



**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 Second Half and Twelve Months Ended 31 December 2020

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			GROUP		
	Second Half		+ / (-) %	Full Year		+ / (-) %
	2020 USD'000	2019 USD'000		2020 USD'000	2019 USD'000	
Revenue	208,928	193,141	8.2	417,754	352,494	18.5
Cost of sales	(185,991)	(166,711)	(11.6)	(368,599)	(300,622)	(22.6)
Gross profit	22,937	26,430	(13.2)	49,155	51,872	(5.2)
Interest income	102	47	117.0	131	89	47.2
Other (losses)/gains, net	(669)	1,387	N.M	(2,080)	1,418	N.M
<i>Other items of expense</i>						
Selling and distribution expenses	(4,372)	(3,984)	(9.7)	(8,498)	(6,609)	(28.6)
Administrative expenses	(5,863)	(5,384)	(8.9)	(11,318)	(9,925)	(14.0)
Finance costs	(2,075)	(3,027)	31.5	(4,910)	(5,152)	4.7
Profit before income tax	10,060	15,469	(35.0)	22,480	31,693	(29.1)
Income tax expense	(1,167)	(2,674)	56.4	(3,168)	(5,470)	42.1
Profit for the period	8,893	12,795	(30.5)	19,312	26,223	(26.4)
<b>Other comprehensive income:</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences	877	(136)	N.M	728	(136)	N.M
Re-measurement of post-employment benefits, net of tax	(23)	(59)	61.0	(23)	(47)	51.1
Other comprehensive income for the financial period, net of tax	854	(195)	N.M	705	(183)	N.M
<b>Total comprehensive income for the period</b>	<b>9,747</b>	<b>12,600</b>	<b>(22.6)</b>	<b>20,017</b>	<b>26,040</b>	<b>(23.1)</b>
<b>Profit attributable to:</b>						
Owners of the parent	8,893	12,795	(30.5)	19,312	26,223	(26.4)
Non-controlling interest	-	-	-	-	-	-
	8,893	12,795	(30.5)	19,312	26,223	(26.4)
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	9,747	12,600	(22.6)	20,017	26,040	(23.1)
Non-controlling interest	-	-	-	-	-	-
	9,747	12,600	(22.6)	20,017	26,040	(23.1)
EBITDA	15,486	21,838	(29.1)	34,248	43,033	(20.4)



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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.**

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

	GROUP			GROUP		
	Second Half		+ / (-) %	Full Year		+ / (-) %
	2020 USD'000	2019 USD'000		2020 USD'000	2019 USD'000	
Amortisation of intangible assets	(82)	(73)	(12.3)	(155)	(143)	(8.4)
Amortisation of right of use assets	(184)	(165)	(11.5)	(338)	(285)	(18.6)
Amortisation of deferred capital grant	2	4	(50.0)	10	10	-
Depreciation of investment property	(156)	(121)	(28.9)	(296)	(151)	(96.0)
Depreciation of property, plant and equipment	(2,931)	(2,987)	1.9	(6,079)	(5,619)	(8.2)
Foreign exchange gain/(loss), net	(1,213)	1,159	N.M	(3,753)	865	N.M
(Loss)/Gain on disposal of plant & equipment	(141)	42	N.M	(169)	(206)	18.0
Gain on disposal of intangible assets	3	-	100.0	-	50	100.0
Bad debts written off	-	(15)	100.0	-	(15)	100.0
Rental income	552	371	47.6	1,040	579	79.4
Fair value gain/(loss) on derivative financial instruments, net	(2,811)	(33)	(8,418.2)	(4,971)	697	N.M
Realised gain/(loss) on cocoa bean derivative contract, net	(205)	(150)	(36.7)	703	234	200.4

