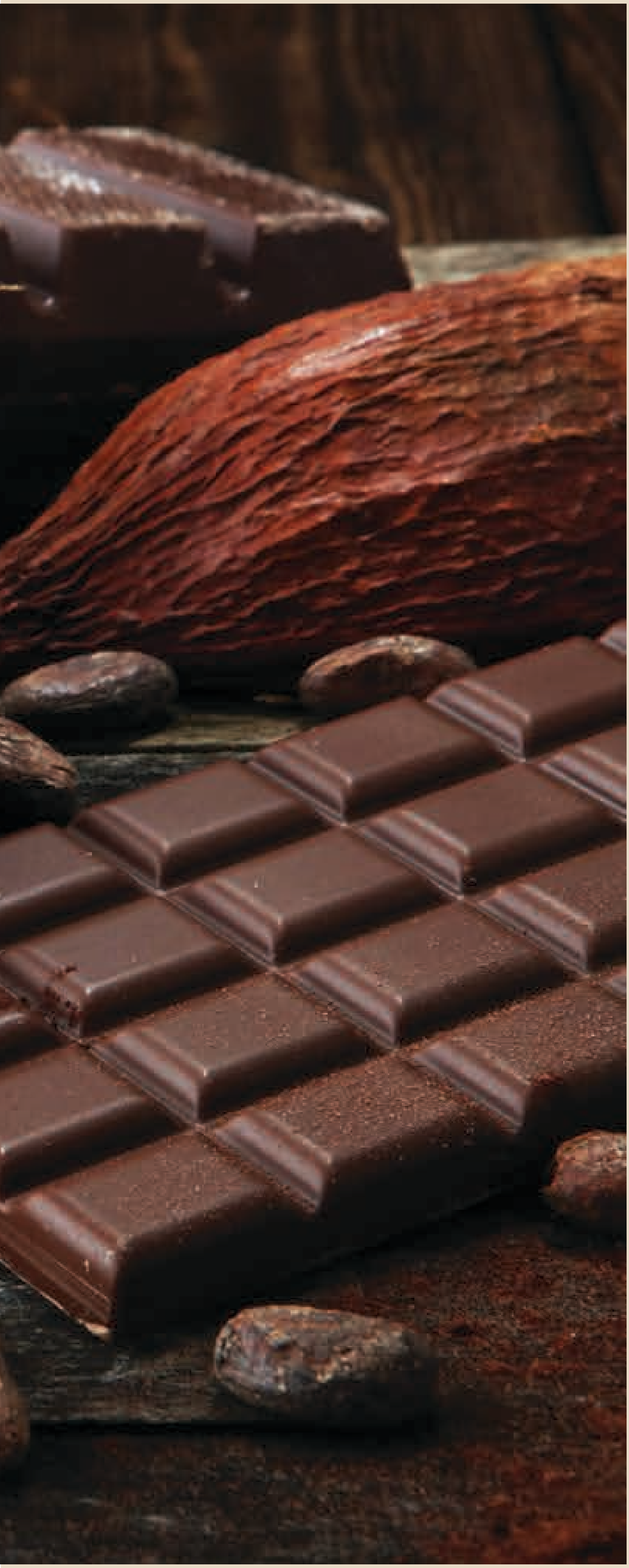
2022 ANNUAL REPORT

JB foods

SAVORING LIFE TOGETHER



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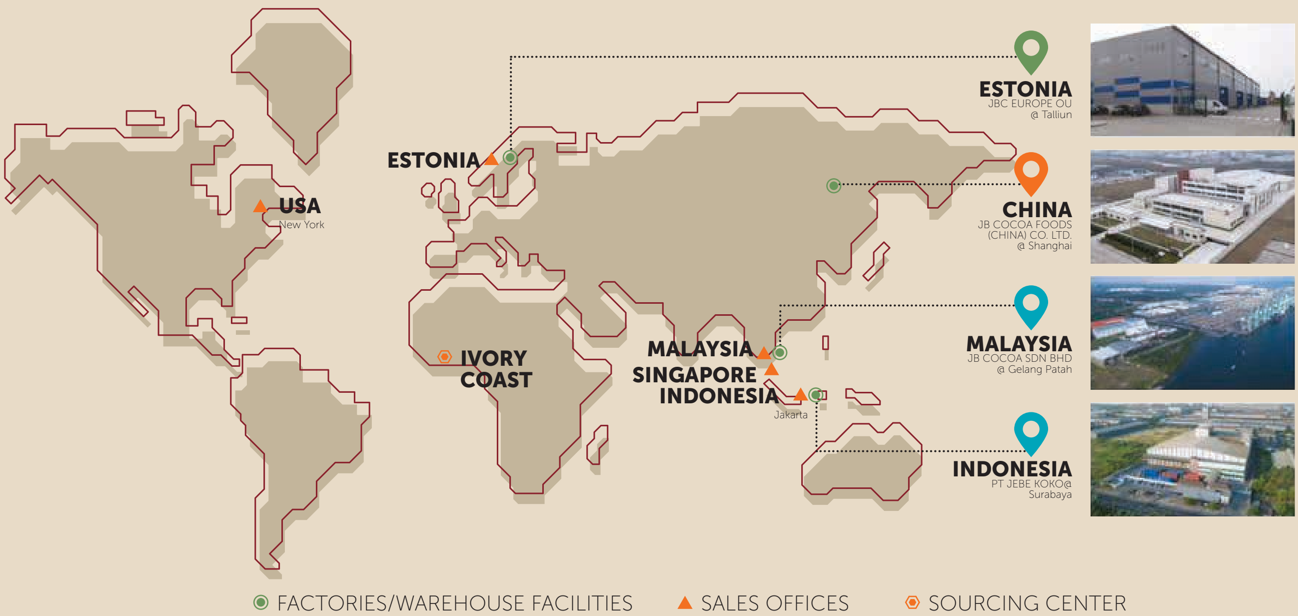
CORPORATE PROFILE

JB Foods Limited ("JB Foods" or the "Group") started as a processor of wet cocoa beans to dry cocoa beans in the 1980s. Today, it has grown to be one of the major cocoa ingredient producers in the world, with a total processing capacity of 180,000 metric tonnes of cocoa beans equivalent per year, with two factories located at the Port of Tanjung Pelepas, a free trade zone in Johor, Malaysia, and in the Maspion Industrial Estates in Gresik, Indonesia, approximately 30 km from the Surabaya port.

The Group's principal activities comprise the production and sale of cocoa ingredient products, namely cocoa mass, cocoa butter and cocoa powder.

JB Foods has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited since 2012.

OUR BUSINESS



PRINCIPAL BUSINESS

JB Foods Limited's core business is in the production and sale of cocoa ingredient products, namely cocoa mass, cocoa butter and cocoa powder.

Over the years, through its strong focus on product quality and development, the Group has honed its capability to develop and customise cocoa ingredient products to meet the varying and exacting requirements of globally diversified customers.

Complying with the highest standards of food safety, the Group ensures that its quality products consistently meet or exceed its customers' expectations. With its technical know-how, product expertise and proprietary blending methods, the Group has gained widespread recognition from its global customers.

The Group's products are sold primarily under the "JB COCOA" brand name to a worldwide customer base ranging from international trade houses to end users such as food and beverage and confectionery manufacturers.

PRODUCTION FACILITIES

MALAYSIA

The Group's first cocoa processing facility is located in the Port of Tanjung Pelepas, a strategic logistics hub within a free trade zone in Johor, Malaysia. This has enabled the Group to significantly reduce land logistics costs, as well as delivery time, while closely monitoring the shipment of its containers.

INDONESIA

In 2014, the Group exercised its call option to acquire an 80% equity interest in PT Jebe Koko, a cocoa bean processing facility. This facility is located in the Maspion Industrial Estate in Gresik, Indonesia, approximately 30 km from the Surabaya port, and focuses on processing raw cocoa beans sourced domestically in Indonesia.

AWARDS AND CERTIFICATIONS AWARDS

- Certification of Excellence, Industry Excellence Award for the consumer product sector 2007/2008
- Malaysian Commodities Industry Award 2011 for Best Processing Plant
- Best Cocoa Grinder Award 2012

CERTIFICATIONS

- Halal Certificate
- Kosher Certificate
- HACCP Certificate
- Rainforest Alliance
- FSSC 22000
- Fairtrade USA
- Fairtrade International
- Project Non-GMO

MALAYSIA
120,000 MT
COCOA BEANS EQUIVALENT PER YEAR

INDONESIA
60,000 MT
COCOA BEANS EQUIVALENT PER YEAR

OUR PRODUCTS

COCOA MASS

We offer various cocoa mass, based on cocoa bean origins to meet customer requirements.

COCOA BUTTER

We produce natural and deodorised cocoa butter, which is used in the production of chocolates.

COCOA POWDER

We produce a wide range of cocoa powder of varying PH value, application and fat content, used to make cocoa beverages, as well as flavourings and coatings of food and beverage, and confectionary products.

CHAIRMAN AND CEO
STATEMENT

"Despite the global challenges, we continued to generate strong returns, and long-term value for our shareholders and community"

- Chua Cheow Khoon, Michael -
Chairman

DEAR VALUED SHAREHOLDERS

FY2022 REVIEW

We look back on an eventful 2022 where the Group's resilience responded well to the unprecedented global challenges on several fronts: rising inflation, high interest rates and geopolitical tensions. We delivered a strong set of results, where our revenue recorded a healthy year-on-year growth of 13.5%, surpassing the USD500 milion mark the first time in our history.

The stabilising of the global supply chain disruption and easing of the border restriction have boosted overall cocoa consumption, leading to the improvement of Group business performance by 20.1% and net profit by USD2.8 million from USD13.9 million FY2021 to USD16.7 million in FY2022.

During the year in June 2022, the Group broke ground at our cocoa processing facility in Ivory Coast for an initial investment of about 60 million Euros. This will further strengthen our global market position and footprint. Construction of the new Abidjan factory, which is slated to be ready by the fourth quarter of 2024 and will incrementally expand the Group's annual bean processing capabilities.

BUSINESS SUSTAINABILITY

Over the past two years, our sustainability teams have collaborated with a number of local communities in countries of origin, such as in Ivory Coast, Ecuador and Indonesia. Our efforts aim to benefit these communities and set the strategy for long-term relationships in our supply chain. In 2022, our sustainability programmes in Ivory Coast, Nigeria, Indonesia and Ecuador enable us to reached out to about 20,000 farmers.

In addition, as a member of Cocoa Forest Initiative ("CFI"), we strive for a deforestation-free supply chain and support farmers in agroforestry projects. Through our teams and investments in cocoa producing countries, we have achieved greater control and transparency in our cocoa sourcing. This allows us to collaborate with our customers in the field of sustainability and to jointly address social as well as environmental issues in the cocoa supply chain. We work with governments to ensure an effective framework for traceability, encompassing all levels of players in the supply chain ecosystem.

As the world moves towards net-zero carbon emissions by 2050, there is an urgent need for us to address the challenges of decarbonisation. The Group has put in place carbon accounting processes and ongoing innovations to tap into renewable energy resources, such as solar energy. We will establish a baseline of carbon emissions in year 2023 and the foundation for initiatives to decarbonise production operations, and aims towards on the highest standards of environmental sustainability, social responsibility, and corporate governance.

OUTLOOK & GROWTH STRATEGIES

Even as the global economic environment is expected to continue to be challenging in 2023, we are committed to safeguarding stakeholders' interests, while carefully planning business expansions to strengthen our market position. We are committed to building a culture that is stakeholder-centric; focusing on what matters to customers, co-workers, suppliers, shareholders, and communities.

CHAIRMAN AND CEO
STATEMENT

DIVIDEND

In appreciation of shareholders' support, the Board is proposing a final dividend of 1.60 Singapore cents per share for FY2022, to be approved at the upcoming Annual General Meeting. Coupled with the interim dividend of 0.20 Singapore cents per share that was paid out in September 2022, the total dividend for FY2022 at 1.80 Singapore cents per share represents a pay-out ratio of 25% for FY2022. This is consistent with the pay-out ratio of above 20% for the past five years.

ACKNOWLEDGEMENT

On behalf of the Board, Group management and staff, we would like to express our utmost appreciation to shareholders, customers, business partners, associates, and staff for the continued support and strong trust in us, particularly as the Group navigated through a myriad challenges over the years.

Last but not least, we would like to take the opportunity to express our deepest appreciation to fellow Board members for their commitment, wise counsel and guidance. We remain confident that our ongoing strategy will continue to propel us as a global cocoa ingredients producer.

CHUA CHEOW KHOON, MICHAEL
Chairman
31 March 2023

TEY HOW KEONG
Chief Executive Director
31 March 2023

[1] International Monetary Fund – World Economic Outlook Update: "Rising Caseloads, A Disrupted Recovery, and Higher Inflation" (January 2022)
[2] Fitch Ratings – Non-rating Action Commentary: "World Growth Forecasts Cut as Inflation Intensifies due to War" (21 March 2022)

FINANCIAL HIGHLIGHTS

FINANCIAL RESULTS (USD' million)	**FY2022**	*FY2021*	*FY2020*	*FY2019*	*FY2018*
REVENUE	**509.6**	448.8	417.8	352.5	327.1
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTISATION	**33.7**	29.5	34.3	43.0	41.6
PROFIT BEFORE TAX	**19.3**	18.4	22.5	31.7	34.1
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**16.7**	13.9	19.4	26.2	26.8

FINANCIAL POSITION (USD' million)	**FY2022**	*FY2021*	*FY2020*	*FY2019*	*FY2018*
NON-CURRENT ASSETS	**123.4**	109.8	114.2	95.9	75.4
CURRENT ASSETS	**347.8**	338.6	268.9	268.7	172.9
CURRENT LIABILITIES	**(258.3)**	(259.1)	(204.3)	(213.3)	(120.8)
NON-CURRENT LIABILITIES	**(33.5)**	(22.4)	(22.1)	(9.9)	(5.4)
SHAREHOLDERS' EQUITY	**179.4**	166.9	156.6	141.4	122.1
CASH AND BANK BALANCES	**21.6**	27.9	20.5	16.6	13.4

RATIOS	**FY2022**	*FY2021*	*FY2020*	*FY2019*	*FY2018*
NET ASSET VALUE PER SHARE (CENTS)[1]	**59.17**	55.04	51.64	46.64	40.26
NET GEARING (TIMES)[2]	**0.87**	1.08	0.99	1.11	0.55

(1) Net asset value per share are computed based on the adjusted share capital of 303,199,966
(2) (Bank borrowings – cash and bank balances)/shareholders' equity

OPERATIONS AND FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

JB Foods' revenue increased by USD60.8 million or 13.5% from USD448.8 million for FY2021 to USD509.6 million for FY2022, mainly due to higher shipment volume. The Group's gross profit increased by USD22.0 million or 84.3% from USD26.1 million in FY2021 to USD48.1 million in FY2022 mainly due to improvement in processing margin from lower ocean freight costs incurred in FY2022 arising from a stable supply chain situation.

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

Selling and distribution expenses increased by USD3.4 million or 64.2% from USD5.3 million in FY2021 to USD8.7 million in FY2022, mainly due to an increase in the staff costs to support the business volume growth, higher sales commission, higher warehousing and storage expenses arising from higher sales volume.

Administrative expenses increased by USD1.6 million or 14.4% from USD11.1 million in FY2021 to USD12.7 million in FY2022, mainly due to an increase in the Group's higher payroll cost from the increasing in staff headcount.

Finance costs increased by USD3.0 million or 81.1% from USD3.7 million in FY2021 to USD6.7 million in FY2022 mainly due to increase in financing interest rate.

As a result of the above, the Group registered an increase in the profit after tax by USD2.8 million or 20.1% from USD13.9 million in FY2021 to USD16.7 million in FY2022.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Group's non-current assets increased by USD13.6 million or 12.4% from USD109.8 million as at 31 December 2021 to USD123.4 million as at 31 December 2022, mainly due to capital expenditure incurred in property, plant and equipment amounting USD12.8 million, capitalisation of the land leases of USD8.5 million, and partially offset by the depreciation and amortisation charge of USD7.0 million on property, plant and equipment and intangible assets.

The Group's current assets increased by USD9.2 million or 2.7% from USD338.6 million as at 31 December 2021 to USD347.8 million as at 31 December 2022, mainly due to the increase in trade and other receivables and derivative financial instruments of USD18.4 million and USD38.2 million respectively, and partially offset with decrease in inventories of USD43.1 million.

The Group's current liabilities decreased by USD0.8 million or 0.3% from USD259.1 million as at 31 December 2021 to USD258.3 million as at 31 December 2022, mainly due to the decrease in bank borrowings of USD37.6 million, and partially offset by an increase in derivative financial instruments and lease liabilities of USD33.3 million and USD2.8 million respectively.

The Group's non-current liabilities increased by USD11.2 million or 49.6% from USD22.4 million as at 31 December 2021 to USD33.5 million as at 31 December 2022, mainly due to the increase in bank borrowings and lease liabilities of USD7.0 million and USD3.8 million respectively.

The Group's equity attributable to owners of the parent increased by USD12.5 million or 7.5% mainly resulting from the profit of USD16.7 million generated in FY2022, partially offset by dividend payment of USD3.3 million.

OPERATIONS AND FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF CASH FLOWS

USD'000	FY2022	FY2021
Net cash from/(used in) operating activities	49,236	(26,277)
Net cash (used in)/from investing activities	(13,814)	9,418
Net cash (used in)/from financing activities	(41,812)	23,958
Net change in cash and cash equivalents	(6,390)	7,099
Cash and cash equivalents at end of the year	20,391	27,481

The Group's cash and cash equivalent decreased by USD7.1 million in FY2022, due to net cash used in investing activities and financing activities of USD13.8 million and USD41.8 million, partially offset by net cash generated from operating activities of USD49.2 million.

The net cash used in investing activities of USD13.8 million was mainly due to the capital expenditure incurred in the purchase of property, plant and equipment and prepayment of land leases of USD12.8 million and USD1.3 million respectively.

The net cash used in financing activities of USD41.8 million was mainly due to net repayment of bank borrowings, dividend payment and interest paid of USD53.2 million, USD3.3 million and USD6.7 million respectively, and partially offset with the proceeds of the issuance of Sukuk Wakalah of USD22.7 million.

BOARD OF DIRECTORS

CHUA CHEOW KHOON MICHAEL
INDEPENDENT DIRECTOR, NON-EXECUTIVE CHAIRMAN, CHAIRMAN OF AUDIT COMMITTEE AND NOMINATING COMMITTEE

Mr Chua was appointed to the Board on 4 May 2012 as Lead Independent Director. With effect from 2 January 2013, he was appointed as Chairman of the Group. Mr Chua was the Executive Director of BMD Consulting Pte Ltd, a management consulting practice in Singapore. He has more than 30 years of experience in financial and management accounting, corporate finance, general management and management consultancy, and was formerly the Chief Investment Officer of Sapphire Corporation Limited. He has also previously served as an independent director on the boards of various other companies listed on the SGX-ST.

Mr Chua has held senior positions in multinational companies including the Singapore Technologies and Sembcorp group of companies. He graduated with a Bachelor of Business from the Charles Sturt University (Mitchell College of Advanced Education), Australia in 1977 and is a Fellow of CPA Australia.

DR GOI SENG HUI
NON-INDEPENDENT, NON-EXECUTIVE DIRECTOR AND VICE CHAIRMAN

Dr Sam Goi is the Executive Chairman of Tee Yih Jia Food Manufacturing Pte Ltd and three Mainboard-listed companies – GSH Corporation Ltd, PSC Corporation Ltd and Tat Seng Packaging Group Ltd. He also serves as Vice Chairman of two other Mainboard-listed companies, namely, JB Foods Ltd and Envictus International Ltd, as well as Non-Executive and Non-Independent Director of Catalist-listed Tung Lok Group Restaurants (2000) Ltd.

Dr Goi, who was conferred an Honorary Doctorate from Singapore University of Technology & Design (SUTD) in 2021, is a self-made entrepreneur and has diverse business interests in Singapore, China, Malaysia, United States, Europe and other parts of the world.

He is a strong supporter of trade and serves as the Honorary Council Member of the Singapore Chinese Chamber of Commerce & Industry and Honorary Life President of the Enterprise 50 Club. Dr Goi is the Vice Chairman of International Enterprise Singapore's "Network China" Steering Committee, Council Member of the Singapore Jiangsu Cooperation Council, Singapore Tianjin Economic and Trade Council and Singapore-Shandong Business Council. He is also Senior Consultant to Su Tong Science and Technology Park in China.

Dr Goi serves in various community and grassroots organisations. He is the Honorary Chairman of Ulu Pandan Citizens' Consultative Committee; Dunman High School Advisory Committee; Singapore Futsing Association and Nanyang Gwee Clan Association. In addition, he is the Honorary President of Kong Hwa School Alumni, Honorary Chairman of Tan Kah Kee Foundation, Council Member of NTUC Club Management Council, and Standing Committee Member of NTUC Club Management.

Dr Goi was awarded the Public Service Star (Bar), or BBM (L), by the Singapore Government, and the Panglima Gemilang Darjah Kinabalu (Datuk) by the Sabah Government in 2014, as well as the Long Service Award by Singapore's People's Action Party in 2015. In 2022, he received the PAP Commendation Medal for his contributions to the People's Action Party and country. He also received a Long Service Award for 25 years of service to the Ministry of Social and Family Development in 2023.

He was lauded for his contributions and success as an overseas Chinese by People's Tribune Magazine in Beijing, China in 2017 and was conferred the "Businessman of the Year Award" by Singapore's Business Times in 2014.

BOARD OF DIRECTORS

Over the years, he has received numerous awards for his leadership. These include:

- "Leadership Award in Philanthropy" from Singapore Tatler (2005)
- "Forbes Asia Top Philanthropists Award" (2013)
- "SG50 Outstanding Chinese Business Pioneers Award" from Singapore Chinese Chamber of Commerce & Industry (2015)
- "Lifetime Achievement Award" from Enterprise Asia (2015)
- "Lifetime Achievement Award" from Asian Strategy & Leadership Institute (2016)
- "Distinguished Business Leader Award" from World Chinese Economic Forum (2018)
- "Pearl of the Orient Award" from World Chinese Economic Forum (2019),
- "Benefactors Fellow Award" from SUTD (2019) for his role as Founding Chairman of its Advancement Sub-committee which raised more than S$1.2 billion for the University.

One of SUTD's pioneer Board of Trustees, Dr Goi was appointed Patron for Advancement to help steer the University's continued fundraising efforts as well as garner partners and donors who have a heart for nurturing the next generation of leaders and innovators.

Dr Goi was appointed Singapore's Non-Resident Ambassador to the Federative Republic of Brazil on 20 April 2018, and Justice of the Peace by the President of the Republic of Singapore in 2020.

TEY HOW KEONG
CHIEF EXECUTIVE OFFICER

Mr Tey was appointed to the Board on 3 January 2012 and is responsible for the overall strategic, management and business development of the Group.

Mr Tey has over 30 years of experience in the cocoa business. He started his career in the cocoa business in November 1988 as sales manager of JB Cocoa Group Sdn Bhd. In August 1989, he was appointed as a director of Guan Chong Cocoa Manufacturer Sdn Bhd, a position which he remained in until October 2003 and played an active role in setting up its cocoa processing plant in Pasir Gudang.

In May 2000, Mr Tey established JB Cocoa Sdn Bhd, and under his leadership, the Group expanded over the years to become an active player within the cocoa ingredient production industry in Malaysia and foreign markets.

Mr Tey graduated in 1988 with a Bachelor of Business Administration from the University of Toledo, College of Business Administration, USA.

GOH LEE BENG
EXECUTIVE DIRECTOR

Mdm Goh was appointed to the Board on 4 May 2012 and is responsible for procurement of raw materials and managing the cocoa trading positions of the Group, which includes sourcing of cocoa beans and cocoa ingredient, managing the Group's cocoa hedging book, monitoring world cocoa trends, and marketing of cocoa butter.

Mdm Goh has over 30 years of experience in cocoa business. Upon graduation, Mdm Goh joined Guan Chong Cocoa Manufacturer Sdn Bhd in November 1989 as an executive and was responsible for logistics, operations and inventory management. She joined JB Cocoa Sdn Bhd in January 2003 and was appointed as its Executive Director in August 2003. She was responsible for sourcing of cocoa beans and supply chain management.

Mdm Goh graduated in 1989 with a Bachelor of Business Administration from the University of Toledo, College of Business Administration, USA.

BOARD OF DIRECTORS

CHIN KOON YEW
INDEPENDENT, NON-EXECUTIVE DIRECTOR AND CHAIRMAN OF RC AND RISK COMMITTEE

Mr Chin was appointed to the Board on 18 February 2014 as an Independent Director. He has more than 10 years of experience in the cocoa and chocolate industry through his previous role as the Chief Financial Officer of Petra Foods Limited from 2001 to September 2013.

Prior to this, Mr Chin has held various senior positions at W R Grace, a US MNC, for over 17 years, culminating in the role of Chief Financial Officer for Asia Pacific in 1998. He has more than 30 years of experience in financial and general management in both MNC and Asian set-up.

Mr Chin completed his Association of Chartered Certified Accountant (ACCA) in 1980. He obtained a Master of Business Administration from Henley-Brunel University in 1996.

LOO WEN LIEH
ALTERNATE DIRECTOR TO DR GOI SENG HUI

Mr Loo Wen Lieh was appointed on 23 May 2013 as an Alternate Director to Dr Goi Seng Hui. Wen Lieh is the Group Financial Controller of the Tee Yih Jia (TYJ) Group, a leading frozen foods manufacturer in Singapore with distribution to more than 80 countries. In addition to investments in various industries, including property, technology and F&B, the TYJ Group also has significant stakes in several other Singapore public listed companies. Wen Lieh was appointed as the Director of the Tee Yih Jia Food Manufacturing Pte Ltd on 1 January 2023.

From December 2002 to May 2007, Wen Lieh was the Chief Financial Officer and Corporate Secretary of AGVA Corporation Limited and Hengxin Technology Limited where he was responsible for their Initial Public Offerings, financial, tax and other related matters. He was a manager with KPMG where he started his career from July 1996 to November 2002, during which he left KPMG for one year from March 2000 to February 2001 to be the co-founder for a technology start-up.

Wen Lieh graduated with a Bachelor of Accountancy from Nanyang Technological University in 1996 and is a Fellow Chartered Accountant of Singapore, an ACA of the Institute of Chartered Accountants in England and Wales, and an ASEAN Chartered Professional Accountant.

EXECUTIVE OFFICERS

ONG KIM TECK

GROUP PROJECT & PROCUREMENT MANAGER

Mr Ong joined the Group in April 2002 as Project Manager, following which he oversaw the construction of the processing facility in Port of Tanjung Pelepas, including design, installation of equipment, commissioning and maintenance activities. In July 2014, he was appointed as the Factory Manager and subsequently in April 2011, he was promoted to Operations Manager of the Group. In 2016, he was redesignated to Group Engineering Manager overseeing expansion and improvement projects of the Group.

Mr Ong graduated with a Bachelor of Engineering with Honours (School of Mechanical Engineering) from the University of Liverpool, United Kingdom in 1997 and obtained a Commonwealth Executive Master in Business Administration (CeMBA) from the Wawasan Open University in 2018.

SAW POH CHIN

GROUP SALES AND MARKETING MANAGER

Ms Saw has over 20 years of experience in the cocoa business. She manages and markets the Group's products to international markets, and assists in product development activities. Ms Saw joined the Group in June 2002 as its quality and research and development manager. In December 2004, she was reassigned as the technical support manager and subsequently reassigned as technical sales manager in January 2007. In September 2010, she was re-designated as the Sales and Marketing and R & D Manager of the Group. She is overall responsible for marketing the Group's products, and leading the Group's product development activities.

Ms Saw graduated with a Bachelor of Science in Agricultural Sciences from the University of Nebraska, USA in 1998 and a Master of Science from the same university in 1999.

WONG WING HONG

CHIEF FINANCIAL OFFICER

Mr Wong joined the Group in August 2014 as Corporate Planning Manager and is currently the Chief Financial Officer. He is overall responsible for the corporate, treasury, tax, finance and accounting functions of the Group.

Prior to joining the Group, Mr. Wong was a manager with BDO Singapore from November 2010 to August 2014 and Nexia Singapore from May 2007 to August 2010, where he was involved in the assurance and auditing, Initial Public Offerings, Reverse Take Over and related projects.

Mr Wong completed his Association of Chartered Certified Accountant ("ACCA") in 2010, and is a member of ACCA and Institute of Singapore Chartered Accountants.

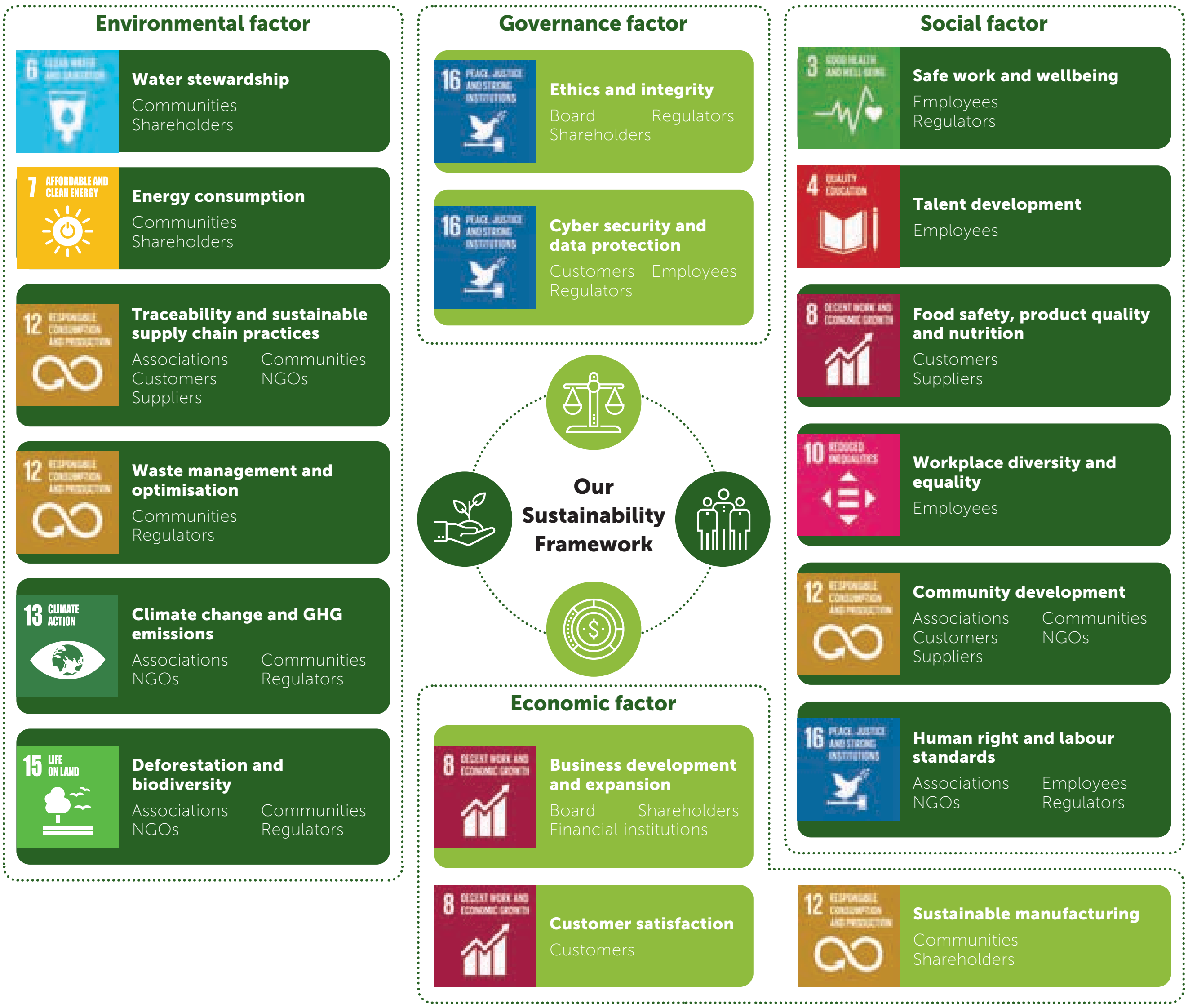
1. BOARD STATEMENT

We reaffirm our commitment to sustainability with the publication of our sustainability report ("Report"). For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance ("ESG") factors and economic performance (collectively as "Sustainability Factors").

While mindful of our profit-oriented objectives, we are committed to striking a balance between growth, profit, governance, environment, the development of our people and well-being of our communities so as to secure a long-term future of the Group. This commitment is reflected in our sustainable business strategy and the key Sustainability Factors shown in this Report.

