



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

JB Foods Limited and its Subsidiaries

Company Registration Number 201200268D

Condensed interim financial statements
For the six months ended 30 June 2024



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

	Note	6 months ended		Changes %
		30 June 2024 USD'000	30 June 2023 USD'000	
Revenue		453,312	271,200	67.2
Cost of sales		(391,215)	(240,708)	62.5
Gross profit		62,097	30,492	103.7
Other items of income				
Interest income		74	65	13.8
Other gains/(losses),net		4,172	(4,001)	204.3
Other items of expenses				
Selling and distribution expenses		(3,800)	(3,456)	10.0
Administrative expenses		(7,288)	(6,866)	6.1
Finance costs		(11,839)	(5,557)	113.0
Profit before income tax	14	43,416	10,677	306.6
Income tax expense	15	(7,291)	(2,296)	217.6
Profit for the period		36,125	8,381	331.0
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences		(1,581)	(508)	211.2
Total comprehensive income for the period		34,544	7,873	338.8
Profit attributable to:				
Owners of the parent		36,125	8,381	331.0
Non-controlling interest		-	-	-
		36,125	8,381	331.0
Total comprehensive income attributable to:				
Owners of the parent		34,544	7,873	338.8
Non-controlling interest		-	-	-
		34,544	7,873	338.8
Earnings per share				
- Basic and diluted (US\$ cents)	16	11.91	2.76	
EBITDA		59,053	20,467	

B. Condensed interim statements of financial position

	Note	Group		Company	
		30 June 24 USD'000	31 Dec 23 USD'000	30 June 24 USD'000	31 Dec 23 USD'000
Non-current assets					
Intangible assets	4	1,205	1,558	-	-
Investment properties	5	7,245	7,434	-	-
Property, plant and equipment	6	116,513	114,488	-	-
Right-of-use assets		12,064	12,227	-	-
Investments in subsidiaries		-	-	126,054	126,054
Deferred tax assets		1,034	1,914	-	-
		<u>138,061</u>	<u>137,621</u>	<u>126,054</u>	<u>126,054</u>
Current assets					
Inventories	7	374,856	274,823	-	-
Trade and other receivables	8	100,776	100,926	2,643	3,140
Prepayments		2,334	1,164	3	7
Derivative financial instruments	9	289,436	198,469	-	-
Current Income tax recoverable		3,912	5,480	-	-
Cash and bank balances	10	35,734	26,259	529	51
		<u>807,048</u>	<u>607,121</u>	<u>3,175</u>	<u>3,198</u>
Current liabilities					
Trade and other payables	11	136,044	72,790	22,853	23,444
Lease liabilities		2,305	2,835	-	-
Derivative financial instruments	9	259,926	212,003	-	-
Bank borrowings	12	256,325	226,992	-	-
Current income tax payable		7,321	239	-	-
		<u>661,921</u>	<u>514,859</u>	<u>22,853</u>	<u>23,444</u>
Net current assets/(liabilities)		<u>145,127</u>	<u>92,262</u>	<u>(19,678)</u>	<u>(20,246)</u>
Non-current liabilities					
Bank borrowings	12	62,431	44,090	-	-
Lease liabilities		30	963	-	-
Deferred capital grant		415	423	-	-
Provision for post-employment benefits		451	367	-	-
Deferred tax liabilities		8,226	6,949	-	-
		<u>71,553</u>	<u>52,792</u>	<u>-</u>	<u>-</u>
Net assets		<u>211,635</u>	<u>177,091</u>	<u>106,376</u>	<u>105,808</u>
Capital and reserves					
Share capital	13	113,963	113,963	113,963	113,963
Other reserves		(34,508)	(32,977)	(8,458)	(8,458)
Retained earnings		132,169	96,094	871	303
Equity attributable to owners of the parent		<u>211,624</u>	<u>177,080</u>	<u>106,376</u>	<u>105,808</u>
Non-controlling interest		11	11	-	-
Total equity		<u>211,635</u>	<u>177,091</u>	<u>106,376</u>	<u>105,808</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 2024	113,963	(25,472)	304	(7,809)	96,094	177,080	11	177,091
Profit for the financial period	-	-	-	-	36,125	36,125	-	36,125
Other comprehensive income for the financial period								
Foreign currency translation differences, net of tax	-	-	-	(1,581)	-	(1,581)	-	(1,581)
Total comprehensive income for the financial period	-	-	-	(1,581)	36,125	34,542	-	34,544
Others								
Transfer to statutory reserve	-	-	50	-	(50)	-	-	-
Balance as at 30 June 2024	113,963	(25,472)	354	(9,390)	132,169	211,624	11	211,635
Balance as at 1 January 2023	113,963	(25,472)	176	(7,711)	98,423	179,379	10	179,389
Profit for the financial period	-	-	-	-	8,381	8,381	-	8,381
Other comprehensive income for the financial period								
Foreign currency translation differences, net of tax	-	-	-	(508)	-	(508)	-	(508)
Total comprehensive income for the financial period	-	-	-	(508)	8,381	7,873	-	7,873
Contribution by and distribution owners								
Dividends on ordinary shares	-	-	-	-	(3,641)	(3,641)	-	(3,641)
Balance as at 30 June 2023	113,963	(25,472)	176	(8,219)	103,163	183,611	10	183,621

