



JB FOODS LIMITED

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

Unaudited Financial Statements and Dividend Announcement
For the Fourth Quarter and Twelve Months Ended 31 December 2016

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (1Q, 2Q, 3Q & 4Q), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP 4Q ended 31 Dec			GROUP 12 months ended 31 Dec		
	2016	2015	+ / (-)	2016	2015	+ / (-)
	USD'000	USD'000	%	USD'000	USD'000	%
Revenue	80,969	79,340	2.1	300,564	226,535	32.7
Cost of sales	(77,407)	(73,643)	(5.1)	(286,979)	(214,836)	(33.6)
Gross profit	3,562	5,697	(37.5)	13,585	11,699	16.1
Interest income	31	6	416.7	77	31	148.4
Other gains/(losses), net	1,984	(38)	n.m	3,259	1,387	135.0
<i>Other items of expense</i>						
Selling and distribution expenses	(1,027)	(1,062)	3.3	(4,189)	(3,827)	(9.5)
Administrative expenses	(2,203)	(1,620)	36.0	(5,970)	(4,913)	21.5
Finance costs	(633)	(550)	(15.1)	(2,376)	(1,937)	(22.7)
Profit before tax	1,714	2,433	(29.6)	4,386	2,440	79.7
Taxation	(510)	-	n.m	(612)	(78)	(684.6)
Profit for the period/year	1,204	2,433	(50.5)	3,774	2,362	59.8
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation differences	(46)	-	n.m	(60)	-	n.m
Remeasurement of post-employment benefits	(18)	(14)	(28.6)	(18)	(14)	(28.6)
Other comprehensive income for the period/year, net of tax	(64)	(14)	(357.1)	(78)	(14)	(457.1)
Total comprehensive income for the period/year	1,140	2,419	(52.9)	3,696	2,348	57.4

n.m. - Not meaningful



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1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP 4Q ended 31 Dec			GROUP 12 months ended 31 Dec		
	2016	2015	+ / (-)	2016	2015	+ / (-)
	USD'000	USD'000	%	USD'000	USD'000	%
Profit attributable to:						
Owners of the parent	1,204	2,433	(50.5)	3,774	2,127	77.4
Non-controlling interest	-	-	-	-	235	n.m
	<u>1,204</u>	<u>2,433</u>	<u>(50.5)</u>	<u>3,774</u>	<u>2,362</u>	<u>59.8</u>
Total comprehensive income attributable to:						
Owners of the parent	1,140	2,419	(52.9)	3,696	2,113	74.9
Non-controlling interest	-	-	-	-	235	n.m
	<u>1,140</u>	<u>2,419</u>	<u>(52.9)</u>	<u>3,696</u>	<u>2,348</u>	<u>57.4</u>
EBITDA	<u>3,491</u>	<u>3,905</u>	<u>10.6</u>	<u>11,248</u>	<u>8,731</u>	<u>28.8</u>



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

	Group 4Q ended 31 Dec			Group 12 months ended 31 Dec		
	2016	2015	+ / (-)	2016	2015	+ / (-)
	USD'000	USD'000	%	USD'000	USD'000	%
Amortisation of intangible assets	(45)	(7)	(542.9)	(154)	(28)	450.0
Amortisation of prepaid lease payment	(41)	(40)	(2.5)	(162)	(162)	-
Bad debts written off	-	-	-	-	(88)	n.m
Allowance for impairment of receivables	(633)	-	n.m	(633)	-	n.m
Depreciation of property, plant and equipment	(1,057)	(875)	20.8	(4,170)	(4,164)	(0.1)
Foreign exchange gains, net	1,318	357	269.2	2,819	858	228.6
Gain/(loss) on disposal of plant & equipment	-	3	n.m	6	(13)	n.m
Net fair value (losses)/gains on derivative financial instruments	(928)	545	n.m	(1,290)	446	n.m
Realised gains/(losses) on cocoa bean derivative contract	980	(823)	n.m	980	(860)	n.m

n.m. - Not Meaningful



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1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediate preceding financial year.

