



**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 2023



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

	Note	6 months ended		Changes %
		30 Jun 2023 USD'000	30 Jun 2022 USD'000	
<b>Revenue</b>		271,200	249,474	8.7
Cost of sales		(240,708)	(231,138)	(4.1)
<b>Gross profit</b>		30,492	18,336	66.3
<b>Other items of income</b>				
Interest income		65	39	66.6
Other (losses)/gains, net		(4,001)	1,362	n.m.
<b>Other items of expenses</b>				
Selling and distribution expenses		(3,456)	(2,899)	(19.2)
Administrative expenses		(6,866)	(5,599)	(22.6)
Finance costs		(5,557)	(2,318)	(139.7)
<b>Profit before income tax</b>	14	10,677	8,921	19.7
Income tax expense	15	(2,296)	(1,663)	(38.1)
<b>Profit for the period</b>		8,381	7,258	15.5
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences		(508)	(586)	13.3
<b>Total comprehensive income for the period</b>		7,873	6,672	18.0
<b>Profit attributable to:</b>				
Owners of the parent		8,381	7,258	15.5
Non-controlling interest		-	-	-
		8,381	7,258	15.5
<b>Total comprehensive income attributable to:</b>				
Owners of the parent		7,873	6,672	18.0
Non-controlling interest		-	-	-
		7,873	6,672	18.0
<b>Earnings per share</b>				
- Basic and diluted (US\$ cents)	16	2.76	2.39	
<b>EBITDA</b>		20,532	14,463	

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

	Note	Group		Company	
		30 Jun 23 USD'000	31 Dec 22 USD'000	30 June 23 USD'000	31 Dec 22 USD'000
<b>Non-current assets</b>					
Intangible assets	4	1,887	2,210	-	-
Investment properties	5	7,520	7,599	-	-
Property, plant and equipment	6	105,258	99,828	-	-
Right-of-use assets		12,363	12,664	-	-
Investments in subsidiaries		-	-	104,189	104,189
Deferred tax assets		123	1,122	-	-
Other receivables	8	-	-	2,487	2,905
		<u>127,151</u>	<u>123,423</u>	<u>106,676</u>	<u>107,094</u>
<b>Current assets</b>					
Inventories	7	244,369	181,534	-	-
Trade and other receivables	8	88,372	77,324	-	2,861
Prepayments		2,231	824	1	8
Derivative financial instruments	9	193,588	62,339	-	-
Current Income tax recoverable		3,913	4,163	-	-
Cash and bank balances	10	14,646	21,602	50	56
		<u>547,119</u>	<u>347,786</u>	<u>51</u>	<u>2,925</u>
<b>Current liabilities</b>					
Trade and other payables	11	35,604	38,147	512	522
Lease liabilities		2,778	2,798	-	-
Derivative financial instruments	9	204,486	59,909	-	-
Bank borrowings	12	215,365	155,410	-	-
Current income tax payable		2,842	1,999	-	-
		<u>461,075</u>	<u>258,263</u>	<u>512</u>	<u>522</u>
Net current assets		<u>86,044</u>	<u>89,523</u>	<u>(461)</u>	<u>2,403</u>
<b>Non-current liabilities</b>					
Bank borrowings	12	19,600	21,382	-	-
Lease liabilities		2,368	3,841	-	-
Deferred capital grant		419	440	-	-
Provision for post-employment benefits		352	350	-	-
Deferred tax liabilities		6,835	7,544	-	-
		<u>29,574</u>	<u>33,557</u>	<u>-</u>	<u>-</u>
Net assets		<u>183,621</u>	<u>179,389</u>	<u>106,215</u>	<u>109,497</u>
<b>Capital and reserves</b>					
Share capital	13	113,963	113,963	113,963	113,963
Other reserves		(33,515)	(33,007)	(8,458)	(8,458)
Retained earnings		103,163	98,423	710	3,992
<b>Equity attributable to owners of the parent</b>		<u>183,611</u>	<u>179,379</u>	<u>106,215</u>	<u>109,497</u>
Non-controlling interest		10	10	-	-
<b>Total equity</b>		<u>183,621</u>	<u>179,389</u>	<u>106,215</u>	<u>109,497</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 2023</b>	113,963	(25,472)	176	(7,711)	98,423	179,379	10	179,389
<b>Profit for the period</b>	-	-	-	-	8,381	8,381	-	8,381
<b>Other comprehensive income for the period</b>								
Foreign currency translation differences, net of tax	-	-	-	(508)	-	(508)	-	(508)
<b>Total comprehensive income for the period</b>	-	-	-	(508)	8,381	7,873	-	7,873
<b>Contribution by and distribution to owners</b>								
Dividends on ordinary shares	-	-	-	-	(3,641)	(3,641)	-	(3,641)
<b>Balance as at 30 June 2023</b>	113,963	(25,472)	176	(8,219)	103,163	183,611	10	183,621
<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 period</b>	-	-	-	-	7,258	7,258	-	7,258
<b>Other comprehensive income for the period</b>								
Foreign currency translation differences, net of tax	-	-	-	(586)	-	(586)	-	(586)
<b>Total comprehensive income for the period</b>	-	-	-	(586)	7,258	6,672	-	6,672
<b>Contribution by and distribution owners</b>								
Dividends on ordinary shares	-	-	-	-	(2,901)	(2,901)	-	(2,901)
<b>Balance as at 30 June 2022</b>	113,963	(25,472)	150	(7,198)	89,193	170,636	10	170,646