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 2024	113,963	303	(8,458)	105,808
Profit for the period, representing total comprehensive income for the period	-	568	-	568
Contribution by and distribution owners				
Dividends on ordinary shares, net	-	-	-	-
Balance as at 30 June 2024	113,963	871	(8,458)	106,376
Balance as at 1 January 2023	113,963	3,992	(8,458)	109,497
Profits for the period, representing total comprehensive income for the period	-	359	-	359
Contribution by and distribution owners				
Dividends on ordinary shares, net	-	(3,641)	-	(3,641)
Balance as at 30 June 2023	113,963	710	(8,458)	106,215

D. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended	
	30 June 2024	30 June 2023
	USD'000	USD'000
Operating Activities		
Profit before tax	43,416	10,677
Adjustments for:-		
Amortisation of intangible asset	353	353
Amortisation of right-of-use assets	125	294
Amortisation of deferred capital grant	(5)	(5)
Depreciation of investment properties	119	119
Depreciation of property, plant & equipment	3,275	3,537
Loss on disposal of plant and equipment	30	12
Plant and equipment written off	-	4
Interest expenses	11,839	5,557
Interest income	(74)	(65)
Provision for post-employment benefits	84	3
Operating cash flows before working capital changes	59,162	20,486
Changes in working capital:		
Inventories	(95,773)	(62,835)
Trade and other receivables	150	(11,049)
Derivative financial instruments	(43,044)	13,328
Prepayment	(1,170)	(1,407)
Trade and other payables	63,256	(2,543)
Cash used in operations	(17,419)	(44,020)
Income tax paid	(386)	(1,595)
Net cash used in operating activities	(17,805)	(45,615)
Investing activities		
Purchase of property, plant & equipment	(6,634)	(8,635)
Purchase of intangible assets	-	(30)
Proceeds from disposal of property, plant & equipment	533	1
Prepayment of lease	(28)	(40)
Interest received	74	65
Net cash used in investing activities	(6,055)	(8,639)
Financing activities		
Drawdown of bank borrowings	479,241	(324,155)
Repayments of bank borrowings	(452,325)	(265,712)
Proceeds from issuance of Sukuk Wakalah	20,785	-
Increase in restricted cash account	7,375	-
Dividend paid on ordinary shares	-	(3,641)
Repayment of obligations under leases	(1,483)	(1,487)
Decrease in fixed deposits pledged	9	125
Interest paid	(11,839)	(5,557)
Net cash generated from financing activities	41,763	47,883
Net change in cash and cash equivalents	17,903	(6,371)
Cash and cash equivalent at the beginning of the financial period	16,640	20,391
Effect of exchange rate changes on cash and cash equivalents	(1,044)	(460)
Cash and cash equivalents at end of financial period	33,499	13,560

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

The Company’s major shareholder is JB Cocoa Group Sdn Bhd, a company incorporated in Malaysia. The principal activities of the Group are those in manufacturing and trading of cocoa ingredients.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting. 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 2023.

