



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 2023



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

		The Group					
Note	6 months ended		Changes %	12 months ended		Changes %	
	31 Dec 2023	31 Dec 2022		31 Dec 2023	31 Dec 2022		
	USD'000	USD'000		USD'000	USD'000		
Revenue	19	324,586	260,156	24.8	595,786	509,630	16.9
Cost of sales		(314,756)	(230,343)	36.6	(555,464)	(461,481)	20.4
Gross profit		9,830	29,813	(67.0)	40,322	48,149	(16.3)
Other items of income							
Interest income		104	71	46.5	169	110	53.6
Gain/(losses), net		593	(2,288)	(125.9)	(3,408)	(926)	268.0
Other items of expenses							
Selling and distribution expenses		(3,660)	(5,762)	(36.5)	(7,116)	(8,661)	(17.8)
Administrative expenses		(6,180)	(7,125)	(13.3)	(13,046)	(12,724)	2.5
Finance costs		(9,909)	(4,351)	127.7	(15,466)	(6,669)	131.9
(Loss)/Profit before income tax	14	(9,222)	10,358	(189.0)	1,455	19,279	(92.5)
Income tax credit/(expense)	15	2,736	(932)	(393.6)	440	(2,595)	(117.0)
(Loss)/Profit for the period		(6,486)	9,426	(168.8)	1,895	16,684	(88.6)
Other comprehensive income/(loss):							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation differences, net of tax		410	(513)	(179.9)	(98)	(1,099)	(91.1)
<i>Item that will not be reclassified subsequently to profit or loss:</i>							
Re-measurement of post-employment benefits, net of tax		-	265	(100.0)	-	265	(100.0)
Total comprehensive (loss)/income for the period		6,076	9,178	(166.2)	1,797	15,850	(88.7)
(Loss)/Profit attributable to:							
Owners of the parent		(6,486)	9,426	(168.8)	1,895	16,684	(88.6)
Non-controlling interest		-	-	n.m	-	-	n.m
		(6,486)	9,426	(168.8)	1,895	16,684	(88.6)
Total comprehensive (loss)/income attributable to:							
Owners of the parent		(6,076)	9,178	(166.2)	1,797	15,850	(88.7)
Non-controlling interest		-	-	n.m	-	-	n.m
		(6,076)	9,178	(166.2)	1,797	15,850	(88.7)
(Loss)/Earnings per share							
- Basic and diluted (US\$ cents)	16	(2.1)	3.1		0.6	5.5	
EBITDA		4,148	18,508		24,615	33,580	