	GROUP		COMPANY	
	31-Dec-16 USD'000	31-Dec-15 USD'000	31-Dec-16 USD'000	31-Dec-15 USD'000
Non-current assets				
Intangible assets	515	471	-	-
Investment property	4,045	4,104	-	-
Land use rights	1,153	-	-	-
Property, plant and equipment	52,709	54,378	-	-
Prepaid lease payments	1,307	1,469	-	-
Investments in subsidiaries	-	-	66,177	66,177
Deferred tax assets	114	-	-	-
Other receivables	-	-	24,000	24,000
	<u>59,843</u>	<u>60,422</u>	<u>90,177</u>	<u>90,177</u>
Current assets				
Inventories	95,795	91,021	-	-
Trade and other receivables	39,413	40,158	3,175	1,699
Prepayments	361	222	7	4
Derivative financial instruments	256	675	-	-
Income tax recoverable	883	982	-	-
Cash and cash equivalents	7,119	7,421	7	5
	<u>143,827</u>	<u>140,479</u>	<u>3,189</u>	<u>1,708</u>
Less:				
Current liabilities				
Trade and other payables	25,285	40,172	50	103
Derivative financial instruments	1,200	329	-	-
Bank borrowings	101,631	87,289	-	-
Finance lease payables	71	239	-	-
Income tax payable	172	18	70	-
	<u>128,359</u>	<u>128,047</u>	<u>120</u>	<u>103</u>
Net current assets	<u>15,468</u>	<u>12,432</u>	<u>3,069</u>	<u>1,605</u>
Less:				
Non-current liabilities				
Finance lease payables	-	71	-	-
Bank borrowings	-	2,085	-	-
Deferred income	444	-	-	-
Provision for post-employment benefits	202	106	-	-
Deferred tax liabilities	738	361	-	-
	<u>1,384</u>	<u>2,623</u>	<u>-</u>	<u>-</u>
Net assets	<u>73,927</u>	<u>70,231</u>	<u>93,246</u>	<u>91,782</u>
EQUITY				
Share capital	99,641	99,641	99,641	99,641
Retained earnings	6,764	3,008	2,063	599
Other reserves	(32,488)	(32,428)	(8,458)	(8,458)
Equity attributable to owners of the parent	<u>73,917</u>	<u>70,221</u>	<u>93,246</u>	<u>91,782</u>
Non-controlling interest	10	10	-	-
Total equity	<u>73,927</u>	<u>70,231</u>	<u>93,246</u>	<u>91,782</u>



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1(b)(ii) In relation to the aggregate amount of the group’s borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	As at	
	31-Dec-16	31-Dec-15
	<u>USD'000</u>	<u>USD'000</u>
Amount repayable in one year or less, or on demand		
- Secured	2,074	2,094
- Unsecured	99,628	85,434
	<u>101,702</u>	<u>87,528</u>
Amount repayable after one year		
- Secured	-	2,085
- Unsecured	-	71
	<u>-</u>	<u>2,156</u>

Details of collateral

Certain borrowings were secured by one of the subsidiary’s land and building.



