	-
	<u>128,047</u>	<u>136,241</u>	<u>103</u>	<u>9,174</u>
Net current assets	<u>12,432</u>	<u>9,048</u>	<u>1,605</u>	<u>9,001</u>
Less:				
Non-current liabilities				
Finance lease payables	71	-	-	-
Bank borrowings	2,085	4,179	-	-
Provision for post-employment benefits	106	48	-	-
Deferred tax liabilities	361	297	-	-
	<u>2,623</u>	<u>4,524</u>	<u>-</u>	<u>-</u>
Net assets	<u>70,231</u>	<u>66,993</u>	<u>91,782</u>	<u>84,278</u>
EQUITY				
Share capital	99,641	90,631	99,641	90,631
Retained earnings	3,008	576	599	2,105
Other reserves	(32,428)	(25,610)	(8,458)	(8,458)
Equity attributable to owners of the parent	<u>70,221</u>	<u>65,597</u>	<u>91,782</u>	<u>84,278</u>
Non-controlling interest	10	1,396	-	-
Total equity	<u>70,231</u>	<u>66,993</u>	<u>91,782</u>	<u>84,278</u>



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1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	As at	
	31-Dec-15	31-Dec-14
	USD'000	USD'000 (Restated)
Amount repayable in one year or less, or on demand		
- Secured	2,094	2,073
- Unsecured	85,434	102,601
	<u>87,528</u>	<u>104,674</u>
Amount repayable after one year		
- Secured	2,085	4,179
- Unsecured	71	-
	<u>2,156</u>	<u>4,179</u>

Details of collateral

Certain borrowings were secured by one of the subsidiary land and building.



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1(c)(i) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP 4Q ended 31 Dec		GROUP 12 months ended 31 Dec	
	2015 USD'000	2014 USD'000 (Restated)	2015 USD'000	2014 USD'000 (Restated)
Operating Activities				
Profit/(Loss) before tax	2,433	(4,285)	2,440	(12,696)
Adjustments for:-				
Amortisation of intangible asset	7	6	28	28
Amortisation of prepaid lease payment	40	38	162	169
Bad debts written off	-	-	88	-
Depreciation of property, plant & equipment	875	962	4,164	4,161
(Gain)/Loss on disposal of plant and equipment	(3)	6	13	22
Net fair value (gains)/loss on derivative financial instruments	(545)	153	(446)	(621)
Inventory written down	-	-	-	1,883
Provision for post-employment benefits	46	29	45	29
Rental income	(79)	-	(227)	-
Interest expenses	550	717	1,937	2,124
Interest income	(6)	(43)	(31)	(74)
Operating cash flows before working capital changes	3,318	(2,417)	8,173	(4,975)
Changes in working capital:				
Inventories	(19,275)	(12,251)	(8,929)	(19,806)
Trade and other receivables	(6,363)	(146)	(11,224)	1,234
Prepayment	294	376	115	(272)
Trade and other payables	10,447	9,530	20,747	411
Cash (used in)/ from operations	(11,579)	(4,908)	8,882	(23,408)
Income tax (paid)/refunded	(8)	(13)	340	369
Net cash (used in)/from operating activities	(11,587)	(4,921)	9,222	(23,039)
Investing activities				
Acquisition of subsidiary	-	-	(6,818)	-
Repayment of shareholder loan	-	-	(11,854)	-
Proceeds from disposal of plant & equipment	33	15	33	18
Purchase of plant & equipment	(206)	(1,225)	(1,687)	(6,391)
Purchase of intangible assets	(5)	(210)	(188)	(210)
Interest received	6	43	31	74
Rental income	79	-	227	-
Proceeds from disposal of shares to non-controlling interests	-	-	1	-
Net cash used in investing activities	(93)	(1,377)	(20,255)	(6,509)
Financing activities				
Drawdown of bank borrowings	62,065	72,379	247,734	250,445
Repayment of bank borrowings	(56,198)	(63,011)	(267,213)	(228,933)
Repayments of finance lease	(56)	-	(168)	-
Interest paid	(550)	(717)	(1,937)	(2,124)
Acquisition of non-controlling interest	-	-	(1,300)	-
Proceeds from issuance of shares, net	-	22,494	9,010	22,494
Proceeds from issuance of shares to non-controlling interests	-	-	-	11
Net cash from/(used in) financing activities	5,261	31,145	(13,874)	41,893



