



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 2021

**JB FOODS LIMITED**

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

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

The Group							
		6 months ended			12 months ended		
	Note	31 Dec 2021	31 Dec 2020	Changes	31 Dec 2021	31 Dec 2020	Changes
		USD'000	USD'000	%	USD'000	USD'000	%
		Restatement			Restatement		
Revenue	20	238,599	208,928	14.2	448,763	417,754	7.4
Cost of sales		(226,707)	(188,750)	(20.1)	(422,675)	(373,921)	(13.0)
Gross profit		11,892	20,178	(41.1)	26,088	43,833	(40.5)
Other items of income							
Interest income		58	102	(43.1)	92	131	(29.8)
Other gains/(losses),net	5	12,250	(673)	N.M	12,186	(2,084)	N.M
Other items of expenses							
Selling and distribution expenses		(3,235)	(2,420)	(33.7)	(5,269)	(4,435)	(18.8)
Administrative expenses		(5,668)	(5,055)	(12.1)	(11,056)	(10,058)	(9.9)
Finance costs		(2,053)	(2,075)	1.1	(3,689)	(4,910)	24.9
Profit before income tax	15	13,244	10,057	31.7	18,352	22,477	(18.4)
Income tax expense	16	(3,586)	(1,070)	(235.1)	(4,502)	(3,071)	(46.6)
Profit for the period		9,658	8,987	7.5	13,850	19,406	(28.6)
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation differences		164	877	(81.3)	298	728	(59.1)
Items that may not be reclassified subsequently to profit or loss							
Re-measurement of post-employment benefits, net of tax		3	(23)	N.M	3	(23)	N.M
Other comprehensive income for the financial year		167	854	(80.4)	301	705	(57.3)
Total comprehensive income for the period		9,825	9,841	(0.2)	14,151	20,111	(29.6)
Profit attributable to:							
Owners of the parent		9,658	8,987	7.5	13,850	19,406	(28.6)
Non-controlling interest		-	-	-	-	-	-
		9,658	8,987	7.5	13,850	19,406	(28.6)
Total comprehensive income							
attributable to:							
Owners of the parent		9,825	9,841	(0.2)	14,151	20,111	(29.6)
Non-controlling interest		-	-	-	-	-	-
		9,825	9,841	(0.2)	14,151	20,111	(29.6)
Earnings per share							
- Basic and diluted (US\$ cents)	17	3.2	3.0		4.6	6.4	
EBITDA		19,176	15,484		29,550	34,246	


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B. Condensed interim statements of financial position

		Group		Company	
	Note	31-Dec-21 USD'000	31-Dec-20 USD'000	31-Dec-21 USD'000	31-Dec-20 USD'000
Non-current assets					
Intangible assets	4	2,914	2,523	-	-
Investment properties	5	7,984	12,521	-	-
Property, plant and equipment	6	94,117	96,447	-	-
Right-of-use assets		4,553	2,404	-	-
Investments in subsidiaries	14	-	-	103,410	103,408
Fixed deposits	9	122	112	-	-
Deferred tax assets		154	150	-	-
Other receivables	8	-	-	2,950	-
		<u>109,844</u>	<u>114,157</u>	<u>106,360</u>	<u>103,408</u>
Current assets					
Inventories	7	224,622	178,811	-	-
Trade and other receivables	8	58,919	60,551	3,038	6,789
Prepayments		294	391	8	5
Derivative financial instruments	11	24,138	6,946	-	-
Current Income tax recoverable		2,671	1,644	-	-
Cash and bank balances	9	27,931	20,534	53	29
		<u>338,575</u>	<u>268,877</u>	<u>3,099</u>	<u>6,823</u>
Current liabilities					
Trade and other payables	10	35,831	30,937	908	138
Lease liabilities		16	16	-	-
Derivative financial instruments	11	26,575	10,908	-	-
Bank borrowings	12	193,056	160,902	-	-
Current income tax payable		3,629	1,570	8	-
		<u>259,107</u>	<u>204,333</u>	<u>916</u>	<u>138</u>
Net current assets/(liabilities)		<u>79,468</u>	<u>64,544</u>	<u>2,183</u>	<u>6,685</u>
Non-current liabilities					
Bank borrowings	12	14,368	15,062	-	-
Deferred capital grant		492	491	-	-
Provision for post-employment benefits		637	624	-	-
Deferred tax liabilities		6,940	5,938	-	-
		<u>22,437</u>	<u>22,115</u>	<u>-</u>	<u>-</u>
Net assets		<u>166,875</u>	<u>156,586</u>	<u>108,543</u>	<u>110,093</u>
Capital and reserves					
Share capital	13	113,963	113,963	113,963	113,963
Other reserves		(31,934)	(32,290)	(8,458)	(8,458)
Retained earnings		84,836	74,903	3,038	4,588
Equity attributable to owners of the parent		<u>166,865</u>	<u>156,576</u>	<u>108,543</u>	<u>110,093</u>
Non-controlling interest		10	10	-	-
Total equity		<u>166,875</u>	<u>156,586</u>	<u>108,543</u>	<u>110,093</u>