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 2023</b>	113,963	3,992	(8,458)	109,497
Profit for the period, representing total comprehensive income for the year	-	359	-	359
<b>Contribution by and distribution owners</b>				
Dividends on ordinary shares, net	-	(3,641)	-	(3,641)
<b>Balance as at 30 June 2023</b>	113,963	710	(8,458)	106,215
<b>Balance as at 1 January 2022</b>	113,963	3,038	(8,458)	108,543
Profits for the period, representing total comprehensive income for the year	-	1,082	-	1,082
<b>Contribution by and distribution owners</b>				
Dividends on ordinary shares, net	-	(2,901)	-	(2,901)
<b>Balance as at 30 June 2022</b>	113,963	1,219	(8,458)	106,724

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

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun 2023</b>	<b>30 Jun 2022</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>Operating Activities</b>		
Profit before tax	10,677	8,921
Adjustments for:-		
Amortisation of intangible asset	353	356
Amortisation of right-of-use assets	294	198
Amortisation of deferred capital grant	(5)	(5)
Depreciation of investment properties	119	119
Depreciation of property, plant & equipment	3,537	3,211
Loss on disposal of plant and equipment	12	249
Plant and equipment written off	4	2
Interest expenses	5,557	2,318
Interest income	(65)	(39)
Provision for post-employment benefits	3	-
<b>Operating cash flows before working capital changes</b>	20,486	15,330
<b>Changes in working capital:</b>		
Inventories	(62,835)	29,262
Trade and other receivables	(11,049)	(6,485)
Derivative financial instruments	13,328	(2,907)
Prepayment	(1,407)	(1,330)
Trade and other payables	(2,543)	4,283
<b>Cash generated (used in)/from operations</b>	(44,020)	38,153
Income tax paid	(1,595)	(3,703)
<b>Net cash (used in)/from operating activities</b>	(45,615)	34,450
<b>Investing activities</b>		
Purchase of property, plant & equipment	(8,635)	(4,616)
Purchase of intangible assets	(30)	-
Proceeds from disposal of property, plant & equipment	1	29
Prepayment of lease	(40)	-
Interest received	65	39
<b>Net cash used in investing activities</b>	(8,639)	(4,548)
<b>Financing activities</b>		
Drawdown of borrowings	324,155	250,333
Repayments of bank borrowings	(265,712)	(275,572)
Dividend paid on ordinary shares	(3,641)	(2,901)
Repayment of obligations under leases	(1,487)	(19)
Decrease in fixed deposits pledged	125	-
Interest paid	(5,557)	(1,784)
<b>Net cash from/(used in) financing activities</b>	47,883	(29,943)
<b>Net change in cash and cash equivalents</b>	(6,371)	(41)
<b>Cash and cash equivalent at the beginning of the financial period</b>	20,391	27,481
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(460)	(55)
<b>Cash and cash equivalents at end of financial period</b>	13,560	27,385

## **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 major shareholder is JB Cocoa Group Sdn Bhd, a company incorporated in Malaysia. The principal activities of the Group 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 2023 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 2022.