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 2023.

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

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

3. Seasonal operations

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

4. Intangible Assets

	Group	
	As at 30 June 2024 US\$'000	As at 31 Dec 2023 US\$'000
Computer software, software under development/others		
<i>Cost</i>		
Balance at 1 Jan	4,231	4,177
Additions	-	54
Balance at 30 June/ 31 Dec	4,231	4,231
<i>Less: Accumulated Amortisation</i>		
Balance at 1 January	2,673	1,967
Depreciation charge for the period/year	353	706
Balance at 30 June/31 Dec	3,026	2,673
Net carrying amount		
At 30 June/31 Dec	1,205	1,558

5. Investment properties

	Group	
	As at 30 June 2024 US\$'000	As at 31 Dec 2023 US\$'000
<i>Cost</i>		
Balance at 1 Jan	8,480	8,399
Currency realignment	(80)	81
	8,400	8,480
<i>Less: Accumulated depreciation</i>		
Balance as at 1 Jan	1,046	800
Depreciation charge for the period/year	119	238
Currency realignment	(10)	8
Balance at 30 June/31 Dec	1,155	1,046
Net carrying amount at 30 June/31 Dec	7,245	7,434

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

The leasehold building with a carrying value of US\$4,918,923 (2023: US\$5,003,000) has been pledged as security for banking facilities as disclosed in Note 12.

6. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquire property, plant and equipment an aggregate cost of US\$6,634,000 (2023: US\$20,754,000).

7. Inventories

	Group	
	As at 30 June 2024	As at 31 Dec 2023
	US\$'000	US\$'000
Raw materials	272,370	180,312
Work-in-progress	16,813	9,781
Finished goods	78,500	77,264
Stores and supplies	7,173	7,466
	374,856	274,823

8. Trade and other receivables

	Group		Company	
	30 June 24	31 Dec 23	30 June 24	31 Dec 23
	US\$'000	US\$'000	US\$'000	US\$'000
Current				
- Third parties	71,384	70,736	-	-
- Loss allowance for trade receivables	(14)	(14)	-	-
	71,370	70,722	-	-
- Related party	155	466	-	-
	71,525	71,188	-	-
Other receivables				
- Third parties	264	39	-	-
- Subsidiaries	-	-	2,643	3,140
- Related party	626	-	-	-
- GST/VAT receivables	6,392	2,543	-	-
	7,282	2,582	2,643	3,140
Advances to third party suppliers	21,330	5,759	-	-
Deposits	639	21,397	-	-
Total trade and other receivables	100,776	100,926	2,643	3,140
Add: Cash and bank balances (Note 10)	35,734	26,259	529	51
Less: GST/VAT receivables	(6,392)	(2,543)	-	-
Less: Advances to third party suppliers	(21,330)	(5,759)	-	-
Financial assets at amortised costs	108,788	118,883	3,172	3,191

Expected credit loss assessment

The Group uses an allowance matrix to measure the expected credit loss of trade receivables, which comprise a very large number of small balances.

The allowance matrix is based on actual credit loss experience over the past two years. The expected credit loss computed is derived from historical data and credit assessment includes forward-looking information which management is at the view that customer conditions are representative of the prevailing at the reporting date. Based on management’s assessment, no expected credit loss allowance is required as these are not significant.