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-20 USD'000	31-Dec-19 USD'000	31-Dec-20 USD'000	31-Dec-19 USD'000
<b>Non-current assets</b>				
Intangible assets	2,523	225	-	-
Investment properties	12,521	12,539	-	-
Property, plant and equipment	96,447	80,493	-	-
Right-of-use assets	2,404	2,533	-	-
Investments in subsidiaries	-	-	103,408	103,408
Deferred tax assets	150	128	-	-
	<u>114,045</u>	<u>95,918</u>	<u>103,408</u>	<u>103,408</u>
<b>Current assets</b>				
Inventories	178,811	181,100	-	-
Trade and other receivables	60,551	65,437	6,789	7,588
Prepayments	391	653	5	7
Derivative financial instruments	6,946	3,781	-	-
Current Income tax recoverable	1,644	1,116	-	-
Cash and cash equivalents	20,649	16,594	29	9
	<u>268,992</u>	<u>268,681</u>	<u>6,823</u>	<u>7,604</u>
<b>Current liabilities</b>				
Trade and other payables	31,034	38,582	138	82
Lease liabilities	16	30	-	-
Derivative financial instruments	10,908	2,772	-	-
Bank borrowings	160,902	170,005	-	-
Current income tax payable	1,570	1,929	-	2
	<u>204,430</u>	<u>213,318</u>	<u>138</u>	<u>84</u>
Net current assets	<u>64,562</u>	<u>55,363</u>	<u>6,685</u>	<u>7,520</u>
<b>Non-current liabilities</b>				
Bank borrowings	15,062	3,523	-	-
Deferred capital grant	491	470	-	-
Provision for post-employment benefits	624	455	-	-
Deferred tax liabilities	5,938	5,419	-	-
	<u>22,115</u>	<u>9,867</u>	<u>-</u>	<u>-</u>
Net assets	<u>156,492</u>	<u>141,414</u>	<u>110,093</u>	<u>110,928</u>
<b>EQUITY</b>				
Share capital	113,963	113,963	113,963	113,963
Other reserves	(32,290)	(33,056)	(8,458)	(8,458)
Retained earnings	74,809	60,497	4,588	5,423
<b>Equity attributable to owners of the parent</b>	<u>156,482</u>	<u>141,404</u>	<u>110,093</u>	<u>110,928</u>
Non-controlling interest	10	10	-	-
<b>Total equity</b>	<u>156,492</u>	<u>141,414</u>	<u>110,093</u>	<u>110,928</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-20	31-Dec-19
	USD'000	USD'000
Amount repayable in one year or less, or on demand		
- Secured	687	333
- Unsecured	160,215	169,672
	<u>160,902</u>	<u>170,005</u>
Amount repayable after one year		
- Secured	4,231	1,595
- Unsecured	10,831	1,928
	<u>15,062</u>	<u>3,523</u>

**Details of collateral**

Certain borrowings were secured by the subsidiary' lands and buildings.