B. Condensed interim statements of financial position

	Note	Group		Company	
		31 Dec 23 USD'000	31 Dec 22 USD'000	31 Dec 23 USD'000	31 Dec 22 USD'000
Non-current assets					
Intangible assets	4	1,558	2,210	-	-
Investment properties	5	7,434	7,599	-	-
Property, plant and equipment	6	114,488	99,828	-	-
Right-of-use assets		12,227	12,664	-	-
Investments in subsidiaries		-	-	126,054	104,189
Deferred tax assets		1,914	1,122	-	-
Other receivables	8	-	-	-	2,905
		<u>137,621</u>	<u>123,423</u>	<u>126,054</u>	<u>107,094</u>
Current assets					
Inventories	7	274,823	181,534	-	-
Trade and other receivables	8	100,926	77,324	3,140	2,861
Prepayments		1,164	824	7	8
Derivative financial instruments	9	198,469	62,339	-	-
Current Income tax recoverable		5,480	4,163	-	-
Cash and bank balances	10	26,259	21,602	51	56
		<u>607,121</u>	<u>347,786</u>	<u>3,198</u>	<u>2,925</u>
Current liabilities					
Trade and other payables	11	72,790	38,147	23,444	522
Lease liabilities		2,835	2,798	-	-
Derivative financial instruments	9	212,003	59,909	-	-
Bank borrowings	12	226,992	155,410	-	-
Current income tax payable		239	1,999	-	-
		<u>514,859</u>	<u>258,263</u>	<u>23,444</u>	<u>522</u>
Net current assets/(liabilities)		<u>92,262</u>	<u>89,523</u>	<u>(20,246)</u>	<u>2,403</u>
Non-current liabilities					
Bank borrowings	12	44,090	21,382	-	-
Lease liabilities		963	3,841	-	-
Deferred capital grant		423	440	-	-
Provision for post-employment benefits		367	350	-	-
Deferred tax liabilities		6,949	7,544	-	-
		<u>52,792</u>	<u>33,557</u>	<u>-</u>	<u>-</u>
Net assets		<u>177,091</u>	<u>179,389</u>	<u>105,808</u>	<u>109,497</u>
Capital and reserves					
Share capital	13	113,963	113,963	113,963	113,963
Other reserves		(32,977)	(33,007)	(8,458)	(8,458)
Retained earnings		96,094	98,423	303	3,992
Equity attributable to owners of the parent		<u>177,080</u>	<u>179,379</u>	<u>105,808</u>	<u>109,497</u>
Non-controlling interest		11	10	-	-
Total equity		<u>177,091</u>	<u>179,389</u>	<u>105,808</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
Balance as at 1 January 2023	113,963	(25,472)	176	(7,711)	98,423	179,379	10	179,389
Profit for the financial year	-	-	-	-	1,895	1,895	-	1,895
Other comprehensive loss for the financial year	-	-	-	(98)	-	(98)	-	(98)
Total comprehensive income for the financial year	-	-	-	(98)	1,895	1,797	-	1,797
Contribution by and distribution to owners								
Dividends on ordinary shares	-	-	-	-	(4,096)	(4,096)	-	(4,096)
Others								
Transfer to statutory reserve	-	-	128	-	(128)	-	-	-
Increase in share capital	-	-	-	-	-	-	1	1
Balance as at 31 December 2023	113,963	(25,472)	304	(7,809)	96,094	177,080	11	177,091
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/(loss) for the financial year	-	-	-	(1,099)	265	(834)	-	(834)
Total comprehensive income/(loss) for the financial year	-	-	-	(1,099)	16,949	15,850	-	15,850
Contribution by and distribution 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

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 2023	113,963	3,992	(8,458)	109,497
Profit for the year, representing total comprehensive profit for the year	-	407	-	407
Contribution by and distribution owners				
Dividends on ordinary shares, net	-	(4,096)	-	(4,096)
Balance as at 31 December 2023	113,963	303	(8,458)	105,808
Balance as at 1 January 2022	113,963	3,038	(8,458)	108,543
Profits for the year, representing total comprehensive income for the year	-	4,290	-	4,290
Contribution by and distribution owners				
Dividends on ordinary shares, net	-	(3,336)	-	(3,336)
Balance as at 31 December 2022	113,963	3,992	(8,458)	109,497

D. Condensed interim consolidated statement of cash flows

	Group	
	12 months ended	
	31 Dec 2023	31 Dec 2022
	USD'000	USD'000
Operating Activities		
Profit before tax	1,455	19,279
Adjustments for:-		
Amortisation of intangible asset	706	709
Amortisation of right-of-use assets	511	470
Amortisation of deferred capital grant	(10)	(10)
Depreciation of investment properties	238	236
Depreciation of property, plant & equipment	6,418	6,337
Loss on disposal of plant and equipment	11	312
Plant and equipment written off	5	6
Interest expenses	15,466	6,669
Interest income	(169)	(110)
Reversal to net realisable value of inventories	-	(73)
Provision for post-employment benefits	25	120
Operating cash flows before working capital changes	24,656	33,945
Changes in working capital:		
Inventories	(93,339)	43,161
Trade and other receivables	(23,602)	(18,605)
Derivative financial instruments	15,964	(4,867)
Prepayment	(340)	(530)
Trade and other payables	35,520	2,306
Cash (used in)/ generated from operations	(41,141)	55,410
Income tax paid	(3,985)	(6,174)
Net cash (used in)/from operating activities	(45,126)	49,236
Investing activities		
Purchase of property, plant & equipment	(20,754)	(12,806)
Purchase of intangible assets	(54)	(5)
Proceeds from disposal of investment property	-	200
Proceeds from disposal of property, plant & equipment	54	31
Prepayment of lease	(25)	(1,344)
Interest received	169	110
Net cash used in investing activities	(20,610)	(13,814)
Financing activities		
Drawdown of borrowings	697,398	490,055
Proceeds from issuance of Sukuk Wakalah	10,887	22,679
Repayments of bank borrowings	(613,943)	(543,190)
Contribution from non-controlling interests	1	-
Dividend paid on ordinary shares	(4,096)	(3,336)
Repayment of obligations under leases	(2,909)	(712)
Decrease/(Increase) in fixed deposits pledged	775	(639)
Increase in restricted cash	(9,183)	-
Interest paid	(16,384)	(6,669)
Net cash from/(used in) financing activities	62,546	(41,812)
Net change in cash and cash equivalents	3,190	(6,390)
Cash and cash equivalent at the beginning of the financial period	20,391	27,481
Effect of exchange rate changes on cash and cash equivalents	(561)	(700)
Cash and cash equivalents at end of financial period	16,640	20,391

