



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 Second Half and Financial Year Ended
31 December 2022



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B. Condensed interim statements of financial position

	Note	Group		Company	
		31-Dec-22 USD'000	31-Dec-21 USD'000	31-Dec-22 USD'000	31-Dec-21 USD'000
Non-current assets					
Intangible assets	4	2,210	2,914	-	-
Investment properties	5	7,599	7,984	-	-
Property, plant and equipment	6	99,828	94,117	-	-
Right-of-use assets		12,664	4,553	-	-
Investments in subsidiaries	7	-	-	104,189	103,410
Fixed deposits	11	-	122	-	-
Deferred tax assets		1,122	154	-	-
Other receivables	9	-	-	2,905	2,950
		<u>123,423</u>	<u>109,844</u>	<u>107,094</u>	<u>106,360</u>
Current assets					
Inventories	8	181,534	224,622	-	-
Trade and other receivables	9	77,324	58,919	2,861	3,038
Prepayments		824	294	8	8
Derivative financial instruments	10	62,339	24,138	-	-
Current Income tax recoverable		4,163	2,671	-	-
Cash and bank balances	11	21,602	27,931	56	53
		<u>347,786</u>	<u>338,575</u>	<u>2,925</u>	<u>3,099</u>
Current liabilities					
Trade and other payables	12	38,147	35,831	522	908
Lease liabilities		2,798	16	-	-
Derivative financial instruments	10	59,909	26,575	-	-
Bank borrowings	13	155,410	193,056	-	-
Current income tax payable		1,999	3,629	-	8
		<u>258,263</u>	<u>259,107</u>	<u>522</u>	<u>916</u>
Net current assets		<u>89,523</u>	<u>79,468</u>	<u>2,403</u>	<u>2,183</u>
Non-current liabilities					
Bank borrowings	13	21,382	14,368	-	-
Lease liabilities		3,841	-	-	-
Deferred capital grant		440	492	-	-
Provision for post-employment benefits		364	637	-	-
Deferred tax liabilities		7,530	6,940	-	-
		<u>33,557</u>	<u>22,437</u>	<u>-</u>	<u>-</u>
Net assets		<u>179,389</u>	<u>166,875</u>	<u>109,497</u>	<u>108,543</u>
Capital and reserves					
Share capital	14	113,963	113,963	113,963	113,963
Other reserves		(33,007)	(31,934)	(8,458)	(8,458)
Retained earnings		98,423	84,836	3,992	3,038
Equity attributable to owners of the parent		<u>179,379</u>	<u>166,865</u>	<u>109,497</u>	<u>108,543</u>
Non-controlling interest		10	10	-	-
Total equity		<u>179,389</u>	<u>166,875</u>	<u>109,497</u>	<u>108,543</u>

C. Condensed interim statements of changes in equity

<u>GROUP</u>	Share capital USD'000	Merger reserves USD'000	Statutory Reserves USD'000	Foreign currency translation reserves USD'000	Retained profits USD'000	Equity attributable to the owners of the parent USD'000	Non-controlling interest USD'000	Total equity USD'000
Balance as at 1 January 2022	113,963	(25,472)	150	(6,612)	84,836	166,865	10	166,875
Profit for the financial year	-	-	-	-	16,684	16,684	-	16,684
Other comprehensive income for the financial year								
Re-measurement of post-employment benefits, net of tax	-	-	-	-	265	265	-	265
Foreign currency translation differences, net of tax	-	-	-	(1,099)	-	(1,099)	-	(1,099)
Total comprehensive income for the financial year	-	-	-	(1,099)	16,949	15,850	-	15,850
Contribution by and distribution to owners								
Dividends on ordinary shares	-	-	-	-	(3,336)	(3,336)	-	(3,336)
Others								
Transfer to statutory reserve	-	-	26	-	(26)	-	-	-
Balance as at 31 December 2022	113,963	(25,472)	176	(7,711)	98,423	179,379	10	179,389
Balance as at 1 January 2021	113,963	(25,472)	92	(6,910)	74,903	156,576	10	156,586
Profit for the financial year	-	-	-	-	13,850	13,850	-	13,850
Other comprehensive income for the financial year								
Re-measurement of post-employment benefits, net of tax	-	-	-	-	3	3	-	3
Foreign currency translation differences, net of tax	-	-	-	298	-	298	-	298
Total comprehensive income for the financial year	-	-	-	298	13,853	14,151	-	14,151
Contribution by and distribution owners								
Dividends on ordinary shares	-	-	-	-	(3,862)	(3,862)	-	(3,862)
Others								
Transfer to statutory reserve	-	-	58	-	(58)	-	-	-
Balance as at 31 December 2021	113,963	(25,472)	150	(6,612)	84,836	166,865	10	166,875

