

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

QAF LIMITED

Securities

QAF LIMITED - SG1A49000759 - Q01

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No

Announcement Details

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4Q2019/FY2019 Unaudited Results Announcement.

Additional Details

For Financial Period Ended

31/12/2019

Attachments

[QAF%20Limited FY2019%20Results%20Announcement.pdf](#)

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Full Year Unaudited Financial Statements for the Year Ended 31 December 2019

1(a) The following statements in the form presented in the group's most recently audited annual financial statements:-

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

<u>Income Statement</u> (in Singapore Dollars)	<u>Group</u>					
	4th Quarter ended			Full year ended		
	31/12/2019	31/12/2018	+ / (-)	31/12/2019	31/12/2018	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	224,389	213,394	5	863,892	814,868	6
<u>Costs and expenses</u>						
Costs of materials	110,405	117,166	(6)	461,820	443,123	4
Staff costs	48,471	48,382	0	192,383	192,656	(0)
Amortisation and depreciation	11,626	8,747	33	45,313	34,670	31
Repairs and maintenance	5,944	6,390	(7)	24,202	23,930	1
Utilities	6,231	6,902	(10)	26,004	27,042	(4)
Advertising and promotion	2,214	1,181	87	11,595	11,235	3
Other operating expenses	17,507	21,202	(17)	69,676	75,281	(7)
Total costs and expenses	202,398	209,970	(4)	830,993	807,937	3
Profit from operating activities	21,991	3,424	542	32,899	6,931	375
Finance costs	(1,301)	(830)	57	(5,841)	(3,370)	73
Share of profits of joint venture	2,747	3,146	(13)	6,020	9,737	(38)
Profit before tax	23,437	5,740	308	33,078	13,298	149
Income tax expense						
- Current year	(827)	(1,827)	(55)	(4,549)	(5,149)	(12)
- Over/(Under) provision in prior years	86	325	(74)	(291)	510	n.m.
	(741)	(1,502)	(51)	(4,840)	(4,639)	4
Profit after tax	22,696	4,238	436	28,238	8,659	226
<u>Attributable to:</u>						
Owners of the parent	22,524	4,127	446	27,579	8,129	239
Non-controlling interests	172	111	55	659	530	24
	22,696	4,238	436	28,238	8,659	226

n.m. = not meaningful

(i) **Statement of Comprehensive Income**

	Group			
	4th Quarter ended		Full year ended	
	<u>31/12/2019</u>	<u>31/12/2018</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Profit after tax	22,696	4,238	28,238	8,659
Other comprehensive income:				
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
- Actuarial (loss)/gain on defined benefit plans	(804)	981	(804)	981
<u>Items that may be reclassified subsequently to profit or loss:</u>				
- Currency translation arising on consolidation	1,408	(22)	(371)	(10,607)
- Net fair value loss on investment securities at fair value through other comprehensive income	(167)	(251)	(167)	(251)
- Share of other comprehensive income of joint venture	(244)	53	(243)	(57)
Other comprehensive income for the year, net of tax	193	761	(1,585)	(9,934)
Total comprehensive income for the year	<u>22,889</u>	<u>4,999</u>	<u>26,653</u>	<u>(1,275)</u>
<u>Total comprehensive income attributable to:</u>				
Owners of the parent	22,756	4,752	25,935	(1,974)
Non-controlling interests	133	247	718	699
	<u>22,889</u>	<u>4,999</u>	<u>26,653</u>	<u>(1,275)</u>

Notes to the Income Statement

Please see Section 8 for commentaries on the Income Statement.

- (ii) The following items, if significant, must be included in the income statement or in the notes to the income statement for current financial period reported on and the corresponding period of the immediately preceding financial year:-

The Group's profit from operating activities is stated after (charging) / crediting:

	Group					
	4th Quarter ended		+ / (-) %	Full year ended		
	<u>31/12/2019</u>	<u>31/12/2018</u>		<u>31/12/2019</u>	<u>31/12/2018</u>	<u>+ / (-)</u>
	S\$'000	S\$'000		S\$'000	S\$'000	%
Other income including interest income	1,302	837	56	5,128	4,083	26
Other Operating Expenses which include the following:						
Operating lease rental expense	(3,569)	(4,376)	(18)	(12,910)	(16,347)	(21)
Distribution and transportation expense	(2,797)	(3,096)	(10)	(10,425)	(10,447)	(0)
Other professional fees	(1,298)	(526)	147	(4,002)	(3,068)	30
Foreign currency translation gain/(loss)	459	(1,256)	n.m.	(1,448)	(4,120)	(65)
Loss allowance for inventories (charged)/written-back and inventories written off, net	(182)	217	n.m.	(872)	(208)	319
Loss allowance for receivables charged and bad debts written off, net	(388)	(427)	(9)	(883)	(679)	30
Loss on disposal of property, plant & equipment and investment properties	(639)	(931)	(31)	(541)	(930)	(42)
Write-back of impairment loss/ (impairment loss) on investment securities	75	(162)	n.m.	(21)	(162)	(87)