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 twelve months ended 31 December 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 31 Dec 2023 US\$'000	As at 31 Dec 2022 US\$'000
Computer software, software under development/others		
<i>Cost</i>		
Balance at 1 Jan	4,177	4,174
Additions	54	5
Currency realignment	-	(2)
Balance at 31 Dec	4,231	4,177
<i>Less: Accumulated Amortisation</i>		
Balance at 1 Jan	1,967	1,260
Depreciation charge for the year	706	709
Currency realignment	-	(2)
Balance at 31 Dec	2,673	1,967
Net carrying amount		
At 31 Dec	1,558	2,210

5. Investment properties

	Group	
	As at 31 Dec 2023 US\$'000	As at 31 Dec 2022 US\$'000
<i>Cost</i>		
Balance at 1 Jan	8,399	8,559
Currency realignment	81	(160)
	8,480	8,399
<i>Less: Accumulated depreciation</i>		
Balance as at 1 Jan	800	575
Depreciation charge for the year	238	236
Currency realignment	8	(11)
Balance at 31 Dec	1,046	800
Net carrying amount		
At 31 Dec	7,434	7,599

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

The leasehold building with a carrying value of US\$5,004,000 (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 twelve months ended 31 Dec 2023, the Group acquire property, plant and equipment an aggregate cost of US\$20,754,000 (2022: US\$12,806,000).

7. Inventories

	Group	
	As at 31 Dec 2023 US\$'000	As at 31 Dec 2022 US\$'000
Raw materials	119,078	114,532
Work-in-progress	9,781	7,127
Finished goods	138,498	53,248
Stores and supplies	7,466	6,627
	274,823	181,534

8. Trade and other receivables

	Group		Company	
	31 Dec 23 US\$'000	31 Dec 22 US\$'000	31 Dec 23 US\$'000	31 Dec 22 US\$'000
Non-current				
Other receivables from a subsidiary	-	-	-	2,905
Current				
- Third parties	70,736	62,170	-	-
- Loss allowance for trade receivables	(14)	(14)	-	-
	70,722	62,156	-	-
- Related party	466	-	-	-
	71,188	62,156	-	-
Other receivables				
- Third parties	39	49	-	-
- Subsidiaries	-	-	3,140	2,861
- GST/VAT receivables	2,543	76	-	-
	2,582	125	3,140	2,861
Advances to third party suppliers	5,759	1,773	-	-
Deposits	21,397	13,270	-	-
Total trade and other receivables	100,926	77,324	3,140	5,766
Add: Cash and bank balances (Note 10)	26,259	21,602	51	56
Less: GST/VAT receivables	(2,543)	(76)	-	-
Less: Advances to third party suppliers	(5,759)	(1,773)	-	-
Financial assets at amortised costs	118,883	97,077	3,191	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 31 Dec 2023 US\$'000	As at 31 Dec 2022 US\$'000
<u>Derivative assets</u>		
Foreign currency forward contracts	1,801	2,343
Interest rate swap contracts	455	43
Derivative cocoa beans contracts	196,213	59,953
	198,469	62,339
<u>Derivative liabilities</u>		
Foreign currency forward contracts	5,393	1,679
Interest rate swap contracts	-	187
Derivative cocoa beans contracts	206,610	58,043
	212,003	59,909