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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 2021	113,963	(25,472)	92	(6,910)	74,903	156,576	10	156,586
Profit for the financial year	-	-	-	-	13,850	13,850	-	13,850
Other comprehensive income for the financial year								
Re-measurement of post-employment benefits, net of tax	-	-	-	-	3	3	-	3
Foreign currency translation differences, net of tax	-	-	-	298	-	298	-	298
Total comprehensive income for the financial year	-	-	-	298	13,853	14,151	-	14,151
Contribution by and distribution to owners								
Dividends on ordinary shares	-	-	-	-	(3,862)	(3,862)	-	(3,862)
Others								
Transfer to statutory reserve	-	-	58	-	(58)	-	-	-
Balance as at 31 December 2021	113,963	(25,472)	150	(6,612)	84,836	166,865	10	166,875
Balance as at 1 January 2020	113,963	(25,472)	54	(7,638)	60,497	141,404	10	141,414
Profit for the financial year	-	-	-	-	19,406	19,406	-	19,406
Other comprehensive income for the financial year								
Re-measurement of post-employment benefits, net of tax	-	-	-	-	(23)	(23)	-	(23)
Foreign currency translation differences, net of tax	-	-	-	728	-	728	-	728
Total comprehensive income for the financial year	-	-	-	728	19,383	20,111	-	20,111
Contribution by and distribution owners								
Dividends on ordinary shares	-	-	-	-	(4,939)	(4,939)	-	(4,939)
Others								
Transfer to statutory reserve	-	-	38	-	(38)	-	-	-
Balance as at 31 December 2020	113,963	(25,472)	92	(6,910)	74,903	156,576	10	156,586


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

	Share capital USD'000	Retained earnings USD'000	Other reserve USD'000	Total USD'000
<u>COMPANY</u>				
Balance as at 1 January 2021	113,963	4,588	(8,458)	110,093
Profit for the year, representing total comprehensive income for the year	-	2,312	-	2,312
Dividends on ordinary shares, net	-	(3,862)	-	(3,862)
Balance as at 31 December 2021	113,963	3,038	(8,458)	108,543
Balance as at 1 January 2020	113,963	5,423	(8,458)	110,928
Profits for the year, representing total comprehensive income for the year	-	4,104	-	4,104
Contribution by and distribution owners				
Dividends on ordinary shares, net	-	(4,939)	-	(4,939)
Balance as at 31 December 2020	113,963	4,588	(8,458)	110,093



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D. Condensed interim consolidated statement of cash flows

	Group	
	12 months ended	
	31 Dec 2021 USD'000	31 Dec 2020 USD'000
Operating Activities		
Profit before tax	18,352	22,477
Adjustments for:-		
Amortisation of intangible asset	588	155
Amortisation of right-of-use assets	387	339
Amortisation of deferred capital grant	(5)	(10)
Depreciation of investment property	304	296
Depreciation of property, plant & equipment	6,235	6,079
Gain on disposal of intangible assets	-	(3)
Gain on disposal of investment property	(12,773)	-
(Gain)/Loss on disposal of plant and equipment	(17)	5
Property, plant and equipment written off	23	168
Net fair value (gain)/loss on derivative financial instruments	(1,525)	4,971
Reversal of loss allowance on trade receivables	-	(91)
Interest expenses	3,689	4,910
Interest income	(92)	(131)
Write down to net realisable value of inventories	-	68
Loss allowance on trade receivables	14	-
Provision for post-employment benefits	21	142
Operating cash flows before working capital changes	15,201	39,375
Changes in working capital:		
Inventories	(45,811)	2,221
Trade and other receivables	1,818	4,980
Prepayment	97	262
Trade and other payables	4,895	(7,629)
Cash generated (used in)/from operations	(23,800)	39,209
Income tax paid	(2,471)	(3,449)
Net cash (used in)/from operating activities	(26,271)	35,760
Investing activities		
Purchase of property, plant & equipment	(6,373)	(22,764)
Purchase of intangible assets	(979)	(2,466)
Additions to investment properties	(73)	(22)
Proceed from disposal of plant & equipment	141	882
Proceed from disposal of investment property	16,663	-
Prepayment of lease	(78)	(105)
Interest received	92	131
Net cash from/(used in) investing activities	9,393	(24,344)