1(b)(i) A statement of financial position for the company and group, together with a comparative statement as at the end of the immediately preceding financial year:-

Statements of Financial Position

(in Singapore Dollars)

Current assets

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	S\$'000	S\$'000	S\$'000	S\$'000
Biological assets	58,573	52,121	-	-
Inventories	75,745	67,481	-	-
Trade receivables	106,847	105,037	-	-
Other receivables	30,479	28,538	46,468	52,772
Tax recoverable	3,054	1,999	-	-
Short-term investments	-	4,676	-	4,676
Cash and cash equivalents	73,167	60,259	22,186	19,647
	<u>347,865</u>	<u>320,111</u>	<u>68,654</u>	<u>77,095</u>

Non-current assets

Property, plant & equipment	355,550	356,675	3,770	3,983
Right-of-use assets	41,328	-	354	-
Investment properties	-	6,215	-	-
Investment in subsidiaries	-	-	100,132	100,132
Advances to subsidiaries	-	-	152,091	149,383
Investment in joint venture and associate	79,814	80,483	-	-
Pension assets	2,795	2,338	-	-
Long-term investments	1,618	1,801	1,618	1,776
Intangibles	109	125	942	1,130
Deferred tax assets	21,394	15,885	-	-
	<u>502,608</u>	<u>463,522</u>	<u>258,907</u>	<u>256,404</u>

Total assets	850,473	783,633	327,561	333,499
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Current liabilities

Trade payables	88,855	75,510	173	209
Other payables	65,398	66,725	4,359	3,903
Short-term borrowings	58,522	52,551	-	-
Long-term borrowings - current portion	6,679	4,269	-	-
Lease liabilities - current portion	8,629	599	94	-
Income tax payable	3,652	2,990	708	967
	<u>231,735</u>	<u>202,644</u>	<u>5,334</u>	<u>5,079</u>

Non-current liabilities

Other payables	15,009	12,988	4,826	5,744
Long-term borrowings	57,577	51,564	-	-
Lease liabilities	34,248	986	266	-
Deferred tax liabilities	11,584	10,432	1,164	1,356
	<u>118,418</u>	<u>75,970</u>	<u>6,256</u>	<u>7,100</u>

Total liabilities	350,153	278,614	11,590	12,179
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Net assets	<u>500,320</u>	<u>505,019</u>	<u>315,971</u>	<u>321,320</u>
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Capital and reserves

Share capital	277,043	277,043	277,043	277,043
Reserves	230,542	234,361	38,928	44,277
Equity attributable to owners of the parent	<u>507,585</u>	<u>511,404</u>	<u>315,971</u>	<u>321,320</u>
Non-controlling interests	(7,265)	(6,385)	-	-
Total equity	<u>500,320</u>	<u>505,019</u>	<u>315,971</u>	<u>321,320</u>

Please see Section 8 for commentaries on the Group's Statement of Financial Position.

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

(a) ***Amount repayable within one year including those on demand***

As at 31/12/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
22,597	51,233	23,298	34,121

(b) ***Amount repayable after one year***

As at 31/12/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
11,985	79,840	10,914	41,636

(c) ***Details of any collaterals***

At the end of the financial year, property, plant & equipment and inventories with total net book values of \$39,627,000 (as at 31/12/2018: \$37,421,000) were pledged to secure certain credit facilities for the Group.