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 financial year ended 31 December 2022.

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 Jun 2023 US\$'000	As at 31 Dec 2022 US\$'000
<b>Computer software, software under development/others</b>		
<i>Cost</i>		
Balance at 1 Jan	4,177	4,174
Additions	30	5
Currency realignment	(1)	(2)
Balance at 30 Jun/ 31 Dec	4,206	4,177
<i>Less: Accumulated Amortisation</i>		
Balance at 1 January	1,967	1,260
Depreciation charge for the period/year	353	709
Currency realignment	(1)	(2)
Balance at 30 Jun/31 Dec	2,319	1,967
<b>Net carrying amount</b>		
At 30 Jun/31 Dec	1,887	2,210

#### 5. Investment properties

	Group	
	As at 30 Jun 2023 US\$'000	As at 31 Dec 2022 US\$'000
<i>Cost</i>		
Balance at 1 Jan	8,399	8,559
Additions	-	-
Disposal	-	-
Currency realignment	44	(160)
	8,443	8,399
<i>Less: Accumulated depreciation</i>		
Balance as at 1 Jan	800	575
Depreciation charge for the period/year	119	236
Disposal	-	-
Currency realignment	4	(11)
Balance at 30 Jun/31 Dec	923	800
Net carrying amount at 30 Jun/31 Dec	7,520	7,599

Investment properties relate to the land and buildings located in Estonia and Malaysia.

The leasehold building with a carrying value of US\$5,091,000 (2022: US\$5,176,000) has been pledged as security for banking facilities as disclosed in Note 13.

#### 6. Property, plant and equipment

During the six months ended 30 Jun 2023, the Group acquire property, plant and equipment an aggregate cost of US\$8,635,000 (2022: US\$12,806,000).

**7. Inventories**

	Group	
	As at 30 Jun 2023	As at 31 Dec 2022
	US\$'000	US\$'000
Raw materials	168,008	114,532
Work-in-progress	6,242	7,127
Finished goods	63,161	53,248
Stores and supplies	6,958	6,627
	244,369	181,534

**8. Trade and other receivables**

	Group		Company	
	30 Jun 23	31 Dec 22	30 Jun 23	31 Dec 22
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current</b>				
Other receivables from a subsidiary	-	-	2,487	2,905
<b>Current</b>				
- Third parties	53,334	62,170	-	-
- Loss allowance for trade receivables	(14)	(14)	-	-
	53,320	62,156	-	-
- Related party	378	-	-	-
	53,698	62,156	-	-
Other receivables				
- Third parties	56	49	-	-
- Subsidiaries	-	-	-	2,861
- GST/VAT receivables	1,353	76	-	-
	1,409	125	-	2,861
Advances to third party suppliers	12,714	1,773	-	-
Deposits	20,551	13,270	-	-
Total trade and other receivables	88,372	77,324	2,487	5,766
Add: Cash and bank balances (Note 10)	14,646	21,602	50	56
Less: GST/VAT receivables	(1,353)	(76)	-	-
Less: Advances to third party suppliers	(12,714)	(1,773)	-	-
Financial assets at amortised costs	88,951	97,077	2,537	5,822

**8. 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.

**9. Derivative Financial Instruments**

	Group	
	As at 30 Jun 2023 US\$'000	As at 31 Dec 2022 US\$'000
<b><u>Derivative assets</u></b>		
Foreign currency forward contracts	2,250,	2,343
Interest rate swap contracts	245	43
Derivative cocoa beans contracts	191,093	59,953
	193,588	62,339
<b><u>Derivative liabilities</u></b>		
Foreign currency forward contracts	4,768	1,679
Interest rate swap contracts	-	187
Derivative cocoa beans contracts	199,718	58,043
	204,486	59,909