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

	12 months ended	
	31 Dec 2021	31 Dec 2020
	USD'000	USD'000
Financing activities		
Drawdown of bank borrowings	574,278	518,327
Repayment of bank borrowings	(542,818)	(515,925)
Dividend paid on ordinary shares	(3,862)	(4,939)
Repayment of obligation under leases	-	(38)
Decrease/(Increase) in fixed deposits	80	(549)
Interest paid	(3,689)	(4,910)
Net cash from/(used in) financing activities	23,989	(8,034)
Net change in cash and cash equivalents	7,111	3,382
Cash and cash equivalent at the beginning of the financial year	19,950	16,447
Effect of exchange rate changes on cash and cash equivalents	420	121
Cash and cash equivalents at end of financial period	27,481	19,950



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E. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

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

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

2. Basis of Preparation

The condensed interim financial statements for the financial year ended 31 December 2021 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 2020.

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

The Group has adopted the new and revised SFRS(I)s and SFRS(I) Interpretations and amendments to SFRS(I)s that are mandatory for application from 1 January 2021:

- Amendments to SFRS(I) 16: Covid-19-Related Rent Concessions beyond 30 June 2021
- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: Interest Rate Benchmark Reform-Phase 2

The adoption of the above amendments to SFRS(I)s did not result in material changes to the Group’s accounting policies and has no material effect on the amounts reported for the current financial year.

2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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.



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3. Seasonal operations

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

4. Intangible Assets

	Group	
	31 Dec 2021	31 Dec 2020
	US\$'000	US\$'000
Computer software, software under development/others	4,174	3,195
Less: Amortisation	(1,260)	(672)
	<u>2,914</u>	<u>2,523</u>

5. Investment properties

	Freehold land	Building	Capital work in	Leasehold	Total
	US\$'000	US\$'000	progress	Building	US\$'000
			US\$'000	US\$'000	
Group					
Cost					
Balance at 1 January 2021	2,021	5,226	260	5,720	13,227
Additions	-	-	73	-	73
Disposal	(1,205)	(2,973)	(333)	-	(4,511)
Currency realignment	(61)	(169)	-	-	(230)
Balance at 31 December 2021	<u>755</u>	<u>2,084</u>	<u>-</u>	<u>5,720</u>	<u>8,559</u>
Accumulated depreciation					
Balance at 1 January 2021	-	505	-	201	706
Depreciation during the financial year	-	132	-	172	304
Disposal	-	(421)	-	-	(421)
Currency realignment	-	(14)	-	-	(14)
Balance at 31 December 2021	<u>-</u>	<u>202</u>	<u>-</u>	<u>373</u>	<u>575</u>
Carrying amount					
Balance at 31 December 2021	<u>755</u>	<u>1,882</u>	<u>-</u>	<u>5,347</u>	<u>7,984</u>

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5. Investment properties (Continued)

	Freehold land US\$'000	Building US\$'000	Capital work in progress US\$'000	Leasehold Building US\$'000	Total US\$'000
Group					
Cost					
Balance at 1 January 2020	1,951	5,034	238	5,720	12,943
Additions	-	-	22	-	22
Currency realignment	70	192	-	-	262
Balance at 31 December 2020	<u>2,021</u>	<u>5,226</u>	<u>260</u>	<u>5,720</u>	<u>13,227</u>
Accumulated depreciation					
Balance at 1 January 2020	-	375	-	29	404
Depreciation during the financial year	-	124	-	172	296
Currency realignment	-	6	-	-	6
Balance at 31 December 2020	<u>-</u>	<u>505</u>	<u>-</u>	<u>201</u>	<u>706</u>
Carrying amount					
Balance at 31 December 2020	<u>2,021</u>	<u>4,721</u>	<u>260</u>	<u>5,519</u>	<u>12,521</u>

Investment properties relate to the land and buildings located in Estonia, Malaysia and United States of America which are leased to external parties. During the financial year, the Group disposed a freehold land and building located in United States of America for a purchase consideration of US\$18,000,000. The Group received the proceeds net of attributable expenses of US\$16,630,000 during the financial year and the balance US\$200,000 subsequent to the financial year. The gain on disposal of these assets amounting to US\$12,773,000 was recognised in the Other Gains (net) of the statement of profit or loss.