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

	Group	
	Full year ended	
<u>Statement of Cash Flows</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
(in Singapore Dollars)	S\$'000	S\$'000
<u>Cash flows from operating activities:</u>		
Profit before tax	33,078	13,298
Adjustments for:		
Amortisation and depreciation	45,313	34,670
Loss on disposal of property, plant & equipment and investment properties	541	930
Share of profits of joint venture	(6,020)	(9,737)
Impairment loss on investment securities	21	162
Gain on disposal of investment securities	(34)	-
Fair value changes on biological assets	(7,304)	1,694
Loss allowance for receivables charged and bad debts written off, net	883	679
Interest expense	5,841	3,370
Interest income	(801)	(1,306)
Exchange differences	995	4,692
Operating profit before working capital changes	72,513	48,452
Increase in trade and other receivables	(5,997)	(17,275)
Increase in inventories and biological assets	(9,124)	(2,045)
Increase in trade and other payables	16,262	3,935
Cash from operations	73,654	33,067
Interest paid, net	(5,014)	(1,864)
Income tax paid	(9,260)	(10,271)
Net cash from operating activities	59,380	20,932
<u>Cash flows from investing activities:</u>		
Purchase of property, plant & equipment and investment properties	(35,472)	(74,384)
Proceeds from disposal of property, plant & equipment and investment properties	1,103	450
Purchase of intangibles	-	(150)
Investment in associate	(140)	-
Dividends received from joint venture	8,196	5,018
Proceeds from redemption of investment securities	4,706	-
Net cash used in investing activities	(21,607)	(69,066)
<u>Cash flows from financing activities:</u>		
Dividends paid during the year	(28,763)	(23,441)
Dividends paid to non-controlling interests	(379)	(2,166)
Proceeds from borrowings	23,227	34,540
Repayment of borrowings	(8,421)	(32,516)
Repayment of lease liabilities	(8,809)	(557)
Proceeds from long-term loans from non-controlling interests	71	450
Acquisition of non-controlling interest share in a subsidiary	(1,680)	-
Payment of remaining consideration for acquisition of non-controlling interest share in a subsidiary	-	(590)
Net cash used in financing activities	(24,754)	(24,280)
Net increase/(decrease) in cash and cash equivalents	13,019	(72,414)
Cash and cash equivalents at beginning of year	60,259	136,454
Effect of exchange rate changes on cash and cash equivalents	(111)	(3,781)
Cash and cash equivalents at end of year	73,167	60,259

1(d)(i) A statement for the company and group showing all changes in equity, together with a comparative statement for the corresponding period of the immediately preceding financial year:-

Statement of Changes in Equity

(In Singapore Dollars)

Group	Share capital \$'000	Revaluation reserve \$'000	Capital reserve \$'000	Fair value reserve \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 January 2019	277,043	244	(2,410)	146	247,429	(11,048)	(6,385)	505,019
Total comprehensive income for the year								
Net profit for the year	-	-	-	-	27,579	-	659	28,238
Other comprehensive income								
<i>Currency translation arising on consolidation</i>	-	-	-	-	-	(511)	140	(371)
<i>Net fair value loss on investment securities at fair value through other comprehensive income</i>	-	-	-	(167)	-	-	-	(167)
<i>Actuarial loss on defined benefit plans</i>	-	-	-	-	(723)	-	(81)	(804)
<i>Share of other comprehensive income of joint venture</i>	-	-	-	-	-	(243)	-	(243)
Other comprehensive income for the year, net of tax	-	-	-	(167)	(723)	(754)	59	(1,585)
Total comprehensive income for the year	-	-	-	(167)	26,856	(754)	718	26,653
Transactions with owners in their capacity as owners								
Contributions by and distributions to owners								
Transfer to other payables	-	-	-	-	-	-	(530)	(530)
Dividends	-	-	-	-	(28,858)	-	(284)	(29,142)
Total contributions by and distributions to owners	-	-	-	-	(28,858)	-	(814)	(29,672)
Change in ownership interest in subsidiary								
Acquisition of non-controlling interests without a change in control	-	-	(896)	-	-	-	(784)	(1,680)
Total change in ownership interests in subsidiary	-	-	(896)	-	-	-	(784)	(1,680)
Total transactions with owners in their capacity as owners	-	-	(896)	-	(28,858)	-	(1,598)	(31,352)
Balance at 31 December 2019	277,043	244	(3,306)	(21)	245,427	(11,802)	(7,265)	500,320

1(d)(i)