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

	Share capital USD'000	Retained earnings USD'000	Other reserve USD'000	Total USD'000
COMPANY				
Balance as at 1 January 2022	113,963	3,038	(8,458)	108,543
Profit for the year, representing total comprehensive income for the year	-	4,291	-	4,291
Contribution by and distribution owners				
Dividends on ordinary shares, net	-	(3,337)	-	(3,337)
Balance as at 31 December 2022	113,963	3,992	(8,458)	109,497
Balance as at 1 January 2021	113,963	4,588	(8,458)	110,093
Profits for the year, representing total comprehensive income for the year	-	2,312	-	2,312
Contribution by and distribution owners				
Dividends on ordinary shares, net	-	(3,862)	-	(3,862)
Balance as at 31 December 2021	113,963	3,038	(8,458)	108,543

D. Condensed interim consolidated statement of cash flows

	Group	
	12 months ended	
	31 Dec 2022	31 Dec 2021
	USD'000	USD'000
Operating Activities		
Profit before tax	19,279	18,352
Adjustments for:-		
Amortisation of intangible asset	709	588
Amortisation of right-of-use assets	470	387
Amortisation of deferred capital grant	(10)	(11)
Depreciation of investment properties	236	304
Depreciation of property, plant and equipment	6,337	6,235
Gain on disposal of investment property	-	(12,773)
Loss/(Gain) on disposal of plant and equipment	312	(17)
Property, plant and equipment written off	6	23
Interest expenses	6,669	3,689
Interest income	(110)	(92)
Write down to net realisable value of inventories	(73)	16
Loss allowance on trade receivables	-	14
Provision for post-employment benefits	120	21
Operating cash flows before working capital changes	33,945	16,736
Changes in working capital:		
Inventories	43,161	(45,827)
Trade and other receivables	(18,405)	1,818
Derivative financial instruments, net	(4,867)	(1,525)
Prepayment	(530)	97
Trade and other payables	2,306	4,895
Cash generated from/ (used in) operations	55,610	(23,806)
Income tax paid	(6,174)	(2,471)
Net cash from/ (used in) operating activities	49,436	(26,277)
Investing activities		
Purchase of property, plant and equipment	(12,806)	(6,373)
Purchase of intangible assets	(5)	(979)
Additions to investment properties	-	(73)
Proceed from disposal of property, plant and equipment	31	141
Proceed from disposal of investment property	-	16,663
Prepayment of lease	(1,344)	(53)
Interest received	110	92
Net cash (used in)/ from investing activities	(14,014)	9,418

D. Condensed interim consolidated statement of cash flows *(Continued)*

	12 months ended	
	31 Dec 2022 USD'000	31 Dec 2021 USD'000
Financing activities		
Proceeds from issuance of Sukuk Wakalah	22,679	-
Drawdown of bank borrowings	490,055	574,278
Repayment of bank borrowings	(543,190)	(542,869)
Dividend paid on ordinary shares	(3,336)	(3,862)
Repayment of obligation under leases	(712)	(24)
(Increase)/ Decrease in fixed deposits	(639)	124
Interest paid	(6,669)	(3,689)
Net cash (used in)/ from financing activities	(41,812)	23,958
Net change in cash and cash equivalents	(6,390)	7,099
Cash and cash equivalent at the beginning of the financial year	27,481	19,950
Effect of exchange rate changes on cash and cash equivalents	(700)	432
Cash and cash equivalents at end of financial year	20,391	27,481