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1(c)(i) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP 4Q ended 31 Dec		GROUP 12 Months ended 31 Dec	
	2015 USD'000	2014 USD'000 (Restated)	2015 USD'000	2014 USD'000 (Restated)
Net change in cash and cash equivalents	(6,419)	24,847	(24,907)	12,345
Cash and cash equivalent at the beginning of the financial period/year	13,840	9,578	32,328	21,736
Effect of exchange rate changes on cash and cash equivalents	-	(2,097)	-	(1,753)
Cash and cash equivalents at end of financial period/year	7,421	32,328	7,421	32,328

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Share capital USD'000	Other reserves USD'000	Retained earnings USD'000	Equity attributable to the owners of the parent USD'000	Non-Controlling Interest USD'000	Total equity USD'000
(Restated)						
Balance as at 1 Jan 2015	90,631	(25,610)	576	65,597	1,396	66,993
Profit for the financial year	-	-	2,127	2,127	235	2,362
Other comprehensive income:						
Remeasurement of post-employment benefits	-	-	(14)	(14)	-	(14)
Total comprehensive income	-	-	2,113	2,113	235	2,348
Contribution by owners of the parent:						
Issue of shares (net) as part of acquisition of subsidiary under common control	9,010	(6,818)	-	2,192	-	2,192
Transactions with non-controlling interest:						
Acquisition without a change in control	-	-	321	321	(1,621)	(1,300)
Disposal interests without change in control	-	-	(2)	(2)	-	(2)
	-	-	319	319	(1,621)	(1,302)
Balance as at 31 Dec 2015	99,641	(32,428)	3,008	70,221	10	70,231



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>GROUP</u>	Share capital USD'000	Other reserves USD'000	Retained earnings USD'000	Equity attributable to the owners of the parent USD'000	Non-Controlling Interest USD'000	Total equity USD'000
(Restated)						
Balance as at 1 Jan 2014	68,137	(25,610)	13,668	56,195	1,304	57,499
Loss for the financial year, representing total comprehensive income for the year	-	-	(13,092)	(13,092)	82	(13,010)
<u>Contribution by owners of the parent:</u>						
Issuance of ordinary shares, net	22,494	-	-	22,494	10	22,504
Balance as at 31 Dec 2014	90,631	(25,610)	576	65,597	1,396	66,993

<u>COMPANY</u>	Share capital USD'000	Retained earnings USD'000	Other reserve USD'000	Total USD'000
Balance as at 1 Jan 2015	90,631	2,105	(8,458)	84,278
Loss for the year, representing total comprehensive income for the year	-	(1,506)	-	(1,506)
<u>Contribution by owners of the parent:</u>				
Issue of shares (net)	9,010	-	-	9,010
Balance as at 31 Dec 2015	99,641	599	(8,458)	91,782

<u>COMPANY</u>	Share capital USD'000	Retained earnings USD'000	Other reserve USD'000	Total USD'000
(Restated)				
Balance as at 1 Jan 2014	68,137	1,652	(8,458)	61,331
Profit for the year, representing total comprehensive income for the year	-	453	-	453
<u>Contribution by owners of the parent:</u>				
Issue of shares (net)	22,494	-	-	22,494
Balance as at 31 Dec 2014	90,631	2,105	(8,458)	84,278



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1(d)(ii) Details of any changes in the company’s share capital arising from right issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Company	No. of Shares	Share Capital	Share Capital
	('000)	(S\$'000)	USD'000
As at 1 Jan 2015	720,000	115,232	90,631
Issue of shares	38,000	12,597	9,010
Share consolidation	(530,600)	-	-
As at 30 September 2015 and 31 December 2015	<u>227,400</u>	<u>127,829</u>	<u>99,641</u>
As at 1 Jan 2014 and 30 Sept 2014	480,000	87,629	68,137
Issue of ordinary shares	240,000	27,603	22,494
As at 31 December 2014	<u>720,000</u>	<u>115,232</u>	<u>90,631</u>

On 26 August 2015, the Company completed the shares consolidation of every ten (10) existing issued ordinary shares in the capital of the Company held by shareholders of the Company into three (3) ordinary shares. As a result of the completion of the share consolidation exercise, the number of ordinary shares of the Company is now 227,399,975.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Company	As at	
	31-Dec-15	31-Dec-14
	No of shares	No of shares
Total number of issued shares ('000)	<u>227,400</u>	<u>720,000</u>

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed.

