

QAF LIMITED
 Company Registration No. 195800035D
 (Incorporated in the Republic of Singapore)
 (the “Company”)

PROFIT GUIDANCE – UNAUDITED FY2019 RESULTS

The Company had in its announcement dated 7 November 2019 relating to its 3Q2019 financial results, stated that barring unforeseen circumstances, the Group expects to achieve better performance in FY2019 compared to FY2018.

Certain changes to the SGX-ST Listing Manual, including to Practice Note 7.1 on Continuing Disclosure (“PN 7.1”), took effect on 7 February 2020. PN 7.1 now states, amongst others, that during the course of preparing its financial reports, an issuer may become aware that the company’s financial position will significantly deviate from previously reported results. In such a situation, the issuer should disclose the significant deviation immediately, and not withhold it until the scheduled release of the financial report. This is made clear in paragraph 8 of Appendix 7.1, which states that where there is firm evidence of significant improvement or deterioration in the near-term earnings prospects, this is likely to be considered material information which must be disclosed immediately. Issuers should take into account the information currently available to the public that might inform investors’ expectations on the issuer’s future performance. This will necessarily include previous prospect statements made by the issuer in its financial reports.

PN 7.1 also provides guidance on what constitutes material information for the purpose of Rule 703(1) of the Listing Manual. Rule 703(1), inter alia, requires an issuer to announce any information known to it concerning it or its subsidiaries which is necessary to avoid the establishment of a false market in the issuer’s securities (“trade-sensitive” information) or would be likely to materially affect the price or value of the issuer’s securities (“materially price-sensitive” information). Information is considered material and required to be disclosed as long as it is either trade-sensitive or materially price-sensitive. The new PN7.1 sets out guidance on these two categories of material information. SGX-ST has commented that if a listed company is unable to ascertain whether information is material, or is in any doubt about whether to disclose, the recommended course of action is to announce the information immediately via SGXNet.

The Company wishes to update shareholders that based on review to-date of the Group’s unaudited consolidated financial results for the financial year ended 31 December 2019 (“FY2019 Results”), the Company expects, subject, amongst others, to approval of its Audit & Risk Committee and Board of Directors, to report a significant improvement in the Group’s profit before tax and profit after tax for FY2019 compared to FY2018, mainly attributable to the Primary Production business’ performance. Certain estimated figures for 4Q2019/FY2019 are set out below:

	4Q19	4Q18	%	FY2019	FY2018	%
	\$’millions	\$’millions	change	\$’millions	\$’millions	change
Revenue	224.4	213.4	5.2%	863.9	814.9	6.0%
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	36.1	15.1	139.3%	83.4	50.0	66.8%
- EBITDA margin	16.1%	7.1%		9.7%	6.1%	
Profit before taxation	23.4	5.7	308.3%	33.1	13.3	148.7%
- PBT margin	10.4%	2.7%		3.8%	1.6%	

<i>Profit after taxation</i>	22.7	4.2	435.5%	28.2	8.7	226.1%
- PAT margin	10.1%	2.0%		3.3%	1.1%	
<i>Underlying earnings</i>	15.7	8.3	89.2%	23.3	22.3	4.5%
- Underlying earnings margin	7.0%	3.9%		2.7%	2.7%	

The Company wishes to highlight that details of the Group's FY2019 Results, including analyses and commentary, will be set out in the Company's announcement of its FY2019 Results to be released in due course later this month. The above estimated figures remain subject, *inter alia*, to review and approval of the Company's Audit and Risk Committee and the Board. Shareholders are advised to exercise caution when dealing in the shares of the Company and to seek the advice of their stockbrokers, bank managers, solicitors or other professional advisers when dealing in the shares of the Company.

By Order of the Board

Serene Yeo
Company Secretary

18 February 2020