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

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

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

2. Basis of Preparation

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

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

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

2.1. New and amended standards adopted by the Group

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

2.2. Use of judgements and estimates

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

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

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

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

3. Seasonal operations

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

4. Intangible Assets

	Group	
	31 Dec 2022 US\$'000	31 Dec 2021 US\$'000
Computer software, software under development/others		
Cost		
Balance at 1 January	4,174	3,195
Additions	5	979
Currency realignment	(2)	-
Balance at 31 December	4,177	4,174
Less: Accumulated amortisation		
Balance At 1 January	1,260	672
Depreciation charge for the year	709	588
Currency realignment	(2)	-
Balance at 31 December	1,967	1,260
Net carrying amount		
Balance at 31 December	2,210	2,914

5. Investment properties

	Group	
	31 Dec 2022 US\$'000	31 Dec 2021 US\$'000
Cost		
Balance at 1 January	8,559	13,227
Additions	-	73
Disposal	-	(4,511)
Currency realignment	(160)	(230)
	8,399	8,559
Less: Accumulated depreciation		
Balance at 1 January	575	706
Depreciation charge for the year	236	304
Disposal	-	(421)
Currency realignment	(11)	(14)
Balance as at 31 December	800	575
Net carrying amount		
Balance at 31 December	7,599	7,984

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

The leasehold building with a carrying value of US\$5,176,000 (2021: US\$5,347,000) has been pledged as security for banking facilities as disclosed in Note 13.

6. Property, plant and equipment

During the financial year, the acquire property, plant and equipment an aggregate cost of US\$ 12,806,000 (31 Dec 2021: US\$ 6,373,000).

7. Investment in subsidiaries

In June 2022, JB Sourcing CI, a 100% wholly owned subsidiary of the Company issued and allotted additional 19,900 ordinary shares to the Company for a consideration of XOF199,000,000 (equivalent to USD318,000).

In July 2022, in connection with an internal reorganisation exercise, the Company has entered into a share transfer agreement with a wholly owned subsidiary, JB Cocoa AG to acquire all the ordinary shares of JB Cocoa CI for a consideration of EUR401,000 (equivalent to USD461,000). Subsequent to this reorganisation exercise, JB Cocoa CI became direct wholly owned subsidiary of the Company. The consideration was arrived at on arm’s length willing-buyer willing-seller basis. The consideration was funded by internal resources and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year.

8. Inventories

	Group	
	31 Dec 2022	31 Dec 2021
	US\$'000	US\$'000
Raw materials	114,532	116,897
Work-in-progress	7,127	7,559
Finished goods	53,248	95,276
Stores and supplies	6,627	4,890
	181,534	224,622

9. Trade and other receivables

	Group		Company	
	31 Dec 22 US\$'000	31 Dec 21 US\$'000	31 Dec 22 US\$'000	31 Dec 21 US\$'000
Non-current				
Other receivables from a subsidiary	-	-	2,905	2,950
Current				
- Third parties	62,170	48,778	-	-
- Loss allowance for trade receivables	(14)	(14)	-	-
	62,156	48,764	-	-
- Related party	-	485	-	-
	62,156	49,249	-	-
Other receivables				
- Third parties	49	291	-	-
- subsidiaries	-	-	2,861	3,038
- GST/VAT receivables	76	906	-	-
	125	1,197	2,861	3,038
Advances to third party suppliers	1,773	3,630	-	-
Deposits	13,270	4,843	-	-
Total trade and other receivables	77,324	58,919	5,766	5,988
Add: Cash and bank balances (Note 11)	21,602	28,053	56	53
Less: GST/VAT receivables	(76)	(906)	-	-
Less: Advances to third party suppliers	(1,773)	(3,630)	-	-
Financial assets at amortised costs	97,077	82,436	5,822	6,041

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.

10. Derivative Financial Instruments

	Group	
	31 Dec 2022 US\$'000	31 Dec 2021 US\$'000
Derivative assets		
Foreign currency forward contracts	2,386	923
Derivative cocoa beans contracts	59,953	23,215
	62,339	24,138
Derivative liabilities		
Foreign currency forward contracts	1,866	2,074
Derivative cocoa beans contracts	58,043	24,501
	59,909	26,575

11. Cash and Bank Balances

	Group	
	31 Dec 2022	31 Dec 2021
	US\$'000	US\$'000
Cash and bank balances as at 31 Dec	21,602	28,053
Less: fixed deposit pledged with banks	(1,211)	(572)
Cash and cash equivalents per consolidated statement of cash flows	20,391	27,481