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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 Second Half		GROUP Full Year	
	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000
<b>Operating Activities</b>				
Profit before income tax	10,060	15,469	22,480	31,693
Adjustments for:-				
Amortisation of intangible asset	82	73	155	143
Amortisation of right-of-use assets	184	165	338	285
Amortisation of deferred capital grant	(2)	(4)	(10)	(10)
Depreciation of investment properties	156	121	296	151
Depreciation of property, plant & equipment	2,931	2,987	6,079	5,619
Fair value loss/(gain) on derivative financial instruments	2,811	33	4,971	(697)
Reversal of loss on trade receivables	-	(86)	-	(86)
Bad debts written off	-	15	-	15
Interest expenses	2,075	3,027	4,910	5,152
Interest income	(102)	(47)	(131)	(89)
Reversal of write down of net realisable value of inventory	-	(148)	-	(148)
Loss/(Gain) on disposal of plant and equipment	141	(42)	169	206
Gain on disposal of intangible assets	3	-	-	(50)
Provision for post-employment benefits	145	102	145	102
<b>Operating cash flows before working capital changes</b>	<b>18,484</b>	<b>21,665</b>	<b>39,402</b>	<b>42,286</b>
<b>Changes in working capital:</b>				
Inventories	(26,151)	(65,073)	2,289	(68,115)
Trade and other receivables	(6,599)	(12,796)	4,886	(20,782)
Prepayment	267	211	262	70
Trade and other payables	8,899	22,538	(7,538)	2,273
<b>Cash (used in)/from operations</b>	<b>(5,100)</b>	<b>(33,455)</b>	<b>39,301</b>	<b>(44,268)</b>
Income tax paid	(2,062)	(5,157)	(3,536)	(6,833)
<b>Net cash (used in)/from operating activities</b>	<b>(7,162)</b>	<b>(38,612)</b>	<b>35,765</b>	<b>(51,101)</b>
<b>Investing activities</b>				
Proceeds from disposal of plant and equipment	837	9	873	16
Proceeds from disposal of intangible assets	6	-	6	50
Purchase of intangible assets	(2,467)	-	(2,467)	(47)
Purchase of property, plant and equipment	(17,766)	(5,079)	(22,764)	(18,318)
Prepayment of lease	(105)	(36)	(105)	(36)
Additions to investment properties	-	(5,791)	(22)	(8,618)
Interest received	102	47	131	89
<b>Net cash used in investing activities</b>	<b>(19,393)</b>	<b>(10,850)</b>	<b>(24,348)</b>	<b>(26,864)</b>
<b>Financing activities</b>				
Drawdown of borrowings	286,590	271,976	518,327	417,318
Repayment of borrowings	(256,192)	(210,247)	(515,924)	(324,134)
Repayment of obligation under lease	30	(41)	(38)	(41)
Dividend paid to owners of the parent	(4,939)	(2,231)	(4,939)	(6,703)
Interest paid	(2,075)	(3,027)	(4,910)	(5,152)
<b>Net cash from/(used in) financing activities</b>	<b>23,414</b>	<b>56,430</b>	<b>(7,484)</b>	<b>81,288</b>



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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 Second Half		GROUP Full Year	
	2020 USD'000	2019 USD'000	2020 USD'000	2019 USD'000
Net change in cash and cash equivalents	(3,141)	6,968	3,933	3,323
Cash and cash equivalent at the beginning of the financial period	23,435	9,771	16,594	13,416
Effect of exchange rate changes on cash and cash equivalents	355	(145)	122	(145)
Cash and cash equivalents at end of financial period	20,649	16,594	20,649	16,594



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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.**

<b>GROUP</b>	<b>Share capital USD'000</b>	<b>Merger reserves USD'000</b>	<b>Statutory Reserves USD'000</b>	<b>Foreign currency translation reserves USD'000</b>	<b>Retained profits USD'000</b>	<b>Equity attributable to the owners of the parent USD'000</b>	<b>Non-controlling interest USD'000</b>	<b>Total equity USD'000</b>
<b>Balance as at 1 January 2020</b>	113,963	(25,472)	54	(7,638)	60,497	141,404	10	141,414
<b>Profit for the financial period</b>	-	-	-	-	19,312	19,312	-	19,312
<b>Other comprehensive income for the financial period</b>								
Re-measurement of post-employment benefits, net of tax	-	-	-	-	(23)	(23)	-	(23)
Foreign currency translation differences, net of tax	-	-	-	728	-	728	-	728
<b>Total comprehensive income for the financial period</b>	-	-	-	728	19,289	20,017	-	20,017
<b>Contribution by and distribution owners</b>								
Dividends on ordinary shares	-	-	-	-	(4,939)	(4,939)	-	(4,939)
<b>Others</b>								
Transfer to statutory reserve	-	-	38	-	(38)	-	-	-
<b>Balance as at 31 Dec 2020</b>	<b>113,963</b>	<b>(25,472)</b>	<b>92</b>	<b>(6,910)</b>	<b>74,809</b>	<b>156,482</b>	<b>10</b>	<b>156,492</b>
<b>Balance as at 1 January 2019</b>	<b>113,963</b>	<b>(25,472)</b>	<b>27</b>	<b>(7,502)</b>	<b>41,051</b>	<b>122,067</b>	<b>10</b>	<b>122,077</b>
<b>Profit for the financial period</b>	-	-	-	-	26,223	26,223	-	26,223
<b>Other comprehensive income for the financial period</b>								
Re-measurement of post-employment benefits, net of tax	-	-	-	-	(47)	(47)	-	(47)
Foreign currency translation differences, net of tax	-	-	-	(136)	-	(136)	-	(136)
<b>Total comprehensive income for the financial period</b>	-	-	-	(136)	26,176	26,040	-	26,040
<b>Contribution by and distribution owners</b>								
Dividends on ordinary shares	-	-	-	-	(6,703)	(6,703)	-	(6,703)
<b>Others</b>								
Transfer to statutory reserve	-	-	27	-	(27)	-	-	-
<b>Balance as at 31 December 2019</b>	<b>113,963</b>	<b>(25,472)</b>	<b>54</b>	<b>(7,638)</b>	<b>60,497</b>	<b>141,404</b>	<b>10</b>	<b>141,414</b>