**10. Cash and Bank Balances**

	Group	
	As at 30 Jun 2023 US\$'000	As at 31 Dec 2022 US\$'000
Cash and bank balances as at 30 Jun/31 Dec	14,646	21,602
Less: fixed deposit pledged with banks	(1,086)	(1,211)
Cash and cash equivalents per consolidated statement of cash flows	13,560	20,391

## 11. Trade and other payables

	Group		Company	
	30 Jun 23 US\$'000	31 Dec 22 US\$'000	30 Jun 23 US\$'000	31 Dec 22 US\$'000
Trade payables				
- Third parties	15,968	20,654	-	-
- Related parties	4,068	6,094	-	-
	20,036	26,748	-	-
Other payables				
- Third parties	3,939	2,373	5	-
- A subsidiary	-	-	447	440
- GST/VAT payables	30	66	-	-
Accrued expenses	5,524	6,197	60	82
Advances from customers	6,037	2,720	-	-
Provisions	38	43	-	-
Total trade and other payables	35,604	38,147	512	522
Add: Bank borrowings	234,965	176,792	-	-
Add: Lease liabilities	5,146	6,639	-	-
Less: Advances from customers	(6,037)	(2,720)	-	-
Less: GST/VAT payables	(30)	(66)	-	-
Less: Provisions	(38)	(43)	-	-
Total financial liabilities carried at amortised costs	269,610	218,750	512	522

## 12. Bank Borrowings

	Group	
	As at 30 Jun 2023 US\$'000	As at 31 Dec 2022 US\$'000
<b>Current</b>		
Trade bills	191,504	130,390
Revolving credits	5,243	5,243
Sukuk Wakalah	16,065	17,009
Term loan	2,553	2,768
	215,365	155,410
<b>Non-current</b>		
Revolving credits	2,387	2,620
Sukuk Wakalah	5,355	5,670
Term loan	11,858	13,092
	19,600	21,382
	234,965	176,792

On 30 November 2022, the Company completed an issuance of Sukuk Wakalah of RM100,000,000 in notional value ("First Issuance"), of which RM75,000,000 with a tenure of one (1) year from the date of issuance and due for repayment in 30 November 2023, and RM25,000,000 with a tenure of three (3) years from the date of issuance and due for repayment in 28 November 2025.

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.

## 12. Bank Borrowings (Continued)

The Sukuk Wakalah are issued under Islamic medium term notes (“Sukuk Wakalah”) programme of up to RM500,000,000 in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar (“Sukuk Wakalah Programme”). The Sukuk Wakalah Programme has a tenure of thirty (30) years from 3 October 2022.

The tenure of each issuance of Sukuk Wakalah shall be more than one (1) year and up to thirty (30) years, provided that the Sukuk Wakalah matures on or prior to the expiry of the Sukuk Wakalah Programme. The proceeds raised from the issuance of the Sukuk Wakalah shall be utilised to finance its general working capital, capital expenditure, refinancing of existing financing/borrowings and/or future financing and other general corporate purposes and/or to provide advance via Shariah-compliant manner to its subsidiaries for general working capital, capital expenditure, refinancing of existing financing/borrowings and/or future financing and other general corporate purposes.

## 13. Share Capital

	Group and Company			
	30 Jun 2023		31 Dec 2022	
	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 Jun 2023 (31 Dec 2022: Nil).

The Company’s subsidiaries do not hold any shares in the Company as at 30 Jun 2023 and 31 Dec 2022.