12. Trade and other payables

	Group		Company	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables				
- Third parties	20,654	21,594	-	-
- Related parties	6,094	6,794	-	-
	26,748	28,388	-	-
Other payables				
- Third parties	2,373	1,887	-	2
- A subsidiary	-	-	440	806
- GST/VAT payables	66	35	-	-
Accrued expenses	6,197	4,441	82	100
Advances from customers	2,720	1,063	-	-
Provisions	43	17	-	-
Total trade and other payables	38,147	35,831	522	908
Add: Bank borrowings	176,793	207,424	-	-
Add: Lease liabilities	6,639	16	-	-
Less: Advances from customers	(2,720)	(1,063)	-	-
Less: GST/VAT payables	(66)	(35)	-	-
Less: Provisions	(43)	(17)	-	-
Total financial liabilities carried at amortised costs	218,750	242,156	522	908

13. Bank Borrowings

	Group	
	31 Dec 2022	31 Dec 2021
	US\$'000	US\$'000
<u>Current</u>		
Trade bills	127,338	181,572
Revolving credits	5,243	7,642
Sukuk Wakalah	17,009	-
Term loan	5,820	3,842
	155,410	193,056
<u>Non-current</u>		
Revolving credits	2,620	2,863
Sukuk Wakalah	5,670	-
Term loan	13,092	11,505
	21,382	14,368
	176,792	207,424

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.

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.

14. Share Capital

	Group and Company			
	31 Dec 22		31 Dec 21	
	Number of shares	Amount US\$’000	Number of shares	Amount US\$’000
Issued and fully paid-up				
At beginning/end of the financial year	303,199,966	113,963	303,199,966	113,963

The Company did not hold any treasury shares as at 31 December 2022 (31 December 2021: Nil).

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

15. Profit before taxation

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

	Group			
	6 months ended		12 months ended	
	31 Dec 2022 US\$’000	31 Dec 2021 US\$’000	31 Dec 2022 US\$’000	31 Dec 2021 US\$’000
Outward freight	5,145	10,934	18,579	17,710
Haulage trucking	2,556	1,632	4,130	2,996
Amortisation of intangible assets	353	324	709	588
Amortisation of right-of-use assets	272	221	470	387
Depreciation of property, plant and equipment	3,126	3,252	6,337	6,235
Depreciation of investment properties	117	152	236	304
Rental income from investment properties	(274)	(539)	(567)	(1,095)
Fair value loss/(gain) on foreign currency contracts, net	1,237	5,061	(1,670)	(319)
Foreign exchange loss, net	1,683	530	3,599	1,873

16. Tax expense

	Group			
	6 months ended		12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
Current tax expense				
Current year	1,133	3,113	2,796	4,030
Under/(Over)provision in prior years	262	(527)	262	(527)
Deferred tax				
- Originating and reversal of temporary differences	(463)	1,000	(463)	999
	932	3,586	2,595	4,502

17. Earnings per share

	Group			
	6 months ended		12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
Profit attributable to equity holders of the Company	9,426	9,658	16,684	13,850
Weighted average number of ordinary shares in issue for calculation of basic and diluted earnings per share	303,200	303,200	303,200	303,200
Basic and diluted EPS based on aggregated weighted average number of ordinary share (cents)	3.1	3.2	5.5	4.6

The calculation of basic earnings per share at 31 December 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 31 December 2022 and 31 December 2021.

18. Net Asset Value

	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Net asset value per ordinary share based on issued share capital – (USD cents)	59.17	55.04	36.11	35.80

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

19. Dividends

	Group	
	12 months ended	
	31 Dec 2022 US\$'000	31 Dec 2021 US\$'000
Ordinary dividends paid:		
Interim one-tier tax exempt dividend of S\$0.002 per ordinary share (31 Dec 2021: S\$0.002)	435	448
Final dividend in respect of the previous financial year, Approved and paid during the period of S\$0.015 per ordinary share (31 Dec 2021: S\$0.015)	2,901	3,414
	3,336	3,862

20. Segment and revenue information

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

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

Income taxes are managed on a Group basis.