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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>COMPANY</u>	Share capital USD'000	Retained earnings USD'000	Other reserve USD'000	Total USD'000
Balance as at 1 January 2020	113,963	5,423	(8,458)	110,928
Profits for the period, representing total comprehensive income for the period	-	4,104	-	4,104
Dividends on ordinary shares	-	(4,939)	-	(4,939)
<b>Balance as at 31 December 2020</b>	<b>113,963</b>	<b>4,588</b>	<b>(8,458)</b>	<b>110,093</b>

<u>COMPANY</u>	Share capital USD'000	Retained earnings USD'000	Other reserve USD'000	Total USD'000
Balance as at 1 January 2019	113,963	5,630	(8,458)	111,135
Profits for the period, representing total comprehensive income for the period	-	6,496	-	6,496
Dividends on ordinary shares	-	(6,703)	-	(6,703)
<b>Balance as at 31 December 2019</b>	<b>113,963</b>	<b>5,423</b>	<b>(8,458)</b>	<b>110,928</b>

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.

There were no new shares issued in the year ended 31 December 2020.

There were no outstanding convertibles or treasury shares held as at 31 December 2020 and 31 December 2019.

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-20 No of shares	31-Dec-19 No of shares
Total number of issued shares ('000)	303,200	303,200

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.





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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.

- 3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue; and
- (b) Confirmation from the Board that impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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 2019.

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.**

Not applicable

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 Second half		GROUP Full Year	
	2020	2019	2020	2019
Profit attributable to owners of the parent (USD’000)	8,893	12,795	19,312	26,223
Aggregated weighted average number of ordinary shares (’000)	303,200	303,200	303,200	303,200
Basic and diluted EPS based on aggregated weighted average number of ordinary shares <sup>(1)</sup> <sup>(2)</sup> (USD cents)	2.93	4.22	6.37	8.65

**Notes:**

- (1) 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.
- (2) 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-20	31-Dec-19	31-Dec-20	31-Dec-19
Net asset value per ordinary share based on issued share capital - (USD cents)	51.61	46.64	36.31	36.59

The net asset per share for the Group as at 31 December 2020 and 31 December 2019 have been calculated based on the issued share capital of 303,199,966 shares.

- 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**

**FY2020 vs FY2019**

The Group’s revenue increased by USD65.3 million or 18.5% from USD352.5 million for the twelve months ended 31 Dec 2019 (“FY2019”) to USD417.8 million for the twelve months ended 31 Dec 2020 (“FY2020”) mainly due to higher shipment volume, and the higher average selling prices of the cocoa ingredients due to increase in the cocoa bean price. The increase in cocoa bean costs arising from the Living Income Differential imposed by certain country origin coupled with higher fixed direct overhead arising from lower utilisation of factory processing capacity contributed to a lower gross profit margin in FY2020 as compared with FY2019.