3. Whether the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).

Not applicable.



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4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2014 except for the change in reporting currency of the Company and the Group, change in functional currency of the Company, and the effect of the acquisition of a subsidiary under common control as described in Note 1.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

With effect from 1 January 2015, the Company and the Group have changed its presentation currency from Ringgit Malaysia (“RM”) to United States Dollar (“USD”). In addition, the Company and one of its subsidiaries have changed its functional currency from RM to USD due to the Company is of the opinion that USD best reflects the current and prospective economic substance of the underlying transactions and circumstances of the Group, given that:

- i) A significant amount of our Group’s revenue and purchases are currently transacted in USD: and
- ii) The Group’s operations have diversified from the sole operation in Malaysia to the current multi-country operations pursuant to the incorporation of subsidiaries in Singapore, the United States of America (“USA”) and Indonesia in which the functional currency is denominated in USD.

Due to the change in presentation currency, the comparatives of the financial statements of the Company and of the Group for 2014 were restated and presented in USD. Specifically, the assets and liabilities of the Company and of the Group as at 31 December 2014 were translated from RM to USD at the closing exchange rate as at 31 December 2014, while the income and expense items of the Company and of the Group for the were translated at the average rate during the said period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP 4Q ended 31 Dec		GROUP 12 months ended 31 Dec	
	2015	2014	2015	2014
Profit/(Loss) attributable to owners of the parent (USD’000)	2,433	(4,571)	2,127	(13,092)
Aggregated weighted average number of ordinary shares (’000) ⁽¹⁾	227,340	193,304	224,589	156,427
Basic and diluted EPS based on aggregated weighted average number of ordinary shares (USD cents) ^{(2) (3)}	0.011	(0.024)	0.009	(0.084)

Notes:

- (1) The aggregated weighted average number of ordinary shares have been calculated assuming that the share consolidation has been occurred on 1 January 2014.
- (2) The calculation for the basic and diluted EPS for the respective financial periods is based on the aggregated weighted average number of ordinary shares in issue in the respective financial periods.
- (3) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial periods.



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7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) **current financial period reported on; and**
- (b) **immediately preceding financial year.**

	Group		Company	
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
Net asset value per ordinary share based on issued share capital - (USD cents)	30.88	9.30	40.36	11.70

The net asset per share for the Group as at 31 December 2015 and 31 December 2014 have been calculated based on the issued share capital of 227,399,975 shares and 720,000,000 shares respectively.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:-**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of the Statement of Comprehensive Income

12M2015 vs 12M2014

The Group’s revenue increased by USD7.8million or 3.6% from USD218.7million for the twelve months period ended 31 December 2014 (“12M2014”) to USD226.5million for the twelve months period ended 31 December 2015 (“12M2015”) mainly due to higher product shipment volume. On the back of improved processing margin, resulting from lower carrying costs of our inventory versus our selling prices and the absence of inventory written-down in 12M2015, the Group registered a gross profit of USD11.7million in 12M2015(12M2014: Gross loss of USD2.3million).

The Group registered other gains (net) of USD1.4million in 12M2015 (12M2014: Other losses of USD1.0million) were mainly arose from the net foreign exchange gain of USD0.9million (12M2014: net foreign exchange losses of USD1.8million) and net fair value gain on derivative foreign exchange contracts of USD0.4million (12M2014: USD0.4million).

Selling and distribution expenses in 12M2015 were higher by USD537K or 16.3% from USD3.3million in 12M2014 to USD3.8million in 12M2015, mainly due to higher warehousing costs incurred for the inventories held at third party premises coupled with higher product shipment volume.