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

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

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



20.1 Reportable segments

Analysis by geographical segments

	Malaysia US\$'000	Singapore US\$'000	United States of America US\$'000	Indonesia US\$'000	Others US\$'000	Elimination US\$'000	Consolidated US\$'000
1 July 2022 to 31 December 2022							
Revenue							
External revenue	23,211	132,210	51,283	15,336	38,116	-	260,156
Inter-segment revenue	136,642	273,711	-	74,651	-	(485,004)	-
	<u>159,853</u>	<u>405,921</u>	<u>51,283</u>	<u>89,987</u>	<u>38,116</u>	<u>(485,004)</u>	<u>260,156</u>
Results							
Segment results	3,148	24,288	(1,379)	166	(287)	(7,424)	18,512
Interest income							72
Finance costs							(4,351)
Depreciation and amortisation							(3,875)
Profit before income tax							<u>10,358</u>
Income tax expense							(932)
Profit after income tax							<u><u>9,426</u></u>
Additions to non-current assets							
Property, plant and equipment	3,256	54	1	1,152	3,727	-	8,190
Right-of-use-assets	7,127	-	-	1,344	-	-	8,471
Intangible assets	3	1	-	-	1	-	5



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
1 January 2022 to 31 December 2022							
Revenue							
External revenue	46,349	281,469	84,640	34,319	62,853	-	509,630
Inter-segment revenue	287,800	488,706	-	142,552	-	(919,058)	-
	334,149	770,175	84,640	176,871	62,853	(919,058)	509,630
Results							
Segment results	10,706	29,922	(14)	3,004	437	(10,465)	33,590
Interest income							110
Finance costs							(6,669)
Depreciation and amortisation							(7,752)
Profit before income tax							19,279
Income tax expense							(2,595)
Profit after income tax							16,684
Additions to non-current assets							
Property, plant and equipment	7,270	59	1	1,238	4,238	-	12,806
Right-of-use-assets	7,127	222	-	1,344	-	-	8,693
Intangible assets	3	1	-	-	1	-	5
As at 31 December 2022							
Segment assets	202,573	411,663	33,486	94,806	41,422	(312,741)	471,209
Segment liabilities	123,816	221,443	24,900	55,771	29,056	(163,166)	291,820



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
1 July 2021 to 31 December 2021							
Revenue							
External revenue	18,310	148,668	27,085	10,909	33,627	-	238,599
Inter-segment revenue	127,238	250,827	-	63,542	-	(441,607)	-
	145,548	399,495	27,085	74,451	33,627	(441,607)	238,599
Results							
Segment results	3,383	(5,290)	12,935	3,281	1,230	3,649	19,188
Interest income							58
Finance costs							(2,053)
Depreciation and amortisation							(3,949)
Profit before income tax							13,244
Income tax expense							(3,586)
Profit after income tax							9,658
Additions to non-current assets							
Property, plant and equipment	4,644	2	1	60	202	-	4,909
Investment properties	-	-	73	-	-	-	73
Right-of-use-assets	-	25	-	54	-	-	79
Intangible assets	-	608	-	-	7	-	615



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
1 January 2021 to 31 December 2021							
Revenue							
External revenue	35,959	290,586	52,117	17,202	52,899	-	448,763
Inter-segment revenue	273,369	438,005	-	123,894	-	(835,268)	-
	<u>309,328</u>	<u>728,591</u>	<u>52,117</u>	<u>141,096</u>	<u>52,899</u>	<u>(835,268)</u>	<u>448,763</u>
Results							
Segment results	8,071	(581)	12,433	4,982	909	3,649	29,463
Interest income							92
Finance costs							(3,689)
Depreciation and amortisation							<u>(7,514)</u>
Profit before income tax							18,352
Income tax expense							<u>(4,502)</u>
Profit after income tax							<u>13,850</u>
Additions to non-current assets							
Property, plant and equipment	6,015	4	1	110	243	-	6,373
Investment properties	-	-	73	-	-	-	73
Right-of-use-assets	-	25	-	53	-	-	78
Intangible assets	-	973	-	-	6	-	979
As at 31 December 2021							
Segment assets	<u>208,178</u>	<u>365,619</u>	<u>34,397</u>	<u>96,678</u>	<u>29,533</u>	<u>(285,986)</u>	<u>448,419</u>
Segment liabilities	<u>130,749</u>	<u>192,810</u>	<u>25,418</u>	<u>58,632</u>	<u>16,242</u>	<u>(142,307)</u>	<u>281,544</u>