10. Cash and Bank Balances

	Group	
	As at 31 Dec 2023 US\$'000	As at 31 Dec 2022 US\$'000
Cash and bank balances as at 31 Dec	26,259	21,602
Less: restricted cash	(9,183)	-
Less: fixed deposit pledged with banks	(436)	(1,211)
Cash and cash equivalents per consolidated statement of cash flows	16,640	20,391

11. Trade and other payables

	Group		Company	
	31 Dec 23 US\$'000	31 Dec 22 US\$'000	31 Dec 23 US\$'000	31 Dec 22 US\$'000
Trade payables				
- Third parties	46,820	20,654	-	-
- Related parties	1,725	6,094	-	-
	48,545	26,748	-	-
Other payables				
- Third parties	3,272	2,373	19	-
- A subsidiary	-	-	23,344	440
- GST/VAT payables	2,727	66	-	-
Accrued expenses	8,079	6,197	81	82
Advances from customers	3,287	2,720	-	-
Deposit	6,758	-	-	-
Provisions	122	43	-	-
Total trade and other payables	72,790	38,147	23,444	522
Add: Bank borrowings	271,082	176,792	-	-
Add: Lease liabilities	3,798	6,639	-	-
Less: Advances from customers	(3,287)	(2,720)	-	-
Less: GST/VAT payables	(2,727)	(66)	-	-
Less: Provisions	(122)	(43)	-	-
Total financial liabilities carried at amortised costs	341,534	218,749	23,444	522

12. Bank Borrowings

	Group	
	As at 31 Dec 2023 US\$'000	As at 31 Dec 2022 US\$'000
Current		
Trade bills	214,479	130,390
Revolving credits	8,509	5,243
Sukuk Wakalah	-	17,009
Term loan	4,004	2,768
	226,992	155,410
Non-current		
Revolving credits	2,378	2,620
Sukuk Wakalah	16,331	5,670
Term loan	25,381	13,092
	44,090	21,382
	271,082	176,792

12. Bank Borrowings (Continued)

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.

13. Share Capital

	Group and Company			
	31 Dec 2023		31 Dec 2022	
	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000
Issued and fully paid-up				
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 31 Dec 2023 (31 Dec 2022: Nil).

The Company's subsidiaries do not hold any shares in the Company as at 31 Dec 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		12 months ended	
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
Outward freight	2,263	5,145	4,074	18,579
Haulage trucking	2,084	2,556	3,829	4,130
Amortisation of intangible assets	353	353	706	709
Amortisation of right-of-use assets	217	272	511	470
Depreciation of property, plant and equipment	2,881	3,126	6,418	6,337
Depreciation of investment properties	119	117	238	236
Rental income from investment properties	(335)	(174)	(684)	(567)
Fair value loss/(gain) on derivative financial instruments, net	20,064	(12,386)	19,877	(19,852)
Foreign exchange loss, net	(104)	1,683	2,066	(3,599)

15. Income tax credit/(expense)

	Group			
	6 months ended		12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Current financial period				
Current income tax	(1,780)	1,395	908	3,058
Deferred income tax	(996)	(463)	(1,388)	(463)
Withholding tax	40	-	40	-
	<u>(2,736)</u>	<u>932</u>	<u>(440)</u>	<u>2,595</u>

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		12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Profit attributable to equity holders of the Company	(6,486)	9,426	1,895	16,684
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 (USD cents)	(2.1)	3.1	0.6	5.5

The calculation of basic earnings per share at 31 Dec 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 Dec 2023 and 31 Dec 2022.

17. Net Asset Value

	Group		Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Net asset value per ordinary share based on issued share capital – (USD cents)	<u>58.41</u>	<u>59.17</u>	<u>34.73</u>	<u>36.11</u>

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

18. Dividends

	Group	
	12 months ended	
	31 Dec 2023	31 Dec 2022
	US\$'000	US\$'000
Ordinary dividends paid:		
Interim dividend of \$0.002 per ordinary share (31 Dec 2023)	455	435
Final dividend in respect of the previous financial year, Approved and paid during the financial year ended 2023 of S\$0.016 (2022:S\$0.013) per ordinary share	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
1 July 2023 to 31 December 2023							
Revenue							
External revenue	26,206	192,146	48,394	13,963	43,877	-	324,586
Inter-segment revenue	173,486	307,573	-	88,697	564	(570,320)	-
	199,692	499,719	48,394	102,660	44,441	(570,320)	324,586
Results							
Segment results	4,623	(858)	934	3,150	1,172	(4,873)	4,148
Interest income							104
Finance costs							(9,909)
Depreciation and amortisation							(3,565)
Profit before income tax							(9,222)
Income tax expense							2,736
Profit after income tax							(6,486)
Additions to non-current assets							
Property, plant and equipment	3,079	-	-	347	9,691	(998)	12,119
Right-of-use assets	77	-	-	(24)	-	-	53
Intangible assets	-	54	-	-	-	-	54