## 14. 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 Jun 2023	30 Jun 2022
	US\$'000	US\$'000
Outward freight	1,811	13,434
Haulage trucking	1,745	1,574
Amortisation of intangible assets	353	356
Amortisation of right-of-use assets	294	198
Depreciation of property, plant and equipment	3,537	3,211
Depreciation of investment properties	119	119
Rental income from investment properties	(349)	(293)
Fair value loss/(gain) on derivative financial instruments, net	259	(2,907)
Foreign exchange loss, net	2,170	1,916

**15. Tax expense**

	Group	
	6 months ended	
	30 Jun 2023	30 Jun 2022
	US\$'000	US\$'000
<b>Current financial period</b>		
Current income tax	2,688	1,663
Deferred income tax	(392)	-
	2,296	1,663

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

**16. Earnings per share**

	Group	
	6 months ended	
	30 Jun 2023	30 Jun 2022
	US\$'000	US\$'000
Profit attributable to equity holders of the Company	8,381	7,258
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)	2.76	2.39

The calculation of basic earnings per share at 30 Jun 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 Jun 2023 and 30 Jun 2022.

**17. Net Asset Value**

	Group		Company	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
Net asset value per ordinary share based on issued share capital – (USD cents)	60.56	59.17	35.03	36.11

The net asset per share for the Group as at 30 Jun 2023 and 31 Dec 2022 have been calculated based on the issued share capital of 303,199,966 shares.

**18. Dividends**

	Group	
	6 months ended	
	30 Jun 2023	30 Jun 2022
	US\$'000	US\$'000
Ordinary dividends paid:		
Final dividend in respect of the previous financial year,		
Approved and paid during the interim period as at 30 June 2023 S\$0.016 per ordinary share (30 Jun 2022: S\$0.013)	3,641	2,901

## 19. 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.



## 19.1 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 2023 to 30 June 2023</b>							
<b>Revenue</b>							
External revenue	20,437	171,423	38,365	13,404	27,571	-	271,200
Inter-segment revenue	152,196	269,194	-	78,917	443	(500,750)	-
	172,633	440,617	38,365	92,321	28,014	(500,750)	271,200
<b>Results</b>							
Segment results	11,621	961	(909)	377	1,613	6,809	20,472
Interest income							65
Finance costs							(5,557)
Depreciation and amortisation							(4,303)
Profit before income tax							10,677
Income tax expense							(2,296)
Profit after income tax							8,381
<b>Additions to non-current assets</b>							
Property, plant and equipment	2,798	4	-	707	5,126	-	8,635
Right-of-use assets	-	-	-	40	-	-	40
<b>Segment assets</b>	262,439	623,294	27,094	96,545	43,996	(379,098)	674,270
<b>Segment liabilities</b>	178,489	438,904	19,507	58,837	31,378	(236,466)	490,649





**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 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>249,474</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							<u>8,921</u>
Income tax expense							<u>(1,663)</u>
Profit after income tax							<u><u>7,258</u></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
	<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 assets</b>							
<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>

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 2023	30 June 2022
	US\$'000	US\$'000
North America		
- United States of America	39,275	40,171
- Others*	12,253	13,575
Asia		
- China	30,296	28,487
- Others*	106,332	99,099
Europe		
- Russian Federation	38,264	28,693
- Others*	18,931	11,803
Others*	25,849	27,646
Total revenue	271,200	249,474

\* 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 2023 and 31 December 2022.

### 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).

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.

## 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 2023 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 USD21.7million or 8.7% from USD249.5million for the half year ended 30 June 2022 ("1H2022") to USD271.2million for the half year ended 30 June 2023 ("1H2023") mainly due to higher customer shipment volume. The Group's gross profit increased by USD12.2million or 66.3% from USD18.3million in 1H2022 to USD30.5million in 1H2023 due to normalisation of the processing margin and improvement in global supply chain situation.

Other losses of USD4.0million in 1H2023 was mainly due to foreign exchange losses arising from the Group's forward foreign exchange contracts denominated in Great British Pound ("GBP") and Euro Dollar ("EURO") due to weakening of the respective currency against United States Dollars. This foreign exchange difference is the result and part of the hedging mechanism to manage our foreign exchange exposures. The corresponding exchange gain is embedded in the cost of sales and forward sales and purchase contracts.