Group	Share capital \$'000	Revaluation reserve \$'000	Capital reserve \$'000	Fair value reserve \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 January 2018	272,009	244	(2,410)	397	267,007	(319)	(6,367)	530,561
Total comprehensive income for the year								
Net profit for the year	-	-	-	-	8,129	-	530	8,659
<u>Other comprehensive income</u>								
Currency translation arising on consolidation	-	-	-	-	-	(10,672)	65	(10,607)
Net fair value loss on investment securities at fair value through other comprehensive income	-	-	-	(251)	-	-	-	(251)
Actuarial gain on defined benefit plans	-	-	-	-	877	-	104	981
Share of other comprehensive income of joint venture	-	-	-	-	-	(57)	-	(57)
Other comprehensive income for the year, net of tax	-	-	-	(251)	877	(10,729)	169	(9,934)
Total comprehensive income for the year	-	-	-	(251)	9,006	(10,729)	699	(1,275)
Transactions with owners in their capacity as owners								
<u>Contributions by and distributions to owners</u>								
Issuance of ordinary shares in lieu of cash dividends	5,034	-	-	-	-	-	-	5,034
Transfer to other payables	-	-	-	-	-	-	(158)	(158)
Dividends	-	-	-	-	(28,584)	-	(559)	(29,143)
Total transactions with owners in their capacity as owners	5,034	-	-	-	(28,584)	-	(717)	(24,267)
Balance at 31 December 2018	<u>277,043</u>	<u>244</u>	<u>(2,410)</u>	<u>146</u>	<u>247,429</u>	<u>(11,048)</u>	<u>(6,385)</u>	<u>505,019</u>

Company	Share capital \$'000	Fair value reserve \$'000	Revenue reserve \$'000	Total equity \$'000
Balance at 1 January 2019	277,043	146	44,131	321,320
Net profit for the year	-	-	23,581	23,581
<u>Other comprehensive income</u>				
Net fair value loss on investment securities at fair value through other comprehensive income	-	(167)	-	(167)
Total comprehensive income for the year	-	(167)	23,581	23,414
<u>Contributions by and distributions to owners</u>				
Dividends	-	-	(28,763)	(28,763)
Total transactions with owners in their capacity as owners	-	-	(28,763)	(28,763)
Balance at 31 December 2019	<u>277,043</u>	<u>(21)</u>	<u>38,949</u>	<u>315,971</u>

Company	Share capital \$'000	Fair value reserve \$'000	Revenue reserve \$'000	Total equity \$'000
Balance at 1 January 2018	272,009	397	56,931	329,337
Net profit for the year	-	-	15,675	15,675
<u>Other comprehensive income</u>				
Net fair value loss on investment securities at fair value through other comprehensive income	-	(251)	-	(251)
Total comprehensive income for the year	-	(251)	15,675	15,424
<u>Contributions by and distributions to owners</u>				
Issuance of ordinary shares in lieu of cash dividends	5,034	-	-	5,034
Dividends	-	-	(28,475)	(28,475)
Total transactions with owners in their capacity as owners	5,034	-	(28,475)	(23,441)
Balance at 31 December 2018	<u>277,043</u>	<u>146</u>	<u>44,131</u>	<u>321,320</u>

1(d)(ii) Details of any changes in the company's issued share capital.

Since 30 September 2019 up to 31 December 2019, there has been no change to the issued and paid-up share capital of the Company.

1(d)(iii) Total number of issued shares excluding treasury shares.

	<u>As at</u> <u>31/12/2019</u>	<u>As at</u> <u>31/12/2018</u>
Total number of issued shares (excluding treasury shares)	575,268,440	575,268,440

No treasury shares are held by the Company during the year under review.

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

There was no sale, transfer, cancellation and/or use of treasury shares of Company during the year under review.

1(d)(v) Statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company did not have any subsidiary holdings as at 31 December 2019.

There was no sale, transfer, cancellation and/or use of subsidiary holdings during the year under review.

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

The figures have not been audited or reviewed.

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

N.A.

4. Whether the same accounting policies and methods of computation as in the company's most recently audited financial statements have been applied.

The Group has applied the same accounting policies and methods of computation as in the Group's audited financial statements for the previous year ended 31 December 2018. However, the Group adopted new or amended Singapore Financial Reporting Framework (International) ("SFRS(I)") and interpretations that are mandatory for financial years beginning on or after 1 January 2019.

Other than the impact on adoption of the SFRS(I) 16 *Leases* that is effective on 1 January 2019, the adoption of new or amended standards and interpretations is assessed to have no material impact on the financial performance or position of the Group and the Company.

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

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use (“ROU”) asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset in the income statement.

The Group adopted SFRS(I) 16 on 1 January 2019, using the modified retrospective approach, without restating prior years’ information.