A sustainability policy ("SR Policy") covering our sustainability strategies, sustainability governance structure, materiality assessment and processes in identifying and monitoring key Sustainability Factors has been put in place and serves as a point of reference for our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our key Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

Our sustainability framework communicates our commitment to supporting the United Nations' Sustainable Development Goals ("SDGs" or "Global Goals") and is primarily driven by the concerns of our key stakeholders. We work closely with stakeholders in our value chain and their inputs drive our sustainability focus on our key Sustainability Factors and the SDGs as follows:



SUSTAINABILITY REPORT

A summary of our key sustainability performance in FY2022 is as follows:

Sustainability Factor	Performance indicator	Sustainability performance	
		FY2022	FY2021
Economic	Economic value generated[1]	USD510.74 million	USD463.23 million
	Operating costs[2]	USD476.84 million	USD421.52 million
	Employee benefits expenses	USD13.18 million	USD12.21 million
	Payments to providers of capital[3]	USD10.01 million	USD7.55 million
	Income taxes to governments	USD6.17 million	USD2.47 million
	Percentage of customers who gave a positive feedback rating for overall satisfaction	More than 90%	More than 90%
Environmental[4]	Water consumption (m^3) per metric tonne ("mt") of cocoa bean processed	2.12	2.05
	Percentage of wastewater treated to remove pollutants before releasing into waterways	100%	100%
	Hazardous waste generated (mt) per mt of cocoa bean processed	0.002	0.002
	Non-hazardous waste generated (mt) per mt of cocoa bean processed	0.107	0.109
	Greenhouse gas ("GHG") emissions (tonnes CO_2e)	56,661	56,051
	GHG emissions intensity (tonnes CO_2e/mt of bean processed)	0.37	0.39
Social	Number of workplace fatalities	–	–
	Number of high-consequence work-related injuries[5]	–	–
	Number of recordable work-related injuries	5	10
	Number of recordable work-related ill health cases	–	–
	Average training hours per employee	32	3
	Number of product returns due to food safety issues raised by customers	1	–
	Number of reported incidents of unlawful discrimination[6] against employees	–	–
	Number of reported incidents of non-compliance with labour standards assessed by the authorities	–	–
Governance	Number of incidents of serious offence ("Corruption")[7]	–	–
	Number of cybersecurity breaches resulting in losses of business data	–	–

1 Economic value generated includes revenue, other income and interest income, net of government grants and any unrealised gains.
2 Operating costs include cash payments to suppliers and contractors, net of employee-related costs.
3 Payments to providers of capital include dividends to all shareholders and interest payments made to providers of financing.
4 Energy and water resources are mainly consumed by our two operating factories located in Malaysia and Indonesia.
5 High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.
6 Unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to the Company.
7 A Corruption incident is defined as a serious offence that involves fraud or dishonesty and is being or has been committed against the Company by its officers or employees. Such a serious offence is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts to not less than S$100,000.

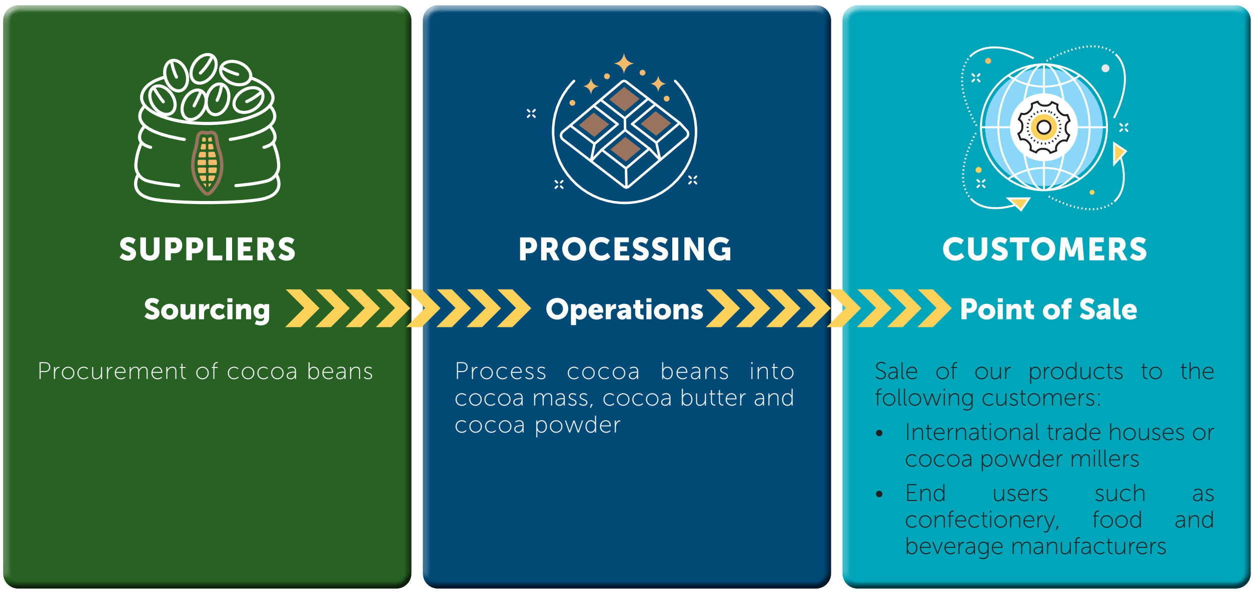
We look back on an eventful 2022 where the Group's resilience responded well to the unprecedented global challenges on several fronts: rising inflation, high interest rates and geopolitical tensions. Even as the global economic environment is expected to continue to be challenging in 2023, we are committed to safeguard stakeholders' interests, while carefully planning business expansions to strengthen our market position.

During the year in June 2022, the Group has the ground-breaking for our cocoa processing facility in Ivory Coast in order to further strengthen our global market position and footprint. Construction of the new Abidjan factory, which is slated to be ready by the fourth quarter of 2024 will incrementally expand the Group's annual bean processing capabilities.

2. OUR BUSINESS

2.1 Value chain

We are principally involved in the production and sale of cocoa ingredient products, namely cocoa butter, cocoa powder, cocoa mass and cocoa cake, under the brand name of JB Cocoa.



2.2 People

The total number of employees[8] by region as at 31 December 2022 is as follows:

Singapore	Malaysia	Indonesia	Others	Total
Full-time				
15	419	246	49	729

[8] The total number of employees exclude part-time employees which is deemed immaterial as the number of part-time employees is only one which only constitute 0.1% of the Group's headcount.

3. REPORTING FRAMEWORK

This Report has been prepared in accordance with 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST") listing rules. JB Foods Limited has reported the information cited in the GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the Global Reporting Initiative ("GRI") Standards. We have chosen to report using the GRI framework as it is an internationally recognised reporting framework. The GRI content index can be found in Appendix 2 of this Report.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 ("UN Sustainability Agenda"). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

We are also guided by the recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD") in our climate-related disclosures.

We have relied on internal data monitoring and verification to ensure the accuracy of this report. We will work towards internal review and/or external assurance for our future sustainability reports.

4. REPORTING SCOPE

This Report is applicable for the Group's financial year ended 31 December 2022 ("FY2022" or "Reporting Period"). Our sustainability report will be published annually in accordance with our SR Policy.

This Report covers the following key operating entities within the Group which contributed more than 90% (FY2021: more than 90%) of the Group's revenue for the Reporting Period:

S/N	Entity
1	JB Foods Limited
2	JB Foods Global Pte Ltd
3	JB Cocoa Sdn Bhd
4	PT Jebe Koko

S/N	Entity
5	PT Jebe Trading Indonesia
6	JB Cocoa, Inc.
7	JB Cocoa Foods (China) Co., Ltd

5. FEEDBACK

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account: responsible business@jbcocoa.com.

6. STAKEHOLDER ENGAGEMENT

Through an internal stakeholder mapping exercise, we have identified and prioritised our engagements with key stakeholder groups. Key stakeholders are determined for each identified key Sustainability Factor and they include individuals or groups that have interests that are affected or could be affected by our activities.

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders, comprising associations, the Board, communities, customers, employees, financial institutions, Non-governmental Organisations ("NGOs"), regulators, shareholders and suppliers.

We actively engage our key stakeholders through the following channels:

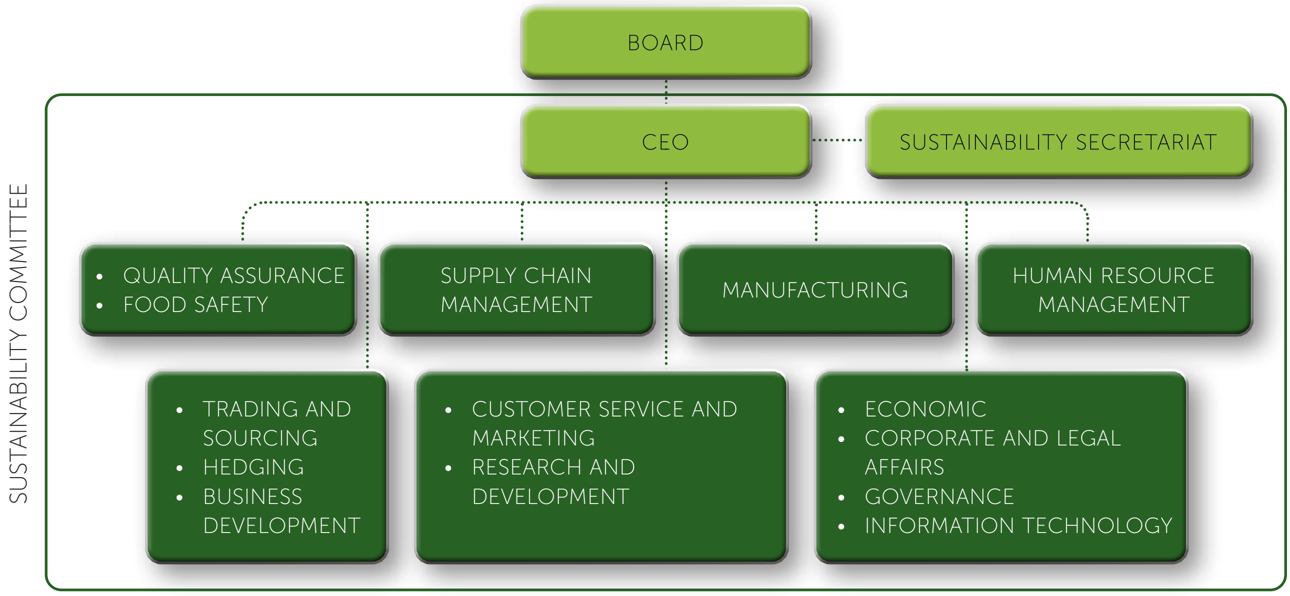
S/N	Stakeholder	Engagement channel	Engagement frequency	Key concerns
1	Associations	• Community initiatives • Company's website https://www.jbcocoa.com/sustainability/	Ongoing	• Traceability, and sustainable supply chain practices • Climate change • Biodiversity • Human rights
2	Board	Board meeting	Quarterly	• Sustainable business performance • Corporate governance
3	Communities	• Community initiatives • Company's website	Ongoing	Sustainable agricultural and business practices
4	Customers	• Meetings • Events such as exhibitions • Email communications • Phone calls • Customer survey	Regularly	• Product quality and reliability • Customer service standards
5	Employees	Email communications	Regularly	• Equal employment opportunity • Workplace safety and health • Job security • Remuneration
		Staff evaluation sessions	Half-yearly	
6	Financial institutions	• Meetings • Email communications • Phone calls	Regularly	Sustainable business performance
7	NGOs	• Community initiatives • Company's website	Ongoing	• Traceability, and sustainable supply chain practices • Climate change • Biodiversity • Human rights
8	Regulators	Consultations and briefings organised by key regulatory bodies such as Singapore Exchange and relevant government agencies/bodies	As and when required	• Environmental compliance • Corporate governance
9	Shareholders	• Annual general meetings • Annual reports	Annually	• Sustainable business performance • Market valuation • Dividend payment • Corporate governance
		• Result announcements on SGXNet	Half-yearly	
		• Material announcements on SGXNet • Company's website • Business publications • Investor relations events	Ongoing	
10	Suppliers	• Meetings • Supplier evaluations • Feedback sessions • Email communications	Regularly	• Traceability, and sustainable supply chain practices • Order volatility

Through the above channels, we seek to understand the views of our key stakeholders, communicate effectively with them and respond to their concerns.

7. POLICY, PRACTICE AND PERFORMANCE REPORTING

7.1 Sustainability governance structure

The Board advises and provides oversight over the development of our sustainability strategy and performance targets. Our sustainability strategy is spearheaded by the Sustainability Committee ("SC") which is led by our Chief Executive Officer ("CEO") and comprises senior management executives and key managers representatives from various functions. The SC is tasked with developing and reviewing the sustainability strategy and progress, performing materiality assessment, considering stakeholders' priorities, setting goals and targets on how the Group can better implement sustainability initiatives and contribute to sustainability efforts. The SC reports to the Board, as well as collecting, verifying, monitoring and reporting performance data for this Report.



7.2 Sustainability reporting processes

Under our SR policy, our sustainability process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of key Sustainability Factors disclosed in this Report.

Processes involved are as shown in the chart below:

7.3 Materiality assessment

The materiality assessment considers the likelihood of the occurrence of actual and potential negative and positive impacts ("Likelihood of Impact") and significance of our impacts on the economy, environment, people and their human rights, including our contribution (negative or positive) to sustainable development ("Significance of Impacts").

7.4 Performance tracking and reporting

We track the progress of our key Sustainability Factors by identifying the relevant data points, measuring and monitoring them systematically. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We are committed to consistently enhance our performance-monitoring processes and improve our data capturing systems. We believe that there is always room for improvement in sustainability performance and we continuously seek improvement in our sustainability journey. Our sustainability trends can be found in Appendix 1 of this Report.

8. MATERIAL FACTORS ASSESSMENT

In 2022, a materiality assessment was conducted by the SC to understand the concerns and expectations of our stakeholders. Through the materiality assessment, factors with significant impacts on the economy, environment, people and their human rights were updated. In this Report, we have also reported our progress in managing these factors and set related targets to improve our sustainability performance.

Our key Sustainability Factors are presented in the table below:

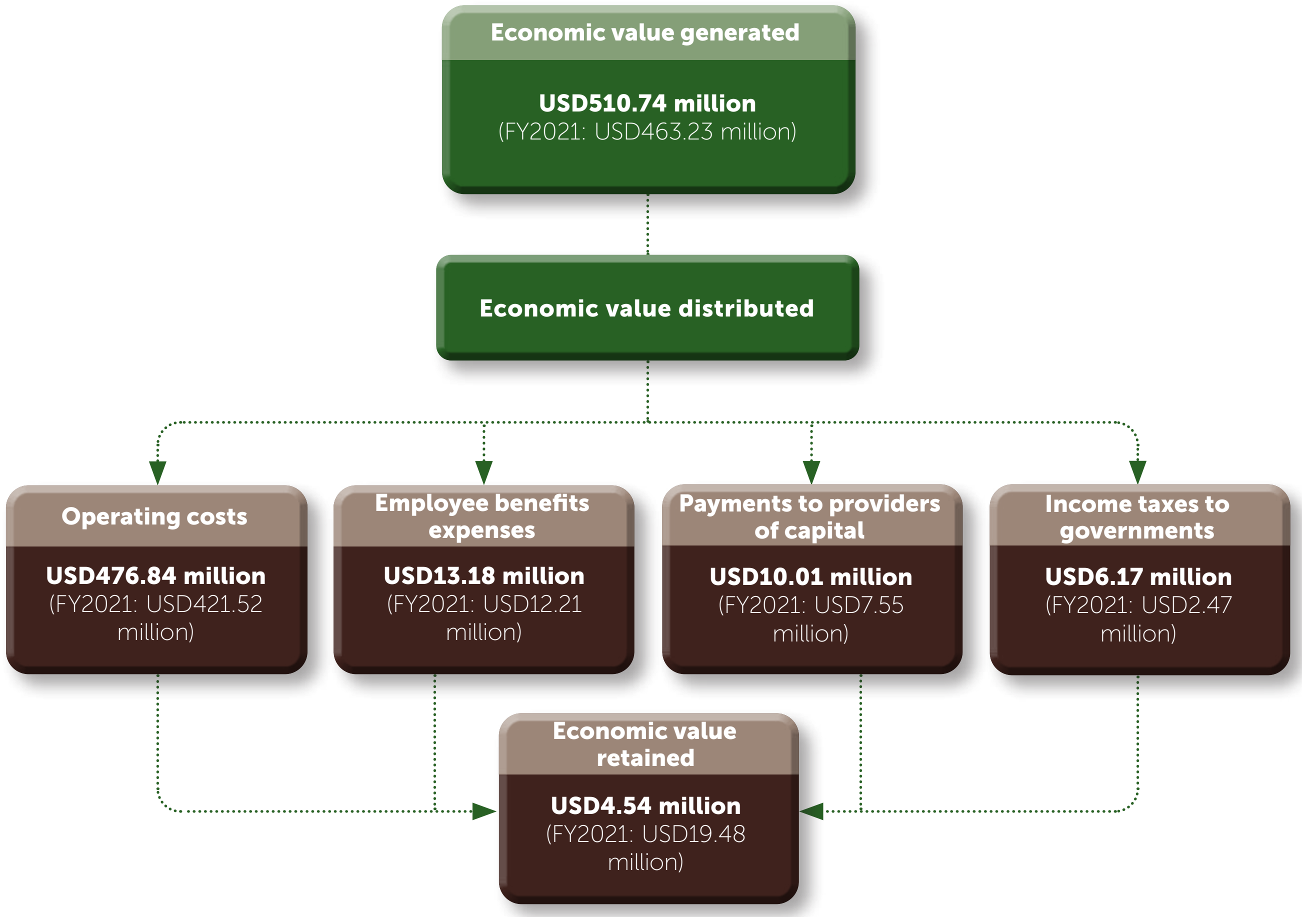
S/N	Key Sustainability Factor	SDG	Key stakeholder
Economic			
1	Business development and expansion	Decent work and economic growth	• Board • Shareholders • Financial institutions
2	Customer satisfaction	Decent work and economic growth	Customers
3	Sustainable manufacturing	Responsible consumption and production	• Communities • Shareholders
Environmental			
4	Water stewardship	Clean water and sanitation	• Communities • Shareholders
5	Energy consumption	Affordable and clean energy	• Communities • Shareholders
6	Traceability, and sustainable supply chain practices	Responsible consumption and production	• Associations • Communities • NGOs • Customers • Suppliers
7	Waste management and optimisation	Responsible consumption and production	• Communities • Regulators
8	Climate change and GHG emissions	Climate action	• Associations • Communities • NGOs • Regulators
9	Deforestation and biodiversity	Life on land	• Associations • Communities • NGOs • Regulators

S/N	Key Sustainability Factor	SDG	Key stakeholder
Social			
10	Safe work and well-being	Good health and well-being	• Employees • Regulators
11	Talent development	Quality education	Employees
12	Food safety, product quality and nutrition	Decent work and economic growth	• Customers • Suppliers
13	Workplace diversity and equality	Reduced inequalities	Employees
14	Community development	Responsible consumption and production	• Associations • Communities • NGOs • Customers • Suppliers
15	Human rights and labour standards	Peace, justice and strong institutions	• Associations • Employees • Regulators • NGOs
Governance			
16	Ethics and integrity	Peace, justice and strong institutions	• Board • Shareholders • Regulators
17	Cyber security and data protection	Peace, justice and strong institutions	• Customers • Regulators • Employees

We will update the key Sustainability Factors on an annual basis to reflect changes in business operations, the environment, stakeholders' feedback and sustainability trends. The details of each key Sustainability Factor are presented as follows:

8.1 Business development and expansion

We are committed to creating long-term economic value for various stakeholders while exploring opportunities to develop and expand our business. In line with this commitment, value created in FY2022 was distributed as follows to enable a more sustainable future.



Details of the Group's economic performance can be found in the financial contents and audited financial statements of this Annual Report.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain or improve total economic value generated subject to market conditions	Target met as follows: Economic value generated increases to USD510.74 million	Maintain or improve economic value generated subject to market conditions

8.2 Customer satisfaction

Building on the strength of our value proposition and customer-focused business model, we have established a strong relationship with our key customers including Mars, Nestle, Hershey and Mondelez.

Through our presence in Singapore, Malaysia, Indonesia, United States of America, China, Estonia and Ivory Coast, we are able to better serve our customers through:

- Deeper understanding of our customers' requirements, faster turnaround time and more responsive after-sales services; and
- Demonstration of our capability to develop and customise cocoa ingredient products to meet the varying and exacting requirements of globally diversified customers.

In addition, we collect customer feedback from various touchpoints, such as sales teams and customer satisfaction surveys. Customer feedback obtained through customer satisfaction surveys is analysed to gather valuable insights into current and future customer requirements. Insights gathered are discussed during regular management meetings to drive product and service improvements, enhance operational levels and provide inputs for strategies. During the Reporting Period, more than 90% (FY2021: more than 90%) of our customers gave a positive feedback rating for overall satisfaction.

Target for FY2022	Performance in FY2022	Target for FY2023
Achieve at least 90% of customers who gave a positive rating for overall satisfaction	Target met as follows: At least 90% of our customers gave a positive rating for overall satisfaction	Achieve at least 90% of customers who gave a positive rating for overall satisfaction

8.3 Sustainable manufacturing

We are driven by our commitment to improve our operational efficiency, with considerations of sustainability perspectives and costs efficiency, resulting in enhanced returns to shareholders.

In line with our commitment to sustainable manufacturing, we utilise technology advancements to improve our operational effectiveness and efficiency to reduce our impact on the environment with the following measures and initiatives:

- A biomass boiler is in place at our factory in Malaysia to convert discarded cocoa shells to renewable energy ("Biomass Boiler");
- Installed solar photovoltaic modules at our factory in Malaysia to generate clean energy;
- Replaced back-up diesel boiler with cleaner and more efficient liquefied petroleum gas ("LPG") boiler at our factory in Malaysia;
- A systematic maintenance programme is in place to maintain energy and water efficiencies for our operating equipment;
- Wastewater generated was treated to remove pollutants before being released into waterways; and
- Automating business processes where applicable to improve operational efficiency and reduce manpower needs.

You may refer to sections 8.4 and 8.5 for details on our initiatives to optimise water and energy consumption.

Target for FY2022	Performance in FY2022	Target for FY2023
Design or continue with sustainable manufacturing processes to minimise negative environmental and social impacts	Target met as follows: Design or continue with sustainable manufacturing processes to minimise negative environmental and social impacts	Design or continue with sustainable manufacturing processes to minimise negative environmental and social impacts

8.4 Water stewardship

We recognise the importance of managing water resources effectively. To this end, we adopt a two-pronged approach in water management by optimising consumption and properly managing wastewater treatment.

We use water resources in our factory operations, primarily in the following processes:

Process	Description
Steam generation	Water is heated to generate steam for production purposes.
Cooling	Water is used to cool down various production processes.

Wastewater is generated from the above processes which has to be treated in order not to cause pollution to the environment. Details of our water management approach are as follows:

Water consumption

Key statistics on water consumption and water consumption intensity during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2022	FY2021
Water consumption	m^3	321,021	297,059
Water consumption intensity	m^3/mt of cocoa bean processed	2.12	2.05

Water conservation measures implemented by our factories include the following:

- A systematic maintenance programme is implemented for operating equipment to maintain water efficiency; and
- Regular tracking and analysis of water consumption trends and corrective actions are taken when there are unusual consumption patterns.

Water quality management

During the Reporting Period, 100% (FY2021: 100%) of wastewater generated which amounted to 36,343 m^3 (FY2021: 31,191 m^3) was treated by our internal water treatment plants in Malaysia and Indonesia to remove pollutants before being released into the waterways. The increase in wastewater generated is mainly due to an increase in cocoa bean processed and additional periodic cleaning of cyclone to improve dust control of dust generated during cocoa bean processing.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain or reduce water consumption rate and improve wastewater treatment process	Target partially met as follows: • Slight increase in water consumption intensity • 100% wastewater treated to remove pollutants before releasing into waterways	Maintain or reduce water consumption intensity and improve wastewater treatment process

8.5 Energy consumption

We believe that responsible usage of energy resources would help to preserve the environment and create long-term economic value to shareholders as well as sustainable planet.

We have grown to be one of the major cocoa ingredient producers in the region with two operating factories located in Malaysia and Indonesia. To run our factory operations, we rely mainly on the following energy sources:

- Diesel for operating machineries and motor vehicles;
- LPG and natural gas for operating machineries, including machineries for bean drying and roasting; and
- Electricity for operating production equipment and office equipment such as lighting, office work and cooling.

Key statistics on energy consumption and energy consumption intensity during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2022	FY2021
Diesel consumption	litre	95,760	117,262
Diesel consumption intensity	litre/mt of cocoa bean processed	0.6	0.8
LPG consumption	kg	2,767,709	2,235,066
LPG consumption intensity	kg/mt of cocoa bean processed	18.3	15.4
Natural gas consumption	m^3	3,974,882	3,679,298
Natural gas consumption intensity[9]	m^3/mt of cocoa bean processed	83.5	81.6
Electricity consumption	kWh	55,704,089	57,711,148
Electricity consumption intensity	kWh/mt of cocoa bean processed	368.4	397.9

The decline in diesel consumption intensity is mainly attributable to the decommissioning of diesel boiler at our factory in Malaysia since the mid of FY2021. The increase in LPG consumption intensity is mainly due to the commissioning of a LPG backup boiler at our factory in Malaysia since the fourth quarter of FY2021 to replace the decommissioned diesel backup boiler and increase in number of production recipes which require more burning of LPG to produce higher temperature in machineries for bean roasting. The LPG boiler serves as a backup boiler when the Biomass Boiler is under maintenance. The decline in electricity consumption intensity is mainly due to electricity savings arising from reduced compressor load and adjustment to operating hours of aircon units at our factory in Malaysia and optimisation of chiller load at our factory in Indonesia. The compressor is used to supply air to a nitrogen generator, where nitrogen generated is used to suppress potential sparks in cocoa powder production. The reduction in the compressor load arise from an enhanced periodic equipment maintenance which eliminates sources of sparks, thus the need for continuous supply of nitrogen is replaced with activation of nitrogen when required.

To monitor our usage, we perform regular tracking and analysis of electricity consumption trends, and corrective actions are taken when there are unusual consumption patterns so as to ensure our usage of energy resources is sustainable.

Under our commitment to energy conservation and carbon footprint reduction, various measures and initiatives adopted and these include:

9 Natural gas is only consumed by our factory in Indonesia.

Conversion of cocoa shell into renewable energy
A Biomass Boiler is in place at our factory in Malaysia. During the Reporting Period, 93% (FY2021: 99%) of steam consumed by our factory in Malaysia is generated from discarded cocoa shells. Moreover, the use of the renewable energy helped us to reduce reliance on diesel fuel, resulting in a reduction in consumption of approximately 3.5 million litres (FY2021: 3.9 million litres) yearly. The decline in the percentage of steam consumption from that generated by the Biomass Boiler and the resultant decline in reduction of diesel consumption are mainly due to a reduction in the use of Biomass Boiler during the period when the new LPG backup boiler was installed and tested to supply steam.

Tap into renewable and cleaner energy sources and machine automation to reduce carbon emissions
To achieve energy optimisation at our factory in Malaysia, we installed solar photovoltaic modules during the second quarter of FY2021 to generate clean energy. The solar power generated amounts to 1,391,703 kWh (FY2021: 925,318 kWh) and contributed to approximately 3% (FY2021: 2%) of the electricity consumed by our factory in Malaysia. This implementation enables us to generate clean energy and reduce our utility cost at the same time.

A LPG boiler is in place to replace the decommissioned diesel boiler at our factory in Malaysia. The LPG boiler is cleaner than diesel as LPG emits lesser carbon dioxide than diesel for each unit of energy produced.

Implement a preventive maintenance programme
A systematic maintenance programme for operating equipment is in place to maintain energy efficiency in our processing factories.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain or reduce energy consumption intensity	Target partially met as follows: • Decrease in diesel consumption intensity • Increase in LPG consumption intensity • No material changes in natural gas consumption intensity • Decrease in electricity consumption	Maintain or reduce energy consumption intensity

8.6 Traceability and sustainable supply chain practices
We are committed to ensuring that our dealings with our suppliers are conducted with a high level of transparency, uphold corporate and industry ethical standards, advocate and practice of fairness to improve traceability in our supply chain and monitor the origins of raw materials.

In keeping with our commitment to traceability and sustainable supply chain practices, we have put in place a traceability framework that focuses on the following areas:

- Setting expectations
  A supplier code of conduct which focuses on good social and environmental practices among the suppliers is circulated and acknowledged by key suppliers. In addition, a deforestation free policy is in place to communicate and reinforce to our suppliers on our commitment to end deforestation in our cocoa supply chain.

- Adoption of market standards
  To maintain sustainable cocoa supply chain, we ensure that our products are sourced from producers who are certified under the following internationally recognised certifications:

Certification	Focus of relevant certification
Rainforest Alliance certificate	Ensure that our products are physically and administratively related to Rainforest Alliance certified producers who adopt sustainable farming practices and working conditions
Fairtrade International certificate	Ensure that our products are physically and administratively related to Fairtrade certified producers who adopt sustainable practices
Fairtrade USA certificate	

- Monitoring and evaluation
  We conduct either regular questionnaire audits or site audits where necessary for our key suppliers to evaluate their performance against our policies and expectations.
- Remediation and capability building
  We request key suppliers to address issues of poor performance through providing training, resources and support to improve sustainability management and performance.

Target for FY2022	Performance in FY2022	Target for FY2023
Initiate or continue with sustainable supply chain practices	Target met as follows: Initiate or continue with sustainable supply chain practices	Initiate or continue with sustainable supply chain practices

8.7 WASTE MANAGEMENT AND OPTIMISATION

We believe that waste management and optimisation will also help to preserve the environment and create long-term economic value to shareholders. Key waste generated in our operations are as follows:

- Hazardous waste, which includes sludge generated from wastewater treatment plant and hydraulic oil generated from plant maintenance; and
- Non-hazardous waste which includes cocoa shells and general waste such as broken pallets, torn gunny sacks, plastic, paper and food waste.

Key statistics on the amount of waste generated during the Reporting Period are as follows:

Performance indicator	FY2022	FY2021
Amount of hazardous waste generated (mt)	310	317
Hazardous waste generated per mt of cocoa bean processed	0.002	0.002
Amount of non-hazardous waste generated (mt)	16,193	15,795
Non-hazardous waste generated per mt of cocoa bean processed	0.107	0.109

Under our commitment to waste management and optimisation, various measures and initiatives implemented include:

Proper management of waste

In line with our commitment to be environmentally friendly, we engaged licensed waste collectors to ensure that 100% (FY2021: 100%) of our hazardous waste are properly treated before disposal. We segregate our general waste into non-recyclable waste and recyclable waste for recycling prior to disposal at designated facilities near our operating factories located in Malaysia and Indonesia.

Conversion of cocoa shell into renewable energy
A Biomass Boiler is in place at our Malaysian factory to convert discarded cocoa shells to renewable energy and reduce the reliance on carbon-intensive energy sources such as diesel fuel. You may refer to section 8.5 for further details on this initiative.

Use of cocoa shells for animal feed
As cocoa shells are rich in protein, cocoa shells from our Indonesian operations are sold to local poultry farmers as animal feed as a form of recycling. Such an arrangement generated approximately USD361k (FY2021: USD259k[10]) of income during the Reporting Period. The increase in income generated from sale of cocoa shells is mainly due to an increase in cocoa beans processed in our factory in Indonesia.

Target for FY2022	Performance in FY2022	Target for FY2023
Minimise the amount of waste generated in operations	Target met as follows: • No material changes in amount of hazardous waste generated per mt of cocoa bean processed • No material changes in amount of non-hazardous waste generated per mt of cocoa bean processed	Minimise the amount of waste generated in operations

8.8 CLIMATE CHANGE AND GHG EMISSIONS

Climate change is a prominent global issue as GHG emissions and human activities contributing to GHG emissions are leading to rising global temperatures and extreme weather events, such as floods and droughts that could affect the sustainability of cocoa supply chain. To avoid the most severe effects, we strive to reduce our operational footprint, support our customers and suppliers in the transition to a low carbon economy and seize opportunities created as a result of climate change. We will adapt our strategy on climate change to local and regional developments, as part of our sustainability journey.

In line with our commitment to reduce GHG emissions and combat climate change, we have adopted the following key initiatives:

- Tapping into renewable and cleaner energy sources and machine automation to reduce carbon emissions. You may refer to section 8.5 for details on initiatives to reduce our carbon footprint;
- Distribution of multipurpose trees' seedlings that are planted on cocoa farms to promote agroforestry[11] and reduce carbon emissions. Multipurpose trees are trees that are grown for multiple purposes such as food, shade management, improved soil fertility and enhanced crop productivity. You may refer to section 8.14 for further details on this initiative;
- Climate change and environmental matters are reported in management meetings regularly;
- Conduct climate change awareness and carbon accounting training for our employees; and
- Carry out awareness campaigns for employees such as the Zero Emissions Day campaign held on 21 September 2022, International Zero Emissions Day. The campaign is a joint effort between the SC and Corporate Communications department. A series of video is shared across all employees during the campaign to spread awareness on climate change and encourage employees to share photographs of their efforts in reducing carbon footprint.