The selling and distribution expenses increased by USD0.6million or 19.2% from USD2.9million in 1H2022 to USD3.5million in 1H2023, 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 administrative expenses increased by USD1.3million or 22.6% from USD5.6million in 1H2022 to USD6.9million in 1H2023, mainly due to higher staff costs to support the higher business activities. The finance costs increased by USD3.2million or 139.7% from USD2.3million in 1H2022 to USD5.6million in 1H2023, mainly due to increase in the financing interest rate on the trade bills utilization and interest costs incurred in Sukuk Wakalah in 1H2023.

As a result of the above, the Group registered an increase in the profit after tax by USD1.1million from USD7.3million in 1H2022 to USD8.4million in 1H2023.

#### Review of Consolidate Statement of Financial Position

The Group's non-current assets increased by USD3.7million as at 30 June 2023, mainly due to capital expenditure incurred in plant and equipment amounting USD8.6million, partially offset by the depreciation and amortisation charge of USD4.3 million on property, plant and equipment, investment properties, intangible assets and right-of-use assets.

The Group's current assets increased by USD199.3million or 57.3% from USD347.8 million as at 31 December 2022 to USD547.1million as at 30 June 2023, mainly due to the increase in inventories, trade and other receivables and derivative financial instruments assets of USD62.8million, USD11.0million and USD131.2million respectively and partially offset by a decrease in cash and bank balances of USD7.0million. The increase in inventories mainly due to the higher cocoa bean price and cocoa bean volume.

The Group's current liabilities increased by USD202.8million or 78.5%, from USD258.3million as at 31 December 2022 to USD461.1million as at 30 June 2023, mainly due to the increase in derivative financial instruments liabilities and short-term bank borrowings of USD144.6million and USD60.0million respectively and partially offset by a decrease in trade and other payables of USD2.5million.

The Group's equity attributable to owners of the parent increased by USD4.2million or 2.3% mainly due to profit of USD8.4million generated in 1H2023, partially offset with dividend payment of USD3.6million.

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

**Review of Statement of Cash Flows**

The Group's cash and cash equivalent decreased by USD6.4million in 1H2023 mainly due to net cash outflows from operating and investing activities of USD45.6million and USD8.6million respectively and partially offset by net inflow from financing activities of USD47.9million.

The net cash used in operating activities of USD45.6million in 1H2023 was mainly attributable to:

- a) Net cash generated from operating cash flows of USD20.5million;
- b) Negative outflows in changes in working capital of USD64.5million; and
- c) Income tax paid of USD1.6million

The net cash used in investing activities of USD8.6million was mainly due to the capital expenditure incurred in the purchase of plant and equipment.

The net cash generated from financing activities of USD48.4million was mainly due to net drawdown of bank borrowings of USD58.9million which was partially offset by dividend payment, repayment of obligation and interest paid of USD10.7million.

**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.**

The Group sees an improvement in the overall cocoa consumptions in first half of 2023 after the easing and reopening of borders around the world in year 2023.

The Group expects the rest of the year 2023 to remain volatile, and will continue to closely monitor the developments in the industry and will respond accordingly in its pricing and growth strategy. The higher interest rates and higher inflation environment coupled with higher cocoa bean prices continue to pose uncertainties in the global economic environment and potential headwinds to the Group.

Nonetheless, the Group remains optimistic that cocoa consumption growth will continue to be supported by the recovery of economic activities post COVID-19 pandemic and the growing middle-income class over the long term.

**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 22 September 2023.

**(d) Record date**

The record date for the proposed interim cash dividend will be on 8 September 2023.

**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 2023
	USD’000
<b>Guan Chong Cocoa Manufacturer Sdn Bhd</b>	
- Purchase of cocoa ingredients	5,829
- Sales of cocoa ingredients	712
<b>GCB Cocoa Singapore Pte Ltd</b>	
- Purchase of cocoa ingredients	6,000

**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 2023 to be false or misleading in any material aspect.

**By Order of the Board**

**Tey How Keong**

Chief Executive Officer and Executive Director

10 August 2023

**Goh Lee Beng**

Executive Director