9. Derivative Financial Instruments

	Group	
	As at 30 June 2024 US\$'000	As at 31 Dec 2023 US\$'000
<u>Derivative assets</u>		
Foreign currency forward contracts	2,755	1,801
Derivative cocoa beans contracts	286,330	196,213
Interest rate swap contracts	351	455
	289,436	198,469
<u>Derivative liabilities</u>		
Foreign currency forward contracts	2,006	5,393
Derivative cocoa beans contracts	257,920	206,610
	259,926	212,003

10. Cash and Bank Balances

	Group	
	As at 30 June 2024 US\$'000	As at 31 Dec 2023 US\$'000
Cash and bank balances as at 30 June/31 Dec	35,734	26,259
Less:		
Restricted cash	(1,808)	(9,183)
Fixed deposit pledged with banks	(427)	(436)
Cash and cash equivalents per consolidated statement of cash flows	33,499	16,640

11. Trade and other payables

	Group		Company	
	30 June 24 US\$'000	31 Dec 23 US\$'000	30 June 24 US\$'000	31 Dec 23 US\$'000
Trade payables				
- Third parties	74,541	46,820	-	-
- Related parties	1,217	1,725	-	-
	75,758	48,545	-	-
Other payables				
- Third parties	6,374	3,272	-	19
- A subsidiary	-	-	22,774	23,344
- GST/VAT payables	659	2,727	-	-
Accrued expenses	12,732	8,079	79	81
Advances from customers	29,384	3,287	-	-
Deposit	11,018	6,758	-	-
Provisions	119	122	-	-
Total trade and other payables	136,044	72,790	22,853	23,444
Add: Bank borrowings	318,756	271,082	-	-
Add: Lease liabilities	2,335	3,798	-	-
Less: Advances from customers	(29,384)	(3,287)	-	-
Less: GST/VAT payables	(659)	(2,727)	-	-
Less: Provisions	(120)	(122)	-	-
Total financial liabilities carried at amortised costs	426,972	341,534	22,853	23,444

12. Bank Borrowings

	Group	
	As at 30 June 2024 US\$'000	As at 31 Dec 2023 US\$'000
Current		
Trade bills	246,609	214,479
Revolving credits	5,223	8,509
Term loan	4,493	4,004
	256,325	226,992
Non-current		
Revolving credits	2,256	2,378
Sukuk Wakalah	37,116	16,331
Term loan	23,059	25,381
	62,431	44,090
	318,756	271,082

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.

	Group and Company			
	30 June 2024		31 Dec 2023	
	Number of shares	Amount	Number of shares	Amount
	US\$'000	US\$'000	US\$'000	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 30 June 2024 (31 Dec 2023: Nil).

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 31 Dec 2023.

14. Profit before taxation

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

	Group	
	6 months ended	
	30 June 2024	30 June 2023
	US\$'000	US\$'000
Outward freight	2,667	1,811
Haulage trucking	1,917	1,745
Amortisation of intangible assets	353	353
Amortisation of right-of-use assets	125	294
Depreciation of property, plant and equipment	3,275	3,537
Depreciation of investment properties	119	119
Rental income from investment properties	(336)	(349)

15. Tax expense

	Group	
	6 months ended	
	30 June 2024	30 June 2023
Current financial period	US\$'000	US\$'000
Current income tax	4,881	2,688
Deferred income tax	2,410	(392)
	7,291	2,296

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

16. Earnings per share

	Group	
	6 months ended	
	30 June 2024	30 June 2023
	US\$'000	US\$'000
Profit attributable to equity holders of the Company	36,125	8,381
Weighted average number of ordinary shares in issue for calculation of basic and diluted earnings per share	303,200	303,200
Basic and diluted EPS based on aggregated weighted average number of ordinary share (USD cents)	11.91	2.76

The calculation of basic earnings per share at 30 June was based on profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding.

The Group has no dilution in its earnings per share at 30 June 2024 and 30 June 2023.