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1(c)(i) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP 4Q ended 31 Dec		GROUP 12 months ended 31 Dec	
	2016 USD'000	2015 USD'000	2016 USD'000	2015 USD'000
Operating Activities				
Profit before tax	1,714	2,433	4,386	2,440
Adjustments for:-				
Amortisation of intangible asset	45	7	154	28
Amortisation of prepaid lease payment	41	40	162	162
Allowance for impairment of receivables	633	-	633	-
Bad debts written off	-	-	-	88
Depreciation of property, plant & equipment	1,058	875	4,170	4,164
(Gain)/Loss on disposal of plant and equipment	-	(3)	(6)	13
Net fair value loss/(gain) on derivative financial instruments	928	(545)	1,290	(448)
Provision for post-employment benefits	73	46	73	44
Rental income	(82)	(79)	(321)	(227)
Interest expenses	633	550	2,376	1,937
Interest income	(31)	(6)	(77)	(31)
Operating cash flows before working capital changes	5,012	3,318	12,840	8,170
Changes in working capital:				
Inventories	(2,624)	(19,275)	(4,774)	(8,929)
Trade and other receivables	(6,832)	(6,363)	112	(11,224)
Prepayment	23	294	(139)	115
Trade and other payables	10,119	10,447	(14,887)	20,780
Cash from/(used in) operations	5,698	(11,579)	(6,848)	8,912
Income tax refunded/(paid)	75	(8)	54	313
Net cash from/(used in) operating activities	5,773	(11,587)	(6,794)	9,225
Investing activities				
Acquisition of subsidiary	-	-	-	(9,662)
Deferred income	444	-	444	-
Proceeds from disposal of plant & equipment	-	33	12	33
Purchase of plant & equipment	(475)	(206)	(2,448)	(2,039)
Purchase of intangible assets	-	(5)	(190)	(17)
Purchase of land use rights	-	-	(1,221)	-
Interest received	31	6	77	31
Rental income	82	79	321	227
Net cash used in investing activities	82	(93)	(3,005)	(11,427)
Financing activities				
Drawdown of bank borrowings	71,716	62,065	300,929	247,734
Repayment of bank borrowings	(73,376)	(56,198)	(288,672)	(267,213)
Proceed from finance lease	-	-	-	181
Repayments of finance lease	(65)	(56)	(239)	(168)
Interest paid	(633)	(550)	(2,376)	(1,937)
Withholding tax paid	(145)	-	(145)	-
Change in non-controlling interest	-	-	-	(1,302)
Net cash (used in)/from financing activities	(2,503)	5,261	9,497	(22,705)



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1(c)(i) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP 4Q ended 31 Dec		GROUP 12 Months ended 31 Dec	
	2016 USD'000	2015 USD'000	2016 USD'000	2015 USD'000
Net change in cash and cash equivalents	3,352	(6,419)	(302)	(24,907)
Cash and cash equivalent at the beginning of the financial period/year	3,770	13,840	7,421	32,328
Effect of exchange rate changes on cash and cash equivalents	(3)	-	-	-
Cash and cash equivalents at end of financial period/year	7,119	7,421	7,119	7,421

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Share capital USD'000	Merger reserves USD'000	Foreign currency Translation reserves USD'000	Retained earnings 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 Jan 2016	99,641	(25,472)	(6,956)	3,008	70,221	10	70,231
Profit for the financial period	-	-	-	3,774	3,774	-	3,774
Other comprehensive income for the financial period							
Remeasurement of post-employment benefits	-	-	-	(18)	(18)	-	(18)
Foreign currency translation differences, net of tax	-	-	(60)	-	(60)	-	(60)
Total comprehensive income	-	-	(60)	3,756	3,696	-	3,696
Balance as at 31 December 2016	99,641	(25,472)	(7,016)	6,764	73,917	10	73,927



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GROUP	Share capital USD'000	Merger reserve USD'000	Foreign currency translation reserve USD'000	Other reserve USD'000	Retained earnings 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 Jan 2015	90,631	(22,654)	(6,956)	4,000	576	65,597	1,396	66,993
Profit for the financial period, representing total comprehensive income	-	-	-	-	2,127	2,127	235	2,362
Remeasurement of post-employment benefits	-	-	-	-	(14)	(14)	-	(14)
Total comprehensive income for the financial year	-	-	-	-	2,113	2,113	235	2,348
Contribution by owners of the parent:								
Issue of ordinary shares (net) as part of acquisition of subsidiary under common control	9,010	(2,818)	-	(4,000)	-	2,192	-	2,192
Change in ownership interest in subsidiaries:								
Acquisition without a change in control	-	-	-	-	321	321	(1,621)	(1,300)
Disposal interests without change in control	-	-	-	-	(2)	(2)	-	(2)
	-	-	-	-	319	319	(1,621)	(1,302)
Balance as at 31 December 2015	99,641	(25,472)	(6,956)	-	3,008	70,221	10	70,231

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>COMPANY</u>	Share capital USD'000	Retained earnings USD'000	Other reserve USD'000	Total USD'000
Balance as at 1 Jan 2016	99,641	599	(8,458)	91,782
Profit for the year, representing total comprehensive income for the year	-	1,464	-	1,464
Balance as at 31 Dec 2016	99,641	2,063	(8,458)	93,246