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10 Figure has been restated as a correction.
11 An intensive land management system that optimises the benefits from the biological interactions created when trees and/or shrubs are deliberately combined with crops and/or livestock, such as agroforestry could increase biodiversity, reduce erosion and improve soil structure and health.

During the Reporting Period, there was zero (FY2021: zero) reported incident of non-compliance with environmental standards from the authorities and key statistics on our GHG emissions are as follows:

Performance indicator	Unit of measurement	FY2022	FY2021
GHG emissions			
Direct GHG emissions (Scope 1)[12]	tonnes CO_2e	18,321	16,012
Indirect GHG emissions (Scope 2)[13]	tonnes CO_2e	38,340	40,039
Total GHG emissions	tonnes CO_2e	56,661	56,051
GHG emissions intensity	tonnes CO_2e/mt of bean processed	0.37	0.39

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero reported incident of non-compliance with environmental standards from the authorities	Target met as follows: Zero reported incident of non-compliance with environmental standards from the authorities	Maintain or reduce GHG emissions intensity

8.9 DEFORESTATION AND BIODIVERSITY

The prevalence of low income amongst smallholder farmers in developing countries drives smallholder farmers to seek more land for growing cocoa, which as a result leads to increased deforestation and reduced biodiversity.

In line with our commitment to zero deforestation and biodiversity protection, we have adopted the following measures and initiatives:

- A deforestation free policy is in place, aligned with our core commitment to zero deforestation of natural forests or areas of High Conservation Value ("HCV")[14] or High Carbon Stock ("HCS")[15], and the promotion of effective restoration and long-term conservation of protected areas, as well as areas of special environmental interest, including forests and ecosystems within or adjoining the cocoa landscape;
- Regular review and enhancement of our supplier's code of conduct to reinforce and communicate our commitment to zero deforestation to our suppliers; and
- As a partner of the Cocoa & Forest Initiative[16], we are committed to strengthening transparency and ensuring accountability in our cocoa supply chain at Ivory Coast by implementing activities related to forest protection, restoration, sustainable cocoa production, improvement of farmers' livelihoods, community engagement and social inclusion.

Target for FY2022	Performance in FY2022	Target for FY2023
Initiate or continue with measures to achieve zero deforestation and protect biodiversity within our supply chain	Target met as follows: Initiate or continue with measures to achieve zero deforestation and protect biodiversity within our supply chain	Initiate or continue with measures to achieve zero deforestation and protect biodiversity within our supply chain

12 Direct GHG emissions (Scope 1) mainly arise from consumption of diesel, LPG and natural gas controlled by the Company and they are calculated based on the Greenhouse Gas (GHG) Emissions Measurement and Reporting Guidelines published by the NEA.

13 GHG emissions from electricity purchased by the Company (Scope 2) are calculated based on the emissions factors published by the relevant local authorities.

14 As defined by HCV Network, HCV areas refer to natural habitats with biological, ecological, social or cultural values of outstanding significance at the national, regional or global level or of critical significance at the local level.

15 HCS areas refer to natural forests that store large amount of carbon and biodiversity. The conservation of HCS areas can help to reduce GHG emissions.

16 The Cocoa & Forest Initiative is a public-private partnership bringing together governments of Ivory Coast and Ghana and chocolate and cocoa companies to end deforestation and promote forest restoration and protection in the cocoa supply chain.

8.10 SAFE WORK AND WELL-BEING

A safe work environment allows our employees to work safely without the fear of getting injured. This helps to build loyalty among our employees and support the sustainability of the Group. To build a safe work environment, we prioritise a culture of safety and security consciousness culture among our employees of all levels.

We recorded zero (FY2021: zero) work-related fatalities, zero (FY2021: zero) high-consequence work-related injuries, 5 (FY2021: 10) recordable work-related injuries, and zero (FY2021: zero) recordable work-related ill heath cases during the Reporting Period. The workplace accidents were mainly associated with hand, cut and burn injuries. Lessons from the work-related injuries were shared across business units to prevent recurrence and we will continuously work towards reducing both the occurrence and severity of workplace accidents. We have strengthened the relevant policies and procedures to reinforce workplace safety measures.

Key measures adopted to manage health and safety in the workplace environment include:

- A set of safety rules and regulations is in place;
- Safety committees are in place, and safety audits are performed regularly;
- New employees are briefed on safety procedures during orientation;
- Visual signs on safety are displayed at strategic locations within operating premises;
- Briefings and talks on occupational safety are organised regularly;
- Monthly management meetings are conducted to discuss on occupational health and safety matters;
- Accidents are tracked and monitored regularly;
- Employees are provided with adequate health and safety training; and
- Regular safety communication via emails are sent to employees to raise awareness on various safety topics.

To protect our employees and minimise the risk of transmission of COVID-19, we adhere to guidelines and measures, laws and regulations passed by the relevant local authorities.

Target for FY2022	Performance in FY2022	Target for FY2023
Reduce the number of workplace accidents and man-days lost where applicable	Target met as follows • Decline in the number of recordable work-related injuries and the associated number of man-days lost decreased from 96 days in FY2021 to 55 days in FY2022 • Maintained zero work-related fatalities, high-consequence work-related injuries and recordable work-related ill heath cases	• Reduce the number of recordable work-related injuries • Maintain zero work-related fatalities, high-consequence work-related injuries and recordable work-related ill health cases

8.11 TALENT DEVELOPMENT

Our people are our most valuable assets and are key in ensuring that we remain competitive. The Group continues to invest in talent development and leadership competencies as well as reinforcing shared values to boost organisational excellence.

As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of listing rule 720 (7) of SGX-ST, we confirm that 6 directors or 100% of our directors have attended one of the approved sustainability training courses during the Reporting Period.

Key initiatives taken by us to nurture and retain our employees are as follows:

Nurture a team of highly trained and experienced employees
We believe that effective training programmes are vital to the long-term business sustainability. Our Human Resources ("HR") department analyses the needs of various departments and compile them to develop an annual training plan. Internal and external training programmes and briefings are conducted regularly for relevant employees to improve their competencies and soft skills. Such trainings cover areas such as food safety, employee health and safety, cyber security, problem solving and decision-making skills and business communication skills. Key statistics on training hours provided for our full-time employees are as follows:

Disclosure	FY2022	FY2021
Overall		
Total training hours	23,200	2,109
Average training hours per employee	32	3
Gender (Male)		
Total training hours	20,828	1,718
Average training hours per employee	36	2
Gender (Female)		
Total training hours	2,372	391
Average training hours per employee	16	2

The increase in total training hours is mainly due to the easing of COVID-19 restrictions.

The continued success of our business relies on a team of professional, skilled and experienced employees. The Group is led by an experienced and dedicated management team spearheaded by our CEO. We believe that our team possesses an appropriate mix of multi-disciplinary skills and experience necessary for us to compete in the cocoa processing industry.

Key statistics on employee turnover and new hires of our full-time employees are as follows:

Employee turnover

Disclosure	FY2022	FY2021
Overall		
Turnover rate	13%	8%
Gender		
Turnover (male)	77%	58%
Turnover (female)	23%	42%
Age		
Turnover (below 30)	42%	45%
Turnover (30 to 50)	57%	51%
Turnover (above 50)	1%	4%

We will continue to work towards improving our turnover rate.

New hires

Disclosure	FY2022	FY2021
Gender		
New hires (male)	70%	80%
New hires (Female	30%	20%
Age		
New hires (below 30)	51%	54%
New hires (30 to 50)	46%	46%
New hires (above 50)	3%	–

Provide feedback to our employees constantly
Our employees receive regular feedback on their performance and career development. This encourages them to take self-initiated actions to improve their competencies. Key statistics on employees who received performance and career development reviews are as follows:

Disclosure	FY2022	FY2021
Overall	99.7%	100%
Gender		
Male	99.8%	100%
Female	99.3%	100%
Management level		
Senior management	97.4%	100%
Middle management	100%	100%
Staff	100%	100%

Provide competitive employee benefits
In addition, we also care for our employees' well-being, family relationships and work-life balance through employee benefits for confirmed full-time employees which include reimbursement of medical costs, maternity leave, paternity leave, continuous salary payment (with conditions) if employees are certified by the Company's doctor for prolonged illnesses or injuries.

Target for FY2022	Performance in FY2022	Target for FY2023
• Improve or maintain employee retention rate • Maintain or improve training hours for employees • Maintain or improve percentage of employees who received regular performance and career development reviews	Target partially met as follows: • Slight increase in employee turnover rate • Significant increase in training hours for employees • No material changes in percentage of employees who received regular performance and career development reviews	• Improve or maintain employee retention rate • Maintain or improve training hours for employee • Maintain or improve percentage of employees who received regular performance and career development reviews

8.12 FOOD SAFETY, PRODUCT QUALITY AND NUTRITION

Food safety, product quality and good nutrition are fundamental to customer health and safety. We affirm our commitment to food safety and quality in the supplier code of conduct circulated by our customers. In line with our commitment to deliver quality products to our customers and for long-term business sustainability, we adopted various initiatives as follows:

- Policies and procedures are in place to ensure that our factories comply with our customers' requirements, and relevant food safety requirements under the following internationally recognised standards:

Standard/certification	Focus of relevant standard/certification
HACCP certificate	Manage the food hygiene and safety procedures in our operations
FSSC 22000	
HALAL certificate	Ensure that our operations comply with Islamic dietary requirements
Kosher certificate	Ensure that our operations comply with Kosher requirements

- Track, investigate and take corrective actions on customer complaints and product returns that are related to food safety;
- Monitor the number of defects in finished goods such as cocoa mass, cocoa butter and cocoa powder;
- Align employee incentives with performance on food safety and quality and number of new product types developed;
- A crisis management procedure and a contamination response team are in place to handle food contamination caused by pathogens, malicious contamination and sabotage;
- Perform questionnaire or site audits on key service contractors for external warehouse, key cocoa beans suppliers, key suppliers for direct materials, key suppliers for outsourced materials such as cocoa powder, cocoa mass and cocoa butter;
- Conduct regular training to familiarise employees with food handling, quality and food safety, HALAL, FSSC 22000 and Good Manufacturing Practices ("GMP"); and
- Food safety briefings are conducted regularly to raise awareness on food safety risks, reinforce food safety standards, brainstorm for continual improvement to the food safety culture and foster a sustainable food safety culture.

As we continue to ensure good product quality, we stay abreast of customers' demands and preferences and explore ways to enhance nutritional content or improve the ingredient content of products. During the Reporting Period, there was one (FY2021: zero) product return due to food safety issues raised by customers. The product return relates to an isolated case of mould detected in a bag of cocoa powder which was not used by the customer.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero product return due to food safety issued raised by customers	Target not met as follows: A product return is raised by a customer due to an isolated case of mould detected in a bag of cocoa powder. A non-conformance report is issued to the supplier of the affected bag	Maintain zero product return due to food safety issues raised by customers

8.13 WORKPLACE DIVERSITY AND EQUALITY

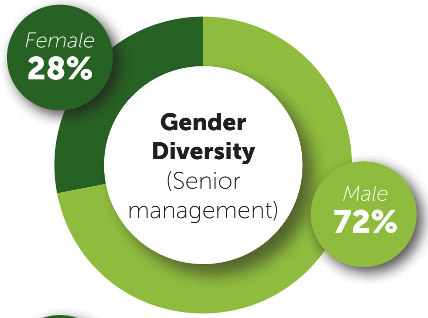
We aim to provide a work environment for employees that fosters fairness, equality and respect for social and cultural diversity, regardless of their gender and age. Therefore, we are committed to the goals of diversity and equal opportunity in employment.

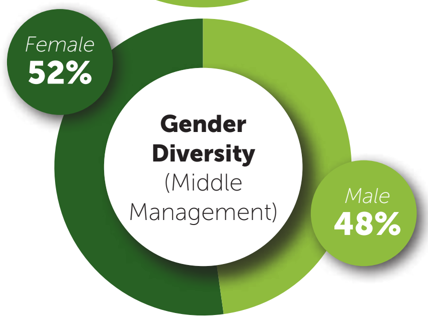
Gender (%)

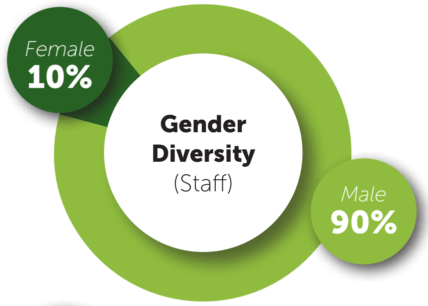
On gender diversity, we view diversity in the Board level as an essential element in supporting sustainable development and have a female representation of one (FY2021: one) in the Board or 17% (FY2021: 17%) of the Board. Key statistics on gender diversity of our employees are as follows:

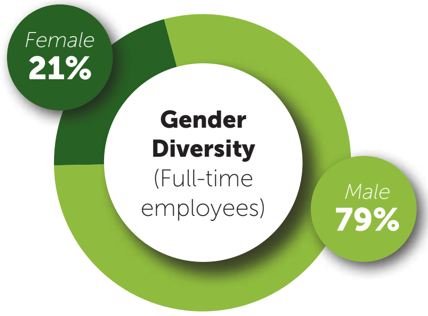
Disclosure	FY2022		FY2021	
	Male	Female	Male	Female
Management level				
Senior management	72%	28%	65%	35%
Middle management	48%	52%	53%	47%
Staff	90%	10%	94%	6%
Employment type				
Full-time	79%	21%	81%	19%

Given the nature of our business which is principally manufacturing in high heat environment, the gender ratio is geared towards male employees at the staff level (including operators).



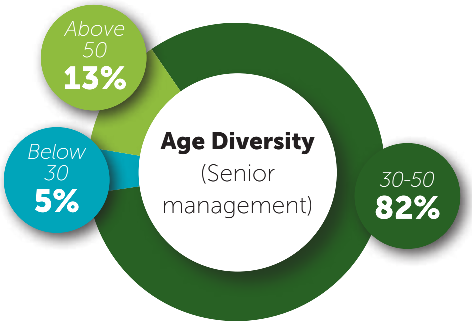


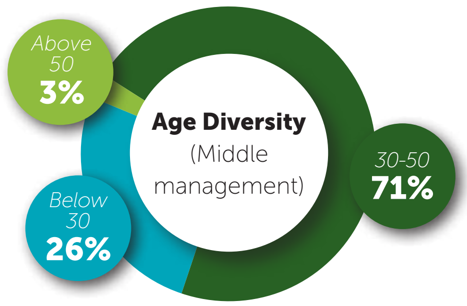


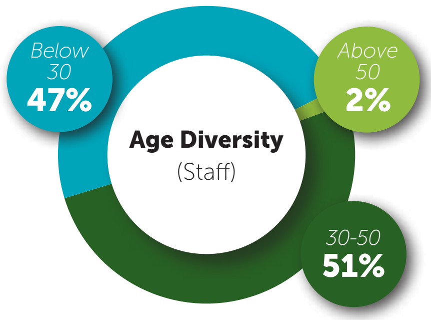


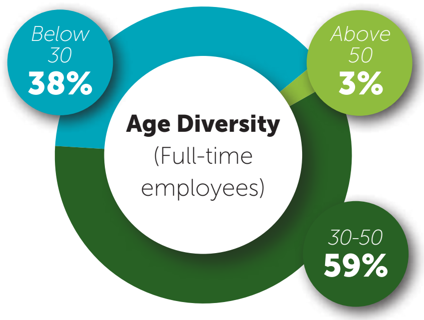
Age (%)
On age diversity, matured workers are valued for their experience, vast knowledge and skills. Key statistics on age diversity of our employees are as follows:

Disclosure	FY2022			FY2021		
	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50
Management level						
Senior management	5%	82%	13%	5%	86%	9%
Middle management	26%	71%	3%	32%	66%	2%
Staff	47%	51%	2%	49%	49%	2%
Employment type						
Full-time	38%	59%	3%	42%	55%	3%



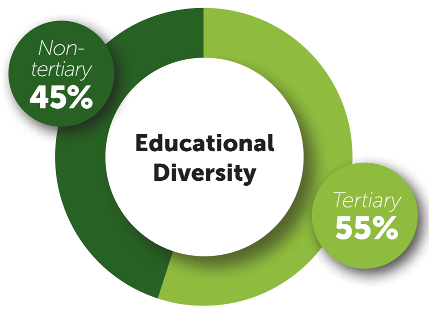






Educational diversity (%)
On diversity in educational background, we seek to create an inclusive environment for employees from different educational background. The distribution of employees by educational level is as follows:

Education qualification	FY2022	FY2021
Tertiary	55%	49%
Non-tertiary	45%	51%
Total	100%	100%



To promote equal opportunity, we have in place various human resource related processes as follows:

- A formal interview assessment process is in place to guide interviewers to assess employees based on merit and competency so as to recruit the right candidate with appropriate knowledge and expertise to contribute to the growth of our business;
- Staff assessment is performed regularly to evaluate the performance of employees and adjust their remuneration where justifiable to build a conducive and harmonies working environment; and
- Staff recruitment advertisements do not state age, race, gender or religion preferences as requirement so as to ensure our hiring practice are fair, merit-based, and non-discriminatory.

During the Reporting Period, we maintained zero incident of unlawful discrimination against employees (FY2021: zero incident).

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero incident of unlawful discrimination against employees	Target met as follows: Maintained zero incident of unlawful discrimination against employees	Maintain zero incident of unlawful discrimination against employees

8.14 COMMUNITY DEVELOPMENT

We are committed to creating long-term positive impacts in the community through our community engagement initiatives. These initiatives reflect our commitment to giving back to society while ensuring sustainable business growth and enriching the lives of the local communities, farmers and small landholders within the origin countries of our cocoa bean supply, comprising Ivory Coast, Nigeria, Indonesia and Ecuador ("Origin Countries").

In keeping with our strong commitment to sustainable cocoa, we team up with business partners to promote the following programmes across the Origin Countries (collectively as "Community Programmes"), focusing on four key areas ("Focus Areas"):

Geographical presence of our Community Programmes

Focus Areas of our Community Programmes

a. Transparency and traceability

Transparency and traceability are at the heart of our approach to improve the well-being of cocoa communities, meet customers' demand for responsibility sourced products and preserve forests. Our initiatives on this Focus Area are as follows:

Digitisation of payments to advance financial inclusion of farmers

One of the key struggles faced by cocoa farmers is a lack of access to funds for financing investments in their farms and improving their quality of lives. Under our Community Programmes, farmers receive premiums as an incentive for each mt of cocoa beans delivered. Official receipts are issued to our farmers and digital records of the premium payment transactions are kept in a traceability software to provide credible income records and accelerate financial inclusion for the farmers.

Cocoa traceability

We trace the sustainable cocoa beans purchased directly from cocoa farmers under our Community Programmes with the location mapping feature of a traceability software we implemented. The location mapping feature utilises global positioning system ("GPS") to accurately map the boundaries of the farms ("Polygons"). For further details on Polygons, you may refer to our Focus Area on forest conservation. During the Reporting Period, 100% of our sustainable cocoa beans purchased is traceable from farm to factory.

b. Farm productivity

We believe that training farmers on good agricultural practices can help in enhancing farmers' farm productivity and increasing their income to improve their quality of lives. In order to train farmers on good agricultural practices, we adopted the following initiatives on this Focus Area:

Provision of farmer training programmes

We adopt a Farmer Field School ("FFS") approach and peer learning approach to conduct the trainings on good agricultural and environmental practices for the farmers under our Community Programmes. The training approaches involve on-farm training and hands-on group learning for small-scale farmers to learn how to solve common farming problems through sustainable agriculture. Based on the level of commitment of the farmers to our Community Programmes' activities, the farmers' level of training attendance and the adoption of good agricultural and environmental practices, we select the "best-in-class" farmers to become trainers of future training programmes.

Provision of coaching for farmers

Under our Community Programmes, farmers receive personal coaching on good agricultural and environmental practices when enrolled in Farmer Development Plans ("FDP")[17]. The FDP aims to improve farmers' income by increasing farm productivity in a sustainable way. Each farmer selected for the FDP is visited regularly by the field agents of our farmer cooperatives ("Cooperative's Field Agents"). During the farm visits, farmers are assessed on their agricultural and environmental practices and their socio-economic situation. Our Cooperative's Field Agents will provide the farmers with recommendations to improve agricultural practices and farms' conditions and continuously monitor their progress.

Coaching on good agricultural and environmental practices

Cocoa farms renovation and rehabilitation

Under our Community Programmes, when farm productivity declines due to ageing trees, climate change effects or poor farm management which lead to pests, diseases and depleted soils, we recommend farmers to adopt farm rehabilitation practices such as pruning or grafting methods. We assess farm conditions and farmer's agricultural practices before providing practical recommendations. Planting new cocoa trees for farm renovation is also recommended as long as the trees are planted in the same cultivated area. During the Reporting Period, we provided more than 70,000 cocoa seedlings to our farmers in Nigeria, Indonesia and Ecuador for the planting of new cocoa trees. We strongly promote the use of highly productive clones and multi-clones in the farms to increase the cocoa yields and to minimise the need to expand farmed areas which may result in deforestation. The cocoa seedlings are purchased from farmer nurseries created with contribution of financial support through our Community Programmes as well as from budwood gardens which are nurseries where sturdy and improved versions of plant species are tended for their buds to be used in plant propagation, particularly grafting. Our involvement also includes providing training to the farmer nursery operators for the improvement of farm productivity.

Adoption of cocoa grafting method

c. Human rights

Human rights risks such as child labour and gender inequality are higher with the prevalence of poverty amongst our cocoa farmers. In line with our commitment to respect human rights across our cocoa supply chain, we adopted the following initiatives on this Focus Area:

Child Labour Monitoring and Remediation Systems ("CLMRS")

We have put in place a child safeguarding policy based on a methodology promoted by Rainforest Alliance and based on our on-the-ground experience. We also have a supplier code of conduct in place that states our position on human rights, including child and forced labour.

During the Reporting Period, the farmers in our Community Programmes in Ivory Coast and Nigeria are covered by CLMRS, which is a set of surveys conducted to identify and monitor child labour cases. We also conduct child labour awareness trainings and sensitisations for the farmers. In Ivory Coast, a Child Protection Committee is set up in each farmer cooperative. The Child Protection Committee comprises the administrator of each farmer cooperative, some members of the farming communities, our staff and members from a third-party NGO. We conduct regular monitoring visits and the findings from the monitoring visits are presented to the Child Protection Committee to discuss on appropriate measures that are required to tackle child labour cases that are identified. If immediate remedial actions are needed, each child labour case will be studied by the Child Protection Committee to design a suitable action plan upon discussion with the farming communities.

[17] FDP refers to an internationally recognised farm investment plan that looks at the current activities of farmers and their households.

Empowering women through financial inclusion

In our Community Programmes in Ivory Coast, we organised income generating activities for women from the farming communities in our Community Programmes to provide the women with opportunities to diversify their sources of income. Women associations are created in each farmer cooperative and each group is composed of a maximum of 35 women reunited around the same income generating activity ("Women Associations").

Under the Community Programmes, we first assess and monitor the needs of the Women Associations. The aim of this assessment is to identify the income generating activity in which the women want to get involved in, study the profitability of the income generating activity, identify the existing resources they have to commence the activity and the additional investments and resources that would be required. Based on this needs assessment, we support the implementation of the selected activities by providing trainings on agricultural techniques, materials, gears and inputs needed for the activity.

Income-generating activities for Women Associations

Empowering women through Gender Action Learning System ("GALS")

Our team members in Ivory Coast are trained on GALS for women empowerment in rural communities. GALS is a participatory methodology that aims to promote transformation and gender inclusion in all areas and rural contexts by supporting women in designing projects like income-generating activities, encouraging women to describe their vision by drawing and expressing themselves in local language upon which our trainers will develop the plans for them to reach their vision. This methodology is suitable for rural communities where the illiteracy rate is high and it provides women with the opportunity to empower themselves through participating in visioning and planning processes and strengthening of social networks.

GALS training

Empowering women through training programmes

In Ecuador, female cocoa farmers' participation in cocoa production systems often faces situations of inequality and inequity, in key farming activities and income from cocoa production. They are usually not entitled to the same benefits as men in matters such as land tenure, education, technical assistance and credits that would allow them to develop successful cocoa businesses.

To improve the socio-economic conditions of the female cocoa farmers in Ecuador, we assessed the socio-economic situation of women and trained female cocoa farmers as part of the "Women cocoa entrepreneurs" project. The trainings include gender equity awareness trainings for both women and men on the importance of including women in the farm decisions and starting of new businesses, as well as trainings for women to develop their entrepreneurial skills on topics such as cocoa farm management, entrepreneurship and business plan development, money management and savings, customer services, accounting and taxes and access to credit.

Women empowerment training

d. Forest conservation

The prevalence of poverty amongst cocoa farmers drives farmers to seek more land for growing cocoa which eventually lead to deforestation. In line with our commitment to preserve the forests and end deforestation, we have put in place a deforestation free policy and supplier's code of conduct that states our position on the protection of forests and natural ecosystems. We are also a signatory of the Cocoa & Forest Initiative for Ivory Coast, which aims to provide assurance on the traceability and field activities of cocoa beans and address the key risks related to the cocoa supply chain, in areas such as farmers' living conditions and deforestation. In addition, we adopted the following initiatives on this Focus Area:

Planting of multi-purpose tree seedlings

Assessing the risk of deforestation

In line with our deforestation free commitment, all farms under our Community Programmes are mapped with Polygons. We verify all the Polygons that are collected across the Origin Countries to assess the potential risks of the farms expanding into protected forests and protected areas.

Adopting good agroforestry practices

We distribute seedlings of multi-purpose trees to the farming communities under our Community Programmes to promote agroforestry on cocoa farms. Agroforestry serves to optimise cocoa production through appropriate shade management, improved soil fertility and nutrients and tap on increased tree density per hectare to capture carbon from the atmosphere to reduce carbon emissions and support biodiversity. We monitor the number of trees planted per farm per hectare and assess survival rates to minimise tree mortality. During the Reporting Period, over 80,000 multi-purpose tree seedlings are distributed to our farming communities. By having different crops or varieties in their farms, the farmers can benefit from increased resilience to climate change and generate more regular income.

To promote the adoption of agroforestry practices, we created demonstration plots to showcase the benefits of agroforestry to farmers. The demonstration plots are accessible to all farmers within the farming communities. The farmers also receive on-site training on agroforestry practices by qualified trainers.

Target for FY2022	Performance in FY2022	Target for FY2023
Initiative or continue with existing initiatives to promote sustainable cocoa farming	Target met as follows: Initiate or continue with existing initiatives to promote sustainable cocoa farming	Initiative or continue with existing initiatives to promote sustainable cocoa farming

8.15 HUMAN RIGHTS AND LABOUR STANDARDS

We understand that human rights issues and child labour are intensified by poverty faced by smallholder farmers in developing countries. To achieve sustainability in a holistic manner, we acknowledge the importance of respecting and upholding human rights. We have developed several policies and measures to support integrity, fairness and a safe working environment for all our employees and in our supply chain:

- A supplier code of conduct is circulated and acknowledged by our key suppliers to require suppliers to pay living wages that are adequate to meet basic needs and provide guidelines for our suppliers to align with our commitment to no usage of forced labour and child labour, no discrimination, harsh or inhumane labour treatment, excessive working hours;
- Affirm our commitment to uphold human rights under the supplier code of conduct circulated by our key customers;
- A child safeguarding policy is in place to provide our business partners with procedures on engaging with children, young people and vulnerable adults;
- A modern slavery policy is in place to communicate our commitment to respect human rights;
- We have registered ourselves as a Supplier Ethical Data Exchange ("Sedex")[18] member and our Malaysian and Indonesian operations are audited by external auditors on compliance with the relevant requirements on labour standards, health and safety, environment and business ethics;
- Assess suppliers based on employee health and safety criteria and labour practices guidelines of the Ethical Trade Initiative ("ETI") Base Code[19] during questionnaire or site audits; and
- Conduct trainings and sensitisations for child labour awareness, survey and visit farmers to identify and monitor child labour cases in Ivory Coast and Nigeria. You may refer to section 8.14 for further details on our initiatives to respect human rights.

[18] Sedex is a leading ethical trade membership organisation, working with businesses to improve working conditions in global supply chain.
[19] ETI Base Code is founded on the conventions of the International Labour Organisation and its guidelines encompass no forced labour and child labour, no discrimination, no excessive working hours, freedom of association and right to collective bargaining, safe and hygienic working conditions and payment of living wages.

During the Reporting Period, there was zero (FY2021: zero) reported incident of non-compliance with labour standards assessed by the authorities and no (FY2021: no) child labour below 18 years old were hired.

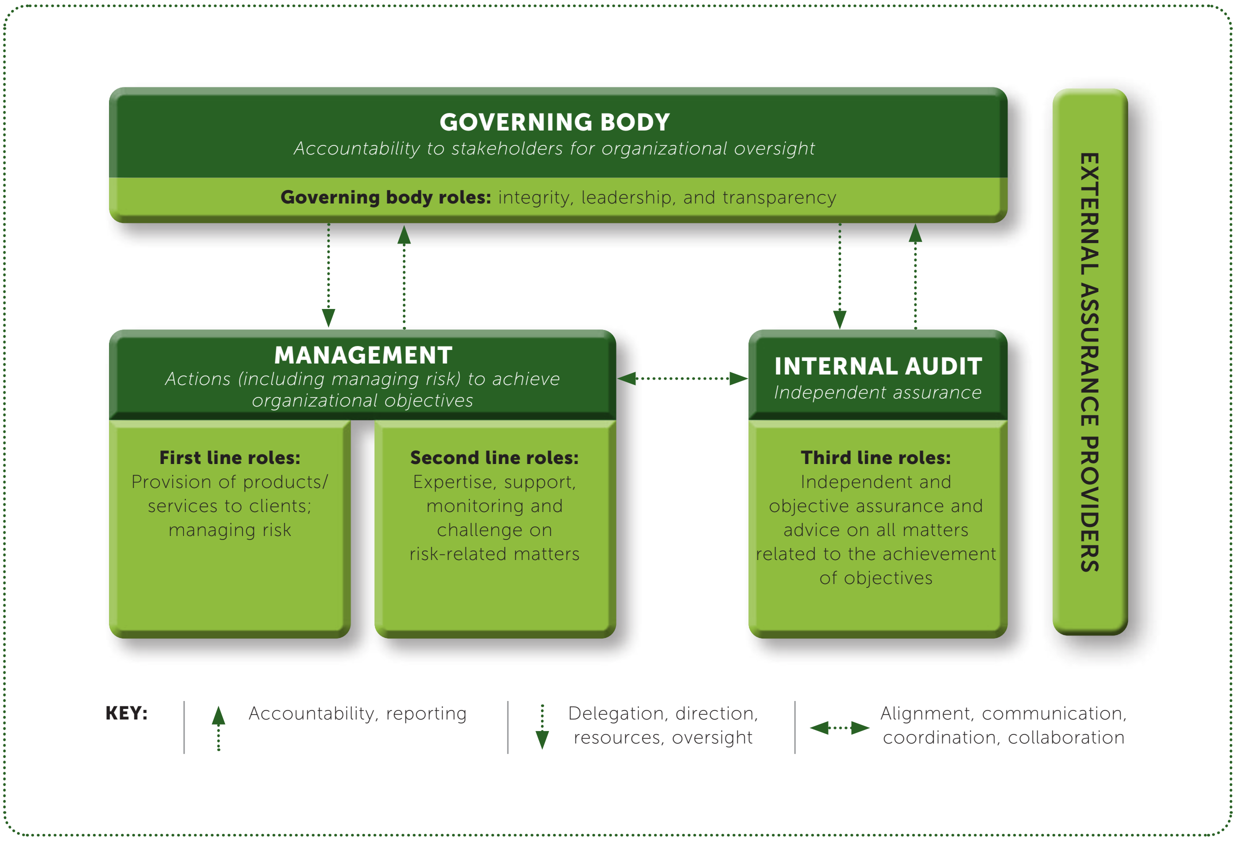
Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero reported incident of non-compliance with labour standards assessed by the authorities	Target met as follows: Zero reported incident of non-compliance with labour standards assessed by the authorities	Maintain zero reported incident of non-compliance with labour standards assessed by the authorities

8.16 ETHICS AND INTEGRITY

A high standard of corporate governance is integral in ensuring the sustainability of our businesses as well as safeguarding shareholders' interest and maximising long-term shareholder value.