These properties are measured at cost on initial recognition and subsequently carried at cost less accumulated depreciation and impairment losses.

The leasehold building has been pledged as security for term loan as disclosed in Note 12.

6. Property, plant and equipment

During the financial year, the acquire property, plant and equipment an aggregate cost of US\$ 6,373,000 (31 Dec 2020: US\$ 22,764,000).

7. Inventories

	Group	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
Raw materials	116,896	86,890
Work-in-progress	7,559	9,485
Finished goods	95,275	77,389
Stores and supplies	4,892	5,047
	<u>224,622</u>	<u>178,811</u>



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8. Trade and other receivables

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Other receivable				
- A subsidiary	-	-	2,950	-
Current				
Financial Assets				
- Third parties	48,778	50,397	-	-
- Loss allowance for trade receivables-Third parties	(14)	-	-	-
	48,764	50,397	-	-
- Related parties	485	393	-	-
Other receivables				
- Third parties	291	236	3,038	-
- Subsidiaries	-	-	-	3,289
- GST/VAT receivables	906	1,714	-	-
- Dividend receivable due from subsidiaries	-	-	-	3,500
	1,197	1,950	3,038	6,789
Advances to third party suppliers	3,630	3,748	-	-
Deposits	4,843	4,063	-	-
Total trade and other receivables	58,919	60,551	5,988	6,789
Add:				
- Cash and bank balances (Note 9)	28,053	20,646	53	29
Less:				
- GST/VAT receivables	(906)	(1,714)	-	-
- Advances to third party suppliers	(3,630)	(3,748)	-	-
Financial assets at amortised costs	82,436	75,735	6,041	6,818

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.



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9. Cash and Bank Balances

	Group	
	31 Dec 21 US\$'000	31 Dec 20 US\$'000
Non-current fixed deposit	122	112
Current cash and bank balances	27,931	20,534
Total cash and balance balances	28,053	20,646
Less: Current fixed deposit pledged with licensed banks	(450)	(584)
Non-current fixed deposit pledged with licensed banks	(122)	(112)
Cash and cash equivalents per consolidated statement of cash flows	27,481	19,550

10. Trade and other payables

	Group		Company	
	31 Dec 21 US\$'000	31-Dec-20 US\$'000	31 Dec 21 US\$'000	31-Dec-20 US\$'000
Trade payables				
- Third parties	21,594	14,639	-	-
- Related parties	6,794	5,408	-	-
	28,388	20,047	-	-
Other payables				
- Third parties	1,887	2,298	4	18
- A subsidiary	-	-	804	-
- GST/VAT payables	35	226	-	-
Accrued expenses	4,441	6,223	100	120
Advances from customers	1,063	550	-	-
Provisions	17	1,593	-	-
Total trade and other payables	35,831	30,937	908	138
Add:				
- Bank borrowings	207,424	175,964	-	-
- Lease liabilities	16	16	-	-
Less:				
- GST/VAT payables	(35)	(226)	-	-
- Advances from customers	(1,063)	(550)	-	-
- Provisions	(17)	(1,593)	-	-
Total financial liabilities carried at amortised costs	242,156	204,548	908	138



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11. Derivative Financial Instruments

	Group	
	31 Dec 21 US\$'000	31 Dec 20 US\$'000
<u>Derivative assets</u>		
Foreign currency forward contracts	923	305
Derivative cocoa beans contracts	23,215	6,641
	<u>24,138</u>	<u>6,946</u>
<u>Derivative liabilities</u>		
Foreign currency forward contracts	2,074	1,175
Derivative cocoa beans contracts	24,501	9,733
	<u>26,575</u>	<u>10,908</u>

12. Bank Borrowings

	Group	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
<u>Current</u>		
Trade bills	181,572	156,533
Revolving credits facilities	7,398	-
Term loan	4,086	4,369
	<u>193,056</u>	<u>160,902</u>
<u>Non-current</u>		
Term loan	14,368	15,062
	<u>207,424</u>	<u>175,964</u>

As at end of each reporting period, the Group's trade bills facilities and revolving credit facilities 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.