Administrative expenses in 12M2015 were higher by USD837K or 20.5% from USD4.1million in 12M2014 to USD4.9million in 12M2015, mainly due to additional administrative expenses incurred for the newly incorporated subsidiaries operations in the United States of America (“USA”) and Indonesia in 12M2015.

The Group registered a profit before tax of USD2.4million in 12M2015 compared to a loss before tax of USD12.7million in 12M2014.



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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Statement of Comprehensive Income

4Q2015 vs 4Q2014

The Group's revenue increased by USD25.1million or 46.3% from USD54.2million in the fourth quarter period ended 31 December 2014 ("4Q2014") to USD79.3million in the fourth quarter period ended 31 December 2015 ("4Q2015"), mainly due to higher product shipment volume. On the back of improved processing margin and higher product shipment volume, the Group registered a higher gross profit of USD5.3million in 4Q2015 compared to a gross profit of USD0.4million in the previous reporting period.

Selling and distribution expenses in 4Q2015 were higher by USD392K or 58.5% from USD670K in 4Q2014 to USD1,062K in 4Q2015, mainly due to higher product shipment volume.

The Group registered a profit before tax of USD2.4million in 4Q2015 compared to loss before tax of USD4.3million in 4Q2014.

Review of Statement of Financial Position

The Group's non-current assets decreased by net amount of USD2.0million or 3.3% from USD62.5million as at 31 December 2014 to USD60.4million as at 31 December 2015, mainly due to the depreciation charge of USD4.2million on the property, plant and equipment in 12M2015, with partial offset from the acquisition of plant and equipment of USD1.7million. The Group has reclassified a building as investment property during the current financial year in view of the change of the usage in the building.

The Group's current assets decreased by USD4.8million or 3.3% from USD145.3million as at 31 December 2014 to USD140.5million as at 31 December 2015, mainly due to the decrease in cash and cash equivalents of USD24.9million, with partial offset from the increase in inventories, trade and other receivables of USD8.9million and USD11.1million respectively.

The Group's current liabilities decreased by USD8.2million or 6.0% from USD136.2million as at 31 December 2014 to USD128.0million as at 31 December 2015, mainly due to the decrease in the short-term bank borrowings of USD17.4million, with partial offset from the increase in trade and other payables of USD8.9million.

The Group's non-current liabilities decreased by USD1.9million or 42.0% from USD4.5million as at 31 December 2014 to USD2.6million as at 31 December 2015, mainly due to the decrease in the long-term bank borrowings of USD2.1million.

The Group's equity attributable to owners of the parent increased by USD4.6million or 7.0% from USD65.6million as at 31 December 2014 to USD70.2million as at 31 December 2015, mainly due to the profit of USD2.4million generated during the financial year and net equity of USD2.2million arising from the acquisition of PT Jebe Koko in April 2015.



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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Statement of Cash Flows

The Group's cash and cash equivalent decreased by USD24.9million in 12M2015 resulting from investing and financing cash outflows of USD20.2million and USD13.9million respectively, which was offset by net operating cash inflows of USD9.2mil.

The net cash used in investing activities of USD20.2million was mainly due to repayment of shareholder loan of USD11.8million, payments of USD6.8million for the acquisition of a subsidiary, and cash payments of USD1.8million was made to capital expenditure incurred in Group's plant and equipment and intangible assets and partially offset by the rental income of USD0.2million from the investment property.

The net cash used in financing activities of USD13.9million was mainly due to cash payment of USD1.3million for the acquisition of non-controlling interest, net repayment of bank borrowings of USD19.5million and payment of finance costs of USD1.9million, which was partially offset by the proceeds of USD9.0million from the issuance of 38million new ordinary shares to the ultimate holding company in April 2015.

The net cash generated from operating activities of USD9.2million in 12M2015 was mainly attributable to:

- a) the positive operating cash flows of USD8.2million;
- b) net cash inflows in trade and other payables of USD20.7million and tax refund (net) of USD0.3million respectively; and
- c) net cash outflows from inventories of USD8.9million and trade and other receivables of USD11.2million, respectively

9. **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.