The Board is committed to fostering a culture of corporate compliance, ethical behaviour and business integrity to achieve greater transparency and to protect the interests of Shareholders.

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors ("IIA"). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first and second line roles), internal audit (third line roles) and the relationship among them are defined as follows:



Source: Three Lines Model of the IIA

The Group is committed to carry out our business with integrity by avoiding corruption in any form, including bribery, and complying with the Prevention of Corruption Act of Singapore. We take a zero-tolerance approach to bribery and corruption and prohibit corruption in any forms, including extortion and bribery. We have a set of anti-corruption guidelines to ensure that our business comply with all local regulatory requirement and international business standards. We also conduct regular HR and compliance refresher training to ensure that employees are familiarised with the company rules and guidelines on anti-corruption, whistle blowing, conflicts of interest and compliance with ETI.

The Group also has a whistle blowing policy in place to provide a mechanism for employees to raise concerns about any malpractice(s) including possible improprieties in matters of financial reporting and others, at an early stage and in the right way. This policy serves to promote a culture of openness, accountability and integrity within the Group.

Adequate and effective risk management a key component of good corporate governance. On this note, the Group has in place an enterprise risk management framework ("ERM framework"). Under the ERM framework, we regularly assess and review our businesses and operational environment to better identify and manage emerging and strategic risks relating to our sustainability. We believe that risks faced by the Group could be converted into opportunities and favourable results.

In FY2022, no incident of Corruption was reported (FY2021: zero) and our overall Singapore Governance and Transparency Index ("SGTI") score assessed by National University of Singapore Business School is 63 for year 2022 (Year 2021: 57).

You may refer to the Corporate Governance Report of this Annual Report for details for our corporate governance practices.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero incident of Corruption	Target met as follows: Maintained zero incident of Corruption	Maintain zero incident of Corruption

8.17 CYBER SECURITY AND DATA PROTECTION

Protection of our stakeholders' data and information is paramount to our industry. We are committed to ensuring that our Information Technology ("IT") and cyber security systems and processes are adequate, efficient and effective in protecting our information assets and client information.

To promote stronger governance in the management of cybersecurity, an IT policy is in place to govern our approach in protecting and securing our stakeholders' data and information. To raise our employees' awareness on cyber security threats and data protection, regular trainings are conducted. A crisis management procedure and cyber security threat response team are also in place to handle emergencies arising from cyber security threats.

We also take measures to guard against cyber risks for both our internal and external stakeholders. The measures include minimising the risk of virus attacks by installing antivirus and avoiding unauthorised access by installing firewalls, implementing multi-factor authentication and seeking approval for the creation and modification of user access rights and implementing email security to filter phishing email or email containing malware/malicious link.

During the Reporting Period, there was zero (FY2021: zero) cybersecurity breach concerning losses of business data.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero incident of cybersecurity breach concerning losses of business data	Target met as follows: Maintained zero incident of cybersecurity breach concerning losses of business data	Maintain zero incident of cybersecurity breach concerning losses of business data

9. SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We believe that everyone plays an important role in advancing sustainable development and in order to align our business objectives with the SDGs, we have identified a number of SDGs which we can contribute to through our business practices, products and services. The SDGs that we focus on and the related Sustainability Factors are as follows:

SDG	Our efforts
Ensure healthy lives and promote well-being for all at all ages	Section 8.10 Safe work and well-being We constantly utilise safety measures and procedures to avoid accidents that are preventable and in so doing, maintain the well-being and safety of our workers.
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Section 8.11 Talent development We offer our employees extensive internal and external trainings to enhance their competencies as we believe in creating a rewarding working environment for our employees.
Ensure availability and sustainable management of water and sanitation for all	Section 8.4 Water stewardship We implement measures to help us to work towards achieving effective use of water resources. We also implement measures that prevent the pollution of waterways by ensuring that hazardous chemicals and materials are removed from the wastewater produced in our operations before being released.
Ensure access to affordable, reliable, sustainable, and modern energy for all	Section 8.5 Energy consumption We constantly monitor and implement measures to improve our energy efficiency, as well as to increase the utilisation of renewable energy.
Promote sustained, inclusive and sustainable economic growth, and productive employment and decent work for all	Section 8.1 Business development and expansion As we explore business development and expansion opportunities, we continue to contribute to economic growth through creating long-term economic value for our shareholders. Section 8.2 Customer satisfaction We recognise that adhering to a high quality of product and customer service standards is vital in the continued success of our business. This in turn helps to contribute to economic growth as well as long-term economic value for our shareholders. Section 8.12 Food safety, product quality and nutrition We recognise that food safety, quality products and nutrition are vital in the continued success of our business. This in turn helps to contribute to long-term economic value for our shareholders.

SUSTAINABILITY REPORT

SDG		Our efforts
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	Section 8.13 Workplace diversity and equality We ensure equal employment opportunity for all, regardless of gender, age, and educational background.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	Section 8.3 Sustainable manufacturing We focus on improving our operational efficiency in areas such as energy and water efficiencies, resource optimisation and utilisation of renewable energy sources. Section 8.6 Traceability and sustainable supply chain practices We formalised policies and supplier code of conduct to communicate our commitment to zero tolerance on deforestation, exploitation of human rights, child labour, forced labour. We are also audited by external auditors on our compliance with labour and environmental standards. In addition, we initiate programmes to improve the livelihoods of our farmers and traceability in our supply chain. Section 8.7 Waste management and optimisation We implement measures to ensure that hazardous wastes are properly treated before disposal and non-hazardous wastes are either disposed in a proper manner, converted into renewable energy sources or recycled. This in turn helps to minimise the adverse impacts on human health and environment. Section 8.14 Community development We adopt various initiatives to ensure a long-term sustainable supply of cocoa, as well as to achieve a higher yield for farmers.
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	Section 8.8 Climate change and GHG emissions In line with the commitment to combat climate change, we adopt measures to monitor and manage our GHG emissions.
15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Section 8.9 Deforestation and biodiversity We formalised a deforestation free policy and supplier code of conduct to align to our commitment to zero deforestation, restoration and preservation of protected areas.

SDG		Our efforts
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels	Section 8.15 Human rights and labour standards We implement measures to achieve sustainability in a holistic manner and comply with stringent human rights practices which include the prohibition against child labour and forced labour. Section 8.16 Ethics and integrity We carry out business with integrity by avoiding corruption in any form and maintain a high standard of corporate governance to maintain the transparency of our business, safeguard our shareholders' interests and maximise long-term shareholder value. Section 8.17 Cyber security and data protection We are committed to the privacy and security of data collected or generated in the course of our operations. We have an IT policy and implement measures to manage cyber security risks.

10. SUPPORTING THE TCFD

We are committed to support the recommendations by the TCFD and has disclosed some of our climate-related financial disclosures in the following key areas as recommended by the TCFD:

Key area	Our approach
Governance	The Board provides oversight on the management and monitoring of the Sustainability Factors and consider climate-related issues in determining the Group's strategic direction and policies. Our sustainability strategy is spearheaded by the SC which is led by our CEO. The SC includes senior management executives and key managers from various functions and is tasked with developing the sustainability strategy, performing materiality assessment, considering stakeholders' priorities, setting goals and targets, as well as collecting, verifying, monitoring and reporting performance data for this Report. The Sustainability Secretariat acts as the secretariat and sustainability advisor to the SC.
Strategy	The climate-related risks and opportunities identified by the Group during the ERM exercise includes the following: • Cocoa beans are the key raw materials for the production of our products. Supply of cocoa beans may be adversely affected by external events such as climate change, natural disasters, political and economic events. Any prolonged shortage will affect the ability of the Group to meet customers' orders and adversely affect the business of the Group. Conversely, this also presented an opportunity for the Group to review and assess its value chain to identify new sustainability programmes to maintain sustainable cocoa supply chain. We are currently looking into conducting climate-related scenario analysis consistent with the TCFD's recommendation, wherever possible, using commonly agreed sector/subsector scenarios and time horizons, to anticipate and manage climate change impacts.

Key area	Our approach
Risk management	An ERM framework is in place to guide the Group in the identification, analysis and evaluation of risks, implementation of risk treatment plans and continuous monitoring of risks The Group's climate related risks and opportunities are identified and assessed during an ERM exercise. Climate-related risks, their treatment plans and related opportunities are also reviewed and updated during the ERM exercise and are presented to the Board along with the other Group's key risks. We also manage our climate-related risks by monitoring the trend of climate-related performance indicators.
Metrics and targets	We track, measure and report on our environmental performance, including energy, GHG emissions, water and waste management and disclose related metrics in our sustainability report. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts. To support the climate change agenda, we disclose our Scope 1 and Scope 2 GHG emissions in the sustainability report and set climate-related targets such as those related to energy, GHG emissions, water and waste management. We will continue to monitor our emissions and disclose Scope 3 GHG emissions wherever applicable and practicable.

APPENDIX 1 SUSTAINABILITY TRENDS

S/N	Performance indicator	Sustainability performance		
		FY2022	FY2021	FY2020
Business development and expansion				
1	Economic value generated	USD510.74 million	USD463.23 million	USD420.36 million
2	Operating costs	USD476.84 million	USD421.52 million	USD366.20 million
3	Employees benefits expenses	USD13.18 million	USD12.21 million	USD11.80 million
4	Payments to providers of capital	USD10.01 million	USD7.55 million	USD9.85 million
5	Income taxes to governments	USD6.17 million	USD2.47 million	USD3.45 million
6	Economic value retained	USD4.54 million	USD19.48 million	USD29.06 million
Customer satisfaction				
7	Market presence	Continue to penetrate existing markets and expand into new markets		
8	Percentage of customers who gave a positive feedback rating for overall satisfaction	More than 90%	More than 90%	More than 90%
Sustainable manufacturing				
9	Sustainable manufacturing processes	Design and continue with sustainable manufacturing processes		

S/N	Performance indicator	Sustainability performance		
		FY2022	FY2021	FY2020
Water stewardship				
10	Water consumption (m^3)	321,021	297,059	298,988
11	Water consumption (m^3) per mt of cocoa bean processed	2.12	2.05	2.29
12	Percentage of wastewater treated	100%	100%	100%
Energy consumption				
13	Diesel consumption (litre)	95,760	117,262	168,580
14	Diesel consumption (litre) per mt of cocoa bean processed	0.6	0.8	1.3
15	LPG consumption (kg)	2,767,709	2,235,066	1,876,042
16	LPG consumption (kg) per mt of cocoa bean processed	18.3	15.4	14.4
17	Natural gas consumption (m^3)	3,974,882	3,679,298	3,094,818
18	Natural gas consumption (m^3) per mt of cocoa bean processed	83.5	81.6	70.0
19	Electricity consumption (kWh)	55,704,089	57,711,148	54,624,007
20	Electricity consumption (kWh) per mt of cocoa bean processed	368.4	397.9	418.1
21	Percentage of steam consumed by our factory in Malaysia that is generated from discarded cocoa shells	93%	99%	98%
22	Diesel fuel saving	3.5 million litres	3.9 million litres	3.7 million litres
23	Percentage of electricity consumed by our factory in Malaysia that is contributed by solar power	Approximately 3%	Approximately 2%	NA[20]
Traceability and sustainable supply chain practices				
24	Sustainable supply chain practices	Implement and continue with sustainable supply chain practices		
Waste management and optimisation				
25	Amount of hazardous waste generated (mt)	310	317	257
26	Hazardous waste generated (mt) per mt of cocoa bean processed	0.002	0.002	0.002

[20] No comparative data is available as the solar photovoltaic modules are installed at our Malaysian plant in the second quarter of FY2021.

S/N	Performance indicator	Sustainability performance		
		FY2022	FY2021	FY2020
27	Amount of non-hazardous waste generated (mt)	16,193	15,795	14,286
28	Non-hazardous waste generated (mt) per mt of cocoa bean processed	0.107	0.109	0.109
29	Percentage of hazardous waste disposed by licensed waste collector	100%	100%	100%
30	Income generated from sale of cocoa shells	USD361k	USD259k	USD101k
Climate change and GHG emissions				
31	Number of incidents of non-compliance with environmental standards from the authorities	–	–	–
32	Scope 1 GHG emissions (tonnes CO_2e)	18,321	16,012	NA[21]
33	Scope 2 GHG emissions (tonnes CO_2e)	38,340	40,039	NA[21]
34	Total GHG emissions (tonnes CO_2e)	56,661	56,051	NA[21]
35	GHG emissions (tonnes CO_2e) per mt of cocoa bean processed	0.37	0.39	NA[21]
Deforestation and biodiversity				
36	Measures to achieve zero deforestation and protect biodiversity within our supply chain	Implement and continue with measures to achieve zero deforestation and protect biodiversity within our supply chain		
Safe work and well-being				
37	Number of workplace fatalities	–	–	–
38	Number of high-consequence work-related injuries	–	–	NA[21]
39	Number of recordable work-related injuries	5	10	10
40	Number of recordable work-related ill health cases	–	–	NA

[21] Not available as this is a newly disclosed performance indicator.

S/N	Performance indicator	Sustainability performance		
		FY2022	FY2021	FY2020
Talent development				
41	Total training hours	23,200	2,109	4,837
42	Average training hours per full-time employee	32	3	8
43	Total training hours (male)	20,828	1,718	NA[21]
44	Average training hours per full-time employee (male)	36	2	NA[21]
45	Total training hours (female)	2,372	391	NA[21]
46	Average training hours per full-time employee (female)	16	2	NA[21]
47	Turnover rate (overall)	13%	8%	15%
48	Ratio of turnover rate by gender (male)	77%	58%	NA[21]
49	Ratio of turnover rate by gender (female)	23%	42%	NA[21]
50	Ratio of turnover rate by age group (below 30)	42%	45%	NA[21]
51	Ratio of turnover rate by age group (30 to 50)	57%	51%	NA[21]
52	Ratio of turnover rate by age group (above 50)	1%	4%	NA[21]
53	Ratio of new hire rate by gender (male)	70%	80%	NA[22]
54	Ratio of new hire rate by gender (female)	30%	20%	NA[22]
55	Ratio of new hire rate by age group (below 30)	51%	54%	NA[22]
56	Ratio of new hire rate by age group (30 to 50)	46%	46%	NA[22]
57	Ratio of new hire rate by age group (above 50)	3%	0%	NA[22]
58	Percentage of employee receiving regular performance and career development reviews (overall)	99.7%	100%	99%
59	Percentage of employee receiving regular performance and career development reviews (male)	99.8%	100%	NA[22]

[22] Not available as this is a newly disclosed performance indicator.

S/N	Performance indicator	Sustainability performance		
		FY2022	FY2021	FY2020
60	Percentage of employee receiving regular performance and career development reviews (female)	99.3%	100%	NA[22]
61	Percentage of employee receiving regular performance and career development reviews (senior management)	97.4%	100%	NA[22]
62	Percentage of employee receiving regular performance and career development reviews (middle management)	100%	100%	NA[22]
63	Percentage of employee receiving regular performance and career development reviews (staff)	100%	100%	NA[22]
Food safety, product quality and nutrition				
64	Number of product returns due to food safety issues raised by customers	1	–	–
Workplace diversity and equality				
65	Percentage of female in the Board	17%	17%	17%
66	Ratio of female to total senior managers	28%	35%	32%
67	Ratio of female to total middle managers	52%	47%	50%
68	Ratio of female to total staff	10%	6%	9%
69	Ratio of female to full-time employees	21%	19%	NA[22]
70	Ratio of senior managers who are above 50 years old	13%	9%	NA[22]
71	Ratio of middle managers who are above 50 years old	3%	2%	NA[22]
72	Ratio of staff who are above 50 years old	2%	2%	NA[22]
73	Ratio of full-time employees who are above 50 years old	3%	3%	NA[22]
74	Ratio of full-time employees with tertiary education	55%	49%	47%
75	Number of incidents of unlawful discrimination against employees	–	–	–

S/N	Performance indicator	Sustainability performance		
		FY2022	FY2021	FY2020
Community development				
76	Initiatives to promote sustainable cocoa farming	Initiate or continue with various sustainable cocoa programmes		
Human rights and labour standards				
77	Number of incidents of non-compliance with labour standards assessed by the authorities	–	–	–
78	Number of child labour below 18 years old that are hired	–	–	NA[23]
Ethics and integrity				
79	Number of incidents of Corruption	–	–	–
80	SGTI score	63	57	75
Cyber security and data protection				
81	Number of cybersecurity breach concerning losses of business data	–	–	1

APPENDIX 2 GRI CONTENT INDEX

Statement of use	JB Foods Limited has reported the information cited in the GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	02-03, 16, 55, 88
	2-2 Entities included in the organisation's sustainability reporting	17
	2-3 Reporting period, frequency and contact point	17
	2-4 Restatements of information	28
	2-5 External assurance	17
	2-6 Activities, value chain and other business relationships	03-04, 16
	2-7 Employees	16, 34-35

23 Not available as this is a newly disclosed performance indicator.

GRI standard	Disclosure	Location
	2-8 Workers who are not employees	We have approximately 157 workers who are not employees as at 31 December 2022. They include workers who provide logistics, warehousing, cleaning and clerical services, security guards, consultants for support functions such as sales, office management and sustainability.
	2-9 Governance structure and composition	10-12, 57-58
	2-10 Nomination and selection of the highest governance body	61-63
	2-11 Chair of the highest governance body	10, 59-61
	2-12 Role of the highest governance body in overseeing the management of impacts	19
	2-13 Delegation of responsibility for managing impacts	19
	2-14 Role of the highest governance body in sustainability reporting	19
	2-15 Conflicts of interest	57, 64, 69, 74, 77
	2-16 Communication of critical concerns	42, 70
	2-17 Collective knowledge of the highest governance body	30, 59-60
	2-18 Evaluation of the performance of the highest governance body	63-64
	2-19 Remuneration policies	64-65
	2-20 Process to determine remuneration	64-65
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	05-06, 14-16
	2-23 Policy commitments	40-46
	2-24 Embedding policy commitments	40-42
	2-25 Processes to remediate negative impacts	42, 70
	2-26 Mechanisms for seeking advice and raising concerns	42, 70
	2-27 Compliance with laws and regulations	36, 41-42

GRI standard	Disclosure	Location
	2-28 Membership associations	The Group is committed to global sustainable practices as a member of the World Cocoa Foundation, Cocoa Association of Asia, Cocoa Sustainability Partnership ("CSP") and Swiss Platform for Sustainable Cocoa.
	2-29 Approach to stakeholder engagement	17-18
	2-30 Collective bargaining agreements	As at 31 December 2022, 100% of our bargainable employees in Indonesia are covered by collective bargaining agreements.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	19-20
	3-2 List of material topics	20-21
	3-3 Management of material topics	22-42
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	22
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	42
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	25
	302-3 Energy intensity	25
GRI 303: Water and Effluents 2018	303-5 Water consumption	24
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	29
	305-2 Energy indirect (Scope 2) GHG emissions	29
	305-4 GHG emissions intensity	29
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	27-28
	306-3 Waste generated	27
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	31-32
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	32
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	30
	403-10 Work-related ill health	30

SUSTAINABILITY REPORT

GRI standard	Disclosure	Location
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	31
	404-2 Programs for upgrading employee skills and transition assistance programs	31
	404-3 Percentage of employees receiving regular performance and career development reviews	32
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	34-35
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	36
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	36-40
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	33
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	42

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHUA CHEOW KHOON MICHAEL
(Chairman and Lead Independent Director)

DR GOI SENG HUI
(Non-Executive, Non-Independent and Vice Chairman)

TEY HOW KEONG
(Chief Executive Officer)

GOH LEE BENG
(Executive Director)

CHIN KOON YEW
(Independent Director)

LOO WEN LIEH
(Alternate director to Dr Goi Seng Hui)

AUDIT COMMITTEE

CHUA CHEOW KHOON MICHAEL *(Chairman)*
CHIN KOON YEW
DR GOI SENG HUI

REMUNERATION COMMITTEE

CHIN KOON YEW *(Chairman)*
CHUA CHEOW KHOON MICHAEL
TEY HOW KEONG

NOMINATING COMMITTEE

CHUA CHEOW KHOON MICHAEL *(Chairman)*
CHIN KOON YEW
TEY HOW KEONG

RISK COMMITTEE

CHIN KOON YEW *(Chairman)*
DR GOI SENG HUI
TEY HOW KEONG
WONG WING HONG

JOINT COMPANY SECRETARIES

ONG BENG HONG
WONG WING HONG

REGISTERED OFFICE

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SHARE REGISTRAR

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Singapore 049712

INDEPENDENT AUDITORS

BDO LLP
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS
600 North Bridge Road #23-01
Parkview Square
Singapore 188778
Partner-in-charge: Leong Wenjie Stephen
(Appointed since the financial year ended 31 December 2022)

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors ("**the Board**") of JB Foods Limited (the "**Company**") and its subsidiaries (the "**Group**") are committed to maintaining a high standard of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability.

As required by the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the following report describes the Company's corporate governance processes and structures that were in place throughout the financial year, with specific reference made to the principles and guidelines of the Code of Corporate Governance 2018 (the "**Code**").

This report describes the corporate governance framework and practices of the Company that were in place for the financial year ended 31 December 2022 ("**FY2022**"), with specific references to the Code. The Company confirms that it has adhered to the principles and guidelines set out in the Code, where applicable, relevant and practicable to the Group. Any deviations from the guidelines of the Code or areas of non-compliance have been explained accordingly.

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group and holds Management accountable for performance.

The Board's principal functions include:

(a) reviewing the financial results of the Group, internal controls, external audit and resource allocation;

(b) supervising and approving strategic direction of the Group;

(c) reviewing the business practices and risk management of the Group;

(d) approving the annual budgets and major funding proposals;

(e) approving and monitoring major investments, divestments, mergers and acquisitions;

(f) convening of shareholders' meetings;

(g) assuming responsibility for corporate governance; and

(h) considering sustainability issues as part of its strategic formulation.

A formal document setting out the guidelines and matters (including the matters set out above) which are to be reserved for the Board's decision has been adopted by the Board.

Directors facing conflicts of interest are required to recuse themselves from discussions and decisions involving the issues of conflict. The Company's Constitution provides that no Director shall vote in regard to any contract, arrangement or transaction, or proposed contract, arrangement or transaction in which he has directly or indirectly a personal material interest as aforesaid or in respect of any allotment of shares in or debentures of the Company to him and if he does so vote his vote shall not be counted.

CORPORATE GOVERNANCE REPORT

To facilitate effective management and support the Board in its duties, certain functions of the Board have been delegated to various Board Committees, namely the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") which have been constituted with clearly defined terms of reference. Matters which are delegated to Board Committees for more detailed appraisals are reported to and monitored by the Board. In order to strengthen and facilitate the Company's risk assessment and management systems, the Board had also established a Risk Committee on 1 April 2014 (the "**Risk Committee**", and together with the AC, NC and RC, collectively referred to herein as "**Board Committees**"). The Board accepts that while the Board Committees have the authority to examine particular issues and will report back to the Board with their decision and/or recommendations, the ultimate responsibility on all matters lies with the entire Board.

In order to strengthen the independence of the Board, the Company has appointed Mr Chua Cheow Khoon Michael as Chairman of the Board and Lead Independent Director.

The Board has scheduled to meet at least four times a year. Besides the scheduled meetings, the Board meets on an ad-hoc basis as warranted by particular circumstances. The Company's Constitution provides for Directors to conduct meetings by teleconferencing or videoconferencing. The Board and Board Committees may also make decisions through circular resolutions.

Newly appointed Directors will be given appropriate briefings by the Management on the business activities of the Group, its strategic directions and the Company's corporate governance policies and practices, including amongst other matters, their roles, obligations, duties and responsibilities as members of the Board prior to their appointments. Such newly appointed Directors shall also, on request, travel to see the operations of the Group.

The Directors are updated, from time to time, when new laws or regulations affecting the Group are introduced. The Directors are encouraged to attend seminars and training courses that will assist them in executing their obligations and responsibilities as Directors of the Company and the Company has a training budget which can be used by the Directors to attend courses that they are interested in. In FY2022, pursuant to Rule 720(7) of the Listing Manual, all the Directors have undergone training on sustainability matters as prescribed by SGX-ST.

Management provides the Board with periodic updates covering operational performance, financial results, marketing and business development and other important and relevant information by various means, including but not limited to holding meetings with the Board or via email in which documents are circulated to the Board for their review or for their information.

The attendance of the Directors at meetings of the Board and Board Committees held during FY2022 are as follows:

	Board of Directors		Audit Committee		Remuneration Committee		Nominating Committee		Risk Committee	
	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Director										
Chua Cheow Khoon Michael	8	8	4	4	1	1	1	1	2	2
Tey How Keong	8	8	4	4	1	1	1	1	2	2
Goh Lee Beng	8	8	4	4	1	1	1	1	2	2
Goi Seng Hui	8	6	4	4	1	1	1	1	2	1
(Alternate: Loo Wen Lieh)[1]	–	8	–	4	–	1	–	1	–	2
Chin Koon Yew	8	8	4	4	1	1	1	1	2	2

Note:

(1) Mr Loo Wen Lieh was appointed as Alternate Director to Dr Goi Seng Hui on 23 May 2013. An Alternate Director is not required to attend a board meeting if the director to whom he is appointed as alternate director is present at such board meeting.

Directors are furnished regularly with information from Management about the Group as well as the relevant background information relating to the business to be discussed at meetings of the Board and Board Committees. As a general rule, notices are sent to Directors at least one week in advance of such meetings, followed by the board papers, in order for Directors to be adequately prepared for meetings. The Directors also have separate and independent access to the Company's Management and the Joint Company Secretaries to facilitate separate and independent access.

One Joint Company Secretary or his/her representative administers and attends all Board and Board Committee meetings of the Company and prepares minutes of meetings. Together with members of the Company's Management, the Joint Company Secretaries are responsible for ensuring that appropriate procedures are followed and that the requirements of the Companies Act 1967 of Singapore and the SGX-ST and other rules and regulations that are applicable to the Company are met. Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as Director.

The appointment and the removal of the Joint Company Secretaries are subject to the Board's approval.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As at the date of this Annual Report, the Board comprises five Directors, of whom two are Independent Directors and one is a Non-Executive Director. The two Independent Directors of the Company are Mr Chua Cheow Khoon Michael and Mr Chin Koon Yew. The current number of Independent Directors complies with Rule 210(5)(c) of the Listing Manual of the SGX-ST, which requires the Board to have at least two non-executive Directors who are independent and free of any material business or financial connection with the Company. The current composition of the Board also complies with the Code's requirement that non-executive directors make up a majority of the Board. As the Chairman, Mr Chua Cheow Khoon Michael, is independent. Independent Directors are not required to make up a majority of the Board; however, Independent Directors make up at least one-third of the Board, bringing a strong independent element to the Board. The Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The profiles of the Directors are found in the "Board of Directors" section of this Annual Report.

The Board's policy in identifying nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of age or gender. The Board is of the view that the current Board members comprise persons whose diverse skills, experience, knowledge, attributes and gender (with one female Executive Director on the Board) provide for effective direction of the Group. With the introduction of Rule 710A of the Listing Manual of the SGX-ST effective from 1 January 2022, the Company has put in place a board diversity policy, which takes into consideration the normal selection criteria such as competencies, skills, extensive experience and knowledge, as well as gender, age and ethnicity. If a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director, the NC, in consultation with the Board, will consider the benefits of all aspects of diversity including, but not limited to, those described in the board diversity policy and select the appropriate candidate for the position. Details of the board diversity policy have been made available to all directors of the Company. In discharging their duties, the Board and the NC shall give due regard to the benefits of all aspects of diversity and strive to ensure that the Board is appropriately balanced to support the long-term success of the Company. The main objective is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company.

The Board through the NC has examined the size and composition of the Board and Board Committees and is of the view that each of the Board and Board Committees is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process. The NC is also of the view that the Board has a good balance of Directors who have extensive business, financial, accounting and management experience.

CORPORATE GOVERNANCE REPORT

The Board members as of the date of this Annual Report are:

Mr Chua Cheow Khoon Michael	:	Chairman and Lead Independent Director
Dr Goi Seng Hui	:	Non-Independent Non-Executive Director and Vice Chairman
Mr Tey How Keong	:	Chief Executive Officer and Executive Director
Mdm Goh Lee Beng	:	Executive Director
Mr Chin Koon Yew	:	Independent Director
Mr Loo Wen Lieh	:	Alternate Director to Dr Goi Seng Hui

The Company has in place an NC which determines the independence of each Director annually based on the definition of independence as set out in the Code. Under the Code, an independent Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. Under Rule 210(5) of the Listing Manual of the SGX-ST, a Director will not be independent if he is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, or if he has an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the RC.

The Independent Directors will assist to develop strategy and goals for the Group and regularly assess the performance of the Management.

A Director who is not an employee of the Group and who is not the immediate family member of an employee of the Group and who has no relationship with the Group or its officers or its substantial shareholders which could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company, is considered to be independent. The Board has identified each of the Company's Independent Directors to be independent, after determining, taking into account the views of the NC, whether the Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. Each Director is required to disclose to the Board any such relationships or circumstances as and when they arise.

Mr Chua Cheow Khoon Michael and Mr Chin Koon Yew were first appointed to the Board as Independent Directors on 4 May 2012 and 18 February 2014 respectively. As such, they have both served on the Board for more than nine years.

Pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST and Transitional Practice Note 4 on Transitional Arrangements Regarding the Tenure Limit for Independent Directors, Mr Chua Cheow Khoon Michael and Mr Chin Koon Yew are considered independent until the conclusion of the annual general meeting ("**AGM**") to be held for the financial year ending on 31 December 2023.

The Independent Directors meet at least once annually without the presence of the other Directors.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

As at the date of this Annual Report, the roles of Chairman and Chief Executive Officer ("**CEO**") are separated to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Mr Chua Cheow Khoon Michael, the Lead Independent Director, is the Chairman of the Board and Mr Tey How Keong assumes the role of CEO of the Company.

As Chairman, Mr Chua Cheow Khoon Michael is responsible for leading the Board and facilitating its effectiveness and his duties include promoting a culture of openness and debate at the Board, facilitating the effective contribution of all directors and promoting high standards of corporate governance.

The CEO is responsible for the formulation of the Group's strategic directions and expansion plans, and managing the Group's overall business development.

The separation of the roles of the Chairman and CEO ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman is not related to the CEO.

In view of the above, the Board is of the view that power is not unduly concentrated in the hands of one individual nor is there any compromised accountability and independent decision-making as all major decisions and policy changes are conducted through the respective Board Committees, all of which are chaired by the Independent Directors.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

As at the date of this Annual Report, the NC comprises the following members, a majority of whom, including the chairman, are independent:

Mr Chua Cheow Khoon Michael (Chairman)

Mr Chin Koon Yew

Mr Tey How Keong

The NC has written terms of reference that describe the responsibilities of its members. The principal functions of the NC are as follows:

(a) reviewing and recommending nomination for re-appointment or re-election or renewal of appointment of the directors, the CEO and key management personnel;

(b) reviewing on an annual basis the independence of the Independent Directors;

(c) reviewing whether a director is adequately carrying out his duties as a director;

(d) reviewing the performance of the Board and the Board Committees; and

(e) reviewing and recommending candidates for appointment to the Board and Board Committees.

For new appointments to the Board, the NC will consider the Company's current Board size and its composition and decide if the candidate's background, expertise and knowledge will complement the skills and competencies of the existing Directors on the Board. The candidate must be a person of integrity and must be able to commit sufficient time and attention to the affairs of the Company, especially if he is serving on multiple Boards.

Mr Loo Wen Lieh was appointed as Alternate Director to Dr Goi Seng Hui on 23 May 2013. The NC and the Board had approved Mr Loo Wen Lieh's appointment after taking into account his experience, qualifications and ability to contribute to the Board in Dr Goi Seng Hui's absence. Mr Loo Wen Lieh briefs Dr Goi Seng Hui on the matters discussed during Dr Goi Seng Hui's absence so that Dr Goi Seng Hui is kept up-to-date on matters concerning the Company.

The NC is also tasked with deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director, particularly when he has multiple board representations, and to assess the maximum number of listed entity board representations which any one of the directors may hold. As a guide, Directors of the Company should not have more than six listed company board representations and other principal commitments.

After conducting reviews, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group.

CORPORATE GOVERNANCE REPORT

Further to the above, the NC reviews the independence of each of the Independent Directors annually. As part of their review process, the NC requires the Independent Directors to complete and execute declaration forms in relation to their independence. These declaration forms are drawn up based on the guidelines in the Code. The NC reviewed the declaration forms executed by the Independent Directors as well as any declaration which they may make to determine their respective independence. Pursuant to its review, the NC is of the view that Mr Chua Cheow Khoon Michael and Mr Chin Koon Yew are independent of the Group and the Management.

All Directors submit themselves for re-nomination and re-election at regular intervals at least once every three years. One-third of the Directors will retire from office by rotation at the Company's AGM each year. A retiring Director is eligible for re-election by the shareholders at the AGM.