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13. Share Capital

	Group and Company			
	31 Dec 21		31 Dec 20	
	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 December 2021 (31 December 2020: Nil).

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

14. Investment in subsidiaries

During the financial year, JB Sourcing CI, a wholly-owned subsidiary of JB Foods Limited was incorporated in Republic of Cote D'Ivoire with a registered share capital of XOF1,000,000 (equivalent to US\$1,700).

15. Profit before taxation

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

	Group			
	6 months ended		12 months ended	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
Amortisation of intangible assets	324	82	588	155
Amortisation of right-of-use assets	221	185	387	339
Depreciation of property, plant and equipment	3,252	2,931	6,235	6,079
Depreciation of investment properties	152	156	304	296
Rental income from investment properties	(539)	(592)	(1,095)	(1,040)
Fair value (gain)/loss on derivative financial instruments, net	3,217	2,811	(1,525)	4,971
Foreign exchange loss, net	529	1,226	1,872	3,766

16. Tax expense

	Group			
	6 months ended		12 months ended	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
Current tax expense				
Current year	3,113	830	4,029	2,831
Overprovision in prior years	(527)	(276)	(527)	(276)
Deferred tax				
- Originating and reversal of temporary differences	1,000	512	1,000	512
Withholding tax	-	4	-	4
	3,586	1,070	4,502	3,071



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17. Earnings per share

	Group			
	6 months ended		12 months ended	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
Profit attributable to equity holders of the Company	9,658	8,987	13,850	19,406
Weighted average number of ordinary shares in issue for calculation of basic and diluted earnings per share	303,200	303,200	303,200	303,200
Basic and diluted EPS based on aggregated weighted average number of ordinary share (cents)	3.2	3.0	4.6	6.4

The calculation of basic earnings per share at 31 December was based on profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding.

The Group has no dilution in its earnings per share at 31 December 2021 and 31 December 2020.

18. Net Asset Value

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Net asset value per ordinary share based on issued share capital - (USD cents)	55.04	51.64	35.80	36.31

The net asset per share for the Group as at 31 December 2021 and 31 December 2020 have been calculated based on the issued share capital of 303,199,966 shares.

19. Dividends

	Group	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
Ordinary dividends paid:		
Interim one-tier tax exempt dividend of S\$0.002 per ordinary share (31 Dec 2020: S\$0.005)	448	1,091
Final dividend in respect of the previous financial year, Approved and paid during the period of S\$0.015 per ordinary share (31 Dec 2020: S\$0.018)	3,414	3,848
	<u>3,862</u>	<u>4,939</u>



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20. Segment and revenue information

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

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

Income taxes are managed on a Group basis.

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

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

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



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20.1 Reportable segments

Analysis by geographical segments

	Malaysia US\$'000	Singapore US\$'000	United States of America US\$'000	Indonesia US\$'000	Others US\$'000	Elimination US\$'000	Consolidated US\$'000
1 July 2021 to 31 December 2021							
Revenue							
External revenue	18,310	148,668	27,085	10,909	33,627	-	238,599
Inter-segment revenue	127,238	250,827	-	63,542	-	(441,607)	-
	<u>145,548</u>	<u>399,495</u>	<u>27,085</u>	<u>74,451</u>	<u>33,627</u>	<u>(441,607)</u>	<u>238,599</u>
Results							
Segment results	3,383	(5,290)	12,935*	3,281	1,230	3,649	19,188
Interest income							58
Finance costs							(2,053)
Depreciation and amortisation							(3,949)
Profit before income tax							<u>13,244</u>
Income tax expense							<u>(3,586)</u>
Profit after income tax							<u><u>9,658</u></u>
Additions to non-current assets							
Property, plant and equipment	4,644	2	1	60	202	-	4,909
Investment properties	-	-	73	-	-	-	73
Right-of-use-assets	-	25	-	54	-	-	79
Intangible assets	-	608	-	-	7	-	<u>615</u>

*The segment results include the gain on disposal of investment property of US\$12,773,000 (Note 5)



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20.1 Reportable segments (Continued)