10. **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.**

Notwithstanding the improved sets of operating results in the second half 2015, the Group still maintain a cautious outlook for the next 12 months. The Group expects the high trading volatility in the cocoa bean terminal markets to persist in the months ahead, in line with the heightened uncertainties in global economic growth, equity markets and commodities markets. While we believe cocoa and chocolate consumption is resilient, it may face some negative impact on the end demand for our cocoa products if global economies deteriorate further.

In view of the risks and potentially weaker macro-economic environment in 2016, the Group will continue to adopt a conservative and prudent stance, but we will remain focused on executing our business strategy to achieve our growth and profitability targets.



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11. Dividend

(a) Current Financial Period Reported On

No dividend has been declared for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend has been declared for the corresponding period of the immediately preceding financial year.

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

No dividend has been declared or recommended for the period ended 31 December 2015.

13. If the Group has obtained a general mandate from Shareholders for interested person transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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)	Aggregate value of all interested person transactions conducted during the financial period under review under a shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	12 months 2015	12 months 2015
	USD’000	USD’000
PT Jebe Koko		
- Purchase of cocoa ingredients	-	22,533 (Note 1)
Guan Chong Cocoa Manufacturer Sdn Bhd		
- Purchase of cocoa ingredients	952 (Note 2)	144
- Sales of cocoa ingredients	762 (Note 2)	-

Note 1 : USD22,533,000 related to the transactions with PT Jebe Koko prior to 1 April 2015.

Note 2 : The Company did not seek for renewal of the IPT mandate during the last AGM on 30 April 2015.



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14. Segmental Information

Business segments

No segmental information is presented based on business segment as the Group operates in only one business segment, which is production and sale of cocoa ingredients products and derives its operating revenue solely from this segment.

Geographical segments

	Malaysia	Singapore	United States	Indonesia	Elimination	Total
<u>FY2015</u>	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Geographical Segments						
- Total external revenue	199,119	17,688	7,798	1,930		226,535
- Internal segment revenue	22,730	200,906	-	117,836	(341,472)	-
Total revenue	221,849	218,594	7,798	119,766	(341,472)	226,535
Segment results	6,712	(1,650)	140	3,621	(123)	8,700
Interest income						31
Finance expenses						(1,937)
Depreciation and amortisation						(4,354)
Profit before tax						2,440
Income tax expenses						(78)
Loss for the year						2,362
<u>Capital expenditure</u>						
Property, plant and equipment	1,130	125	382	527	-	2,164
Intangible asset	-	188	-	-	-	188
Segment assets	159,223	192,745	6,754	64,589	(222,411)	200,900
Segment liabilities	123,246	92,178	6,856	37,665	(129,276)	130,669

	Malaysia	Singapore	United States	Indonesia	Elimination	Total
<u>FY2014</u>	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Geographical Segments						
- Total external revenue	217,128	-	735	828	-	218,691
- Internal segment revenue	1,626	212,077	-	84,653	(298,356)	-
Total revenue	218,754	212,077	735	85,481	(298,356)	218,691
Segment results	(10,680)	1,727	(185)	2,850	-	(6,288)
Interest income						74
Finance expenses						(2,124)
Depreciation and amortisation						(4,358)
Profit before tax						(12,696)
Income tax expenses						(314)
Loss for the year						(13,010)
<u>Capital expenditure</u>						
Property, plant and equipment	1,049	-	3,973	1,113	-	6,135
Intangible asset	-	210	-	-	-	210
Segment assets	139,597	162,065	5,378	60,420	(159,702)	207,758
Segment liabilities	106,501	68,666	5,492	34,912	(74,806)	140,765



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15. A breakdown of sales

	FY2015	FY2014	
	USD'000	USD'000	%
Sales reported for first half year	84,278	108,510	(22.3)
Loss after tax for first half year	(933)	(5,270)	82.3
Sales reported for second half year	142,257	110,181	29.1
Profit/(Loss) after tax for second half year	3,295	(7,740)	n.m

n.m - Not meaningful

16. Negative confirmation pursuant to Rule 705 (5)

Not applicable as the Company is announcing its full year financial statement for FY2015.

17. Confirmation pursuant to Rule 720 (1)

The Group has procured undertakings from all its directors and executive officers.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).

There were no persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder.

By Order of the Board

Tey How Keong
Chief Executive Officer and Executive Director
25 February 2016