<u>COMPANY</u>	Share capital USD'000	Retained earnings USD'000	Other reserve USD'000	Total USD'000
Balance as at 1 Jan 2015	90,631	2,105	(8,458)	84,278
Loss for the year, representing total comprehensive income for the year	-	(1,506)	-	(1,506)
Contribution by owners of the parent:				
Issue of shares (net)	9,010	-	-	9,010
Balance as at 31 Dec 2015	99,641	599	(8,458)	91,782



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1(d)(ii) Details of any changes in the company’s share capital arising from right issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Company	No. of Shares (‘000)	Share Capital (S\$’000)	Share Capital USD’000
As at 1 January 2016 and 31 December 2016	227,400	127,829	99,641
As at 1 January 2015	720,000	115,232	90,631
Issue of ordinary shares	38,000	12,597	9,010
Share consolidation	(530,600)	-	-
As at 31 December 2015	227,400	127,829	99,641

On 26 August 2015, the Company completed the shares consolidation of every ten (10) existing issued ordinary shares in the capital of the Company held by shareholders of the Company into three (3) ordinary shares. As a result of the completion of the share consolidation exercise, the number of ordinary shares of the Company is now 227,399,975.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Company	As at	
	31-Dec-16 No of shares	31-Dec-15 No of shares
Total number of issued shares (‘000)	227,400	227,400

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed.

3. Whether the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).

Not applicable.



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4. **Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.**

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2015.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	GROUP 4Q ended 31 Dec		GROUP 12 months ended 31 Dec	
	2016	2015	2016	2015
Profit attributable to owners of the parent (USD'000)	1,204	2,433	3,774	2,127
Aggregated weighted average number of ordinary shares ('000)	227,400	227,400	227,400	227,400
Basic and diluted EPS based on aggregated weighted average number of ordinary shares ⁽¹⁾ ₍₂₎	0.005	0.011	0.017	0.009

Notes:

(1) The calculation for the basic and diluted EPS for the respective financial periods is based on the aggregated weighted average number of ordinary shares in issue in the respective financial periods.

(2) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial periods.



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7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Net asset value per ordinary share based on issued share capital - (USD cents)	32.51	30.88	41.00	40.36

The net asset per share for the Group as at 31 December 2016 and 31 December 2016 have been calculated based on the issued share capital of 227,399,975.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of the Statement of Comprehensive Income

12M2016 vs 12M2015

The Group’s revenue increased by USD74.0million or 32.7% from USD226.5million for the twelve months period ended 31 December 2015 (“12M2015”) to USD300.6million for the twelve months period ended 31 December 2016 (“12M2016”) mainly due to stronger customer demand and higher average selling price. As such, the Group registered a gross profit of USD13.6million, up from USD11.7million in 12M2015.

Other gains increased by USD1.9million or 135.0%, from USD1.4million in 12M2015 to USD3.3million in 12M2016, mainly due to higher foreign exchange gain arising from the borrowings denominated in Great Britain Pound (“GBP”) due to depreciation of GBP against USD in 12M2016.

Selling and distribution expenses increased by USD0.4million or 9.5% from USD3.8million in 12M2015 to USD4.2million in 12M2016, mainly due to higher export freight and handling costs incurred as a result of higher product shipment volume.

Administrative expenses increased by USD1.1million or 21.5% from USD4.9million in 12M2015 to USD6.0million in 12M2016, mainly due to the increase in payroll costs, higher bank charges resulting from higher trade bills utilisation and allowance for impairment of receivables made during the financial year.

Finance costs increased by USD0.5million or 22.7% from USD1.9million in 12M2015 to USD2.4million in 12M2016, mainly due to increased cost of funds, higher trade bills utilisation to finance purchases of cocoa beans/ingredients.

Taxation increased by USD0.5million from USD0.1million in 12M2015 to USD0.6million in 12M2016, mainly due to withholding tax paid and deferred tax provision in 12M2016.