Details of the appointment of Directors including the date of initial appointment, the date of last re-election, directorships in other listed companies and other principal commitments, both current and for the preceding three years, are set out below:

Name of Director	Age	Date of Initial Appointment	Date of Last Re-election	Present and Past Directorship in Listed Companies	Other Principal Commitments
Chua Cheow Khoon Michael	72	4 May 2012	28 April 2021	**Present Directorships:** – **Past Directorships:** Cogent Holdings Limited (delisted with effect from 8 March 2018)	**Present:** – **Past:** Executive Director of BMD Consulting Pte Ltd
Dr Goi Seng Hui	76	1 March 2013	28 April 2022	**Present Directorships:** Envictus International Holdings Limited Tung Lok Restaurants (2000) Ltd GSH Corporation Limited Hanwell Holdings Limited Tat Seng Packaging Group Ltd **Past Directorships:** Super Group Ltd (delisted with effect from 6 June 2017)	**Present:** Tee Yih Jia Food Manufacturing Pte Ltd **Past:** –
Tey How Keong	57	3 January 2012	28 April 2021	**Present Directorships:** – **Past Directorships:** –	**Present:** – **Past:** –
Goh Lee Beng	57	4 May 2012	23 June 2020	**Present Directorships:** – **Past Directorships:** –	**Present:** – **Past:** –
Chin Koon Yew	67	18 February 2014	28 April 2022	**Present Directorships:** – **Past Directorships:** –	**Present:** – **Past:** –
Loo Wen Lieh	48	23 May 2013	–	–	**Present:** Tee Yih Jia Food Manufacturing Pte Ltd **Past:** –

The Directors who are retiring by rotation pursuant to Article 98 of the Constitution of the Company at the forthcoming AGM are Mdm Goh Lee Beng and Mr Tey How Keong. After assessing their respective contributions and performance, the NC is recommending each of Mdm Goh Lee Beng and Mr Tey How Keong for re-election at the forthcoming AGM.

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

The NC uses objective and appropriate quantitative and qualitative criteria to assess the performance of individual directors (including the Chairman), the various Board Committees and the Board as a whole. Assessment parameters include the attendance records of the directors at Board or Board Committee meetings, the level of participation at such meetings, the quality of Board processes and the business performance of the Group.

The NC assesses and recommends to the Board whether retiring directors are suitable for re-election. The NC considers that the multiple board representations held presently by some Directors do not impede their respective performance in carrying out their duties to the Company.

The Board evaluation assessment is conducted by the NC by way of a Board evaluation where the NC completes a questionnaire seeking their views on various aspects of the performance of the individual Directors (including the Chairman), the Board Committees and the Board.

Each member of the NC shall abstain from making any recommendation and/or participating in any deliberation of the NC and from voting on any resolution in respect of his own performance or re-nomination as a Director. The Chairman will act on the results of the performance evaluation, and in consultation with the NC, propose, where appropriate, that new members be appointed to the Board or seek the resignation of Directors.

To assess the effectiveness of the Board as a whole, the factors evaluated by the NC include but are not limited to:

(i) the size and composition of the Board;

(ii) the discussion and decision-making processes of the Board (including the conduct of meetings by the Board);

(iii) the Board's access to information;

(iv) the accountability of the Board to the shareholders;

(v) the observation of risk management and internal control policies by the Board; and

(vi) the performance of the Board (including the Board's performance in relation to the discharge of its principal responsibilities in terms of the financial indicators set out in the Code).

To assess the effectiveness of each Board Committee, the factors evaluated by the NC include but are not limited to:

(i) the size and composition of the Board Committee;

(ii) the discussion and decision-making processes of the Board Committee (including the conduct of meetings by the Board Committee);

(iii) the Board Committee's access to information;

(iv) the accountability of the Board Committee to the Board; and

(v) the performance of the Board Committees (including the Board Committee's performance in relation to the discharge of its principal responsibilities set out in the Code).

To assess the contribution of each individual Director (including the Chairman), the factors evaluated by the NC include but are not limited to:

(i) his/her participation at the meetings of the Board;

(ii) his/her ability to contribute to the discussion conducted by the Board;

(iii) his/her ability to evaluate the Company's strengths and weaknesses and make informed business decisions;

(iv) his/her ability to interpret the Company's financial reports and contribute to the formulation of strategies, budgets and business plans that are compatible with the Group's vision and existing business strategy;

(v) his/her compliance with the policies and procedures of the Group;

(vi) his/her performance of specific tasks delegated to him/her;

(vii) his/her disclosure of any related person transactions or conflicts of interest; and

(viii) for Independent Directors, his/her independence from the Group and the Management.

The Board and the NC have endeavoured to ensure that the Directors possess the experience, knowledge and expertise critical to the Group's business.

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

As at the date of this report, the RC comprises the following members, a majority of whom, including the chairman, are independent:

Mr Chin Koon Yew (Chairman)

Mr Chua Cheow Khoon Michael

Mr Tey How Keong

The RC is not composed entirely of Non-Executive Directors as the participation of Mr Tey How Keong, the CEO and Executive Director, in the RC helps provide meaningful feedback in the setting of the Group's overall compensation packages due to his in-depth understanding of the Group's human resource capital as well as industry-specific benchmarks in respect of remuneration. The independence of the RC will not be compromised with the involvement of Mr Tey How Keong as the majority of the RC members, including the chairman of the RC, are Independent and Non-Executive Directors.

The RC has written terms of reference that describe the responsibilities of its members.

The RC will recommend to the Board a framework of remuneration for the Directors and key management personnel, and determine specific remuneration packages for each Executive Director as well as for the key management personnel. The recommendations of the RC will be referred to the Board for approval. The RC is responsible for considering, reviewing, approving and/or varying (if necessary) the entire specific remuneration package and service contract terms for each Director and key management personnel, including but not limited to directors' fees, salaries, allowances, bonuses, other benefits-in-kind and termination terms. Each member of the RC shall abstain from voting on any resolution in respect of his remuneration package.

If necessary, the RC may seek expert advice inside and/or outside the Company on the remuneration of the Directors and key management personnel. The RC ensures that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

As part of its review, the RC ensures that remuneration packages of the Directors and the key management personnel are comparable with industry rates and with similar companies. In its annual review of the remuneration packages of the Directors and key management personnel, the RC considers the Group's relative performance and the contributions and responsibilities of the individual Directors as well as the financial and commercial position and needs of the Group.

Executive Directors are paid a basic salary pursuant to their respective service agreements. The Executive Directors had each entered into renewed service agreements with the Company on 1 January 2021. Each service agreement shall have an initial term of three years from 1 January 2021, and may be further renewed thereafter. These service agreements provide for, *inter alia*, termination by either party upon giving at least six months' notice in writing.

The Company is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss, as they owe a fiduciary duty to the Company and the Company should be able to avail itself of remedies against the Executive Directors in the event of such breach of fiduciary duties.

Non-Executive Directors are paid a basic fee and an additional fee for serving on any of the Board Committees. The chairman of each Board Committee is compensated for his additional responsibilities. The RC and Board are of the view that the Non-Executive Directors are not over-compensated to the extent that their independence may be compromised. Such fees are approved by the shareholders of the Company as a quarterly payment in arrears at the AGM of the Company.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The level and mix of remuneration of the Company's Directors (rounded off to the nearest thousand dollars) and key management personnel for FY2022 are as follows:

Name of the Directors		Salary S$'000	Bonus S$'000	Other Benefits S$'000	Director's Fees S$'000	Total S$'000
Tey How Keong	Executive	445	728	11	–	1,184
Goh Lee Beng	Executive	261	309	6	–	576
Chua Cheow Khoon Michael		–	–	–	66	66
Chin Koon Yew		–	–	–	54	54
Dr Goi Seng Hui		–	–	–	42	42
Loo Wen Lieh		–	–	–	–	–
Name of Top 3 Key Management Personnel						
S$250,001 to S$500,000		**%**	**%**	**%**	**%**	**%**
Wong Wing Hong		77	14	9	–	100
S$250,000 and below		**%**	**% %**	**%**	**%**	**%**
Ong Kim Teck		71	17	12	–	100
Saw Poh Chin		79	15	6	–	100

The Company had 3 key management personnel for FY2022 (who are not also Directors or the CEO). The total remuneration for these 3 key management personnel amounted to S$621,000 during FY2022.

During FY2022, none of the employee(s) of the Group who were immediate family members of a Director, the CEO or a substantial shareholder of the Company had remuneration exceeding S$100,000 during the year.

At the AGM of the Company held on 30 April 2014, the Company, having obtained shareholders' approval, implemented an employee share option scheme ("**ESOS**") as a compensation scheme to promote higher performance and goals as well as to give recognition to the contributions and services of the Group's employees. Under the ESOS, the Company may grant options over the Company's shares to full-time employees who satisfy the eligibility criteria. For further details of the ESOS, please refer to the Appendix to the Company's Annual Report dated 15 April 2014, which may also be found on SGXNet (http://www.sgx.com/securities/annual-reports-related-documents). No option has been granted under the ESOS since the ESOS was adopted.

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

In order to further strengthen and facilitate the Company's risk assessment and management systems, the Board had also established a Risk Committee on 1 April 2014. As at the date of this Annual Report, the Risk Committee comprises the following members:

Mr Chin Koon Yew (Chairman)

Mr Tey How Keong

Dr Goi Seng Hui

Mr Wong Wing Hong

The Risk Committee has written terms of reference that describe the responsibilities of its members. The principal functions of the Risk Committee are as follows:

(a) to advise the Board on the Company's overall risk tolerance and strategy;

(b) oversee and advise the Board on the current risk exposures and future risk strategy of the Company;

(c) in relation to risk assessment:

 (i) keep under review the Company's overall risk assessment processes that inform the Board's decision making;

 (ii) review regularly and approve the parameters used in these measures and the methodology adopted; and

 (iii) set a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance;

(d) review the Company's capability to identify and manage new risk types;

(e) before a decision to proceed is taken by the Board, advise the Board on proposed strategic transactions, focusing in particular on risk aspects and implications for the risk tolerance of the Company, and taking independent external advice where appropriate and available;

(f) review reports on any material breaches of risk limits and the adequacy of proposed action;

(g) keep under review the effectiveness of the Company's internal controls and risk management systems and review and approve the statements to be included in the annual report concerning the effectiveness of the Company's internal control and risk management systems;

(h) review the Company's procedures for detecting fraud, including the whistleblowing policy (if any). The Risk Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action; and

(i) monitor the independence of risk management functions throughout the organisation.

The Board has approved a Group Risk Management Framework ("**ERM Framework**") for the identification of key risks within the business which is aligned with the ISO 31000:2018 risk management framework. To enhance the effectiveness of the ERM framework, the Group implemented Orion ERM system, a third party software that automates the risk management, internal control and assurance functions and enables these functions to be managed on an integrated platform.

Management presented its annual report to the AC, Risk Committee and the Board on the Group's risk profile and results of various assurance activities carried out during FY2022 on the adequacy of the Group's risk management and internal controls including financial, operational, compliance and information technology controls. Such assurance activities include control self-assessments performed by Management, internal and external audits performed by internal and external auditors. For FY2022, control self-assessment was performed using the Orion ERM system.

The Board has obtained a written confirmation from:

(a) the CEO and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

Based on the internal controls and risk management systems established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the Management, various Board Committees and the Board, the Board, with the concurrence of the AC and the Risk Committee, is satisfied that the Group's internal controls and risk management systems are adequate and effective to address the financial, operational, compliance and information technology risks in its current business environment.

In addition, the Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC, Risk Committee and Board.

The Board acknowledges that it is responsible for the overall internal control and risk management framework, but recognises that all internal control and risk management systems contain inherent limitations and that no internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives. The Board notes that all internal control systems can provide only reasonable and not absolute assurance against the occurrence of material misstatement or loss, poor judgement in decision making, human error, fraud or other irregularities.

In view of the current conflict situation in Ukraine, the Board has assessed the Group's business in Russia and Ukraine as well as the Group's exposure, if any, to sanctions-related risks. Details of the Board's assessment are set out in the Company's announcement entitled "Update on the Group's Business in Russia and Ukraine" released via SGXNet on 16 March 2022.

The Group and the Board will continuously assess the situation in Ukraine and Russia vis-à-vis any impact it may have on the Group and its business and the Group's exposure, if any, to sanctions-related risks, and announce any material developments on the same.

In connection with the above, the Company further notes that:

(a) the Board confirms that there has been no material change in the Company's and/or the Group's risk of being subject to any sanctions-related law or regulation;

(b) the Board, with the concurrence of the AC, confirms the effectiveness and adequacy of the Company's internal controls and risk management systems and that these systems have taken into account any sanctions-related risks; and

(c) the Board and the AC will be responsible for (i) monitoring the issuer's risk of becoming subject to, or violating, any sanctions-related law or regulation and (ii) ensuring timely and accurate disclosures to the SGX-ST and other relevant authorities.

PRINCIPLE 10: AUDIT COMMITTEE

The Board has an Audit Committee ("AC") which discharges its duties objectively.

As at the date of this report, the AC comprises the following members, all of whom are non-executive and the majority of whom, including the chairman, are independent:

Mr Chua Cheow Khoon Michael (Chairman)

Dr Goi Seng Hui

Mr Chin Koon Yew

The members of the AC, collectively, have expertise or experience in financial management and are qualified to discharge the AC's responsibilities. The AC does not comprise former partners or directors of the Company's existing auditing firm within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm and for as long as they have any financial interest in the auditing firm.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation of the Management, full discretion to invite any persons including a Director or an employee of the Group to attend its meeting, and reasonable resources to enable it to discharge its functions properly.

The AC holds meetings periodically and has been entrusted with the following functions:

(a) review the financial and operating results and accounting policies;

(b) review the audit plans of the Company's external auditors and/or internal auditors, the scope of work and the results of the auditors' review and evaluation of the internal accounting control systems (including reviewing Management letters and Management responses);

(c) evaluating the internal accounting control systems and ensuring coordination between the external auditors, the internal auditors and the Management, and review the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);

(d) review the external auditors' reports and the assurance from the CEO and the CFO on the financial records and financial statements;

(e) review the cooperation given by the Company's officers to the external auditors and the internal auditors and the adequacy, effectiveness and independence of the external audit and the internal audit;

(f) review the half yearly and annual, and quarterly (if applicable) financial statements of the Company and the Group and the results announcements before the submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual of the SGX-ST and any other relevant statutory or regulatory requirements;

(g) review and evaluate the administrative, operating and internal accounting and financial control procedures and the policy and arrangements for concerns about possible improprieties financial reporting or other matters to be raised safely, independently investigated and appropriately followed up on;

(h) review and make recommendation to the Board on the nomination of external auditors and internal auditors for appointment or re-appointment, matters relating to the resignation or dismissal of the external auditors and internal auditors and the remuneration and terms of engagement of the external auditors and internal auditors;

(i) review interested person transactions falling within Chapter 9 of the Listing Manual of the SGX-ST, if any;

(j) review and discuss with the external auditors and internal auditors any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

(k) review any potential conflicts of interest;

(l) review the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review will be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNet;

(m) review and recommend hedging policies and instruments, if any, to be implemented by the Company to the Directors;

(n) undertake such reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(o) generally undertake such other functions and duties which may be required by statute or the rules of the Listing Manual of the SGX-ST, and by such amendments made thereto from time to time; and

(p) reviewing the suitability of the Chief Financial Officer or equivalent.

The AC meets with the external auditors and the internal auditors without the presence of the Management at least once in every financial year.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements, with updates being given by the external and internal auditors.

The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money consideration. The aggregate amount of fees paid to the external auditors of the Group during the financial year under review for the audit and non-audit services are disclosed in Note 23 to the financial statements in this Annual Report.

The AC has also reviewed the scope and quality of the external auditors' work before recommending the external auditors to the Board for re-appointment. After taking into account that the resources and experience of BDO LLP and the audit engagement partner assigned to the audit, BDO LLP's other audit engagements, the size and complexity of the audit for the Group as well as the number and experience of the staff assigned by BDO LLP for the audit, the AC is of the opinion that BDO LLP's independence has not been compromised and BDO LLP is able to meet its audit obligations.

The AC has recommended and the Board approves the nomination for the re-appointment of BDO LLP as external auditors of the Company at the forthcoming AGM.

The auditors of the Company's subsidiaries are disclosed in Note 8 to the financial statements in this Annual Report. BDO LLP, Singapore was appointed in FY2022 to audit the accounts of the Company and JB Foods Global Pte. Ltd., BDO PLT, Malaysia was appointed in FY2022 to audit the accounts of JB Cocoa Sdn Bhd and JB Cocoa Trading (M) Sdn Bhd. KAP Tanubrata Sutanto Fahmi Bambang & Rekan, Indonesia, a member firm of BDO International Limited, was appointed in FY2022 to audit the accounts of PT Jebe Koko and PT Jebe Trading Indonesia. BDO China Shu Lun Pan CPA LLP was appointed in FY2022 to audit the accounts of JB Cocoa Foods (China) Co., Ltd. BDO Francophone West Africa was appointed in FY2022 to audit the accounts of the JB Cocoa CI and JB Sourcing CI.

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST.

The Company has put in place a whistle-blowing policy, which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, with the objective of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action. Details of the whistle-blowing policy and arrangements have been made available to all employees of the Company.

There were no reported incidents pertaining to whistle-blowing which fell under the scope and purview of the whistle-blowing policy for FY2022.

The Board acknowledges that it is responsible for maintaining an internal audit function independent of the activities it audits. The Company has appointed Yang Lee & Associates ("**YLA**", "**IA**" or the "**Internal Auditors**") to perform such internal audit functions. Yang Lee & Associates is a professional service firm that specialises in the provision of internal audit, enterprise risk management and sustainability reporting advisory services. The firm was set up in 2005 and currently maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing services, food & beverage, trading, retail and property development industries.

YLA is not the external auditors of the Company and the AC noted the IA is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards), issued by the Institute of Internal Auditors. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with sufficient expertise in corporate governance, risk management, internal controls and other relevant disciplines.

The IA have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The IA is independent of the Management and reports to the chairman of the AC on any material weaknesses and risks identified in the course of the audit which will also be communicated to Management. Management will accordingly update the AC on the status of the remedial action plans. To ensure the adequacy of the internal audit function, the AC reviews the Internal Auditors' scope of work on an annual basis and decides on the appointment, termination and remuneration of the IA.

The IA completed one (1) review in FY2022 in accordance with the risk-aligned internal audit plan approved by the AC under the risk management framework. The findings and recommendations of the IA, Management's responses, and Management's implementation of remedial actions have been reviewed by the AC.

The AC has reviewed and is satisfied that the internal audit function is independent, effective, adequately resourced and has an appropriate standing within the Company. The AC also believes that the system of internal controls and risk management maintained by the Company is adequate to safeguard shareholders' investment and the Company's assets.

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights. Written policies and procedures are implemented to ensure that there is adequate disclosure of development in the Group in accordance with the Listing Manual of the SGX-ST.

Shareholder meetings are the principal forum for communication with shareholders. Annual Reports and notices of the AGMs or any other shareholder meetings (as the case may be) are sent to all shareholders at least 14 days before the scheduled date of such meeting. The members of the Board Committees will be present at AGMs to answer questions relating to the work of these Board Committees. The external auditors will also be present to assist the Directors in addressing any relevant queries by shareholders. The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad-hoc basis.

Resolutions to be passed at general meetings are always separate and distinct on each substantially separate issue so that shareholders are better able to exercise their right to approve or deny the issue or motion, unless the issues are interdependent and linked so as to form one significant proposal. All shareholders are given the opportunity to voice their views and to direct their queries regarding the resolutions or the business affairs of the Group to the Directors, including the chairperson of each of the Board Committees. All Directors attended the AGM of the Company held during FY2022.

The Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote on behalf of the shareholder at shareholder meetings, save that no limit shall be imposed on the number of proxies for nominee companies.

Votes at all shareholder meetings will be taken by poll so that shareholders are accorded rights proportionate to their shareholding and all votes are counted. The procedures of the poll will be explained by the appointed scrutineers at the general meeting prior to the taking of the poll.

The Company's Constitution also allows the Directors to approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

The Company will publish minutes of shareholder meetings on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses form the Board and key management personnel present at the meeting.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Notwithstanding the foregoing, any pay-out of dividends would be clearly communicated to shareholders via announcements released on SGXNet.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The Company communicates regularly with its shareholders and facilities the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Board is mindful of its obligations to provide timely disclosure of material information to shareholders of the Company and does so through:

(a) annual reports issued to all shareholders of the Company. Non-shareholders may access the SGX website for the Company's annual reports;

(b) periodic and annual results announcements of its financial statements on the SGXNet;

(c) other announcements on the SGXNet; and

(d) press releases on major developments regarding the Group.

In presenting the annual financial statements and periodic announcements to shareholders, it is the aim of the Board to provide the shareholders with detailed analysis and a balanced and understandable assessment of the Company's performance, position and prospects. In addition, the Company will also release timely announcements and news releases of significant corporate developments and activities so that the shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects.

The Company is committed to regular and proactive communication with its shareholders in line with continuous disclosure obligations of the Company under the Rules of SGX-ST. Pertinent information will be disclosed to shareholders in a timely, fair and equitable manner. The Company does not practise selective disclosure. Price and/or trade sensitive information is first publicly released before the Company meets with any group of investors or analysts.

The Company does not have an investor relations policy but maintains a website (https://www.jbcocoa.com) which allows the public to be aware of the Group's latest development and businesses. The shareholders can provide feedback to the Company via its electronic mail address or its registered office address. Calls and emails requesting information are generally attended to promptly, taking into consideration the fact that key management personnel may need to consult with the Board or any of the Company's relevant advisors before communicating or disseminating certain information.

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include communities, customers, employees, regulators, shareholders and suppliers. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

Please refer to the Sustainability Report on pages 14 to 54 for more details on the Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2022.

As mentioned above, the Company maintains a website (https://www.jbcocoa.com), which allows the stakeholders to communicate and engage with the Company.

CORPORATE GOVERNANCE REPORT

SUMMARY OF DISCLOSURES – CORPORATE GOVERNANCE

Rule 710 of the Listing Manual requires Singapore-listed companies to describe their corporate governance practices with specific reference to the Code of Corporate Governance issued on 6 August 2018 (the "**Code**") in their annual reports for the financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirements in the principles and provisions of the Code.

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION

Dealing in Securities

In compliance with Rule 1207(19) of the Listing Manual of the SGX-ST, during FY2022, the Group adhered to the policy of, and issued half yearly reminders to its Directors, officers and employees on, the restrictions in dealing in the Company's securities during the period commencing one month before the announcement of the Group's half year and full year results, and ending on the date of such announcements. The Company did not deal in its own shares at any time during FY2022.

Directors, officers and employees are also reminded not to trade in the Company's securities at any time while in possession of unpublished price and/or trade sensitive information and to refrain from dealing in the Company's securities on short-term considerations.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons or related persons are reported in a timely manner to the AC and that the transactions are carried out on normal commercial terms and shall not be prejudicial to the interests of the Company and its minority shareholders. When a potential conflict of interest arises, the Director concerned takes no part in discussions nor exercises any influence over other members of the Board.

During FY2022, the Group did not enter into any interested person transaction with a value of more than S$100,000. The Group had, however, during FY2022, entered into related person transactions with a related person which is not an "interested person" as defined under Chapter 9 of the Listing Manual of the SGX-ST. The aggregate value of recurrent related person transactions of a revenue or trading nature conducted during FY2022 were as follows:

Related Person	Aggregate value of all related person transactions entered into during the financial year under review (excluding transactions less than S$100,000)
	FY2022 USD'000
Guan Chong Cocoa Manufacturer Sdn Bhd – Purchase of cocoa ingredients – Sales of cocoa ingredients	 15,843 1,444
GCB Cocoa Singapore Pte Ltd – Purchase of cocoa ingredients	 1,392

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the SGX-ST.

Material Contracts

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of the CEO, any director or controlling shareholder during the year under review.

DIRECTORS' STATEMENT

The Directors of JB Foods Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2022 and the statement of financial position of the Company as at 31 December 2022.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are as follows:

Chua Cheow Khoon Michael
Dr Goi Seng Hui
Tey How Keong
Goh Lee Beng
Chin Koon Yew
Loo Wen Lieh (Alternate director to Dr Goi Seng Hui)

3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in the name of director		Shareholdings in which director is deemed to have an interest	
	Balance at 1 January 2022	Balance at 31 December 2022	Balance at 1 January 2022	Balance at 31 December 2022
Immediate and ultimate holding company				
(Number of ordinary shares)				
Tey How Keong	270,000	270,000	–	–
Goh Lee Beng	105,000	105,000	–	–
Company				
(Number of ordinary shares)				
Tey How Keong	3,783,767	4,141,767	138,030,000	138,030,000
Goh Lee Beng	4,808,166	5,000,166	138,030,000	138,030,000
Dr Goi Seng Hui	1,316,400	1,316,400	72,934,366	72,934,366
Chin Koon Yew	632,000	632,000	–	

4. Directors' interests in shares or debentures (Continued)

By virtue of Section 7 of the Act, Tey How Keong and Goh Lee Beng are deemed to have an interest in all related corporations of the Company. Tey How Keong is deemed to be interested in the shares held by his wife, Goh Lee Beng, and vice versa.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 January 2023 in the shares of the Company have not changed from those disclosed as at 31 December 2022.

5. Share options

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

6. Audit committee

The audit committee comprises the following members, who are the directors at the date of the report:

Chua Cheow Khoon Michael (Chairman)
Dr Goi Seng Hui
Chin Koon Yew

The audit committee has carried out its functions in accordance with section 201B (5), including reviewing the following, where relevant, with the executive Directors and external and internal auditors of the Company:

(a) the audit plans of the internal and external auditors and the results of the internal auditors examination and evaluation of the Group's systems of internal accounting controls;

(b) the Group's and the Company's financial and operating results and accounting policies;

(c) the statement of financial position of the Company and the consolidated financial statements of the Group and external auditor's report on those financial statements before their submission to the Directors of the Company;

(d) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

(e) the co-operation and assistance given by the management to the Company's external and internal auditors;

(f) the re-appointment of the external and internal auditors of the Company;

(g) the Interested Person Transactions as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") as is required by SGX-ST and ensures that the transactions were on normal commercial terms and not prejudicial to the interests of the members of the Company;

6. **Audit committee** (Continued)

(h) the potential conflicts of interest and discuss with the external auditors and internal auditors any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

(i) the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review will be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNet;

(j) the hedging policies and instruments and recommend, if any, to be implemented by the Company to the Directors; and

(k) the suitability of the Chief Financial Officer or equivalent.

The audit committee confirmed that it has undertaken a review of all non-audit services provided by the external auditor to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

The audit committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the audit committee.

The audit committee has recommended to the Directors the nomination of BDO LLP for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting of the Company.

7. **Independent auditor**

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Tey How Keong	**Goh Lee Beng**
Director	Director

31 March 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JB FOODS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JB Foods Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 82 to 143, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1 Valuation of inventories

Key Audit Matter

As at 31 December 2022, the inventories of the Group amounted to approximately US$181.5 million, which represents 39% of the total assets of the Group, and is one of the most significant balances on the consolidated statement of financial position.

Inventories of the Group, which comprise mainly raw materials (cocoa beans), work in progress and finished goods (processed cocoa ingredient products), are carried at lower of cost and net realisable value. The cost of cocoa ingredient products is computed using a formula in which cocoa bean purchase prices and selling prices of cocoa ingredient products are the key determinants.

We focused on the valuation of inventories because purchase prices of cocoa beans are subject to price volatility, estimated demand and related pricing. In addition, as the global cocoa market continues to be challenging amidst volatility in prices of cocoa beans and cocoa ingredient products, there is a risk that selling prices may be below cost which may result in an overstatement of inventories.

Related Disclosures

Refer to Notes 2.7, 3.2(i) and 9 of the accompanying financial statements.

Audit Response

Our procedures included, amongst others, the following:

- Assessed the inventories costing formula and checked the computation of the cost of cocoa ingredient products for a sample of items which included checking the cocoa beans purchase prices to suppliers' invoices, cocoa ingredient products selling price to forward market rates and testing the application of the inventories costing formula;

- Assessed the net realisable values of the inventories by comparing the cost of cocoa beans and cocoa ingredient products, on a sample basis, to actual selling prices or contract prices for sales contracts secured and spot prices of cocoa beans and cocoa ingredient products subsequent to the year end; and

- Tested the inventory aging reports which management used as a basis to identify slow-moving inventories.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JB FOODS LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Leong Wenjie Stephen.

BDO LLP

Public Accountants and
Chartered Accountants

Singapore

31 March 2023

STATEMENTS OF
FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Group 31 December 2022 US$'000	Group 31 December 2021 US$'000	Company 31 December 2022 US$'000	Company 31 December 2021 US$'000
Non-current assets					
Intangible assets	4	**2,210**	2,914	**–**	–
Investment properties	5	**7,599**	7,984	**–**	–
Property, plant and equipment	6	**99,828**	94,117	**–**	–
Right-of-use assets	7	**12,664**	4,553	**–**	–
Investments in subsidiaries	8	**–**	–	**104,189**	103,410
Fixed deposits	11	**–**	122	**–**	–
Deferred tax assets	18	**1,122**	154	**–**	–
Other receivables	10	**–**	–	**2,905**	2,950
		123,423	109,844	**107,094**	106,360
Current assets					
Inventories	9	**181,534**	224,622	**–**	–
Trade and other receivables	10	**77,324**	58,919	**2,861**	3,038
Prepayments		**824**	294	**8**	8
Derivative financial instruments	13	**62,339**	24,138	**–**	–
Current income tax recoverable		**4,163**	2,671	**–**	–
Cash and bank balances	11	**21,602**	27,931	**56**	53
		347,786	338,575	**2,925**	3,099
Current liabilities					
Trade and other payables	12	**38,147**	35,831	**522**	908
Lease liabilities	15	**2,798**	16	**–**	–
Derivative financial instruments	13	**59,909**	26,575	**–**	–
Bank borrowings	14	**155,410**	193,056	**–**	–
Current income tax payable		**1,999**	3,629	**–**	8
		258,263	259,107	**522**	916
Net current assets		**89,523**	79,468	**2,403**	2,183
Non-current liabilities					
Bank borrowings	14	**21,382**	14,368	**–**	–
Lease liabilities	15	**3,841**	–	**–**	–
Deferred capital grant	16	**440**	492	**–**	–
Provision for post-employment benefits	17	**350**	637	**–**	–
Deferred tax liabilities	18	**7,544**	6,940	**–**	–
		33,557	22,437	**–**	–
Net assets		**179,389**	166,875	**109,497**	108,543
Capital and reserves					
Share capital	19	**113,963**	113,963	**113,963**	113,963
Other reserves	20	**(33,007)**	(31,934)	**(8,458)**	(8,458)
Retained earnings	20	**98,423**	84,836	**3,992**	3,038
Equity attributable to owners of the parent		**179,379**	166,865	**109,497**	108,543
Non-controlling interests		**10**	10	**–**	–
Total equity		**179,389**	166,875	**109,497**	108,543

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 US$'000	2021 US$'000
Revenue	21	**509,630**	448,763
Cost of sales		**(461,481)**	(422,675)
Gross profit		**48,149**	26,088
Other items of income			
Interest income		**110**	92
Other (loss)/gain, net		**(926)**	12,186
Other items of expense			
Selling and distribution expenses		**(8,661)**	(5,269)
Administrative expenses		**(12,724)**	(11,056)
Finance costs	22	**(6,669)**	(3,689)
Profit before income tax	23	**19,279**	18,352
Income tax expense	24	**(2,595)**	(4,502)
Profit for the financial year		**16,684**	13,850
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences, net of tax		**(1,099)**	298
Item that will not be reclassified subsequently to profit or loss:			
Re-measurement of post-employment benefits, net of tax		**265**	3
Other comprehensive income for the financial year, net of tax		**(834)**	301
Total comprehensive income for the financial year		**15,850**	14,151
Profit attributable to:			
Owners of the parent		**16,684**	13,850
Non-controlling interests		**–**	–
		16,684	13,850
Total comprehensive income attributable to:			
Owners of the parent		**15,850**	14,151
Non-controlling interests		**–**	–
		15,850	14,151
Earnings per share			
– Basic and diluted (US$ cents)	25	**5.5**	4.6

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

GROUP	Note	Share capital US$'000	Merger reserve US$'000	Statutory reserve US$'000	Exchange reserve US$'000	Foreign currency translation reserve US$'000	Retained earnings US$'000	Equity attributable to the owners of the parent US$'000	Non-controlling interest US$'000	Total equity US$'000
Balance as at 1 January 2022		113,963	(25,472)	150	(6,956)	344	84,836	166,865	10	166,875
Profit for the financial year		–	–	–	–	–	16,684	16,684	–	16,684
Other comprehensive income for the financial year		–	–	–	–	(1,099)	265	(834)	–	(834)
Total comprehensive income for the financial year		–	–	–	–	(1,099)	16,949	15,850	–	15,850
Distribution to owners										
Dividends on ordinary shares	26	–	–	–	–	–	(3,336)	(3,336)	–	(3,336)
Others										
Transfer to statutory reserve	20	–	–	26	–	–	(26)	–	–	–
Balance as at 31 December 2022		113,963	(25,472)	176	(6,956)	(755)	98,423	179,379	10	179,389

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

GROUP	Note	Share capital US$'000	Merger reserve US$'000	Statutory reserve US$'000	Exchange reserve US$'000	Foreign currency translation reserve US$'000	Retained earnings US$'000	Equity attributable to the owners of the parent US$'000	Non-controlling interest US$'000	Total equity US$'000
Balance as at 1 January 2021		113,963	(25,472)	92	(6,956)	46	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		–	–	–	–	298	3	301	–	301
Total comprehensive income for the financial year		–	–	–	–	298	13,853	14,151	–	14,151
Distribution to owners										
Dividends on ordinary shares	26	–	–	–	–	–	(3,862)	(3,862)	–	(3,862)
Others										
Transfer to statutory reserve	20	–	–	58	–	–	(58)	–	–	–
Balance as at 31 December 2021		113,963	(25,472)	150	(6,956)	344	84,836	166,865	10	166,875

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 US$'000	2021 US$'000
Operating activities		
Profit before income tax	**19,279**	18,352
Adjustments for:		
Amortisation of intangible assets	**709**	588
Amortisation of right-of-use assets	**470**	387
Amortisation of deferred capital grant	**(10)**	(11)
Depreciation of investment properties	**236**	304
Depreciation of property, plant and equipment	**6,337**	6,235
Interest expense	**6,669**	3,689
Interest income	**(110)**	(92)
(Reversal)/Write down to net realisable value of inventories	**(73)**	16
Loss allowance on trade receivables	**–**	14
Loss/(Gain) on disposal of property, plant and equipment	**312**	(17)
Property, plant and equipment written off	**6**	23
Gain on disposal of investment property	**–**	(12,773)
Provision for post-employment benefits	**120**	21
Operating cash flows before working capital changes	**33,945**	16,736
Inventories	**43,161**	(45,827)
Trade and other receivables	**(18,605)**	1,818
Fair value gain on derivative financial instruments, net	**(4,867)**	(1,525)
Prepayments	**(530)**	97
Trade and other payables	**2,306**	4,895
Cash generated from/(used in) operations	**55,410**	(23,806)
Income tax paid	**(6,174)**	(2,471)
Net cash from/(used in) operating activities	**49,236**	(26,277)
Investing activities		
Proceeds from disposal of property, plant and equipment	**31**	141
Proceeds from disposal of investment property	**200**	16,663
Purchase of intangible assets	**(5)**	(979)
Purchase of property, plant and equipment	**(12,806)**	(6,373)
Prepayment of lease	**(1,344)**	(53)
Additions to investment properties	**–**	(73)
Interest received	**110**	92
Net cash (used in)/from investing activities	**(13,814)**	9,418
Financing activities		
Proceeds from issuance of Sukuk Wakalah (Note A)	**22,679**	–
Drawdown of borrowings (Note A)	**490,055**	574,278
Repayments of borrowings (Note A)	**(543,190)**	(542,869)
Repayment of obligations under leases (Note 15)	**(712)**	(24)
(Increase)/Decrease in fixed deposits pledged	**(639)**	124
Dividend paid to owners of the parent	**(3,336)**	(3,862)
Interest paid	**(6,669)**	(3,689)
Net cash (used in)/from financing activities	**(41,812)**	23,958
Net change in cash and cash equivalents	**(6,390)**	7,099
Cash and cash equivalents at beginning of financial year	**27,481**	19,950
Effect of exchange rate changes on cash and cash equivalents	**(700)**	432
Cash and cash equivalents at end of financial year (Note 11)	**20,391**	27,481

The accompanying notes form an integral part of these financial statements.