Other losses (net) of USD2.1 million in FY2020 mainly due to higher foreign exchange losses incurred in FY2020 arising from the appreciation of British Pound Sterling (“GBP”) for the Group’s trade bills denominated in GBP.

Selling and distribution expenses increased by USD1.9 million or 28.6% from USD6.6 million in FY2019 to USD8.5 million in FY2020, mainly due to higher storage costs for the finished goods, higher export freight and handling cost incurred as a result of higher product shipment volume and increased in the freight costs due to shortage of the vessel towards the last quarter of year 2020.

Administrative expenses increased USD1.4 million or 14.0% from USD9.9 million in FY2019 to USD11.3 million in FY2020, mainly due to an increase in the Group’s middle management headcount, higher payroll cost, increased in one-off professional fee incurred in connection with the acquisition of the factory building, and increased in the Group’s depreciation in FY2020.

Income tax expense decreased by USD2.3 million or 42.1% from USD5.5 million in FY2019 to USD3.2 million in FY2020 mainly due to lower profit generated in FY2020 as compared to FY2019.

As a result of the above, the Group registered a profit after tax of USD19.3 million in FY2020.



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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 (Continued)**

#### **2H2020 vs 2H2019**

The Group's revenue increased by USD15.8 million or 8.2% from USD193.1 million in the second half period ended 31 Dec 2019 ("2H2019") to USD208.9 million in the second half period ended 31 Dec 2020 ("2H2020") mainly due to higher shipment volume for cocoa ingredients, and the higher average selling prices of the cocoa ingredients due to increase in the cocoa bean price. The increase in cocoa bean costs arising from the Living Income Differential imposed by certain country origin coupled with higher fixed direct overhead arising from lower utilisation of factory processing capacity contributed to a lower gross profit margin in 2H2020 as compared with 2H2019.

Selling and distribution expenses increased by USD0.4 million or 9.7% from USD4.0million in 2H2019 to USD4.4 million in 2H2020, mainly due to higher storage costs for the finished goods, higher export freight and handling cost incurred as a result of higher product shipment volume and higher freight costs due to shortage of the vessel towards the last quarter of year 2020.

Administrative expenses increased USD0.5 million or 8.9% from USD5.4 million in 2H2019 to USD5.9 million in 2H2020, mainly due to an increase in the Group's middle management headcount, higher payroll cost and increased in the Group's depreciation in 2H2020.

Finance cost decreased by USD0.9 million or 31.5% from USD3.0 million in 2H2019 to USD2.1 million in 2H2020, mainly due to lower financing interest rates.

Income tax expense decreased by USD1.5 million or 56.4% from USD2.7 million in 2H2019 to USD1.2 million in 2H2020 mainly due to lower profit generated.

As a result of the above, the Group registered a profit after tax of USD8.9 million in 2H2020.

### **Review of Statement of Financial Position**

#### **31 December 2020 vs 31 December 2019**

##### **Group**

The Group's non-current assets increased by USD18.1 million or 18.9% from USD95.9 million as at 31 December 2019 to USD114.0 million as at 31 December 2020, mainly due to capital expenditure incurred in property, plant and equipment, intangible assets in FY2020 amounting USD22.8 million and USD2.5 million respectively, partially offset by the depreciation and amortization charge of USD6.4 million.

The Group's current assets increased by USD0.3 million or 0.1%, from USD268.7 million as at 31 December 2019 to USD269.0 million as at 31 December 2020, mainly due to increase in derivative financial instruments, income tax recoverable and cash and cash equivalents of USD3.2 million, USD0.5 million and USD4.1 million, partially offset by decrease in inventories, trade and other receivables of USD2.3 million and USD4.9 million respectively.