As a result of the above, the Group registered a profit after tax of USD3.8million in 12M2016 compared to profit after tax of USD2.4million in 12M2015.



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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Statement of Comprehensive Income

4Q2016 vs 4Q2015

The Group's revenue slightly increased by USD1.7million or 2.1% from USD79.3million in the fourth quarter period ended 31 December 2015 ("4Q2015") to USD81.0million in the fourth quarter period ended 31 December 2016 ("4Q2016"), mainly due to higher product shipment volume. The Group's gross profit decreased by USD2.1million or 37.5% from USD5.7million in 4Q2015 to USD3.6million in 4Q2016, mainly due to higher inventory carrying costs.

Other gains increased by USD2.0million from losses of USD38k in 4Q2015 to gains of USD2.0million, mainly due to higher foreign exchange gain arising from the borrowings denominated in GBP due to depreciation of GBP against USD in 4Q2016.

Administrative expenses increased by USD0.6million or 36.0% from USD1.6million in 4Q2015 to USD2.2million in 4Q2016, mainly due to allowance for impairment of receivables of USD0.6million made in 4Q2016. Finance costs increased by USD0.1million or 15.1% from USD0.5million in 4Q2015 to USD0.6million in 4Q2016, mainly due to increased cost of funds, higher trade bills utilisation to finance purchases of cocoa beans/ingredients. Taxation increased by USD0.5million mainly due to withholding tax paid and deferred tax provision in 4Q2016.

As a result of the above, the Group registered a profit after tax of USD1.2million in 4Q2016 compared to profit after tax of USD2.4million in 4Q2015.

Review of Statement of Financial Position

The Group's non-current assets decreased marginally by USD0.6million or 1.0% from USD60.4million as at 31 December 2015 to USD59.8million as at 31 December 2016, mainly due to the depreciation charge of USD4.2million on property, plant and equipment in 12M2016, partially offset by the purchase of plant and equipment and land use rights of USD2.4million and USD1.2million, respectively.

The Group's current assets increased by USD3.3million or 2.4% from USD140.4million as at 31 December 2015 to USD143.8million as at 31 December 2016, mainly due to the increase in inventories of USD4.8million, partially offset by the decrease in trade and other receivables, derivative financial instruments and cash and cash equivalents of USD0.7million, USD0.4million and USD0.3million, respectively.

The Group's current liabilities increased marginally by USD0.3million as at 31 December 2016, mainly due to decrease in trade and other payables of USD14.9million, partially offset by the increase in the derivative financial instruments and short-term bank borrowings of USD0.9million and USD14.3million respectively.

The Group's non-current liabilities decreased by USD1.2million or 47.3% from USD2.6million as at 31 December 2015 to USD1.4million as at 31 December 2016, mainly due to the repayment of long-term bank borrowings of USD2.1million, partially offset by the increase in deferred income of USD0.4million and deferred tax liabilities of USD0.4million respectively.

The Group generated profit after tax of USD3.7million in 12M2016, and accordingly, the Group's equity attributable to the owners of the parents as at 31 December 2016 increased from USD70.2million as at 31 December 2015 to USD73.9million as at 31 December 2016.



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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Statement of Cash Flows

The Group's cash and cash equivalent decreased by USD0.3million in 12M2016, mainly due to net cash outflows from operating activities and investing cash outflows of USD6.8million and USD3.0million respectively, partially offset by the net cash inflows from financing activities of USD9.5million.

The net cash used in operating activities of USD6.8million in 12M2016 was mainly attributable to:

- a) positive operating cash flows of USD12.8million;
- b) net cash inflows from trade and other receivables of USD0.1million; and
- c) net cash outflows in inventories and trade and other payables of USD4.8million and USD14.9million, respectively.

The net cash used in investing activities of USD3.0million was mainly due to capital expenditure incurred in the purchase of plant and equipment and land use rights, partially offset by the deferred income of USD0.4million.