Note A: Reconciliation of liabilities arising from financing activities:

	1 January 2022 US$'000	Cash flows US$'000	Non-cash changes Interest expense US$'000	Non-cash changes Currency realignment US$'000	31 December 2022 US$'000
Bank borrowings	**207,424**	**(30,456)**	**–**	**(176)**	**176,792**

	1 January 2021 US$'000	Cash flows US$'000	Non-cash changes Interest expense US$'000	Non-cash changes Currency realignment US$'000	31 December 2021 US$'000
Bank borrowings	175,964	31,409	–	51	207,424

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

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's registered office address is at 80 Robinson Road #17-02 Singapore 068898. The principal place of business is at Lot CP1, Jalan Tanjung A/6, Pelabuhan Tanjung Pelepas, 81560 Gelang Patah, Johor, Malaysia. 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 activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are set out in Note 8 to the financial statements.

The statement of financial position of the Company and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2022 were authorised for issue in accordance with a Directors' resolution dated 31 March 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in United States dollar ("US$") which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand ("US$'000") as indicated.

The preparation of financial statements in compliance with SFRS(I)s requires the management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have the most significant effect on the financial statements are disclosed in Note 3 to the financial statements.

New standards, amendments and interpretation effective from 1 January 2022

The new standards, amendments to standards, and interpretations published that will apply for the first time by the Group are not expected to impact the Group as they are either not relevant to the Group's business activities or require accounting which is consistent with the Group's current accounting policies.

New standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations that are published and are effective in future accounting periods which the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control over the investee and cease from consolidation when the control is lost. Control is reassessed whenever the facts and circumstances indicate that they may be a change in the elements of control.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the transferred asset.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Non-controlling interests

Non-controlling interests represents the equity in subsidiaries which is not attributable directly or indirectly to the equity owners of the parent. They are shown separately in the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests in the acquiree that are a present ownership interest and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value, of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Changes in the Group's interest in its subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of subsidiaries, it derecognises the assets and liabilities of the subsidiaries and any non-controlling interests. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 BASIS OF CONSOLIDATION (CONTINUED)

Non-controlling interests (Continued)

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.

Acquisition of entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect the fair values, or recognise any new assets or liabilities.
- No goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparatives are presented as if the entities had always been combined since the date the entities had come under common control..

2.3 INTANGIBLE ASSETS

Intangible assets acquired separately are measured initially at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense for intangible assets with finite useful lives is recognised in profit or loss through the 'amortisation of intangible assets' line item.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Computer software licenses

Acquired computer software licences are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 INTANGIBLE ASSETS (CONTINUED)

Computer software licenses (Continued)

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful life of 5 years.

The useful life and amortisation method are reviewed at each financial year-end to ensure that the period of amortisation and amortisation method are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the computer software.

2.4 INVESTMENT PROPERTIES

Investment properties, which are properties held to earn rentals and/or for capital appreciation is initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses.

Freehold land is not depreciated. Depreciation is charged on other items of investment properties, using the straight-line method, so as to write off the cost over its estimated useful life range from 30 to 50 years.

The residual value, useful life and depreciation method of investment property are reviewed and adjusted as appropriate, at the end of each financial year. The effects of any revision are included in profit or loss when the changes arise.

Investment properties is subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvement are charged to profit or loss when incurred.

On disposal or retirement of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss.

2.5 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in a manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure on an item of property, plant and equipment that has already been recognised is added to the carrying amount of the item when it is probable that the future economic benefits associated with the item will flow to the Group, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Property, plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate the depreciable amounts of the property, plant and equipment over their estimated useful lives. The principal annual rates of depreciation used are as follows:

Factory buildings	
– factory buildings	2% – 5%
– renovation and safety	10%
Plant and machinery, tools and equipment	
– plant and equipment	5%
– crane and laboratory	8%
– factory equipment	10%
– pallet	20%
Office equipment, furniture and fittings	
– furniture and fittings, office equipment, telecommunication and data line	10%
– computers and signboard	20%
Motor vehicles	
– forklift	8%
– motor vehicles	12.5% – 20%

Capital work-in-progress represents items of property, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Capital work-in-progress is reclassified to the appropriate category of property, plant and equipment when it is completed and ready for use with depreciation commencing thereafter.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed and adjusted as appropriate at the end of each financial year.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 LEASES

As lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

The Group presents the right-of-use assets (excluding those which meet the definition of investment property) and lease liabilities separately from other assets and other liabilities in the statements of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 LEASES (CONTINUED)

As lessee (Continued)

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying assets.

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.8 to the financial statements.

As lessor

When the Group is a lessor, it determines whether each lease entered is a finance or an operating lease at the lease inception date and reassessed only if there is a lease modification. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Whereas, it is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

If the lease arrangement contains lease and non-lease components, the Group applies the principles within SFRS(I) 15 to allocate consideration in the lease arrangement.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

Any modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2.7 INVENTORIES

Inventories, which comprise cocoa beans, cocoa ingredient products and stores and supplies are stated at the lower of cost and net realisable value.

Cost is calculated using the "weighted average" method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of work-in-progress and finished goods, cost includes direct materials, direct labour and attributable production overheads. Cost allocation to work-in-progress and finished goods was determined using a formula in which cocoa bean purchase prices and selling prices of cocoa ingredient products are the key determinants.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Where necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying values of those inventories to the lower of cost and net realisable value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

2.9 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

The Group classifies its financial assets into one of the categories below, depending on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (Continued)

Amortised cost (Continued)

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other financial assets at amortised cost are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables (excluding Good and Service tax ("GST") receivable, Value-Added tax ("VAT") receivables, and advances to third party suppliers) and cash and bank balances in the statements of financial position.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as FVTPL if the financial asset is either held for trading or is designated as such upon initial recognition.

A financial asset is classified as held for trading if it has been acquired principally for the purpose of selling in the short term; or if it is part of an identified portfolio of financial instruments with a recent actual pattern of short-term profit-taking and which is managed by the Group; or if it is a derivative that is not designated and effective as a hedging instrument. The Group has not designated any financial assets as FVTPL upon initial recognition.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 FINANCIAL INSTRUMENTS (CONTINUED)

Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an entity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received net of direct issue costs. The Group classifies ordinary shares as equity instruments.

Financial liabilities

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss and financial guarantee contracts.

Trade and other payables

Trade and other payables excluding GST payables, VAT payables, advances from customers and provisions are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Bank borrowings

Bank borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of bank borrowings is recognised over the term of the bank borrowings in accordance with the Group's accounting policy for borrowing costs (Note 2.16).

Bank borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of reporting period, in which case they are presented as non-current liabilities.

Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities are classified as at FVTPL if the financial liability is either held for trading, including derivatives not designated and effective as a hedging instrument; or it is designated as such upon initial recognition. The Group has not designated any financial liabilities as FVTPL upon initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Financial guarantee contracts

The Company has issued corporate guarantees to banks for facilities provided to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment term.

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

b) the amount of loss allowance determined in accordance with SFRS(I) 9.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligation is discharged, cancelled or they expired. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and bank balances and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash and bank balances, short-term deposits and excludes any pledged deposits.

2.11 GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

2.12 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 PROVISIONS (CONTINUED)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The increase in the provision due to the passage of time is recognised as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.13 REVENUE RECOGNITION

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). All of the Group's revenue is derived from fixed price contracts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

The Group's principal activities are the manufacturing and selling of cocoa ingredient products. Revenue from the sales of these products is recognised at a point in time when the products are delivered to customers. The Group's performance obligations are satisfied when the control of products are transferred to the customers on shipment. There is limited judgement needed to identify when the point of control passes to customers. There is no element of significant financing component in the Group's revenue transactions as customers are required to pay within the credit term given.

The sale of cocoa ingredient products to customers includes a standard right of return for defective products or products that do not meet customer's specification. The Group's standard right of return which are satisfied by the exchanges by customers of cocoa ingredient products for another of the same type, quality, condition and price are not considered returns for the purpose of applying SFRS(I) 15.

Rental income

The Group, as a lessor, leases its investment properties under operating leases to non-related parties. Lease payments from operating leases are recognised as income on a straight-line basis (Note 2.6).

2.14 RESEARCH AND DEVELOPMENT EXPENDITURE

Research costs are recognised in profit or loss as incurred. Deferred development costs arising from development expenditure on an individual product/project is recognised as an intangible asset only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and ability to measure reliably the expenditure during the development.

After initial recognition of development expenditure as an intangible asset, it is stated at cost less accumulated amortisation and impairment loss, if any.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 EMPLOYEE BENEFITS

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution plan.

Defined benefit plans

Certain subsidiaries operates defined benefit plans, which are unfunded.

Defined benefit plans surpluses and deficits are measured at:

- The fair value of plan assets at the reporting date; less
- Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality government bonds that have maturity dates approximating to the term of the liabilities; plus
- Unrecognised past service costs; less
- The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:

- Actuarial gains and losses
- Return on plan assets (interest exclusive)
- Any asset ceiling effects (interest exclusive).

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expenses/(income) is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss.

Settlements of defined benefit plans are recognised in the period in which the settlement occurs.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated undiscounted liability for unutilised annual leave expected to be settled wholly within 12 months from the reporting date as a result of services rendered by employees up to the end of the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred using the effective interest method.

2.17 TAXES

Income tax expense comprise current tax expense and deferred tax expense.

Current income tax

Current income tax expense is the amount of income tax payable in respect of the taxable profit for a period. Current income tax liabilities for the current and prior periods shall be measured at the amount expected to be paid to the taxation authorities, using the tax rates and interpretation to applicable tax laws in the countries where the Group operates, that have been enacted or substantively enacted by the end of the financial year. Management evaluates its income tax provisions on periodical basis.

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases of asset and liabilities, except when the temporary difference arises from the initial recognition of goodwill or other assets and liabilities that is not a business combination and affects neither the accounting profit nor taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

Deferred tax assets and liabilities are measured using the tax rates expected to apply for the period when the asset is realised or the liability is settled, based on tax rate and tax law that have been enacted or substantially enacted by the end of financial year. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 TAXES (CONTINUED)

Deferred tax (Continued)

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination, is taken into account in calculating goodwill on acquisition.

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales taxation that is incurred on purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.18 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.19 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

In preparing the financial statements of the individual entities, transactions in a currency other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items and on retranslation of monetary items are recognised in profit or loss for the period.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, are recognised initially in other comprehensive income and accumulated in the Group's foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

On disposal of a foreign operation, the accumulated foreign currency translation reserve relating to that operation is reclassified to profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 CRITICAL JUDGEMENTS MADE IN APPLYING THE ACCOUNTING POLICIES

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(i) Inventories valuation

Inventory is valued at the lower of cost and net realisable value. Cost is determined primarily using the "weighted average" method. The cost of cocoa ingredient products is computed using a formula in which cocoa bean purchase prices and selling prices of cocoa ingredient products are the key determinants. Market price is generally the merchandise's selling price quoted from the market of similar items. Management estimates the net realisable value of inventories based on assessment of receipt of committed sales prices and provide for excess and obsolete inventories based on historical usage, estimated future demand and related pricing. In determining excess quantities, Management considers recent sales activities, related margin and market positioning of its products. However, factors beyond its control, such as demand levels and pricing competition, could change from period to period. In addition, as the global cocoa market continues to be challenging amidst volatility in prices of cocoa beans and cocoa ingredient products, such factors may require the Group to reduce the value of its inventories. The carrying amount of the Group's inventories as at 31 December 2022 is disclosed in Note 9 to the financial statements.

(ii) Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indications of impairment in the investments in subsidiaries. For those subsidiaries with indicators of impairment, management has performed an assessment based on the expected future cash flows for the subsidiaries. The Company's carrying amount of investments in subsidiaries as at 31 December 2022 is disclosed in Note 8 to the financial statements.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(iii) Loss allowance for impairment of trade and other receivables

Trade receivables

Management determines the expected loss arising from default for trade receivables, by categorising them based on its historical loss pattern, historical payment profile, geographical risk as well as credit risk profile of customer. The loss allowances of trade receivables as at 31 December 2022 are disclosed in Note 10 to the financial statements.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately.

Amounts due from subsidiaries and related parties

Management determines whether there is significant increase in credit risk of these subsidiaries and related parties since initial recognition. Management considers various operating performance ratios as well as liquidity ratios of these subsidiaries and related parties. There is no significant increase in credit risk as at 31 December 2022. The carrying amounts of the Company's amount due from subsidiaries and related parties are disclosed in Note 10 to the financial statements.

4. INTANGIBLE ASSETS

	Computer software US$'000	Others US$'000	Total US$'000
Group			
Cost			
Balance at 1 January 2022	**4,145**	**29**	**4,174**
Additions	**4**	**1**	**5**
Currency realignment	**–**	**(2)**	**(2)**
Balance at 31 December 2022	**4,149**	**28**	**4,177**
Accumulated amortisation			
Balance at 1 January 2022	**1,236**	**24**	**1,260**
Amortisation during the financial year	**704**	**5**	**709**
Currency realignment	**–**	**(2)**	**(2)**
Balance at 31 December 2022	**1,940**	**27**	**1,967**
Carrying amount			
Balance at 31 December 2022	**2,209**	**1**	**2,210**
Cost			
Balance at 1 January 2021	3,167	28	3,195
Additions	978	1	979
Balance at 31 December 2021	4,145	29	4,174
Accumulated amortisation			
Balance at 1 January 2021	656	16	672
Amortisation during the financial year	580	8	588
Balance at 31 December 2021	1,236	24	1,260
Carrying amount			
Balance at 31 December 2021	2,909	5	2,914

5. INVESTMENT PROPERTIES

	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 2022	**754**	**2,085**	**–**	**5,720**	**8,559**
Currency realignment	**(42)**	**(118)**	**–**	**–**	**(160)**
Balance at 31 December 2022	**712**	**1,967**	**–**	**5,720**	**8,399**
Accumulated depreciation					
Balance at 1 January 2022	**–**	**202**	**–**	**373**	**575**
Depreciation during the financial year	**–**	**64**	**–**	**172**	**236**
Currency realignment	**–**	**(11)**	**–**	**–**	**(11)**
Balance at 31 December 2022	**–**	**255**	**–**	**545**	**800**
Carrying amount					
Balance at 31 December 2022	**712**	**1,712**	**–**	**5,175**	**7,599**
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	(62)	(168)	–	–	(230)
Balance at 31 December 2021	754	2,085	–	5,720	8,559
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	–	202	–	373	575
Carrying amount					
Balance at 31 December 2021	754	1,883	–	5,347	7,984

The rental income from the investment properties of the Group which are leased out under operating leases, amounted to US$567,000 (2021: US$1,095,000). Direct operating expenses (including repair and maintenance) arising from the rental generating investment properties amounted US$21,000 (2021: US$183,000).

As at 31 December 2022, the fair value of these investment property which is located in Estonia was approximately US$2,864,000 (2021: US$2,945,000). The fair value for the property were determined based on valuations performed by the external independent valuer with recent experience in the location and category of the property. The valuations were arrived at by combination of:

i) Sales comparison approach – whereby sale prices of comparable properties in similar locations are adjusted for differences in key attributes such as property size;

ii) Depreciated replacement cost approach – whereby an estimate is made of the replacement cost and then allowing for depreciation for economic, physical and functional obsolescence; and

iii) Discounted cash flow method – whereby an estimate of the amount receivable over the life of the property or the holding period in determining the present value of cash flows.

5. INVESTMENT PROPERTIES (CONTINUED)

As at 31 December 2022, management did not engaged external independent valuer to perform the valuation to determine the fair value of the investment property which located in Malaysia.

The valuation conforms to International Valuation Standards and is based on the assets' highest and best use, which is in line with their actual use. Management considers that the fair value of the investment property which is based on level 3 of the fair value hierarchy is sensitive to these unobservable adjustments to the price per square feet, estimated rental rate and discount rate.

In the previous 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$16,663,000 in the previous financial year and the remaining balance of the proceeds amounted to US$200,000 was received in 2022. The Group recognised the gain of disposal of the investment property of US$12,773,000 in profit or loss in the previous financial year.

The leasehold building with a carrying amount of US$5,175,000 (2021: US$5,347,000) has been pledged as security for banking facilities as disclosed in Note 14 to the financial statements.

6. PROPERTY, PLANT AND EQUIPMENT

	Freehold land US$'000	Factory buildings US$'000	Plant and machinery, tools and equipment US$'000	Office equipment, furniture and fittings US$'000	Motor vehicles US$'000	Capital work-in-progress US$'000	Total US$'000
Group							
Cost							
Balance at 1 January 2022	1,851	50,336	86,605	1,750	1,246	5,776	147,564
Additions	–	146	3,724	164	157	8,615	12,806
Disposals	–	–	(940)	(10)	–	–	(950)
Written off	–	–	(5)	(2)	(21)	–	(28)
Reclassification	–	31	3,250	–	43	(3,324)	–
Currency realignment	–	(402)	(29)	(6)	(16)	(26)	(479)
Balance at 31 December 2022	1,851	50,111	92,605	1,896	1,409	11,041	158,913
Accumulated depreciation							
Balance at 1 January 2022	–	12,574	38,686	1,376	811	–	53,447
Depreciation for the financial year	–	1,775	4,231	164	167	–	6,337
Disposals	–	–	(599)	(8)	–	–	(607)
Written off	–	–	–	(1)	(21)	–	(22)
Currency realignment	–	(44)	(11)	(6)	(9)	–	(70)
Balance at 31 December 2022	–	14,305	42,307	1,525	948	–	59,085
Carrying amount							
Balance at 31 December 2022	1,851	35,806	50,298	371	461	11,041	99,828

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land US$'000	Factory buildings US$'000	Plant and machinery, tools and equipment US$'000	Office equipment, furniture and fittings US$'000	Motor vehicles US$'000	Capital work-in-progress US$'000	Total US$'000
Group							
Cost							
Balance at 1 January 2021	1,851	35,590	85,289	1,716	1,124	18,238	143,808
Additions	–	11	1,273	106	158	4,825	6,373
Disposals	–	–	(84)	(1)	(34)	(121)	(240)
Written off	–	–	(61)	–	–	–	(61)
Reclassification	–	14,628	186	(66)	5	(14,753)	–
Transfer to right-of-use assets	–	–	–	–	–	(2,429)	(2,429)
Currency realignment	–	107	2	(5)	(7)	16	113
Balance at 31 December 2021	1,851	50,336	86,605	1,750	1,246	5,776	147,564
Accumulated depreciation							
Balance at 1 January 2021	–	10,861	34,563	1,227	710	–	47,361
Depreciation for the financial year	–	1,708	4,235	156	136	–	6,235
Disposals	–	–	(81)	(1)	(34)	–	(116)
Written off	–	–	(38)	–	–	–	(38)
Reclassification	–	–	6	(6)	–	–	–
Currency realignment	–	5	1	–	(1)	–	5
Balance at 31 December 2021	–	12,574	38,686	1,376	811	–	53,447
Carrying amount							
Balance at 31 December 2021	1,851	37,762	47,919	374	435	5,776	94,117

The carrying amounts of property, plant and equipment of the Group which were pledged as security for banking facilities (Note 14) are as follows:

	2022 US$'000	2021 US$'000
Freehold land	**1,851**	1,851
Factory building	**20,898**	22,351
Machinery and equipment	**1,884**	2,001

7. RIGHT-OF-USE ASSETS

	Land use rights US$'000	Leasehold lands US$'000	Office US$'000	Total US$'000
Group				
Balance at 1 January 2022	**1,274**	**3,263**	**16**	**4,553**
Additions	**–**	**8,472**	**222**	**8,694**
Lease modification	**–**	**–**	**(6)**	**(6)**
Amortisation charge	**(27)**	**(411)**	**(32)**	**(470)**
Currency realignment	**(107)**	**–**	**–**	**(107)**
At 31 December 2022	**1,140**	**11,324**	**200**	**12,664**
Balance at 1 January 2021	1,272	1,116	16	2,404
Additions	–	53	24	77
Transfer from property, plant and equipment	–	2,429	–	2,429
Amortisation charge	(28)	(335)	(24)	(387)
Currency realignment	30	–	–	30
At 31 December 2021	1,274	3,263	16	4,553

The land use rights relate to the Group's interest in a leasehold land in the People's Republic of China which has a lease period of 50 years from 2016 to 2066. The leasehold lands and land use rights with carrying amount of US$2,301,000 (2021: US$2,374,000) and US$1,140,000 (2021: US$1,274,000) had been pledged as security for banking facilities as disclosed in Note 14 to the financial statements.

During the current financial year, the additions to leasehold lands included US$1,344,000 of prepaid lease payment (2021: US$53,000).

The leasehold lands represent the leases of land at Port of Tanjung Pelepas, Malaysia and Surabaya, Indonesia which their respective lease periods ranging from 10 to 33 years.

The office is amortised over the lease and option to renew periods of 6 years.

8. INVESTMENTS IN SUBSIDIARIES

	Company 31 December 2022 US$'000	Company 31 December 2021 US$'000
Unquoted equity shares, at cost	**84,689**	83,910
Loan deemed as investment in a subsidiary	**19,500**	19,500
	104,189	103,410

Loan deemed as investment in a subsidiary

As at 31 December 2022 and 2021, loan deemed as investment in a subsidiary comprised of non-trade receivables due from a subsidiary and accounted for as part of the net investment in subsidiary. The amount due from a subsidiary is not expected to be repaid within the foreseeable future.

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

Name of company (Country of incorporation and principal place of business)	Principal activities	Effective equity interest 31 December 2022 %	2021 %
Held by the Company			
JB Cocoa Sdn Bhd[1] (Malaysia)	Production and sale of cocoa ingredients products	**100**	100
JB Foods Global Pte. Ltd.[2] (Singapore)	Procurement, sales and marketing of cocoa beans, cocoa ingredients and related products	**100**	100
JB Cocoa AG[3] (Switzerland)	Trading of cocoa ingredients products	**100**	100
JBC Europe OU[7] (The Republic of Estonia)	Property leasing	**100**	100
JB Sourcing CI[6] (Republic of Cote D'Ivoire)	Dormant	**100**	100
JB Cocoa CI[6] (Republic of Cote D'Ivoire)	Procurement of raw materials	**100**	–
Held by JB Cocoa Sdn Bhd			
JB Cocoa Trading (M) Sdn. Bhd.[1] (Malaysia)	Trading of cocoa ingredient products	**100**	100
Held by JB Foods Global Pte. Ltd.			
JB Cocoa Holding Inc.[3] (United States of America)	Investment holding company	**100**	100
JB Cocoa Foods (China) Co., Ltd[5] (People's Republic of China)	Production and sale of cocoa ingredient products	**100**	100
PT Jebe Trading Indonesia[4] (Indonesia)	Trading of cocoa ingredient products	**99.94**	99.94
Held by PT Jebe Trading Indonesia			
PT Jebe Koko[4] (Indonesia)	Production and sale of cocoa ingredients products	**99.92**	99.92
Held by JB Cocoa Holding Inc			
JB Cocoa, Inc.[3] (United States of America)	Trading of cocoa ingredient products	**100**	100
JB Cocoa EBNJ LLC[3] (United States of America)	Dormant	**100**	100
Held by JB Cocoa AG			
JB Cocoa CI[6] (Republic of Cote D'Ivoire)	Procurement of raw materials	**–**	100

(1) Audited by BDO PLT, Malaysia
(2) Audited by BDO LLP, Singapore
(3) Exempted from statutory audit
(4) Audited by KAP Tanubrata Sutanto Fahmi Bambang & Rekan, Indonesia, a member firm of BDO International Limited
(5) Audited by BDO China Shu Lun Pan CPA LLP
(6) Audited by BDO Francophone West Africa
(7) Audited by other auditors

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

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

Significant restrictions

Cash and bank balances of US$4,284,000 (2021: US$5,507,000) held in the People's Republic of China are subject to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends and thus significantly affect the Group's ability to access or use assets, and settle liabilities, of the Group.

9. INVENTORIES

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

The cost of inventories recognised as expenses and included in "cost of sales" line item amounted to US$409,376,000 (2021: US$371,224,000). The cost of sales includes inventories reversal of written down of US$73,000 (2021: inventories written down of US$16,000) pursuant to a review of the net realisable value of the inventories during the financial year.

10. TRADE AND OTHER RECEIVABLES

	Group 31 December		Company 31 December	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Non-current				
Other receivables				
– A subsidiary	**–**	–	**2,905**	2,950
Current				
Trade receivables				
– Third parties	**62,170**	48,778	**–**	–
– Loss allowance for trade receivables	**(14)**	(14)	**–**	–
	62,156	48,764	**–**	–
– Related party	**–**	485	**–**	–
	62,156	49,249	**–**	–
Other receivables				
– Third parties	**49**	291	**–**	–
– Dividend receivable due from subsidiaries	**–**	–	**2,861**	3,038
	49	291	**2,861**	3,038
GST/VAT receivables	**76**	906	**–**	–
Advances to third party suppliers	**1,773**	3,630	**–**	–
Deposits	**13,270**	4,843	**–**	–
Total current trade and other receivables	**77,324**	58,919	**2,861**	3,038
Total trade and other receivables	**77,324**	58,919	**5,766**	5,988
Add: Cash and bank balances (Note 11)	**21,602**	28,053	**56**	53
Less: GST/VAT receivables	**(76)**	(906)	**–**	–
Less: Advances to third party suppliers	**(1,773)**	(3,630)	**–**	–
Financial assets at amortised costs	**97,077**	82,436	**5,822**	6,041

Trade receivables are non-interest bearing, unsecured and the normal trade term ranges from cash against documents to 120 (2021: cash against documents to 120) days from the date of the invoices. Other credit terms are assessed and approved on a case-by-case basis.

The amount due from a subsidiary (non-current) which is unsecured, bear average interest of 4.5% (2021: 4% per annum and are not expected to be paid within the next 12 months.

Movement in loss allowance for trade receivables from third parties are as follows:

	Group	
	2022 US$'000	2021 US$'000
At 1 January	**14**	–
Loss allowance – credit impaired	**–**	14
At 31 December	**14**	14

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables are denominated in the following currencies:

	Group 31 December		Company 31 December	
	2022 US$'000	**2021 US$'000**	**2022 US$'000**	**2021 US$'000**
United States dollar	**36,202**	34,877	**2,861**	3,038
Pound sterling	**17,466**	5,727	**–**	–
Malaysian ringgit	**1,456**	1,659	**–**	–
Euro	**1,077**	591	**2,905**	2,950
Indonesia rupiah	**4,056**	10,527	**–**	–
Chinese renminbi	**13,630**	5,101	**–**	–
Others	**3,437**	437	**–**	–
	77,324	58,919	**5,766**	5,988

11. CASH AND BANK BALANCES

	Group 31 December		Company 31 December	
	2022 US$'000	**2021 US$'000**	**2022 US$'000**	**2021 US$'000**
Current				
Cash and bank balances	**19,787**	27,395	**56**	53
Fixed deposits	**1,815**	536	**–**	–
	21,602	27,931	**56**	53
Non-current				
Fixed deposits	**–**	122	**–**	–
	21,602	28,053	**56**	53

The interest rates and tenure of the fixed deposits at the end of the reporting period is 1.00% to 4.00% (2021: 1.25% to 4.00%) per annum and with maturity of 2 to 320 (2021: 13 to 319) days.

Included in fixed deposit amounting to US$1,211,000 (2021: US$572,000) are pledged to financial institutions for bank guarantees.

Cash and cash equivalents are denominated in the following currencies:

	Group 31 December		Company 31 December	
	2022 US$'000	**2021 US$'000**	**2022 US$'000**	**2021 US$'000**
United States dollar	**8,786**	18,889	**2**	5
Pound sterling	**3,006**	1,041	**–**	–
Chinese renminbi	**4,367**	5,380	**–**	–
Euro	**1,883**	614	**–**	–
Malaysian ringgit	**1,601**	428	**–**	–
Others	**1,959**	1,701	**54**	48
	21,602	28,053	**56**	53

11. CASH AND BANK BALANCES (CONTINUED)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2022 US$'000	2021 US$'000
Cash and bank balances as above	**21,602**	28,053
Less:		
Fixed deposits pledged with licensed banks	**(1,211)**	(572)
Cash and cash equivalents per consolidated statement of cash flows	**20,391**	27,481

12. TRADE AND OTHER PAYABLES

	Group 31 December		Company 31 December	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Trade payables				
– Third parties	**20,654**	21,594	**–**	–
– Related parties	**6,094**	6,794	**–**	–
	26,748	28,388	**–**	–
Other payables				
– Third parties	**2,373**	1,887	**–**	2
– Subsidiaries	**–**	–	**440**	806
GST/VAT payables	**66**	35	**–**	–
Accrued expenses	**6,197**	4,441	**82**	100
Advances from customers	**2,720**	1,063	**–**	–
Provisions	**43**	17	**–**	–
Total trade and other payables	**38,147**	35,831	**522**	908
Add: Bank borrowings (Note 14)	**176,792**	207,424	**–**	–
Add: Lease liabilities (Note 15)	**6,639**	16	**–**	–
Less: Advances from customers	**(2,720)**	(1,063)	**–**	–
Less: GST/VAT payables	**(66)**	(35)	**–**	–
Less: Provisions	**(43)**	(17)	**–**	–
Total financial liabilities carried at amortised costs	**218,749**	242,156	**522**	908

Trade payables are non-interest bearing and the normal trade terms granted ranges from cash against documents to 90 (2021: cash against documents to 90) days from the date of the invoices.