17. Net Asset Value

	Group		Company	
	30-June-24	31-Dec-23	30-June-24	31-Dec-23
Net asset value per ordinary share based on issued share capital – (USD cents)	69.80	58.41	35.08	34.90

The net asset per share for the Group as at 30 June 2024 and 31 Dec 2023 have been calculated based on the issued share capital of 303,199,966 shares.

18. Dividends

	Group	
	6 months ended	
	30 June 2024	30 June 2023
	US\$'000	US\$'000
Final tax exempt dividend of S\$0.016 per ordinary share in respect of Financial year ended 31 December 2022	-	3,641

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 January 2024 to 30 June 2024							
Revenue							
External revenue	41,716	309,230	55,411	13,719	33,236	-	453,312
Inter-segment revenue	219,040	408,011	-	155,372	3,478	(785,901)	-
	260,756	717,241	55,411	169,091	36,714	(785,901)	453,312
Results							
Segment results	4,943	78,657	165	7,957	1,160	(33,834)	59,048
Interest income							74
Finance costs							(11,839)
Depreciation and amortisation							(3,867)
Profit before income tax							43,416
Income tax expense							(7,291)
Profit after income tax							36,125
Additions to non-current assets							
Property, plant and equipment	1,253	-	3	311	5,0672	-	6,634
Right-of-use assets	-	-	-	118	-	-	118
Segment assets	291,605	849,463	16,975	169,939	90,110	(472,983)	945,109
Segment liabilities	205,530	603,347	18,359	130,763	44,628	(269,153)	733,474



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

The analysis by geographical segments is based on entities in the Group in the respective countries.

20. Segment and revenue information *(Continued)*

20.2 Disaggregation of Revenue

Revenue is based on the country and location of the customer in which goods are delivered and services are provided.

	Group	
	6 months ended	
	30 June 2024	30 June 2023
	US\$'000	US\$'000
Asia	177,576	136,628
Europe	170,232	57,195
North America	60,547	51,528
Others	44,957	25,849
Total revenue	453,312	271,200

21. Fair value of financial assets and financial liabilities

The carrying amounts of the current financial assets and current financial liabilities approximate their fair values as at the end of the reporting period due to the relatively short period of maturity of these financial instruments. The fair value of non-current borrowings approximately their carrying amounts as these borrowings are subject to floating interest rates.

The Group's derivative financial instruments (financial assets and financial liabilities) are carried at fair value and considered as Level 2 hierarchy fair value measurement for financial periods ended 30 June 2023 and 31 December 2022.

Fair value Hierarchy

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

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

There were no transfers between levels during the financial year.

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

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

OTHER INFORMATION

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

The condensed interim statements of financial position of JB Foods Limited and its subsidiaries as at 30 June 2024 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 USD182.1million or 67.2% from USD271.2million for the half year ended 30 June 2023 ("1H2023") to USD453.3million for the half year ended 30 June 2024 ("1H2024") mainly due to increase in the average selling price due to higher cocoa bean prices and shipment volume. The cost of sales increased by USD150.5million or 62.5% from USD240.7million to USD391.2million in 1H2024, mainly due to increases in cocoa bean price. There is an unrealised fair value mark-to-market gains of USD38.8million on the derivative financial instruments relating to hedging activities on the Group's forward sales and purchase contracts, which was recognised as at 30 June 2024 due to sharp volatility in cocoa bean prices. The realisation of this fair value unrealised gains (or potential losses) and corresponding impact will be subjected to the prevailing cocoa market price at the relevant settlement date(s) in the next twelve months. Accordingly, the Group's gross profit has increased by USD31.6million or 103.7% from USD30.5million in 1H2023 to USD62.1million.

Other gain of USD4.2million in 1H2024 was mainly due to foreign exchange gains arising from the Group's forward foreign exchange contracts denominated in Great British Pound ("GBP") and Chinese Yuan Renminbi ("CNY") due to strengthening of the United States Dollars against respective currency. This foreign exchange difference is the result and part of the hedging mechanism to manage our foreign exchange exposures. The corresponding exchange gain is embedded in the cost of sales and forward sales and purchase contracts.