On adoption of SFRS(I) 16, the Group and the Company recognised an amount of ROU assets equal to the lease liabilities of \$39.0 million and \$0.3 million, respectively, as at 1 January 2019. Subsequent to initial recognition, the Group and the Company will depreciate the ROU assets over the shorter of the useful life of the ROU assets and the lease term, and recognise interest expenses on the lease liabilities.

The adoption of SFRS(I) 16 resulted in an increase in total assets and total liabilities, Earnings before Interest, Tax, Depreciation and amortisation (“EBITDA”) and gearing ratio.

6. **Earnings per ordinary share (“EPS”) of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year:**

	Full year ended	
	<u>31/12/2019</u>	<u>31/12/2018</u>
Basic and Diluted EPS	4.8 cents	1.4 cents
<u>Number of shares used for the calculation of Basic and Diluted EPS:</u>		
Weighted average number of ordinary shares in issue	575,268,000	570,938,000

7. **Net asset value for the company and group per ordinary share based on the total number of issued shares excluding treasury shares of the company at the end of the period reported on and immediately preceding financial year:**

	<u>As at 31/12/2019</u>	<u>As at 31/12/2018</u>
Group	88.2 cents	88.9 cents
QAF Limited	54.9 cents	55.9 cents
Number of shares used for the calculation of Net asset value:	575,268,440	575,268,440

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

INCOME STATEMENT

4Q 2019 vs 4Q 2018

	Revenue [^]			EBITDA			EBITDA margin	
	4Q 2019	4Q 2018	+ / (-)	4Q 2019	4Q 2018	+ / (-)	4Q 2019	4Q 2018
	\$'million	\$'million	%	\$'million	\$'million	%	%	%
Segment								
Bakery	103.4	93.9	10	17.0	15.0	13	16	16
Royalty income from joint venture	0.6	0.9	(33)	0.6	0.9	(33)		
Share of profits from joint venture	-	-	-	2.7	3.1	(13)		
Bakery and joint venture contribution	104.0	94.8	10	20.3	19.0	7		
Primary Production	90.7	90.8	(0)	16.0	0.7	n.m.	18	1
Distribution & Warehousing	29.7	27.4	8	1.8	0.5	260	6	2
Others *	-	0.4	(100)	(2.0)	(5.1)	(61)		
	<u>224.4</u>	<u>213.4</u>	<u>5</u>	<u>36.1</u>	<u>15.1</u>	<u>139</u>	<u>16</u>	<u>7</u>

* Exclude share of profits and royalty income from joint venture Gardenia Bakeries (KL) Sdn Bhd ("GBKL")

[^] GBKL's revenue is not consolidated as it is accounted for as a joint venture. GBKL's revenue increased 12% or \$9.4 million to \$91.1 million in 4Q 2019 from \$81.7 million in 4Q 2018

Group revenue increased by 5% to \$224.4 million for the fourth quarter ended 31 December 2019 ("4Q 2019") from \$213.4 million for the fourth quarter ended 31 December 2018 ("4Q 2018"). In constant currency terms, Group revenue increased by 7% in 4Q 2019 over 4Q 2018. Group earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 139% to \$36.1 million for 4Q 2019 from \$15.1 million for 4Q 2018. Excluding the impact of the adoption of SFRS(I) 16 Leases (as explained in Section 5 on page 10), which resulted in an increase in EBITDA of \$2.6 million, Group EBITDA would have increased by \$18.4 million or 122%. The increase is due to better performance of Primary Production segment.

Despite higher sales, the Group's costs of materials decreased by 6% or \$6.8 million to \$110.4 million in 4Q 2019 mainly due to the recognition of \$7.3 million gain on revaluation of biological assets in line with higher selling prices. Amortisation and depreciation increased by 33% or \$2.9 million to \$11.6 million in 4Q 2019 due primarily to additional depreciation charge of \$2.2 million incurred from the recognition of ROU assets due to new accounting standard on leases (as explained in Section 5 on page 10). This was offset by a corresponding decrease in operating lease rental expense and costs of materials in 4Q 2019. There was also higher depreciation of \$0.8 million with the commencement of operations of the new plants in the Philippines.

The Group's utilities decreased by 10% or \$0.7 million to \$6.2 million in 4Q 2019 due mainly to decrease in Rivalea Holdings Pty Limited's ("Rivalea") electricity and gas usage with the commissioning of its third biogas generator. Advertising and promotion expenses increased by \$1.0 million to \$2.2 million in 4Q 2019 as compared to 4Q 2018 because there was a write-back of certain provisions no longer required in 4Q 2018.