Analysis by geographical segments

	Malaysia US\$'000	Singapore US\$'000	United States of America US\$'000	Indonesia US\$'000	Others US\$'000	Elimination US\$'000	Consolidated US\$'000
1 January 2021 to 31 December 2021							
Revenue							
External revenue	35,959	290,586	52,117	17,202	52,899	-	448,763
Inter-segment revenue	273,369	438,005	-	123,894	-	(835,268)	-
	<u>309,328</u>	<u>728,591</u>	<u>52,117</u>	<u>141,096</u>	<u>52,899</u>	<u>(835,268)</u>	<u>448,763</u>
Results							
Segment results	8,071	(581)	12,433*	4,982	909	3,649	29,463
Interest income							92
Finance costs							(3,689)
Depreciation and amortisation							(7,514)
Profit before income tax							<u>18,352</u>
Income tax expense							(4,502)
Profit after income tax							<u>13,850</u>
Additions to non-current assets							
Property, plant and equipment	6,015	4	1	110	243	-	6,373
Investment properties	-	-	73	-	-	-	73
Right-of-use-assets	-	25	-	53	-	-	78
Intangible assets	-	973	-	-	6	-	979
As at 31 December 2021							
Segment assets	<u>208,178</u>	<u>365,619</u>	<u>34,397</u>	<u>96,678</u>	<u>29,533</u>	<u>(285,986)</u>	<u>448,419</u>
Segment liabilities	<u>130,749</u>	<u>192,810</u>	<u>25,418</u>	<u>58,632</u>	<u>16,242</u>	<u>(142,307)</u>	<u>281,544</u>

*This amount include gain on disposal of investment property of US\$12,773,000 (Note 5)



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20.1 Reportable segments (Continued)

Analysis by geographical segments

	Malaysia US\$'000	Singapore US\$'000	United States of America US\$'000	Indonesia US\$'000	Others US\$'000	Elimination US\$'000	Consolidated US\$'000
1 July 2020 to 31 December 2020							
Revenue							
External revenue	19,833	130,629	17,280	8,068	33,118	-	208,928
Inter-segment revenue	126,529	178,488	-	62,162	-	(367,179)	-
	<u>146,362</u>	<u>309,117</u>	<u>17,280</u>	<u>70,230</u>	<u>33,118</u>	<u>(367,179)</u>	<u>208,928</u>
Results							
Segment results	399	9,437	(640)	3,400	798	1,990	15,384
Interest income							102
Finance costs							(2,075)
Depreciation and amortisation							(3,354)
Profit before income tax							<u>10,057</u>
Income tax expense							<u>(1,070)</u>
Profit after income tax							<u>8,987</u>
Additions to non-current assets							
Property, plant and equipment	17,165	-	-	41	569	-	17,775
Right-of-use assets	-	24	-	-	-	-	24
Intangible Assets	-	2,468	-	-	-	(2)	<u>2,466</u>



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20.2 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 2020 to 31 December 2020							
Revenue							
External revenue	43,605	273,479	46,808	12,281	41,581	-	417,754
Inter-segment revenue	262,854	328,546	-	121,801	-	(713,201)	-
	306,459	602,025	46,808	134,082	41,581	(713,201)	417,754
Results							
Segment results	13,936	13,035	(984)	5,178	970	1,990	34,125
Interest income							131
Finance costs							(4,910)
Depreciation and amortisation							(6,869)
Profit before income tax							22,477
Income tax expense							(3,071)
Profit after income tax							19,406
Additions to non-current assets							
Property, plant and equipment	21,654	-	-	159	951	-	22,764
Investment properties	-	-	22	-	-	-	22
Right-of-use assets	-	24	-	105	-	-	129
Intangible Assets	-	2,468	-	-	-	(2)	(2,466)
As at 31 December 2020							
Segment assets	212,738	329,585	18,378	100,477	22,840	(300,984)	383,034
Segment liabilities	134,089	153,228	18,489	64,519	9,804	(153,681)	226,448

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



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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 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
North America				
- United States of America	40,059	25,739	62,351	73,757
- Others*	11,337	10,799	18,873	20,530
Asia				
- China	37,289	40,061	61,298	50,987
- Others*	74,118	69,695	148,055	134,474
Europe				
- Russian Federation	33,261	22,344	58,506	47,436
- Others*	15,907	23,946	46,596	47,500
Others*	26,628	16,344	53,084	43,070
Total revenue	238,599	208,928	448,763	417,754

* 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 2021 and 31 December 2020.

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).



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

There were no transfers between levels during the financial year.