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		12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
North America				
- United States of America	50,220	40,059	90,391	62,351
- Others*	16,466	11,337	30,041	18,873
Asia				
- China	36,510	37,289	64,996	61,298
- Others*	89,485	74,118	188,583	148,055
Europe				
- Russian Federation	33,562	33,261	62,255	58,506
- Others*	14,882	15,907	26,686	46,596
Others*	19,030	26,628	46,678	53,084
Total revenue	260,155	238,599	509,630	448,763

* 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 31 December 2022 and 31 December 2021.

Fair value Hierarchy

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

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

21. Fair value of financial assets and financial liabilities (continued)

There were no transfers between levels during the financial year.

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

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

22. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

23. Disclosure on acquisition and realisations of shares pursuant to Rule 706A

For the purposes of disclosure on acquisitions and realisations of shares pursuant to Rule 706A, there were no acquisitions or realisations of shares resulting in a company becoming or ceasing to be a subsidiary or associated company of the Company, or resulting in the company increasing or reducing its shareholding percentage in a subsidiary or associated company.

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 31 December 2022 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim financial statements of changes in equity and condensed interim consolidated statement of cash flows and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Consolidated Statement of Comprehensive Income

Financial Year 2022 vs Financial Year 2021

The Group's revenue increased by USD60.8 million from USD448.8 million for the twelve months ended 31 December 2021 ("FY2021") to USD509.6million for twelve months ended 31 December 2022 ("FY2022") mainly due to higher shipment volume. The Group's gross profit increased by USD22.0 million from USD26.1 million in FY2021 to USD48.1 million in FY2022 mainly due to improvement in processing margin from lower ocean freight costs incurred in FY2022 arising from a stable supply chain situation.

In FY2021, there was one off gain from the disposal of an investment property in United States of America ("USA"). There was no such recurring gain in FY2022.

Selling and distribution expenses increased by USD3.4million from USD 5.3 million in FY2021 to USD8.7 million in FY2022, mainly due to an increase in the staff costs to support the business volume growth, higher sales commission, higher warehousing and storage expenses arising from higher sales volume. Administrative expenses increased by USD1.6million from USD11.1million in FY2021 to USD12.7million in FY2022, mainly due to an increase in the Group's higher payroll cost from the increasing in staff headcount. Finance costs increased by USD3.0million from USD3.7million in FY2021 to USD6.7 million in FY2022 mainly due to increase in the financing interest rate.

As a result of the above, the Group registered an increase in the profit after tax by USD2.8 million from USD13.9 million in FY2021 to USD16.7 million in FY2022.

2H2022 vs 2H2021

The Group's revenue increased by USD21.6 million from USD238.5 million for second half period ended 31 Dec 2021 ("2H2021") to USD260.1 million in the second half period ended 31 Dec 2022 ("2H2022") mainly due to higher shipment volume arising from customer demand. The Group's gross profit increased by USD18 million from USD11.8 million in 2H2021 to USD29.8 million in 2H2022 mainly due to improvement in processing margin from lower ocean freight costs incurred in 2H2022 arising from a stable supply chain situation.

Other losses of USD2.3 million in 2H2022 was mainly due to higher foreign exchange loss arising from the Group's forward foreign exchange contracts denominated in Euro due to the weakening of Euro against United States Dollars ("USD"). 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. In 2H2021, there was a one off gain from the disposal of an investment property in USA. There was no such recurring gain in 2H2022.

Selling and distribution expenses increased by USD2.5 million from USD3.2 million in 2H2021 to USD5.7 million in 2H2022 mainly due to increase in the staff costs to support the business volume growth, higher sales commission, higher warehousing and storage expenses arising from higher sales volume. Administrative expenses increased by USD1.5million from USD5.6million in 2H2021 to USD7.1million in 2H2022, mainly due to increase in the Group's higher payroll cost from the increasing in staff headcount. Finance costs increased by USD2.3 million from USD2.1 million in 2H2021 to USD4.4million in 2H2022 mainly due to increase in the financing interest rate.