Accrued expenses consist mainly of employee benefits and operating related expenses. Provisions consist mainly of customers claims in the normal course of business.

12. TRADE AND OTHER PAYABLES (CONTINUED)

Trade and other payables are denominated in the following currencies:

	Group 31 December		Company 31 December	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
United States dollar	**14,362**	20,619	**–**	804
Pound sterling	**7,287**	2,253	**–**	–
Euro	**5,814**	2,156	**440**	–
Chinese renminbi	**6,609**	6,786	**–**	–
Malaysian ringgit	**1,836**	1,699	**–**	–
Others	**2,239**	2,318	**82**	104
	38,147	35,831	**522**	908

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Group 31 December	
	2022 US$'000	2021 US$'000
Derivative assets		
Foreign currency forward contracts	**2,343**	923
Derivative cocoa bean contracts	**59,953**	23,215
Interest rate swap contracts	**43**	–
	62,339	24,138
Derivative liabilities		
Foreign currency forward contracts	**1,679**	2,074
Derivative cocoa bean contracts	**58,043**	24,501
Interest rate swap contracts	**187**	–
	59,909	26,575

Foreign currency forward contracts

The Group uses foreign currency forward contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure.

Foreign currency forward contracts are used to hedge the Group's sales and purchases denominated in United States dollar, Chinese renminbi, Euro, Swiss Franc and Pound sterling for which firm commitments existed at the end of the reporting period.

13. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency forward contracts (Continued)

The following details the foreign currency forward contracts outstanding as at the end of the reporting period:

	Group 31 December 2022 US$'000	Group 31 December 2021 US$'000
Foreign currency forward contracts		
Notional amount		
Buy United States dollar/Sell Pound sterling	**16,364**	54,322
Buy United States dollar/Sell Chinese renminbi	**6,895**	7,940
Buy United States dollar/Sell Euro	**12,138**	–
Buy United States dollar/Sell Swiss Franc	**–**	1,913
Buy Euro/Sell United States dollar	**–**	1,932
Buy Euro/Sell Pound sterling	**262**	66,231
Buy Pound sterling/Sell United States dollar	**50,201**	6,713
Buy Pound sterling/Sell Euro	**23,178**	5,093
Buy Swiss Franc/Sell United States dollar	**2,759**	–
Buy Swiss Franc/Sell Pound sterling	**9,280**	–
Buy Pound sterling/Sell Swiss Franc	**–**	8,118
Buy Malaysian ringgit/Sell United States dollar	**24,547**	2,307
Buy Singapore dollar/Sell United States dollar	**–**	1,103
Buy Chinese renminbi/United States dollar	**27,032**	3,270
Others	**–**	49

As at the end of the reporting period, the settlement dates for foreign currency forward contracts range from 1 to 13 months (2021: 1 to 14 months).

Derivative cocoa bean contracts

The Group uses commodity future contracts and commodity options contracts to manage open sales and purchase commitments and movements in cocoa bean prices in the respective commodity markets. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with fair value changes exposure.

As at the end of reporting period, existing commitments in respect of derivative cocoa bean contracts outstanding are as follows:

	Group 31 December 2022 US$'000	Group 31 December 2021 US$'000
Commodity future contracts		
Notional amount		
Sales	**803,002**	954,254
Purchases	**817,347**	924,845
Commodity option contracts		
Notional amount		
Sales	**7,444**	4,435
Purchases	**372**	60

13. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivative cocoa bean contracts (Continued)

The notional amount of the derivative cocoa bean contracts are denominated in the following currencies:

	Group 31 December 2022 US$'000	Group 31 December 2021 US$'000
United States dollar	**564,703**	715,554
Pound sterling	**1,063,462**	1,168,040
	1,628,165	1,883,594

As at the end of the reporting period, the settlement dates for derivative cocoa bean contracts range from 1 to 24 months (2021: 1 to 24 months).

Interest rate swap contracts

The notional amount of the interest swap contracts are denominated in the following currencies:

	Group 31 December 2022 US$'000	Group 31 December 2021 US$'000
United States dollar	**150,000**	–

As at end of the reporting period, the average hedged rate for the interest swap contracts are 4.70%.

As at the end of the reporting period, the maturity dates for the interest swap contracts range from 12 months to 24 months.

14. BANK BORROWINGS

	Group 31 December 2022 US$'000	Group 31 December 2021 US$'000
Current		
Trade bills	**130,390**	181,572
Revolving credits	**5,243**	7,642
Sukuk Wakalah	**17,009**	–
Term loan	**2,768**	3,842
	155,410	193,056
Non-current		
Revolving credits	**2,620**	2,863
Sukuk Wakalah	**5,670**	–
Term loan	**13,092**	11,505
	21,382	14,368
Total	**176,792**	207,424

14. BANK BORROWINGS (CONTINUED)

As at the 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 (Note 5), property and plant (Note 6), land use rights (Note 7) and corporate guarantee issued by the Company.

On 30 November 2022, the Group through its subsidiary completed an issuance of Sukuk Wakalah of RM100,000,000 in notional value ("First Issuance"), of which RM75,000,000 with a tenure of one (1) year from the date of issuance and due for repayment in 30 November 2023, and RM25,000,000 with a tenure of three (3) years from the date of issuance and due for repayment in 28 November 2025.

As at the end of the reporting period, the Group has trade facilities as follows:

	Group 31 December	
	2022 US$'000	**2021 US$'000**
Trade facilities granted	**281,590**	264,117
Trade facilities utilised	**138,253**	192,077

As at the end of the reporting period, the effective interest rates per annum are as follows:

	Group 31 December	
	2022 %	**2021 %**
Trade bills	**2.72% – 6.96%**	1.01 – 3.65
Revolving credits	**1.25% – 6.46%**	1.35 – 4.16
Sukuk Wakalah	**5.50% – 5.82%**	–
Term loan	**1.98% – 7.08%**	1.50 – 5.23

The trade bills have maturity periods ranging from 58 to 182 (2021: 28 to 182) days from the contractual date. The interest rates are fixed with the financial institutions during the contractual period. The revolving credits and term loans have maturity dates between 2023 and 2034.

Bank borrowings are denominated in the following currencies:

	Group 31 December	
	2022 US$'000	**2021 US$'000**
United States dollar	**135,478**	201,502
Others	**41,314**	5,922
	176,792	207,424

15. LEASE LIABILITIES

	Leasehold land US$'000	Rental of office US$'000	Total US$'000
Group			
At 1 January 2022	**–**	**16**	**16**
Addition	**7,127**	**214**	**7,341**
Interest expense (Note 22)	**27**	**6**	**33**
Lease modification	**–**	**(6)**	**(6)**
Lease payments			
– Principal portion	**(684)**	**(28)**	**(712)**
– Interest portion	**(27)**	**(6)**	**(33)**
At 31 December 2022	**6,443**	**196**	**6,639**
At 1 January 2021	–	16	16
Addition	–	24	24
Interest expense (Note 22)	–	1	1
Lease payments			
– Principal portion	–	(24)	(24)
– Interest portion	–	(1)	(1)
At 31 December 2021	–	16	16

The maturity analysis of lease liabilities of the Group at each reporting date are as follows:

	Group 31 December	
	2022 US$'000	2021 US$'000
Contractual undiscounted cash flows		
– Not later than a year	**3,067**	17
– More than a year	**4,126**	–
	7,193	17
Less: Future interest expense	**(554)**	(1)
Present value of lease liabilities	**6,639**	16
Presented in consolidated statement of financial position		
– Current	**2,798**	16
– Non-current	**3,841**	–
	6,639	16

Certain equipment of the Group are qualified for low value assets and the Group also leases certain equipment on the short-term basis in order to support the production deadlines. The election of short-term leases is made by class of underlying assets with similar nature and use in the Group's operation whereas the low-value assets lease exemption is made on lease-by-lease basis.

15. LEASE LIABILITIES (CONTINUED)

As at the end of the reporting period, the average incremental borrowing rate applied in the lease liabilities were 5% (2021: 5%).

The total cash outflow in respect of leases amounted to US$2,371,000 (2021: US$339,000) during the current financial year.

Lease liabilities are denominated in the following currencies:

	Group 31 December	
	2022 US$'000	**2021 US$'000**
Malaysian ringgit	**6,443**	–
Others	**196**	16
	6,639	16

16. DEFERRED CAPITAL GRANT

	Group 31 December	
	2022 US$'000	**2021 US$'000**
Cost		
Balance at the beginning of financial year	**546**	534
Currency realignment	**(42)**	12
Balance at the end of the financial year	**504**	546
Accumulated amortisation		
Balance at the beginning of the financial year	**(54)**	(43)
Grant taken to profit or loss to match amortisation	**(10)**	(11)
Balance at the end of the financial year	**(64)**	(54)
Carrying amount		
Balance at the end of the financial year	**440**	492

The above capital grants represent governmental support for the purchase of land use rights in the People's Republic of China. The amount is recorded as deferred capital grant, and will be recognised as income over the period based on the amortisation of the underlying asset.

17. PROVISION FOR POST-EMPLOYMENT BENEFITS

The Group provides for post-employment benefits for its employees for certain subsidiaries in Indonesia in the form of severance pay and long service awards in accordance with the local labour law in Indonesia. The provision is based on the calculation performed by an independent actuary using the "Projected Unit Credit" method. The number of employees who are entitled to post-employment benefits is 209 (2021: 199) employees.

Movements in provision for post-employment benefits are as follows:

	Group 31 December	
	2022 US$'000	**2021 US$'000**
Balance at beginning of financial year	**637**	624
Provision in the current period	**120**	21
Re-measurement of post-employment benefits recognised in other comprehensive income	**(353)**	(5)
Currency realignment	**(54)**	(3)
Balance at end of financial year	**350**	637

The amounts recognised in profit or loss in respect of post-employment benefits are as follows:

	Group 31 December	
	2022 US$'000	**2021 US$'000**
Current service costs	**90**	105
Past services costs	**–**	(129)
Interest costs	**41**	43
Remeasurement of other long-term benefits	**(11)**	2
	120	21

The principal actuarial assumptions used are as follows:

	Group 31 December	
	2022	**2021**
Discount rate	**5.52% – 7.44% per annum**	3.40% – 7.57% per annum
Annual salary growth rate	**5% per annum**	8% per annum
Mortality table	**TMI – 2019**	TMI – 2019
Disability rate	**5% – 10% x TMI – 2019**	5% – 10% x TMI – 2019
Retirement age	**56 years of age**	56 years of age

The schemes are exposed to a number of risks, including:

- Salary risk: increase in future salaries will increase the gross retirement benefits obligations.
- Interest rate risk: decrease/increase in the discount rate used will increase/decrease the defined benefit obligation.

17. PROVISION FOR POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity analysis

The impact to the value of the defined benefit obligation of a reasonably possible change to the following actuarial assumptions, holding all other assumptions constant, is presented below:

Actuarial assumption	Reasonably possible change	Defined benefit obligation Increase US$'000	Defined benefit obligation Decrease US$'000
31 December 2022			
Discount rate	**+/-1%**	**(49)**	**149**
Growth in future salaries	**+/-1%**	**149**	**(49)**
31 December 2021			
Discount rate	+/-1%	(80)	110
Growth in future salaries	+/-1%	110	(80)

The average duration of the post-employment benefits at the end of the financial year is 13.01 years (2021: 15.5 years).

18. DEFERRED TAX ASSETS/LIABILITIES

	Group 31 December 2022 US$'000	Group 31 December 2021 US$'000
Deferred tax assets		
Balance at beginning of financial year	**154**	150
Credited to profit or loss	**984**	1
Charged to other comprehensive income	**(5)**	–
Currency realignment	**(11)**	3
Balance at end of financial year	**1,122**	154
Deferred tax liabilities		
Balance at beginning of financial year	**6,940**	5,938
Charged to profit or loss	**521**	1,000
Charged to other comprehensive income	**83**	2
Balance at end of financial year	**7,544**	6,940

18. DEFERRED TAX ASSETS/LIABILITIES (CONTINUED)

The following are the major deferred tax assets recognised by the Group and the movements during the financial year.

Deferred tax assets	Unrealised profit on Intragroup transactions US$'000	Deferred capital grant US$'000	Others US$'000	Total US$'000
Group				
At 1 January 2022	**–**	**144**	**10**	**154**
Credited/(Charged) to profit or loss	**994**	**(20)**	**10**	**984**
Charged to other comprehensive income	**–**	**–**	**(5)**	**(5)**
Currency realignment	**–**	**(11)**	**–**	**(11)**
At 31 December 2022	**994**	**113**	**15**	**1,122**
At 1 January 2021	–	140	10	150
Credited to profit or loss	–	1	–	1
Currency realignment	–	3	–	3
At 31 December 2021	–	144	10	154

The following are the major deferred tax liabilities recognised by the Group and the movements during the financial year.

Deferred tax liabilities	Accelerated tax depreciation US$'000	Others US$'000	Total US$'000
Group			
At 1 January 2022	**7,052**	**(112)**	**6,940**
Charged/(credited) to profit or loss	**537**	**(16)**	**521**
Charged to other comprehensive income	**–**	**83**	**83**
At 31 December 2022	**7,589**	**(45)**	**7,544**
At 1 January 2021	6,052	(114)	5,938
Charged to profit or loss	1,000	–	1,000
Charged to other comprehensive income	–	2	2
At 31 December 2021	7,052	(112)	6,940

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised amounted to US$26,962,000 (2021: US$26,177,000). The Group determined that these profits will not be distributed in the foreseeable future. Therefore, no liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

19. SHARE CAPITAL

	Group and Company			
	31 December		31 December	
	2022	2021	2022	2021
	Number of ordinary shares		US$'000	US$'000
Issued and fully paid-up				
At beginning/end of the financial year	**303,199,966**	303,199,966	**113,963**	113,963

The ordinary shares have no par value, carry one vote per share without restrictions and their holders are entitled to receive dividends when declared by the Company.

20. OTHER RESERVES AND RETAINED EARNINGS

	Group		Company	
	31 December		31 December	
	2022	2021	2022	2021
	US$'000	US$'000	US$'000	US$'000
Merger reserve	**25,472**	25,472	**–**	–
Statutory reserve	**(176)**	(150)	**–**	–
Exchange reserve	**6,956**	6,956	**8,458**	8,458
Foreign currency translation reserve	**755**	(344)	**–**	–
	33,007	31,934	**8,458**	8,458

20.1 MERGER RESERVE

Merger reserve represents:

(a) the difference of US$22.7 million between the consideration paid and the share capital of a subsidiary acquired as a result of a restructuring exercise of the Group in 2012, and

(b) the difference of US$2.8 million between the consideration paid for the cost of investment of US$6.8 million and the interest in share capital of the acquired subsidiary, PT Jebe Koko, of US$4 million in 2015.

20.2 STATUTORY RESERVE

In accordance with the Foreign Enterprise Law applicable to the subsidiary in the People's Republic of China ("PRC"), the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

20.3 EXCHANGE RESERVE

The exchange reserve represents the change in presentation currency of the Group and of the Company from RM to US$ in 2015.

20. OTHER RESERVES AND RETAINED EARNINGS (CONTINUED)

20.4 FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents the exchange differences relating to the translation of the results and the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency and is not distributable.

Movement in foreign currency translation reserve:

	Group 31 December	
	2022	**2021**
	US$'000	**US$'000**
Beginning of the financial year	**(344)**	(46)
Charged to other comprehensive income	**1,099**	(298)
Balance at end of financial year	**755**	(344)

20.5 RETAINED EARNINGS

Movement in the retained earnings of the Company is as follows:

	Company	
	2022	**2021**
	US$'000	**US$'000**
At 1 January	**3,038**	4,588
Total comprehensive income for the financial year	**4,290**	2,312
Dividends	**(3,336)**	(3,862)
At 31 December	**3,992**	3,038

21. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives revenue from sale of cocoa ingredients product to customers which are recognised at a point in time.

22. FINANCE COSTS

	Group 31 December	
	2022	**2021**
	US$'000	**US$'000**
Interest expenses		
– Trade bills	4,787	2,476
– Term loans	878	495
– Supply chain financing	971	618
– Lease liabilities (Note 15)	33	1
– Other	–	99
	6,669	3,689

23. PROFIT BEFORE INCOME TAX

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

	Group	
	2022	**2021**
	US$'000	**US$'000**
Cost of sales		
Amortisation of right-of-use assets	**235**	216
Depreciation of property, plant and equipment	**6,042**	5,779
Factory utilities expenses	**9,048**	7,977
Fair value gain on derivative financial instruments, net	**(14,812)**	(2,257)
Outward freight	**18,579**	17,710
Haulage trucking – export	**4,130**	2,996
Handling and documentation – export	**2,556**	1,871
(Reversal)/Write down to net realisable values of inventories	**(73)**	16
Short term leases	**282**	261
Selling and distribution expenses		
Warehousing Expenses	**1,218**	988
Commission expenses	**4,572**	1,652
Administrative expenses		
Audit fees		
– Auditors of the Company	**71**	66
– Other auditors	**58**	42
Non-audit fees		
– Auditors of the Company	**1**	1
Amortisation of intangible assets	**709**	588
Amortisation of right-of-use assets	**235**	171
Depreciation of property, plant and equipment	**295**	456
Depreciation of investment properties	**236**	304
Upkeep of office	**915**	687
Quit rent and assessment expenses	**191**	296
Professional fee	**2,269**	1,288
Other gains/(losses)		
(Loss)/gain on disposal of property, plant and equipment	**(312)**	17
Insurance claim compensation	**553**	195
Gain on disposal of investment property	**–**	12,773
Property, plant and equipment written off	**(6)**	(23)
Rental income from investment properties	**567**	1,095
Fair value loss on foreign currency contracts, net	**1,670**	(319)
Foreign exchange loss, net	**(3,599)**	(1,873)

23. PROFIT BEFORE INCOME TAX (CONTINUED)

Profit before income tax also includes:

	Group 2022 US$'000	Group 2021 US$'000
Employee benefit expenses		
Salaries and other emoluments	**11,759**	10,853
Pension costs – defined contribution plan	**835**	748
Social security costs	**200**	140
Other staff related expenses	**270**	447
Defined employment benefit expenses	**120**	21
	13,184	12,209

The employee benefit expenses are recognised in the following line items in profit or loss:

	Group 2022 US$'000	Group 2021 US$'000
Cost of sales	**6,062**	5,807
Selling and distribution expenses	**2,306**	2,409
Administrative expenses	**4,816**	3,993
	13,184	12,209

Included in employee benefit expenses were Directors' remuneration and compensation of key management personnel as shown in Note 27 to the financial statements.

24. INCOME TAX EXPENSE

	Group 2022 US$'000	Group 2021 US$'000
Current income tax		
– Current financial year	**2,796**	4,030
– Under/(Over) provision in prior financial years	**262**	(527)
	3,058	3,503
Deferred income tax		
– Current financial year	**(200)**	797
– (Over)/Under provision in prior financial years	**(263)**	202
	(463)	999
	2,595	4,502

24. INCOME TAX EXPENSE (CONTINUED)

For the reconciliation between tax expense and accounting profit below, the Group has aggregated separate reconciliations prepared using the domestic rate in each individual jurisdiction as this provide more meaningful information to the users of its financial statements.

	Group	
	2022 US$'000	**2021 US$'000**
Profit before income tax	**19,279**	18,352
Tax at the domestic rates applicable to profit in the countries where the Group operates	**3,401**	3,960
Tax concession	**(1,268)**	–
Effects of:		
– Income not subject to tax	**(112)**	(50)
– Singapore statutory stepped income exemption	**(1)**	(7)
– Expenses not deductible for income tax purposes	**903**	567
Utilisation of deferred tax benefits previously not recognised	**(341)**	–
Deferred tax assets not recognised	**52**	278
Under/(Over) provision of current income tax in prior financial years	**262**	(527)
(Over)/Under provision of deferred income tax in prior financial years	**(263)**	202
Others	**(38)**	79
	2,595	4,502

The Group operates mainly in Singapore, Malaysia, Indonesia, People's Republic of China and United States of America. The applicable corporate income tax rate ranges from 10% to 17% (2021: 10% to 17%) in Singapore, 24% (2021: 24%) in Malaysia, 22% (2021: 22%) in Indonesia, 25% (2021: 25%) in People's Republic of China and 21% (2021: 21%) in United States of America.

A subsidiary in Singapore was approved as an approved global trading company ("AGTC") by a Singapore government agency in FY2019. As a result, with effect from 1 April 2019, the subsidiary enjoys a concessionary tax rate of 10% on qualifying transaction from trading of cocoa bean and cocoa ingredient products. The concession will expire on 31 December 2026.

The amount of temporary differences for which no deferred tax asset has been recognised are as follows:

	Group	
	2022 US$'000	**2021 US$'000**
Unutilised tax losses	**–**	3,402

In the previous financial year, no deferred tax asset has been recognised on the temporary differences due to the unpredictability of profit streams. Subject to the agreement by the relevant tax authorities, these temporary differences may be carried forward indefinitely subject to the conditions imposed by law.

25. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Group	
	2022 US$'000	**2021 US$'000**
Profit for the financial year attributable to owners of the parent (US$'000)	**16,684**	13,850
Aggregate weighted number of ordinary shares applicable to basic and diluted profit per share ('000)	**303,200**	303,200
Basic and diluted earnings per share (US$ cents)	**5.5**	4.6

The calculation of the basic and diluted earnings per share for the relevant periods is based on the profit attributable to owners of the parent for the financial years ended 31 December 2022 and 2021 divided by the aggregate weighted number of shares in the relevant periods.

The diluted earnings per share for the relevant periods are the same as the basic profit per share as the Group did not have any dilutive potential ordinary shares in the relevant periods.

26. DIVIDENDS

	Group	
	2022 US$'000	**2021 US$'000**
Final tax exempt dividend of S$0.015 per ordinary share in respect of financial year ended 31 December 2020	**–**	3,414
Interim one-tier tax exempt dividend of S$0.002 per ordinary share in respect of financial year ended 31 December 2021	**–**	448
Final tax exempt dividend of S$0.013 per ordinary share in respect of financial year ended 31 December 2021	**2,901**	–
Interim one-tier tax exempt dividend of S$0.002 per ordinary share in respect of financial year ended 31 December 2022	**435**	–
	3,336	3,862

On 25 February 2021, the Company declared a final tax-exempt (one-tier) dividend S$0.015 per ordinary share amounting to S$4,548,000 (equivalent to US$3,414,000) in respect of the financial year ended 31 December 2020. The dividend was paid out in previous financial year.

On 11 August 2021, the Company declared an interim one-tier tax exempt dividend of S$0.002 per ordinary share amounting to S$606,400 (equivalent to US$448,000) in respect of the financial year ended 31 December 2021. The dividend was paid out in previous financial year.

On 10 May 2022, the Company declared a final tax-exempt (one-tier) dividend S$0.015 per ordinary share amounting to S$3,941,600 (equivalent to US$2,901,000) in respect of the financial year ended 31 December 2021. The dividend was paid out in current financial year

On 11 August 2022, the Company declared an interim one-tier tax exempt dividend of S$0.002 per ordinary share amounting to S$606,400 (equivalent to US$435,000) in respect of the financial year ended 31 December 2022. The dividend was paid out in current financial year.

On 27 February 2023, the Board of Directors recommended a final tax-exempt (one-tier) dividend of S$0.016 per ordinary share amounting to S$4,851,200 in respect of the current financial year. The final tax-exempt (one-tier) dividend has not been recognised as a liability as at the end of the reporting period as it is subject to approval by shareholders at the forthcoming Annual General Meeting of the Company.

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year, in addition to those information disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties at rates and terms agreed between the parties:

	Group		Company	
	2022 US$'000	**2021 US$'000**	**2022 US$'000**	**2021 US$'000**
Subsidiaries				
Advances from	**–**	–	**–**	846
Interest income	**–**	–	**119**	113
Dividend income	**–**	–	**4,998**	3,038
Related parties*				
Sale of goods	**1,444**	1,935	**–**	–
Purchase of goods	**17,235**	17,064	**–**	–
Handling service income	**–**	48	**–**	–

* An entity controlled by members who have family relationships with two directors of the Company.

As at 31 December, the outstanding balances in respect of the above transactions have been disclosed in Note 10 and Note 12 to the financial statements.

Compensation of key management personnel

The remuneration of directors and other members of the key management personnel of the Group and the Company during the financial year were as follows:

	Group		Company	
	2022 US$'000	**2021 US$'000**	**2022 US$'000**	**2021 US$'000**
Directors				
Short-term employee benefits	**1,264**	1,487	**109**	112
Pension costs – defined contribution plan	**12**			
Directors' fee	**117**	121	**117**	121
	1,393	1,608	**226**	233
Other key management personnel				
Short-term employee benefits	**424**	451	**–**	–
Pension costs – defined contribution plan	**26**	31	**–**	–
	450	482	**–**	–
	1,843	2,090	**226**	233

28. COMMITMENTS

28.1 CAPITAL COMMITMENTS

As at the end of the reporting period, the Group has the following capital expenditure contracted for but not recognised in the financial statements:

	Group	
	2022 US$'000	**2021 US$'000**
Purchase of property, plant and equipment and intangible assets	**24,827**	4,531

28.2 LEASE COMMITMENTS (IN THE CAPACITY OF LESSOR)

The Group has entered into commercial property leases on its investment properties (Note 5). These non-cancellable leases have remaining lease of 1 year.

At each reporting date, maturity analysis of lease income receivables based on undiscounted lease payments to be received on an annual basis are as follows:

	Group	
	2022 US$'000	**2021 US$'000**
Not later than one financial year	**–**	627

29. SEGMENT 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.

29. SEGMENT INFORMATION (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
2022							
Revenue							
External revenue	46,349	281,469	84,640	34,319	62,853	–	509,630
Inter-segment revenue	287,800	488,706	–	142,552	–	(919,058)	–
	334,149	770,175	84,640	176,871	62,853	(919,058)	509,630
Results							
Segment results	10,706	29,922	(14)	3,004	437	(10,465)	33,590
Interest income							110
Finance costs							(6,669)
Depreciation and amortisation							(7,752)
Profit before income tax							19,279
Income tax expense							(2,595)
Profit after income tax							16,684
Additions to non-current assets							
Property, plant and equipment	7,270	59	1	1,238	4,238	–	12,806
Right-of-use assets	7,127	222	–	1,345	–	–	8,694
Intangible assets	3	1	–	–	1	–	5
Segment assets	202,573	411,663	33,486	94,806	41,422	(312,741)	471,209
Segment liabilities	123,916	221,443	24,900	55,771	29,056	(163,266)	291,820

29. SEGMENT INFORMATION (CONTINUED)

Analysis by geographical segments (Continued)

	Malaysia US$'000	Singapore US$'000	United States of America US$'000	Indonesia US$'000	Others US$'000	Elimination US$'000	Consolidated US$'000
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)	–
	309,328	728,591	52,117	141,096	52,899	(835,268)	448,763
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							18,352
Income tax expense							(4,502)
Profit after income tax							13,850
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	–	24	–	53	–	–	77
Intangible assets	–	973	–	–	6	–	979
Segment assets	208,178	365,619	34,397	96,678	29,533	(285,986)	448,419
Segment liabilities	130,749	192,810	25,418	58,632	16,242	(142,307)	281,544

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

29. SEGMENT INFORMATION (CONTINUED)

Analysis by geographical segments (Continued)

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

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

	Group	
	2022	**2021**
	US$'000	**US$'000**
North America		
– United States of America	**90,391**	62,351
– Others*	**30,041**	18,873
Asia		
– China	**64,996**	61,298
– Others*	**188,583**	148,055
Europe		
– Russian Federation	**62,255**	58,506
– Others*	**26,686**	46,596
Others*	**46,678**	53,084
Total revenue	**509,630**	448,763

* Others comprise countries where revenue derived were not material individually.

Major customers

Revenue from two customer (2021: one customer) of the Group's represents 20% (2021: 12%) of the total revenue.

Location of non-current assets

	Malaysia US$'000	Singapore US$'000	United States of America US$'000	Indonesia US$'000	Others US$'000	Consolidated US$'000
Group						
2022						
Non-current assets	84,333	2,455	3	22,798	12,712	122,301
2021						
Non-current assets	74,663	2,924	3	22,427	9,551	109,568

Non-current assets consist of intangible assets, property, plant and equipment, investment properties and right-of-use assets.

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Group's activities expose them to credit risk, market risk (including foreign currency risk, interest rate risk and commodity price risk) and liquidity risk. The Group's overall financial risk management strategy focuses on the unpredictability of financial markets and seeks to minimize adverse effects from the volatility of financial markets on the Group's financial performance.

The Group uses financial instruments such as foreign currency forward contracts and derivative commodity contracts to hedge certain financial risk exposures.

The Board of directors of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group's management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There have been no changes to the Group's exposure to these financial risks or the manner in which they manage and measure the risk. Market risk exposures are measured using sensitivity analysis as indicated below.

30.1 CREDIT RISK

The Group's exposure to credit risk, or the risk of counterparties defaulting, arise mainly from trade and other receivables. The Group manages the exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes loss allowance on trade and other receivables for impairment that represents the expected credit loss in respect of the trade and other receivables as appropriate. The main components of this allowance are based on actual credit loss experience over the past two years and derived from historical data which management is at the view that customer conditions are representatives of the prevailing at the reporting date.

The Group has significant concentration of credit risk to 1 (2021: 2) group of counterparties which having similar characteristics and accounts for approximately 11% (2021: 21%) of the total trade receivables at the reporting date. The Company has no significant concentration of credit risk except for amounts due from subsidiaries as at 31 December 2022 and 2021.

The exposure of credit risk for trade receivables by geographical region is as follows:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Asia		
– China	**10,978**	5,925
– Malaysia	**3,446**	4,964
Republic of Indonesia	**3,922**	6,261
– Others*	**11,502**	5,399
Europe		
– Russian Federation	**9,603**	10,262
– Others*	**2,514**	3,605
North America		
– United States of America	**11,801**	5,502
– Others*	**4,111**	2,611
Others*	**4,279**	4,720
	62,156	49,249

* Others comprise countries where the credit risk exposure was not material individually.

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

30.1 CREDIT RISK (CONTINUED)

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 one year. 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.

The table below provides information about the exposure to conduct risk and expected credit loss from trade receivables of the Group as at 31 December 2022 and 2021.

	31 December 2022		
	Weighted average loss rate	**Gross receivable US$'000**	**Impairment-credit impaired US$'000**
Group			
Past due 1 to 30 days	**0%**	**8,461**	**–**
Past due 31 to 60 days	**0%**	**782**	**–**
Past due over 60 days	**9%**	**155**	**14**

	31 December 2021		
	Weighted average loss rate	**Gross receivable US$'000**	**Impairment-credit impaired US$'000**
Group			
Past due 1 to 30 days	0%	5,970	–
Past due 31 to 60 days	0%	912	–
Past due over 60 days	12%	115	14

The impairment losses at the Group related to several customers who had indicated that they were not able to repay their outstanding balances due to economic conditions.

Non-trade amounts due from subsidiaries

Management has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. Management monitors and assess at each reporting date on any indicator of significant increase in credit risk on the amount due from the respective subsidiaries, by considering their performance ratio and any default in external debts. The risk of default is considered to be minimal as these subsidiaries have sufficient liquid assets and cash to repay their debts. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposure. The allowance on these balances is insignificant.

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

30.1 CREDIT RISK (CONTINUED)

Cash and bank balances

The cash and bank balances are held with bank and financial institution counterparties, which are rated Aa1 to Baa1, based on Moody's ratings. The Board of Directors monitors the credit ratings of counterparties regularly. Impairment on cash and cash equivalents has been measured on the 12-month expected loss model. At the reporting date, the Group and the Company did not expect any credit losses from non-performance by the counterparties.

At the Group and the Company does not hold any collateral, the carrying amount of financial assets represents the maximum exposure to credit risk, except as follows:

	Company	
	2022	**2021**
	US$'000	**US$'000**
Corporate guarantees provided to banking facilities of subsidiaries	**174,073**	203,930

For the corporate guarantee issued, the Company has assessed that these subsidiaries have sufficient financial capabilities to meet its contractual cash flows obligation in the near future hence, does not expect any material loss allowance under 12-month expected credit loss model.

30.2 MARKET RISK

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and commodity prices. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk and commodity price risk, including foreign currency forward contracts and derivative cocoa bean contracts to mitigate the risk.