The selling and distribution expenses increased by USD0.3million or 10.0% from USD3.5million in 1H2023 to USD3.8million in 1H2024, mainly due to an increase in the Group's shipment volume. The finance costs increased by USD6.3million or 113.0% from USD5.6million to USD11.8million in 1H2024, 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 on the construction-in-progress in Ivory Coast factory.

As a result of the above, the Group registered an increase in the profit after tax by USD27.7million from USD8.4million in 1H2023 to USD36.1million in 1H2024.

Review of Consolidated Statement of Financial Position

The Group's non-current assets increased by USD0.4million as at 30 June 2024, mainly due to capital expenditure incurred in plant and equipment amounting USD5.1million, partially offset by the depreciation and amortisation charge of USD3.9 million on property, plant and equipment, investment properties, intangible assets and right-of-use assets.

The Group's current assets increased by USD199.9million or 32.9% from USD607.1 million as at 31 December 2023 to USD807.0million as at 30 June 2024, mainly due to the increase in inventories, derivative financial instruments assets and cash and bank balances of USD100.0million, USD91.0million and USD9.5million respectively.

The Group's current liabilities increased by USD147.1million or 28.6%, from USD514.9million as at 31 December 2023 to USD661.9million as at 30 June 2024, mainly due to the increase in trade and other payables, derivative financial instruments liabilities and short-term bank borrowings of USD63.3million, USD47.9million and USD29.3million respectively.

The Group's equity attributable to owners of the parent increased by USD34.5million or 19.5% mainly due to profit of USD36.1million generated in 1H2024.

2. Review of performance of the Group (Continued)

Review of Statement of Cash Flows

The Group's cash and cash equivalent increased by USD17.9million in 1H2024 mainly due to the followings:

The net cash used in operating activities of USD17.8million in 1H2024 was mainly attributable to:

- a) Net cash generated from operating cash flows of USD59.2million;
- b) Negative outflows in changes in working capital of USD76.6million arising from the outflows on the increased in the inventories, derivative financial instruments, prepayments and partially offset with the inflows on the increased in trade and other payables and prepayments; and
- c) Income tax paid of USD0.4million

The net cash used in investing activities of USD6.1million was mainly due to the capital expenditure incurred in the construction-in-progress and machinery in the Ivory Coast factory.

The net cash generated from financing activities of USD41.8million was mainly due to:

- a) Net drawdown of bank borrowings of USD26.9million;
- b) Net Sukuk proceeds of USD20.8million;
- c) Increased in restricted cash of USD7.4million;
- d) Decreased in fixed deposits pledged of USD9.0million; and partially offset with
- e) Repayment of obligations under leases of USD1.5million; and
- f) Interest paid of USD11.8million

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 volatility in the cocoa bean prices and the shortage in cocoa beans due to unfavourable weather conditions in West Africa may continue into the second half of the year in 2024, coupled with tense geopolitical situation, high interest rate and uncertainty in the global economic environment may pose potential headwinds to the Group.

The Group expects the business environment to continue to be challenging due to shortage of the cocoa bean supply and unprecedented sharp volatility of the cocoa bean prices. This may impact the Group's processing margin and result in potential 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 business and growth strategy.

5. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

The date payable for the proposed interim cash dividend will be on or about 19 September 2024.

(d) Record date

The record date for the proposed interim cash dividend will be on 5 September 2024.

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 interested person transactions. There were no interested person transactions for the six months period ended 30 June 2024.

8. Confirmation pursuant to Rule 720 (1) of the Listing Manual

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

9. Negative confirmation pursuant to Rule 705 (5)

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the six months period ended 30 June 2024 to be false or misleading in any material aspect.

By Order of the Board

Tey How Keong

Chief Executive Officer and Executive Director

14 August 2024

Goh Lee Beng

Executive Director