Other operating expenses decreased by 17% or \$3.7 million to \$17.5 million in 4Q 2019 as compared to \$21.2 million in 4Q 2018 due mainly to foreign currency translation gain in 4Q 2019 and lower operating lease rental expense due to new accounting standing on leases (as explained in Section 5 on page 10). The Group recorded foreign currency translation gain of \$0.5 million in 4Q 2019 as compared to foreign currency translation loss of \$1.3 million in 4Q 2018 as the Australian Dollar appreciated in 4Q 2019, as compared to depreciation in 4Q 2018.

Group finance costs (interest expense) increased by 57% or \$0.5 million to \$1.3 million in 4Q 2019 from \$0.8 million in 4Q 2018 due mainly to higher interest expense of \$0.4 million as a result of the new accounting standard (as explained in Section 5 on page 10).

The Group's share of profits of joint venture decreased by 13% or \$0.4 million to \$2.7 million in 4Q 2019 from \$3.1 million in 4Q 2018 due to the absence of tax incentives that were recognised in 4Q 2018 by GBKL following the completion of its new bakery plant in Bukit Kemuning in 2018.

8. Review of the performance of the group (cont'd)

INCOME STATEMENT (cont'd)

4Q 2019 vs 4Q 2018 (cont'd)

Group PBT increased by 308% from \$5.7 million for 4Q 2018 to \$23.4 million for 4Q 2019 with margin improving from 2.7% to 10.4%. Group PAT increased by 436% to \$22.7 million for 4Q 2019 as compared to \$4.2 million for 4Q 2018. PAT margin improved from 2% in 4Q 2018 to 10.1% in 4Q 2019. The increase in Group PAT is higher than the increase in Group PBT as Rivalea's 4Q 2019 profits are presently not liable for tax due to its existing tax benefits structure. Group PATMI increased to \$22.5 million for 4Q 2019 as compared to \$4.1 million for 4Q 2018 with margin improving from 1.9% to 10%.

Underlying earnings, which excludes fair value gain on biological assets, foreign currency translation gain/loss, among others, increased by 89.2% from \$8.3 million for 4Q 2018 to \$15.7 million for 4Q 2019. Underlying earnings margin improved from 3.9% in 4Q 2018 to 7% in 4Q 2019.

The new accounting standard has no material impact on Group PBT, PAT, PATMI and underlying earnings for 4Q 2019.

FY 2019 vs FY 2018

Segment	Revenue [^]			EBITDA			EBITDA margin	
	FY 2019	FY 2018	+ / (-)	FY 2019	FY 2018	+ / (-)	FY 2019	FY 2018
	\$'million	\$'million	%	\$'million	\$'million	%	%	%
Bakery	379.4	348.5	9	50.2	48.7	3	13	14
Royalty income from joint venture	4.9	4.9	-	4.9	4.9	-		
Share of profits from joint venture	-	-	-	6.0	9.7	(38)		
Bakery and joint venture contribution	384.3	353.4	9	61.1	63.3	(3)		
Primary Production	366.8	353.8	4	26.6	1.2	n.m.	7	0
Distribution & Warehousing	112.3	106.5	5	7.9	2.6	204	7	2
Others *	0.5	1.2	(58)	(12.2)	(17.1)	(29)		
	<u>863.9</u>	<u>814.9</u>	<u>6</u>	<u>83.4</u>	<u>50.0</u>	<u>67</u>	<u>10</u>	<u>6</u>

* Exclude share of profits and royalty income from joint venture GBKL

[^] GBKL's revenue is not consolidated as it is accounted for as a joint venture. GBKL's revenue increased 9% or \$26.6 million to \$337.2 million in FY 2019 from \$310.6 million in FY 2018

Group revenue increased by 6% to \$863.9 million for financial year ended 31 December 2019 ("FY 2019") from \$814.9 million for financial year ended 31 December 2018 ("FY 2018"). In constant currency terms, Group revenue increased by 8% in FY 2019 over FY 2018. Group EBITDA increased by 67% to \$83.4 million for FY 2019 from \$50.0 million for FY 2018. Excluding the impact of new accounting standard, which resulted in an increase in EBITDA of \$9.9 million, Group EBITDA would have increased by \$23.5 million to \$73.5 million. The increase is due to better performance of Primary Production segment.