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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 Financial Position (Continued)**

#### **31 December 2020 vs 31 December 2019**

The Group's current liabilities decreased by USD8.9 million or 4.2%, from USD213.3 million as at 31 December 2019 to USD204.4 million as at 31 December 2020, mainly due to the decrease in trade and other payables, and short-term bank borrowings of USD7.5 million and USD9.1 million respectively partially offset by the increase in derivative financial instruments USD8.1 million.

The Group's non-current liabilities increased by USD12.2 million or 124.1% from USD9.9 million as at 31 December 2019 to USD22.1 million as at 31 December 2020 mainly due to increase in long term loan and deferred tax liabilities of USD11.5 million and USD0.5 million.

The Group's equity attributable to owners of the parent increased by USD15.1 million or 10.7% from USD141.4 million as at 31 December 2019 to USD156.5 million as at 31 December 2020, mainly due to profit generated in FY2020, partially offset by the dividend of USD4.9 million.

### **Review of Statement of Cash Flows**

The Group's cash and cash equivalent increased by USD4.1 million in FY2020, due to net cash inflows from operating activities of USD35.8 million, partially offset by net cash outflows from investing activities and financing activities of USD24.3 million and USD7.5 million respectively.

The net cash used in operating activities of USD35.8 million was mainly attributable to:

- a) Positive operating cash flows of USD39.4 million;
- b) Net cash inflows in inventories, trade and other receivables of USD2.3 million and USD4.9 million respectively;
- c) Net cash outflows in trade and other payables of USD7.5 million; and
- d) Income tax paid of USD3.5 million;

The net cash used in investing activities of USD24.3 million was mainly due to the capital expenditure incurred in the purchase of plant and equipment.

The net cash used in financing activities of USD7.5 million was mainly due to dividend payment and interest of USD4.9 million and USD4.9 million, partially offset with net drawdown of bank borrowings of US2.4 million.

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.



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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.**

The Group notes that the second wave of the outbreak of COVID-19 Pandemic and lockdown control measures in many countries may continue to affect the global consumption and demand for cocoa ingredients. The imposition of USD400/MT Living Income Differential in certain country origin has resulted in significant volatility in the cocoa bean price and may dampen the weak market sentiments and the Group may not be able to fully pass on the resulting higher cocoa bean costs to the customers. This may affect the processing margin and profitability of the Group for FY2021. Customer sentiments remain cautious.

The Group will closely monitor the developments in the industry, and take prudent measures in executing our strategy. However, the Group believes the cocoa consumption environment will continue to be supported by the recovery of the economy after the COVID-19 Pandemic and the growing middle-income classes over the long term.

11. **Dividend**

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

Name of dividend	Interim	Final	Total
Dividend type	Cash	Cash	Cash
Dividend per share (in Singapore cents)	0.50 cent	1.50 cents	2.00 cents

On 25 September 2020, the Company has paid out an interim dividend of 0.50 Singapore cent per share. The Company is proposing a final dividend of 1.50 Singapore cent per share for the financial year ended 31 December 2020.

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

Name of dividend	Interim	Final	Total
Dividend type	Cash	Cash	Cash
Dividend per share (in Singapore cents)	1.00 cent	1.80 cents	2.80 cents

In preceding financial year, the Company has paid out an interim dividend of 1.00 Singapore cent per share on 5 September 2019 and final dividend of 1.80 Singapore cents per share on 7 August 2020.

(c) **Date Payable**

The date payable for the proposed final cash dividend will be announced at a later date.

(d) **Books closure date**

The Notice of closure date of the Transfer Books and the Register of Members of the Company for the proposed final cash dividend will be announced at a late date.

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

Not applicable



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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.