19.1 Reportable segments (Continued)

Analysis by geographical segments

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

	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 2023 to 31 December 2023							
Revenue							
External revenue	46,643	363,569	86,759	27,367	71,448	-	595,786
Inter-segment revenue	325,682	576,767	-	167,614	1,007	(1,071,070)	-
	<u>372,325</u>	<u>940,336</u>	<u>86,759</u>	<u>194,981</u>	<u>72,455</u>	<u>(1,071,070)</u>	<u>595,786</u>
Results							
Segment results	16,244	103	25	3,527	2,780	1,936	24,615
Interest income							169
Finance costs							(15,466)
Depreciation and amortisation							(7,863)
Profit before income tax							1,455
Income tax expense							440
Profit after income tax							<u>1,895</u>
Additions to non-current assets							
Property, plant and equipment	5,877	4	-	1,054	14,817	(998)	20,754
Right-of-use assets	77	-	-	16	-	-	93
Intangible assets	-	54	-	-	-	-	54
Segment assets	<u>269,957</u>	<u>681,574</u>	<u>30,823</u>	<u>106,678</u>	<u>77,833</u>	<u>(422,123)</u>	<u>744,742</u>
Segment liabilities	<u>186,188</u>	<u>503,652</u>	<u>22,115</u>	<u>61,541</u>	<u>42,355</u>	<u>(248,199)</u>	<u>567,651</u>



19.1 Reportable segments (Continued)

Analysis by geographical segments

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

	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	(291)	(7,424)	18,508
Interest income							71
Finance costs							(4,351)
Depreciation and amortisation							(3,870)
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



19.1 Reportable segments (Continued)

Analysis by geographical segments

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

	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)	-
	<u>334,149</u>	<u>770,175</u>	<u>84,640</u>	<u>176,871</u>	<u>62,853</u>	<u>(919,058)</u>	<u>509,630</u>
Results							
Segment results	10,706	29,922	(14)	3,004	427	(10,465)	33,580
Interest income							110
Finance costs							(6,669)
Depreciation and amortisation							(7,742)
Profit before income tax							<u>19,279</u>
Income tax expense							(2,595)
Profit after income tax							<u><u>16,684</u></u>
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	-	1,345	-	-	8,694
Intangible assets	3	1	-	-	1	-	5
	<u>202,573</u>	<u>411,663</u>	<u>33,486</u>	<u>94,806</u>	<u>41,422</u>	<u>(312,741)</u>	<u>471,209</u>
Segment assets							
Segment liabilities	<u>123,916</u>	<u>221,443</u>	<u>24,900</u>	<u>55,771</u>	<u>29,056</u>	<u>(163,266)</u>	<u>291,820</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		12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	US\$'000	US\$'000	US\$'000	US\$'000
North America				
- United States of America	41,087	50,220	80,362	90,391
- Others*	16,857	16,466	29,110	30,041
Asia				
- China	47,741	36,510	78,037	64,996
- Others*	75,169	89,485	181,501	188,583
Europe				
- Russian Federation	51,710	33,562	89,974	62,255
- Others*	62,683	14,882	81,614	26,686
Others*	29,339	19,031	55,188	46,678
Total revenue	324,586	260,156	595,786	509,630

* 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 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 31 December 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 USD86.2 million or 16.9% from USD509.6million to USD595.8million for the year ended 31 December 2023 ("FYE 2023") mainly due to higher shipment volume and increase in the average selling price due to higher cocoa bean prices, which has increased from about USD2,400/MT in January 2023 to about USD4,800/MT as at end of December 2023. The cost of sales increased by USD94.0million or 20.4% from USD461.5million to USD555.5million in FY2023, mainly due to increases in cocoa bean price. There is fair value mark-to-market losses of USD12.3million relating to hedging activities, which was recognised as at year end due to unprecedented sharp volatility in cocoa bean prices. Accordingly, the Group's gross profit has decreased by USD7.8million or 16.3% from USD48.1million to USD40.3million.