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

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

22. Subsequent events

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

23. Reclassification

During the financial year, the Group classified certain sales related direct logistics costs and administrative expenses to costs of sales to better reflect the nature of the transactions. Accordingly, the prior year's comparative figures have been reclassified to enhance the comparability with current financial year's financial statement.

The line items have been amended in the statement of comprehensive income as set out below.

	As previously stated	Reclassification	As restated
	US\$'000	US\$'000	US\$'000
Financial period from 1 July 2020 to 31 December 2020			
Cost of sales	185,991	2,759	188,750
Selling and distribution expenses	4,372	(1,952)	2,420
Administrative expenses	5,862	(807)	5,055
Financial year from 1 January 2020 to 31 December 2020			
Cost of sales	368,599	5,322	373,921
Selling and distribution expenses	8,498	(4,063)	4,435
Administrative expenses	11,317	(1,259)	10,058



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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 2021 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim financial statements of changes in equity and condensed interim consolidated statement of cash flows and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Consolidated Statement of Comprehensive Income

Financial Year 2021 vs Financial Year 2020

The Group's revenue increased by USD31.0 million or 7.4% from USD417.8 million for the twelve months ended 31 December 2020 ("FY2020") to USD448.8million for twelve months ended 31 December 2021 ("FY2021") mainly due to higher shipment volume arising from customer demand which was partially offset by the lower average selling price of the cocoa ingredients due to lower cocoa bean price. The Group's gross profit decreased by USD17.7million or 40.5% from USD43.8million in FY2020 to USD26.1million in FY2021 mainly due to a significant surge in the ocean freight rate caused by disruption in global supply chain and shortage of shipping vessels, higher trucking costs arising from higher local delivery sales in North America and Russia market.

Other gains of USD12.2million in FY2021 was mainly arising from the gain from disposal of investment property in United States of America.

The selling and distribution expenses increased by USD0.9million or 18.8% from USD4.4million in FY2020 to USD5.3million in FY2021, mainly due to an increase in the Group's head count and staff costs to support the sales growth, and higher sales commission arising from higher sales volume. The administrative expenses increased by USD1.0million or 9.0% from USD10.1million in FY2020 to USD11.1million in FY2021, mainly due to an increase in amortization expense on intangible assets, an increase in the Group's staff costs and professional fee incurred for the sustainability and feasibility study, and additional staff health screening costs in compliance to Covid-19 safety measurement at our Group's manufacturing plants. The finance cost decreased by USD1.2million or 24.9% from USD4.9million in FY2020 to USD3.7million in FY2021, mainly due to lower financing interest rate.

Income tax expenses increased by USD1.4million or 46.6% from USD3.1 million in FY2020 to USD4.5million in FY2021 mainly due to corporate income tax provision on the gain on disposal of investment property.

As a result of the above, the Group registered a profit after tax of USD13.9million in FY2021.

2H2021 vs 2H2020

The Group's revenue increased by USD29.7million or 14.2% from USD208.9 million for second half period ended 31 Dec 2020 ("2H2020") to USD238.6million in the second half period ended 31 Dec 2021 ("2H2021") mainly due to higher shipment volume arising from customer demand which partially offset with lower average selling price of the cocoa ingredients due to lower cocoa bean price. The Group's gross profit decreased by USD8.3million or 41.1% from USD20.2million in 2H2020 to USD11.9million in 2H2021 mainly due to a significant surge in the ocean freight rate caused by disruption in global supply chain and shortage of shipping vessels, higher trucking costs arising from higher local delivery sales in North America and Russia market.

Other gains of USD12.2 million in FY2021 was mainly arising from the gain from disposal of investment property in United States of America.

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2. Review of performance of the Group**Consolidated Statement of Comprehensive Income (*Continued*)****2H2021 vs 2H2020 (*Continued*)**

Selling and distribution expenses increased by USD0.8million or 33.7% from USD2.4million in 2H2020 to USD3.2million in 2H2021, mainly due to an increase in the Group's head count and staff costs to support the sales growth, and higher sales commission arising from higher sales volume. The administrative expenses increased by USD0.6million or 12.1% from USD5.1million in 2H2020 to USD5.7million in 2H2021, mainly due to an increase in amortization expense on intangible assets, an increase in the Group's staff costs and professional fee incurred in the sustainability and feasibility study.

Income tax expenses increased by USD2.5million or 235.1% from USD1.1million in 2H2020 to USD3.6million in 2H2021, mainly due to corporate income tax provision on the gain on disposal of investment property.