The Group's costs of materials increased by 4% or \$18.7 million to \$461.8 million in FY 2019 in line with higher sales volume in the Bakery and Distribution & Warehousing segments and higher grain prices in the Primary Production segment, partly offset by Rivalea's recognition of revaluation gain on biological assets of \$7.3 million, as compared to a \$1.7 million write-down in FY 2018.

Amortisation and depreciation increased by 31% or \$10.6 million to \$45.3 million in FY 2019 due primarily to additional depreciation charge of \$8.3 million incurred from the recognition of ROU assets (as explained in Section 5 on page 10). This was offset by a corresponding decrease in operating lease rental expense and costs of materials in FY 2019. There was also higher depreciation of \$3.2 million with the commencement of operations of the new plants in the Philippines.

Included in other operating expenses are operating lease rental expense and foreign currency translation loss. Other operating expenses decreased by 7% or \$5.6 million to \$69.7 million in FY 2019 as compared to \$75.3 million in FY 2018 due mainly to lower foreign currency translation loss and lower operating lease rental expense due to new accounting standing on leases (as explained in Section 5 on page 10). The Group recorded foreign currency translation loss of \$1.4 million in FY 2019 as compared to \$4.1 million in FY 2018 as the Australian Dollar depreciated less in FY 2019, as compared to FY 2018.

8. Review of the performance of the group (cont'd)

INCOME STATEMENT (cont'd)

FY 2019 vs FY 2018 (cont'd)

Group finance costs (interest expense) increased by 73% or \$2.4 million to \$5.8 million in FY 2019 from \$3.4 million in FY 2018 due mainly to higher interest expense of \$1.6 million as a result of new accounting standard (as explained in Section 5 on page 10), and to a smaller extent, an increase of \$1.3 million in line with higher Group's borrowings to fund capital expenditure of the Group's additional production facilities.

The Group's share of profits of joint venture decreased by 38% or \$3.7 million to \$6.0 million in FY 2019 from \$9.7 million in FY 2018 mainly due to the absence of \$5.7 million tax incentives that were recognised in FY 2018 by GBKL from its new bakery plant in Bukit Kemuning which was completed in 2018 and adjustment of \$1.4 million of benefits from tax incentives in FY 2019.

Group PBT increased by 149% from \$13.3 million for FY 2018 to \$33.1 million for FY 2019 with margin improving from 1.6% to 3.8%. Group PAT increased by 226% to \$28.2 million for FY 2019 as compared to \$8.7 million for FY 2018. PAT margin improved from 1.1% in FY 2018 to 3.3% in FY 2019. Group income tax expense increased marginally by \$0.2 million to \$4.8 million for FY 2019 as compared to \$4.6 million for FY 2018, as Rivalea's FY 2019 profits are presently not liable for tax due to its existing tax benefits structure. Group PATMI increased by 239% to \$27.6 million for FY 2019 as compared to \$8.1 million for FY 2018 with margin improving from 1.0% to 3.2%.

Underlying earnings increased by 4.5% from \$22.3 million for FY 2018 to \$23.3 million for FY 2019. Underlying earnings margin was the same at 2.7% for both years.

The new accounting standard has no material impact on Group PBT, PAT, PATMI and underlying earnings for FY 2019.

STATEMENT OF FINANCIAL POSITION

Biological assets increased by 12% or \$6.5 million as at end of FY 2019 due mainly to Rivalea's recognition of \$7.3 million revaluation gain on biological assets in line with higher market prices in 2019. Inventories increased by 12% or \$8.3 million to \$75.7 million as at end of FY 2019, due mainly to higher inventory holdings by the Distribution & Warehousing business segment.

Tax recoverable increased by 53% or \$1.1 million as at end FY 2019 due mainly to payment of minimum corporate income tax by the Philippine subsidiaries during the year. Such payment is expected to be recovered over the next few years.

Short-term bond investments were fully redeemed upon maturity in FY 2019.

Cash and cash equivalents increased by \$12.9 million to \$73.2 million as at end of FY 2019, resulting mainly from \$59.4 million cash from operating activities and \$8.2 million dividends received from GBKL, offset by dividend payment of \$29.1 million and capital expenditure of \$35.5 million, including \$19.7 million for GBPI and \$9.6 million for the Primary Production business.

With the transfer of a commercial property that was previously held as investment property to owner-occupied property and reflected as property, plant and equipment as the Group has increase its usage during the year, the Group no longer carries any investment properties in the balance sheet.