Other losses of USD3.4million 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 strengthening of the respective currency against United States Dollars ("USD") on the purchase commitment and borrowings. 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 decreased by USD1.5million or 17.8% from USD8.7million to USD7.1million due to less storage and sales commission expenses. The finance costs increased by USD8.8million or 131.9% from USD6.7million to USD15.5million, mainly due to increase in the trade bills utilisation resulting from higher cocoa bean price, higher financing interest rate, and additional financing costs incurred on the Sukuk and term loan to the construction-in-progress in Ivory Coast factory.

As a result of the above, the Group's profit after tax decreased by USD14.8million from USD16.7million to USD1.9million.

Review of Consolidated Statement of Financial Position

The Group's non-current assets increased by USD14.2million as at 31 December 2023, mainly due to capital expenditure incurred in plant and equipment amounting USD20.8million, particularly for the construction-in-progress expenditure and machinery costs in our Ivory Coast factory, which was partially offset by the depreciation and amortisation charge of USD7.9 million on property, plant and equipment, investment properties, intangible assets and right-of-use assets.

The Group's current assets increased by USD259.3million or 74.6% from USD347.8 million as at 31 December 2022 to USD607.1million as at 31 December 2023, mainly due to the increase in inventories, trade and other receivables and derivative financial instruments.

The Group's current liabilities increased by USD256.6million or 99.4%, from USD258.3million as at 31 December 2022 to USD514.9million as at 31 December 2023, mainly due to the increase in derivative financial instruments liabilities and short-term bank borrowings.

2. Review of performance of the Group (Continued)

Review of Statement of Cash Flows

The Group's cash and cash equivalent decreased by USD3.8million mainly due to the following:

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

- a) Negative outflows in changes in working capital of USD41.1million arising from the outflows on the increased in the inventory, trade and other receivables, and partially offset with the inflows on the increased in trade and other payables; and
- b) Income tax paid of USD4.0million

The net cash used in investing activities of USD20.6million was mainly due to the capital expenditure incurred mainly in the construction-in-progress and machinery in the Ivory Coast factory.

The net cash generated from financing activities of USD62.5million was mainly due to:

- a) Net drawdown of bank borrowings of USD83.5million;
- b) Net Sukuk proceeds of USD10.9 million; and partially offset with
- c) Payment of dividend of USD4.1million and interest paid of USD16.4million; and
- d) Increased in the restricted cash of USD9.1million

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.

Going into 2024, we noted increasing volatility and sharp increases in cocoa bean prices on the back of shortage in cocoa beans due to unfavourable weather conditions in West Africa. This coupled with high interest rate environment and uncertainty in the global economic environment may pose potential headwinds to the Group.

The Group expects the year 2024 to be challenging due to shortage of the cocoa bean supply and unprecedented sharp volatility of the cocoa bean prices, which may impact the Group's processing margin and result in losses on the Group's hedging activities. The Group will continue to closely monitor the developments in the industry and will respond accordingly in its pricing and growth strategy.

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	Nil	0.20 cents

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

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

No final dividend had been declared for FYE2023 as the Group would like to conserve the cash for working capital requirement.

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 2023
	USD’000
Guan Chong Cocoa Manufacturer Sdn Bhd	
- Purchase of cocoa ingredients	7,995
- Sales of cocoa ingredients	3,711
GCB Cocoa Malaysia Sdn Bhd	
- Purchase of cocoa ingredients	2,870
GCB Cocoa Singapore Pte Ltd	
- Purchase of cocoa ingredients	10,149

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 31 December 2023 to be false or misleading in any material aspect.

10. 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).

For FYE 2023, there were no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder.

11. Disclosure on acquisitions and realisations

There were no acquisitions or realisations of shares by the Group 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.

By Order of the Board

Tey How Keong
Chief Executive Officer and Executive Director
28 February 2024

Goh Lee Beng
Executive Director