Review of Consolidate Statement of Financial Position

The Group's non-current assets decreased by USD4.4million or 3.8% from USD114.2million as at 31 December 2020 to USD109.8million as at 31 December 2021, mainly due to capital expenditure incurred in plant and equipment amounting to USD6.4million, and partially offset by the depreciation charge of USD6.2million on property, plant and equipment and disposal of investment property of net carrying amount of USD4.1million.

The Group's current assets increased by USD69.7million or 25.9% from USD268.9million as at 31 December 2020 to USD338.6 million as at 31 December 2021, mainly due to the increase in inventories, derivative financial instruments, income tax recoverable and cash and bank balances of USD45.8million, USD17.2million, USD1.0million and USD7.4million respectively and partially offset by a decrease in trade and other receivables of USD1.6million.

The Group's current liabilities increased by USD54.8million or 26.8%, from USD204.3million as at 31 December 2020 to USD259.1million as at 31 December 2021, mainly due to the increase in trade and other payables, derivative financial instruments, bank borrowings and income tax payables of USD4.8million, USD15.7million, USD32.2million and USD2.1million respectively.

The Group's equity attributable to owners of the parent increased by USD10.3million or 6.6% mainly due to profit generated in FY2021, partially offset with dividend of USD3.9million.

Review of Statement of Cash Flows

The Group's cash and cash equivalent increased by USD7.5million in FY2021, due to net cash inflows from investing activities and financing activities of USD9.4million and USD24.0million, partially offset by net cash used in operating activities of USD26.3million.

The net cash generated from investing activities of USD9.4million was mainly due proceeds of USD16.7million received from the disposal of investment property and partially offset with capital expenditure incurred in the purchase of plant and equipment.

The net cash from financing activities of USD24.0million was mainly due net drawdown of bank borrowings of USD31.5million which partially offset with dividend payment and interest paid of USD3.9million and USD3.7million.

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2. Review of performance of the Group**Review of Statement of Cash Flows (Continued)**

The net cash used in operating activities of USD26.3million in FY2021 was mainly attributable to:

- a) Net cash outflows in inventories of USD45.8million;
- b) Income tax paid of USD2.5million; and
- c) Positive operating cash flows of USD15.2million; and
- d) Net cash inflows from trade and other receivables and trade and other payables of USD1.8 million and USD4.9million respectively.

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 Covid-19 pandemic, disruptions in the global supply chain and unabatingly high ocean freight rates will continue to pose as headwinds to the Group. The Group will continue to closely monitor the development in the industry and will be respond accordingly in our pricing strategy.

The Group expects the rest of the year 2022 to be volatile. Nonetheless, the Group remains optimistic that the cocoa consumption environment will continue to be supported by the recovery of the economy after the COVID-19 pandemic and the growing middle-income classes over the long term.

5. Dividend**(a) Current Financial Period Reported On**

Name of dividend	Interim	Final	Total
Dividend type	Cash	Cash	Cash
Dividend per share (in Singapore cents)	0.20 cents	1.30 cents	1.50 cents

On 24 September 2021, the Company has paid out an interim dividend of 0.20 Singapore cent per share. The Company is proposing a final dividend of 1.30 Singapore cent per share for the financial year ended 31 December 2021.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

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

(d) Record date

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



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

Not applicable

7. Interested person transactions

The Company has not obtained a general mandate from shareholders for IPTs. The Company has the following related person transactions with a related person who is not an “interested person” as defined in Chapter 9 of the listing manual.

Name of Interested Person	Aggregate value of all Interested person transactions during the financial year under review (exclude transactions less than S\$100,000 and transactions conducted under the shareholders’ mandate pursuant to Rule 920)
	12 months 2021
	USD’000
Guan Chong Cocoa Manufacturer Sdn Bhd	
- Purchase of cocoa ingredients	14,544
- Sales of cocoa ingredients	(1,935)
- Handling service income	(48)
GCB Cocoa Singapore Pte Ltd	
- Purchase of cocoa ingredients	2,520

8. Confirmation pursuant to Rule 720 (1)

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

9. Negative confirmation pursuant to Rule 705 (5)

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial year ended 31 December 2021 to be false or misleading in any material aspect.

By Order of the Board

Tey How Keong

Chief Executive Officer and Executive Director

24 February 2022

Goh Lee Beng

Executive Director