The net cash used generated from financing activities of USD9.5million was mainly due to net drawdown of bank borrowings of USD12.3million, partially offset by the payment of finance costs of USD2.4million.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been previously disclosed to shareholders.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group's financial and business position has made steady improvements in the last few quarters and the Group is cautiously optimistic for the year 2017. Heightened uncertainties in global economic growth and increased volatility in equities and cocoa bean markets may pose as potential headwinds to the Group's business performance. The Group continues to adopt a conservative and prudent stance and remain confident in its long-term growth prospects.



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11. Dividend

(a) Current Financial Period Reported On

Name of dividend	Final
Dividend type	Cash
Dividend per ordinary share	Singapore Dollar 0.5 cent per ordinary share
Tax rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend had been declared for the corresponding period of the immediately preceding financial year.

(c) Date payable; and

The date of payment of the proposed dividend, if approved at the forthcoming Annual General Meeting, will be announced at a later date.

(b) Books closure date

The books closure date of the proposed dividend, if approved at the forthcoming Annual General Meeting, will be announced at a later date.

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

Not applicable.

13. If the Group has obtained a general mandate from Shareholders for interested person transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for IPTs.

The Company has the following related person transactions with a related person who is not an “interested person” as defined in Chapter 9 of the Listing Manual.

Name of 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 2016
	USD’000
Guan Chong Cocoa Manufacturer Sdn Bhd	
- Purchase of cocoa ingredients	5,361
- Sales of cocoa ingredients	3,936



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14. Segmental Information

Business segments

No segmental information is presented based on business segment as the Group operates in only one business segment, which is production and sale of cocoa ingredients products and derives its operating revenue solely from this segment.

Geographical segments

	Malaysia	Singapore	United States	Indonesia	China	Elimination	Total
<u>FY2016</u>	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<u>Geographical Segments</u>							
- Total external revenue	230,134	33,933	28,634	7,824	39	-	300,564
- Internal segment revenue	76,366	286,836	-	138,279	-	(501,481)	-
Total revenue	306,500	320,769	28,634	146,103	39	(501,481)	300,564
Segment results	5,064	2,554	623	3,788	(28)	(830)	11,171
Interest income							77
Finance expenses							(2,376)
Depreciation and amortisation							(4,486)
Profit before tax							4,386
Taxation							(612)
Profit after tax							3,774
<u>Capital expenditure</u>							
Property, plant and equipment	530	1	-	1,899	18	-	2,448
Land use rights	-	-	-	-	1,221	-	1,221
Intangible asset	-	190	-	-	-	-	190
Segment assets	160,990	201,827	10,021	77,800	1,758	(248,726)	203,670
Segment liabilities	123,936	99,592	9,627	49,500	561	(153,473)	129,743

	Malaysia	Singapore	United States	Indonesia	Elimination	Total
<u>FY2015</u>	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<u>Geographical Segments</u>						
- Total external revenue	199,119	17,688	7,798	1,930		226,535
- Internal segment revenue	22,730	200,906	-	117,836	(341,472)	-
Total revenue	221,849	218,594	7,798	119,766	(341,472)	226,535
Segment results	6,711	(1,646)	138	3,620	(123)	8,700
Interest income						31
Finance expenses						(1,937)
Depreciation and amortisation						(4,354)
Profit before tax						2,440
Taxation						(78)
Profit after tax						2,362
<u>Capital expenditure</u>						
Property, plant and equipment	1,130	125	382	527	-	2,164
Intangible asset	-	189	-	-	-	189
Segment assets	159,222	192,745	6,754	64,593	(222,413)	200,901
Segment liabilities	123,247	92,178	6,856	37,665	(129,276)	130,670



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15. A breakdown of sales

	FY2016	FY2015	
	USD'000	USD'000	%
Sales reported for first half year	149,678	84,649	76.8
Profit/(Loss) after tax for first half year	1,588	(933)	n.m
Sales reported for second half year	150,886	141,886	6.3
Profit after tax for second half year	2,186	3,295	(33.7)

n.m - Not meaningful

16. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).

There were no persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder.

17. Negative confirmation pursuant to Rule 705 (5)

Not applicable as the Company is announcing its full year financial statement for FY2016.

18. Confirmation pursuant to Rule 720 (1)

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

By Order of the Board

Tey How Keong
Chief Executive Officer and Executive Director
28 February 2017