(i) Foreign exchange risk management

Currency risk arises from transactions denominated in currency other than the functional currency of the entities within the Group and the Company. The currencies that give rise to this risk are primarily Euro ("EUR"), Pound sterling ("GBP"), Malaysian ringgit ("MYR"), Indonesia rupiah ("IDR") and Chinese renminbi ("RMB") (2021: EUR, GBP, MYR, IDR and RMB). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group may enter into forward foreign currency contracts to hedge against its foreign currency risk.

The Group has foreign operations, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Exposure to foreign currency risk is monitored on an ongoing basis in accordance with the Group's and the Company's risk management policies to ensure that the net exposure is at an acceptable level.

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

30.2 MARKET RISK (CONTINUED)

(i) Foreign exchange risk management (Continued)

The Group's currency exposure is as follows:

	USD US$'000	EUR US$'000	GBP US$'000	MYR US$'000	IDR US$'000	RMB US$'000	Others US$'000	Total US$'000
Group								
2022								
Total financial assets	**175,710**	**15,965**	**20,472**	**3,348**	**11,714**	**28,182**	**4,954**	**260,345**
Total financial liabilities	**(279,692)**	**(31,194)**	**(10,509)**	**(31,248)**	**(8,331)**	**(19,734)**	**(1,341)**	**(382,049)**
Net financial assets/(liabilities)	**(103,982)**	**(15,229)**	**9,963**	**(27,900)**	**3,383**	**8,448**	**3,613**	**(121,704)**
Less:								
Net financial assets/(liabilities) denominated in the respective entities' functional currencies	**(103,316)**	**(9,709)**	**–**	**1**	**–**	**775**	**3,122**	**(109,127)**
Net currency exposure of financial assets/(liabilities)	**(666)**	**(5,520)**	**9,963**	**(27,901)**	**3,383**	**7,673**	**491**	**(12,577)**
2021								
Total financial assets	172,757	7,140	6,768	2,144	15,205	19,253	1,478	224,745
Total financial liabilities	(344,373)	(8,094)	(2,253)	(5,360)	(6,090)	(15,782)	(2,510)	(384,462)
Net financial assets/(liabilities)	(171,616)	(954)	4,515	(3,216)	9,115	3,471	(1,032)	(159,717)
Less:								
Net financial assets/(liabilities) denominated in the respective entities' functional currencies	(171,807)	(3,787)	–	(21)	–	998	1,104	(173,513)
Net currency exposure of financial assets/(liabilities)	191	2,833	4,515	(3,195)	9,115	2,473	(2,136)	13,796

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

30.2 MARKET RISK (CONTINUED)

(i) *Foreign exchange risk management* (Continued)

The Company's currency exposure is as follows:

	EUR US$'000	SGD US$'000	Others US$'000	Total US$'000
Company				
2022				
Total financial assets	**2,905**	**54**	**–**	**2,959**
Total financial liabilities	**(440)**	**(82)**	**–**	**(522)**
Net currency exposure of financial assets/(liabilities)	**2,465**	**(28)**	**–**	**2,437**
2021				
Total financial assets	2,998	–	–	2,998
Total financial liabilities	–	(102)	(2)	(104)
Net currency exposure of financial assets/(liabilities)	2,998	(102)	(2)	2,894

Foreign currency sensitivity analysis

The following table details the sensitivity to a 5% (2021: 5%) increase and decrease in the relevant foreign currencies against the functional currency of the entities within the Group. The 5% (2021: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the possible change in foreign exchange rates.

The sensitivity analysis includes only significant outstanding foreign currency denominated net financial assets or liabilities and adjusted for the translation at the end of the reporting period for a 5% (2021: 5%) change in foreign currency rates.

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

30.2 MARKET RISK (CONTINUED)

(i) *Foreign exchange risk management* (Continued)

Foreign currency sensitivity analysis (Continued)

	Increase/ (Decrease) Profit or loss Group US$'000
2022	
GBP/US$	
Strengthened	**498**
Weakened	**(498)**
IDR/US$	
Strengthened	**169**
Weakened	**(169)**
RMB/US$	
Strengthened	**384**
Weakened	**(384)**
Euro/US$	
Strengthened	**(276)**
Weakened	**276**
MYR/US$	
Strengthened	**(1,395)**
Weakened	**1,395**
2021	
GBP/US$	
Strengthened	226
Weakened	(226)
IDR/US$	
Strengthened	456
Weakened	(456)
RMB/US$	
Strengthened	124
Weakened	(124)

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

30.2 MARKET RISK (CONTINUED)

(i) *Foreign exchange risk management* (Continued)

Foreign currency sensitivity analysis (Continued)

	Increase/ (Decrease) Profit or loss Group US$'000
2021	
Euro/US$	
Strengthened	142
Weakened	(142)
MYR/US$	
Strengthened	(160)
Weakened	160

	Increase/ (Decrease) Profit or loss Company US$'000
2022	
Euro/US$	
Strengthened	123
Weakened	(123)
2021	
Euro/US$	
Strengthened	150
Weakened	(150)

(ii) *Interest rate risk*

The Group's exposure to market risk for changes in interest rates relates primarily to bank borrowings as shown in Note 14 to the financial statements.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and short term borrowings. It is the Group's policy to obtain quotes from banks to ensure that the most favourable rates are made available to the Group.

Interest rate sensitivity analysis

The Group's results are not subject to significant cashflow interest rate risks as the interest bearing financial instruments are mainly carried at fixed interest rates and measured at amortised cost.

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

30.2 MARKET RISK (CONTINUED)

(iii) Commodity price risk

The manufacturing of the Group's products requires raw materials such as cocoa beans. The value of the Group's open sales and purchase commitments and inventory of raw materials changes continuously in line with cocoa bean price movements in the respective commodity markets. The Group's business nature, to a certain extent, results in a natural hedge between the prices of cocoa beans (as raw materials) and manufactured cocoa products. The Group may enter into derivative cocoa beans contracts to manage the risk.

30.3 LIQUIDITY RISK

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group actively manages operating cash flows so as to ensure that all repayment needs are met. As part of the overall prudent liquidity management, the Group maintains sufficient levels of cash to meet working capital requirements.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Group is expected to pay. The table below includes both expected interest and principal cash flows.

	Less than 1 year US$'000	More than 1 year US$'000	Total US$'000
Group			
2022			
Trade and other payables*	35,318	–	35,318
Bank borrowings	156,715	25,148	181,863
Lease liabilities	3,067	4,126	7,193
	195,100	29,274	224,374
2021			
Trade and other payables*	34,716	–	34,716
Bank borrowings	193,526	14,968	208,494
Lease liabilities	17	–	17
	228,259	14,968	243,227
Company			
2022			
Trade and other payables	522	–	522
Financial guarantee contracts	174,073	–	174,073
	174,595	–	174,595
2021			
Trade and other payables	908	–	908
Financial guarantee contracts	203,930	–	203,930
	204,838	–	204,838

* excluded GST/VAT payables, advances from customers and provisions.

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

30.3 LIQUIDITY RISK (CONTINUED)

In respect of derivative financial instruments as shown in Note 13 to the financial statements, the foreign currency forward contracts are settled on a gross basis while derivative cocoa bean contracts are settled on a net basis.

The Group's operations are financed mainly through equity, retained earnings and bank borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

31. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group manages capital to ensure that the Group is able to continue as going concern and maintain an optimal capital structure so as to maximise shareholder value.

The Group is in compliance with externally imposed capital requirements which are the bank covenants in relation to the bank borrowings included in Note 14 to the financial statements except for two financial covenants relating to the bank loan amounting to US$752,000 (2021: US$418,000) for the financial year ended 31 December 2022 and 2021. The Group has obtained waiver for the breach of the financial covenants from the bank during the financial year, accordingly no reclassification is made to the classification of the bank loan.

The Group is in compliance the requirements to maintain the statutory reserve for the financial years ended 31 December 2022 and 2021.

The Group monitors capital based on a gearing ratio, which is total debt divided by total equity. Total debt of the Group consist of borrowings. Total capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, retained earnings and borrowings.

The Group's management constantly reviews the capital structure, and will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged from the previous financial year.

	Group 31 December	
	2022 US$'000	**2021 US$'000**
Bank borrowings	**176,792**	207,424
Total debt	**176,792**	207,424
Total equity	**179,389**	166,875
Gearing ratio	**0.99**	1.24

The Company's gearing ratio has not been presented as the Company does not have any borrowings.

32. FAIR VALUES 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 interest rates which are approximately market 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 years ended 31 December 2022 and 2021.

Fair value hierarchy

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

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

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 foreign exchange spot and forward rates for the foreign currency forward contracts, cocoa bean terminal forward rates for the derivative cocoa bean contracts and interest rates for the interest rate swap contracts.

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

STATISTICS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

Number of issued shares	**303,199,966**
Class of shares	**Ordinary shares**
Voting rights	**on a poll – one vote per ordinary share**

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	18	1.87	514	0.00
100 – 1,000	119	12.38	66,953	0.02
1,001 – 10,000	387	40.27	1,968,684	0.65
10,001 – 1,000,000	425	44.23	30,959,201	10.21
1,000,001 AND ABOVE	12	1.25	270,204,614	89.12
TOTAL	**961**	**100.00**	**303,199,966**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NO. OF NAME	NO. OF SHARES	%
1	JB COCOA GROUP SDN BHD	138,030,000	45.52
2	TEE YIH JIA FOOD MANUFACTURING PTE LTD	72,934,366	24.05
3	KGI SECURITIES (SINGAPORE) PTE. LTD	33,203,466	10.95
4	TENG NAM SENG	6,921,500	2.28
5	GOH LEE BENG	5,058,066	1.67
6	TEY HOW KEONG	4,262,567	1.41
7	CITIBANK NOMINEES SINGAPORE PTE LTD	3,063,400	1.01
8	PHILLIP SECURITIES PTE LTD	1,751,658	0.58
9	DBS NOMINEES (PRIVATE) LIMITED	1,432,741	0.47
10	GOI SENG HUI	1,357,800	0.45
11	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,175,300	0.39
12	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	1,013,750	0.33
13	TAN PENG KIM	1,000,000	0.33
14	OCBC SECURITIES PRIVATE LIMITED	954,200	0.31
15	PEH TEIK SENG	840,000	0.28
16	TOH ONG TIAM	779,800	0.26
17	ONG TONG YANG @WONG TONG YANG	740,000	0.24
18	MAYBANK SECURITIES PTE. LTD.	680,032	0.22
19	UOB KAY HIAN PRIVATE LIMITED	675,316	0.22
20	RAFFLES NOMINEES (PTE.) LIMITED	643,995	0.21
	TOTAL	**276,517,957**	**91.18**

PERCENTAGE OF SHAREHOLDING HELD IN THE HANDS OF PUBLIC

As at 31 March 2023, based on the information provided and to the best of the knowledge of the Directors, the percentage shareholding in the Company held in the hands of the public is approximately 15.77%. At least 10% of the Company's equity securities are held by the public at all times and the Company is in compliance with Rule 723 of the SGX-ST Listing.

STATISTICS OF SHAREHOLDINGS
AS AT 31 MARCH 2023

SUBSTANTIAL SHAREHOLDERS
AS AT 31 MARCH 2023

NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	% (1)	NO. OF SHARES	% (1)
JB Cocoa Group Sdn Bhd	138,030,000	45.52	–	–
Tey Kan Sam @ Tey Hin Ken(2)	–	–	138,030,000	45.52
Lim Ah Bet @ Chabo(3)	–	–	138,030,000	45.52
Tey How Keong(4)	4,262,567	1.41	138,030,000	45.52
Goh Lee Beng(5)	5,058,066	1.67	138,030,000	45.52
ECOM Agroindustrial Corp. Limited	33,120,000	10.92	–	–
Unichocola Pte. Ltd.(6)	–	–	33,120,000	10.92
IECOM Pte. Ltd.(7)	–	–	33,120,000	10.92
Jorge Esteve Campdera and grandchildren(6)	–	–	33,120,000	10.92
Isabel Recolons Esteve and lineal descendents(7)	–	–	33,120,000	10.92
Tee Yih Jia Food Manufacturing Pte Ltd	72,934,366	24.05	–	–
Goi Seng Hui(8)	1,357,800	0.45	72,934,366	24.05

Notes:

(1) The percentage is calculated based on the total issued and paid-up share capital of 303,199,966 shares.

(2) Tey Kan Sam @ Tey Hin Ken holds 30.0% of the issued and paid-up share capital of JB Cocoa Group Sdn Bhd ("**JBC Group**"), and is also deemed interested in the 20.0% of the issued and paid-up share capital of JBC Group held by his spouse, Lim Ah Bet @ Chabo, and is therefore deemed interested in the 138,030,000 shares held by JBC Group.

(3) Lim Ah Bet @ Chabo holds 20.00% of the issued and paid-up share capital of JBC Group, and is also deemed interested in the 30.00% of the issued and paid-up share capital of JBC Group held by her spouse, Tey Kan Sam @ Tey Hin Ken, and is therefore deemed interested in the 138,030,000 Shares held by JBC Group.

(4) Tey How Keong holds 36.00% of the issued and paid-up share capital of JBC Group, and is also deemed interested in the 14.00% of the issued and paid-up share capital of JBC Group held by his spouse, Goh Lee Beng, and is therefore deemed interested in the 138,030,000 Shares held by JBC Group.

(5) Goh Lee Beng holds 14.00% of the issued and paid-up share capital of JBC Group, and is also deemed interested in the 36.00% of the issued and paid-up share capital of JBC Group held by her spouse, Tey How Keong, and is therefore deemed interested in the 138,030,000 Shares held by JBC Group.

(6) Unichocola Pte. Ltd. holds approximately 36.00% of the issued and paid-up share capital of ECOM Agroindustrial Corp. Limited ("**ECOM**"), and is therefore deemed interested in the 33,120,000 Shares held by ECOM. All the shares in the issued and paid-up share capital of Unichocola Pte. Ltd. is held by Glico PTC, L.L.C., as managing trustee to the Creston Union Trust. The Creston Union Trust is a discretionary trust and the beneficiaries of the Creston Union Trust are Jorge C. Esteve and his grandchildren. Jorge C. Esteve is the settlor of the Creston Union Trust.

(7) IECOM Pte. Ltd. holds approximately 26.30% of the issued and paid-up share capital of ECOM, and is therefore deemed interested in the 33,120,000 Shares held by ECOM. All the shares in the issued and paid-up share capital of IECOM Pte. Ltd. is held by Ecire PTC, L.L.C., as trustee to the Robles Trust. The Robles Trust is a discretionary trust and the beneficiaries of the Robles Trust are Isabel R. Esteve and her lineal descendants. Isabel R. Esteve is the settlor of the Robles Trust.

(8) Goi Seng Hui holds 99.98% of the issued and paid up capital of Tee Yih Jia Food Manufacturing Pte Ltd ("**TYJ Food Manufacturing**") and is therefore deemed interested in the 72,934,366 Shares held by TYJ Food Manufacturing.

NOTICE OF ANNUAL GENERAL MEETING

JB FOODS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201200268D)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held by way of electronic means on **Wednesday, 26 April 2023** at **10:00 a.m.** to transact the following businesses as set out below.

This Notice has been made available on SGXNet and the Company's website and may be accessed at the URL https://www.jbcocoa.com/announcement/. A printed copy of this Notice will NOT be despatched to members.

ORDINARY BUSINESSES

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' Statement and the Auditor's Report thereon. **Resolution 1**

2. To declare a final tax-exempt (one-tier) cash dividend of 1.60 Singapore cents per ordinary share for the financial year ended 31 December 2022. **Resolution 2**

3. To re-elect the following Directors who retire in accordance with Article 98 of the Company's Constitution and who, being eligible, offer themselves for re-election:

   (a) Mdm Goh Lee Beng **Resolution 3**
   (b) Mr Tey How Keong **Resolution 4**

   Mdm Goh Lee Beng will, upon re-election as a Director of the Company, remain as an Executive Director.

   Mr Tey How Keong will, upon re-election as a Director of the Company, remain as an Executive Director and Chief Executive Officer of the Company, as well as a member of each of the Remuneration Committee, Nominating Committee and Risk Committee.

4. To approve the payment of directors' fees of S$162,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears. **Resolution 5**

5. To re-appoint Messrs BDO LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

6. To transact any other business that may be transacted at an Annual General Meeting.

SPECIAL BUSINESSES

7. To consider and, if thought fit, to pass the following resolutions with or without modifications:

   ORDINARY RESOLUTION – AUTHORITY TO ALLOT AND ISSUE SHARES **Resolution 7**

   (A) "That, pursuant to Section 161 of the Companies Act 1967 and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

   (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(B) (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

(a) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with the provisions of the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution; and

(d) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (i)]

8. **ORDINARY RESOLUTION – AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE JB FOODS EMPLOYEE SHARE OPTION SCHEME 2014** **Resolution 8**

That the Directors of the Company be and are hereby authorised to offer and grant Options in accordance with the rules of the JB Foods Employee Share Option Scheme 2014 (the "**Option Scheme**") pursuant to Section 161 of the Companies Act 1967, and to deliver existing Shares (including treasury shares, if any) and to allot and issue and/or transfer from time to time such number of fully paid-up Shares in the capital of the Company as may be required to be allotted and issued and/or transferred pursuant to the exercise of the Options under the Option Scheme, provided always that:

(i) the aggregate number of Shares over which the Company may grant Options on any date (including the number of Shares which have been and to be issued upon the exercise of the Options in respect of all Options granted under the Option Scheme) shall not exceed fifteen per cent. (15%) of the total number of Shares of the Company (excluding treasury shares) on the day preceding that date; and

(ii) the aggregate number of Shares to be offered to certain participants collectively and individually during the duration of the Option Scheme (subject to adjustments, if any, made under the Option Scheme) shall not exceed such limits or, as the case may be, sub-limits as may be prescribed in the Option Scheme.

By Order of the Board
Ong Beng Hong
Joint Company Secretary
11 April 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note:

(i) The Ordinary Resolution 7, if passed, will empower the Directors from the date of this Meeting until the conclusion of the next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by law to be held, or when revoked or varied by the Company in general meeting, whichever is earlier, to allot and issue further shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum as set out in the resolution.

Special Notice Regarding Measures to Minimise Risk of Community Spread of 2019 Novel Coronavirus ("COVID-19")

This Annual General Meeting is convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**COVID-19 Order 2020**"). Printed copies of the Annual Report 2023 will not be sent to members but will be published on the SGX website at www.sgx.com and on the Company's website at the URL https://www.jbcocoa.com/announcement/.

Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting are set out in the Company's announcement dated 11 April 2023 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 26 April 2023" which has been uploaded together with this Notice on SGXNet on the same day. This announcement may also be accessed on the Company's website at the URL https://www.jbcocoa.com/announcement/.

A. Live Annual General Meeting Webcast:

1. The Annual General Meeting will be held by way of electronic means and a member (including CPF and SRS investors) or his/her/its duly appointed proxies will be able to participate in the proceedings of the Annual General Meeting through a "live" webcast via his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, a member must pre-register by 10 a.m. on 23 April 2023, at the URL https://conveneagm.com/sg/jbfoods2023 (the "**Registration Link**"). The Registration Link will open for registration on 11 April 2023 until 10 a.m. on 23 April 2023 (the "**Registration Deadline**") to enable the Company to verify their status.

2. Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the Annual General Meeting, how to submit questions live and online (in real time) and how to vote live and online (in real time) by 10 p.m. on 24 April 2023.

3. Members who have received the email instructions must not forward the email instructions to other persons who are not members or who are not entitled to attend the Annual General Meeting.

4. Members who register by the Registration Deadline but do not receive an email response by 10 p.m. on 24 April 2023 may contact the Company by email at JBFAGM2023@jbcocoa.com.

B. Voting at the Annual General Meeting:

1. Voting for all resolutions will be conducted by a poll. Voting at the Annual General Meeting may be carried out in one of two ways, by:

   (a) a member or its duly appointed proxy(ies) voting live and online (in real time) by logging into the URL https://conveneagm.com/sg/jbfoods2023; or

   (b) submitting a proxy form (in advance of the Annual General Meeting) appointing the Chairman of the Annual General Meeting as his/her/its proxy to cast votes, or abstain from voting, on his/her/its behalf at the Annual General Meeting. In appointing the Chairman of the Annual General Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

2. The accompanying proxy form for the Annual General Meeting may be accessed at the Company's website at the URL https://www.jbcocoa.com/announcement/ and has also been made available on SGXNet.

3. The proxy form duly completed and signed, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:

   (a) if sent personally or by post, be deposited at the registered office of the Company at 80 Robinson Road, #17-02 Singapore 068898; or

   (b) if submitted by email, be received by the Company at JBFAGM2023@jbcocoa.com,

   in either case, not less than 72 hours before the time for holding the Annual General Meeting, and in default the instrument of proxy shall not be treated as valid.

4. CPF or SRS investors may:

   (a) vote live and online (in real time) at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) appoint the Chairman of the Annual General Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should contact and instruct their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the Annual General Meeting to allow sufficient time for their respective relevant intermediaries to, in turn, submit a proxy form to appoint the Chairman of the Annual General Meeting to vote on their behalf by the cut-off date by 10 a.m. on 17 April 2023.

NOTICE OF
ANNUAL GENERAL MEETING

C. **Submission of Questions:**

1. Members (or their duly appointed proxies) who participate by way of observing the live audio-visual webcast or live audio-only stream of the Annual General Meeting proceedings may ask questions live and online (in real time) during the Annual General Meeting by submitting their questions online via the Registration Link: https://conveneagm.com/sg/jbfoods2023.

2. The directors of the Company will endeavour to address as many substantial and relevant questions submitted online as possible during the Annual General Meeting. However, members should note that there may not be sufficient time available at the Annual General Meeting to address all questions raised. Please note that individual responses will not be sent to members.

3. Questions in advance of the Annual General Meeting may be submitted by 18 April 2023 via the Registration Link, in hard copy by sending personally or by post to the registered office of the Company at 80 Robinson Road, #17-02, Singapore 068898, or by email to JBFAGM2023@jbcocoa.com if they are not exercising their votes live and online during the Annual General Meeting. Members are requested to submit their questions as early as possible so as to allow the Company sufficient time to respond.

4. For questions submitted in advance of the Annual General Meeting by 18 April 2023, the Company will provide replies to all questions which are substantial and relevant to the resolutions as set out in this Notice of the Annual General Meeting by publication on the SGXNet and the Company's website by 10.00 a.m. on 21 April 2023, which is 48 hours before the commencement of the time period during which members must submit their proxy forms if they are not exercising their votes live and online during the Annual General Meeting. The Company will endeavour to address subsequent clarifications sought, follow-up questions or substantial and relevant questions which are received after 18 April 2023, at the Annual General Meeting itself.

5. The Company will also publish the minutes of the Annual General Meeting (which will include all responses to questions, which are substantial and relevant to the resolutions as set out in this Notice, submitted live and online during the Annual General Meeting) on the SGXNet and the Company's website within one month after the date of the Annual General Meeting.

Important Reminder:

Due to the constantly evolving COVID-19 situation (and/or pursuant to any legislative amendments and directives or guidelines from government agencies or regulatory authorities), the Company may be required to change its Annual General Meeting arrangements at short notice. Members are advised to regularly check the Company's website or announcements released on SGXNet for updates on the Annual General Meeting.

Notes on Annual General Meeting (these notes are to be read in conjunction with the Special Notice Regarding Measures to Minimise Risk of Community Spread of COVID-19):

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act 1967 of Singapore (the "**Companies Act**"), a member is entitled to appoint not more than two (2) proxies to participate in the Annual General Meeting to be electronically via a live-audio visual webcast. Where a member appoints more than one (1) proxy, the proportion of his/her/its shareholding to be represented by each proxy must be specified in each of the proxy forms. As this Annual General Meeting is held by electronic means, pursuant to the COVID-19 Order 2020, members should note that if they themselves or their duly appointed proxies are not participating at the Annual General Meeting to vote live and online, the only person they can appoint as proxy to vote on their behalf at the Annual General Meeting is the Chairman of the meeting. Please be reminded that in that case, the proxy form appointing the Chairman of the meeting must be directed, i.e., the member must indicate for each resolution whether the Chairman of the meeting is directed to vote "for" or "against" or "abstain".

2. Pursuant to Section 181(1C) of the Companies Act, any member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to participate in the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where a member who is a Relevant Intermediary appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed must be specified in the relevant proxy form. As this Annual General Meeting is held by electronic means, pursuant to the COVID-19 Order 2020, members who are Relevant Intermediaries should note that if the relevant CPF and or SRS investors have not requested for themselves to be appointed proxies to participate in the Annual General Meeting and vote live and online, the only person Relevant Intermediaries can appoint as proxy to vote on their behalf at the Annual General Meeting is the Chairman of the meeting. Please be reminded that in that case, the proxy form appointing the Chairman of the meeting must be directed, i.e., the member must indicate for each Resolution whether the Chairman of the meeting is directed to vote "for" or "against" or "abstain".

3. The duly executed proxy form appointing a proxy(ies) must be sent personally or by post to the registered office of the Company at 80 Robinson Road, #17-02 Singapore 068898 or submitted via email to JBFAGM2023@jbcocoa.com by 10 a.m. on 23 April 2023.

4. The proxy form appointing a proxy(ies) must be signed by the appointor or his attorney duly authorised in writing. Where a proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. A copy of the power of attorney or such other authority must be submitted together with the duly executed proxy form(s).

5. A depositor's name must appear in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) maintained by The Central Depository (Pte) Limited not later than seventy-two (72) hours before the time set for the Annual General Meeting in order for the depositor to be entitled to participate and vote at the Annual General Meeting either live and online or by proxy.

NOTICE OF ANNUAL GENERAL MEETING

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, or by attending the Annual General Meeting, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof), the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), the publication of the names and comments of the members at the Annual General Meeting and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. In addition, by attending the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for any of the Purposes.

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

Mdm Goh Lee Beng and Mr Tey How Keong are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 26 April 2023 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

	MDM GOH LEE BENG	**MR TEY HOW KEONG**
Date of Appointment	4 May 2012	3 January 2012
Dates of last re-appointment	26 April 2013 30 April 2015 30 April 2018 23 June 2020	30 April 2014 25 April 2017 30 April 2019 28 April 2021
Age	57	57
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experience and suitability of Mdm Goh Lee Beng for re-appointment as Executive Director of the Company. The Board has reviewed and concluded that Mdm Goh Lee Beng possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Tey How Keong for re-appointment as Executive Director of the Company, and as a member of each of the Remuneration Committee, Nominating Committee and the Risk Committee. The Board has reviewed and concluded that Mr Tey How Keong possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and the relevant Board Committees.
Whether appointment is executive, and if so, the area of responsibility	Executive; responsible for procurement of raw materials and managing the cocoa trading positions of the Group	Executive; responsible for the overall strategic, management and business development of the Group
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Chief Executive Office, Executive Director, Nominating Committee Member, Remuneration Committee Member, Risk Committee Member
Professional qualifications	Bachelor of Business Administration from the University of Toledo, College of Business Administration, USA (1989)	Bachelor of Business Administration from the University of Toledo, College of Business Administration, USA (1988)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MDM GOH LEE BENG	MR TEY HOW KEONG
Working experience and occupation(s) during the past 10 years	Executive Director of the Company	Chief Executive Officer and Executive Director of the Company
Shareholding interest in the Company and its subsidiaries	143,088,066 shares (5,058,066 direct; 138,030,000 deemed)	142,292,567 shares (4,262,567 direct; 138,030,000 deemed)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	Spouse of Mr Tey How Keong, the Chief Executive Officer and an Executive Director of the Company Shareholder of JB Cocoa Group Sdn Bhd, a substantial shareholder of the Company	Spouse of Mdm Goh Lee Beng, an Executive Director of the Company Shareholder of JB Cocoa Group Sdn Bhd, a substantial shareholder of the Company Son of Mr Tey Kan Sam @ Tey Hin Ken, a substantial shareholder of the Company Son of Mdm Lim Ah Bet @ Chabo, a substantial shareholder of the Company
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes
Other Principal Commitments and Country of Principal Residence Including Directorships (for the last 5 years) *"Principal Commitments" has the same meaning as defined in the Code.	Past (for the past 5 years): N/A Present: Directorships in the Group's subsidiaries Malaysia	Past (for the past 5 years): N/A Present: Directorships in the Group's subsidiaries Malaysia
Other Information		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

		MDM GOH LEE BENG	MR TEY HOW KEONG
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

		MDM GOH LEE BENG	MR TEY HOW KEONG
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

		MDM GOH LEE BENG	MR TEY HOW KEONG
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Prior Experience			
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).		N/A	N/A

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

PROXY FORM

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URL https://www.jbcocoa.com/announcement/. A printed copy of this form of proxy will NOT be despatched to members.

IMPORTANT

1. For investors who have used their Central Provident Fund or Supplementary Retirement Scheme monies to buy Shares in the Company (the "CPF Investors" or "SRS Investors"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPF or SRS investors may:
   (a) vote live and online (in real time) at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Annual General Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should contact and instruct their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the Annual General Meeting to allow sufficient time for their respective Relevant Intermediaries to submit a proxy form(s) to appoint the Chairman of the Annual General Meeting to vote on behalf by 10.00 a.m. on 17 April 2023.

*I/We ______________________________ (Name) ______________________ (NRIC/Passport/UEN No.)

of ____ (Address)

being a *member/members of JB FOODS LIMITED (the "Company"), hereby appoint:

(a)

Name	**Address**	**Email Address**	**NRIC/Passport No.**	**Proportion of Shareholdings (%)**

and/or (delete as appropriate)

Name	**Address**	**Email Address**	**NRIC/Passport No.**	**Proportion of Shareholdings (%)**

OR

(b) the Chairman of the Annual General Meeting as my/our proxy to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held by way of electronic means on Wednesday, 26 April 2023 at 10:00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for, against and/or abstain from voting on the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, in respect of a resolution, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion. Where the Chairman of the Annual General Meeting is appointed as proxy and in the absence of specific directions as to voting is given, the appointment of the Chairman of the Annual General Meeting as proxy will be treated as invalid.

The Ordinary Resolutions put to vote at the Annual General Meeting shall be decided by way of poll.

Resolution No.	**Ordinary Resolutions**	**No. of Votes For***	**No. of Votes Against***	**No. of Votes Abstaining***
1	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2022, the Directors' Statement and the Auditor's Report thereon.			
2	To declare a final tax-exempt (one-tier) cash dividend of 1.60 Singapore cents per ordinary share for the financial year ended 31 December 2022.			
3	To re-elect Mdm Goh Lee Beng as a Director retiring under Article 98 of the Company's Constitution.			
4	To re-elect Mr Tey How Keong as a Director retiring under Article 98 of the Company's Constitution.			
5	To approve Directors' fees of S$162,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears.			
6	To re-appoint Messrs BDO LLP as Auditors and to authorise the Directors to fix their remuneration.			
7	To approve the proposed share issue mandate.			
8	To approve the proposed grant of authority to allot and issue shares under the JB Foods Employee Share Option Scheme 2014.			

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the resolution in respect of all your votes, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise some and not all of your votes "For" and/or "Against" the relevant resolution and/or to abstain from voting in respect of the resolution, please indicate the number of shares in the boxes provided.

Dated this ________ day of ________________ 2023.

Total Number of Ordinary Shares Held	

____
Signature(s) of Member(s)
Or Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

1. For the Annual General Meeting, members of the Company may vote by registering to participate in the Annual General Meeting themselves or by their duly appointed proxies live and online in accordance with the instructions set out in the Company's announcement dated 11 April 2023 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 26 April 2023".

2. Please insert the total number of ordinary shares held by you. If you have ordinary shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of ordinary shares. If you have ordinary shares registered in your name in the Register of Members, you should insert that number of ordinary shares. If you have ordinary shares entered against your name in the Depository Register and ordinary shares registered in your name in the Register of Members, you should insert the aggregate number of ordinary shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the ordinary shares held by you.

3. A member who is not a Relevant Intermediary is entitled to appoint not more than two proxies. Where such a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy must be specified in the relevant proxy form.

4. A "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

5. A member who is a Relevant Intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such a member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

6. A proxy need not be a member of the Company.

7. The proxy form appointing a proxy must be signed under the hand of the appointor or by his attorney duly authorised in writing. Where the proxy form appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a proxy form(s) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company) must be sent with the executed proxy form either by post or by email, failing which the proxy form may be treated as invalid.

8. The duly executed instrument appointing a proxy or proxies must be sent personally or by post to the registered office of the Company at 80 Robinson Road, #17-02 Singapore 068898 or submitted via email at JBFAGM2023@jbcocoa.com not less than seventy-two (72) hours before the time set for the Annual General Meeting.

GENERAL

The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Annual General Meeting as proxy). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

JB FOODS LIMITED
80 Robinson Road #17-02
Singapore 068898
https://www.jbcocoa.com/