2. Review of performance of the Group

Consolidated Statement of Comprehensive Income *(Continued)*

2H2022 vs 2H2021 *(Continued)*

Review of Consolidated Statement of Financial Position

The Group's non-current assets increased by USD13.6 million from USD109.8 million as at 31 December 2021 to USD123.4 million as at 31 December 2022, mainly due to capital expenditure incurred in property, plant and equipment amounting USD12.8 million, capitalisation of the land leases of USD8.7 million, and partially offset by the depreciation and amortisation charge of USD7.0 million on property, plant and equipment and intangible assets.

The Group's current assets increased by USD9.2 million from USD338.6 million as at 31 December 2021 to USD347.8 million as at 31 December 2022, mainly due to the increase in trade and other receivables and derivative financial instruments of USD18.4million and USD38.2million respectively, and partially offset with decrease in inventories of USD43.1million.

The Group's current liabilities decreased by marginally by USD0.8 million from USD259.1million as at 31 December 2021 to USD258.2 million as at 31 December 2022, mainly due to the decrease in bank borrowings of USD37.6 million, and partially offset by an increase in derivative financial instruments and lease liabilities of USD33.4million and USD2.7 million respectively.

The Group's equity attributable to owners of the parent increased by USD12.5million or 7.5% mainly resulting from the profit of USD16.6million generated in FY2022, partially offset by dividend payment of USD3.3million.

Review of Consolidated Statement of Cash Flows

The Group's cash and cash equivalent decreased by USD7.1million in FY2022, due to net cash used in investing activities and financing activities of USD14.0million and USD41.8million, partially offset by net cash generated from operating activities of USD 49.4 million.

The net cash used in investing activities of USD14.0million was mainly due to the capital expenditure incurred in the purchase of property, plant and equipment and prepayment of land leases of USD12.8 million and USD 1.3 million respectively.

The net cash used in financing activities of USD19.1 million was mainly due net repayment of bank borrowings, dividend payment and interest paid of USD30.4million, USD3.3 million and USD 6.6 million respectively, and partially offset with the proceeds of the issuance of Sukuk Wakalah of USD22.7 million.

2. Review of performance of the Group

Review of Consolidated Statement of Cash Flows (Continued)

The net cash generated from operating activities of USD49.4million in FY2022 was mainly attributable to:

- a) Positive operating cash flows of USD 29.1 million
- b) Net cash inflows in inventories of USD43.1 million;
- c) Net cash outflows in trade and other receivables of USD18.4 million; and
- d) Income tax paid of USD6.2 million; and
- e) Net cash inflows from trade and other payables of USD2.3 million.

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 easing of Covid-19 restrictions and reopening of borders around the world in year 2022 and improvements in the global supply chain situation have boosted overall cocoa consumption. However, the high inflation, high interest rate environment, and uncertainty in the global economic environment may pose potential headwinds to the Group.

The Group expects the rest of the year 2023 to be volatile, and will continue to closely monitor the developments in the industry and will respond accordingly in its pricing and growth strategy. Nonetheless, the Group remains optimistic that cocoa consumption will continue to be supported by the recovery of economic activities post COVID-19 pandemic and also due to the growing middle-income class over the long term.

5. Dividend

(a) Current Financial Period Reported On

Name of dividend	Interim	Final	Total
Dividend type	Cash	Cash	Cash
Dividend per share (in Singapore cents)	0.20 cents	1.60 cents	1.80 cents

On 23 September 2022, the Company has paid out an interim dividend of 0.20 Singapore cent per share. The Company is proposing a final dividend of 1.60 Singapore cent per share for the financial year ended 31 December 2022.

(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)	0.20 cents	1.50 cents	1.70 cents

(c) Date payable

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

(d) Record 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.

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)
	12 months 2022
	USD’000
Guan Chong Cocoa Manufacturer Sdn Bhd	
- Purchase of cocoa ingredients	15,843
- Sales of cocoa ingredients	1,444
GCB Cocoa Singapore Pte Ltd	
- Purchase of cocoa ingredients	1,392

8. Confirmation pursuant to Rule 720 (1)

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

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.

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 financial year ended 31 December 2022 to be false or misleading in any material aspect.

By Order of the Board

Tey How Keong

Chief Executive Officer and Executive Director

27 February 2023

Goh Lee Beng

Executive Director