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 Related Person who is not an “interested person”	Aggregate value of all related person transactions during the financial year under review (exclude transactions less than S\$100,000)
	12 months 2020 USD’000
<b>Guan Chong Cocoa Manufacturer Sdn Bhd</b> - Purchase of cocoa ingredients - Sales of cocoa ingredients - Handling charge <b>GCB Cocoa Singapore Pte Ltd</b> - Purchase of cocoa ingredients	       8,061 648 58 2,776



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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	Others	Elimination	Total
<b><u>FY2020</u></b>	USD*000	USD*000	USD*000	USD*000	USD*000	USD*000	USD*000
<b>Geographical Segments</b>							
- Total external revenue	55,628	273,479	46,808	257	41,582	-	417,754
- Internal segment revenue	262,853	328,546	-	121,801	-	(713,200)	-
<b>Total revenue</b>	<b>318,481</b>	<b>602,025</b>	<b>46,808</b>	<b>122,058</b>	<b>41,582</b>	<b>(713,200)</b>	<b>417,754</b>
<b>Segment results</b>	14,175	13,035	(984)	5,182	969	1,750	34,127
<b>Interest income</b>							131
<b>Finance expenses</b>							(4,910)
<b>Depreciation and amortisation</b>							(6,868)
<b>Profit before tax</b>							22,480
<b>Taxation</b>							(3,168)
<b>Profit after tax</b>							19,312
<b><u>Capital expenditure</u></b>							
Property, plant and equipment	21,654	-	-	159	951	-	22,764
Investment properties	-	-	22	-	-	-	22
Right-of-use	-	24	-	105	-	-	129
Intangible asset	-	2,467	-	-	-	-	2,467
<b>Segment assets</b>	212,738	326,084	18,378	100,481	22,840	(297,484)	383,037
<b>Segment liabilities</b>	134,089	149,729	18,489	64,616	9,803	(150,181)	226,545
	Malaysia	Singapore	United States	Indonesia	Others	Elimination	Total
<b><u>FY2019</u></b>	USD*000	USD*000	USD*000	USD*000	USD*000	USD*000	USD*000
<b>Geographical Segments</b>							
- Total external revenue	154,821	131,927	35,262	8,617	21,867	-	352,494
- Internal segment revenue	164,575	373,398	-	115,530	3,510	(657,013)	-
<b>Total revenue</b>	<b>319,396</b>	<b>505,325</b>	<b>35,262</b>	<b>124,147</b>	<b>25,377</b>	<b>(657,013)</b>	<b>352,494</b>
<b>Segment results</b>	22,081	17,295	175	4,554	539	(1,690)	42,954
<b>Interest income</b>							89
<b>Finance expenses</b>							(5,152)
<b>Depreciation and amortisation</b>							(6,198)
<b>Profit before tax</b>							31,693
<b>Taxation</b>							(5,470)
<b>Profit after tax</b>							26,223
<b><u>Capital expenditure</u></b>							
Property, plant and equipment	17,537	34	19	571	157	-	18,318
Investment properties	5,720	-	91	-	2,807	-	8,618
Right-of-use	70	-	-	-	-	-	70
Intangible asset	1	46	-	-	-	-	47
<b>Segment assets</b>	241,217	313,923	20,019	105,268	25,861	(341,689)	364,599
<b>Segment liabilities</b>	168,493	143,278	18,807	71,533	15,906	(194,832)	223,185

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**15. A breakdown of sales**

	<b>FY2020</b>	<b>FY2019</b>	
	<b>USD'000</b>	<b>USD'000</b>	<b>%</b>
Sales reported for first half year	208,826	159,353	31.0
Profit after tax for first half year	10,419	13,428	(22.4)
Sales reported for second half year	208,928	193,141	8.2
Profit after tax for second half year	8,893	12,795	(30.5)

**16. 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.

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

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the financial results for the six months period ended 31 December 2020 to be false or misleading in any material aspect.

**18. Confirmation pursuant to Rule 720 (1)**

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

**By Order of the Board**

**Tey How Keong**  
Chief Executive Officer and Executive Director  
25 February 2021

**Goh Lee Beng**  
Executive Director