Trade payables increased by 18% to \$88.9 million as at end of FY 2019 due to higher purchases in line with higher sales and higher inventory holdings.

Total short-term and long-term borrowings increased by 13% to \$122.8 million as at end of FY 2019 due to increase in funding for the Group's additional production facilities.

Other payables (non-current) increased by 16% to \$15.0 million as at end of FY 2019 due mainly to higher provision for retirement benefits during the year, in view of expected higher payouts.

With the adoption of SFRS(I) 16 Leases as mentioned in Section 5 on page 10, the ROU assets as at end of FY 2019 mainly related to leases of certain office premises, factories, warehousing/trading/farm facilities and motor vehicles. Accordingly, there was also a corresponding increase in total lease liabilities of approximately \$41.9 million as at end of FY 2019, resulting in an increase in net gearing ratio as at 31 December 2019 to 0.18 times, as compared to 0.10 times as at 31 December 2018.

8. Review of the performance of the group (cont'd)

The performance review of the Group's business segments is as follows:

BAKERY

In 4Q 2019, the Group's Bakery segment achieved overall increase in sales and earnings. Gardenia Bakeries (Philippines) Inc ("GBPI") achieved higher sales through the successful launch of new products, increased market penetration and increased production capacity from completion of additional bakery production lines and facilities in Mindanao and North Luzon. Bakers Maison (M) Sdn Bhd ("BMM") and Farmland Bakery (M) Sdn Bhd ("FLM") achieved higher sales in 4Q 2019 to the Group's joint venture, GBKL. GBKL's sales, which are not included in the Group's revenue, increased by 12% or \$9.4 million to \$91.1 million in 4Q 2019.

For FY 2019, Bakery segment revenue increased by 9% to \$379.4 million from \$348.5 million in FY 2018. In constant currency terms, Bakery revenue increased by 8% in FY 2019 over FY 2018. GBPI achieved higher sales through the successful launches of new products, increased market penetration and increased production capacity from the completion of additional bakery production lines and facilities. BMM and FLM achieved higher sales in FY 2019 to the Group's joint venture, GBKL, whilst Bakers Maison Australia Pty Ltd achieved higher revenue through better market reach. GBKL's sales, which are not included in the Group's revenue, increased by 9% or \$26.6 million to \$337.2 million in FY 2019. Its corresponding EBITDA, including royalty, increased by 9% to \$40.0 million with a margin of 12%.

Bakery EBITDA, excluding GBKL, increased at a lower magnitude of 3% or \$1.5 million, from \$48.7 million for FY 2018 to \$50.2 million for FY 2019, due mainly to higher operating costs arising from, among others and start-up costs related to the two new Philippine plants. Including GBKL, overall contribution of Bakery segment declined by 3% to \$61.1 million as the share of profits from joint venture declined by \$3.7 million mainly due to the absence of \$5.7 million tax incentives that were recognised in FY 2018 by GBKL from its new bakery plant in Bukit Kemuning which was completed in 2018 and adjustment of \$1.4 million of benefits from tax incentives in FY 2019.

PRIMARY PRODUCTION

In the Primary Production segment, Rivalea, the Group's leading integrated meat producer in Australia, continued to see tightening general market supply, with improvement in wholesale selling prices. The Primary Production segment is divided into three core businesses, namely meat production and sales (meat sales division), meat processing and stock feed milling divisions.

Despite lower sales volume, Primary Production revenue increased to \$90.7 million in 4Q 2019 from \$85.9 million in 4Q 2018 in constant currency terms, an increase of 6%. Rivalea continued to benefit from higher average selling prices arising from tightening of general market supply. In Singapore dollar terms, revenue was flat. However, performance of Rivalea, in particular the meat sales division, has been moderated by significantly higher grain costs in 4Q 2019 compared to 4Q 2018, due to the lagging effects of severe drought conditions experienced in Eastern Australia in 2018.

Rivalea had recorded a \$7.3 million gain in 4Q 2019 on revaluation of biological assets in line with higher market prices, as compared to a \$0.5 million write-down in 4Q 2018. Average commodity pork prices were up 37% in year ended 31 Dec 2019 compared to year ended 31 Dec 2018 and 9% in 4Q 2019 compared to 3Q 2019, which is based on reported market pricing for the industry during the respective periods. Accordingly, EBITDA for 4Q 2019 increased by \$15.3 million to \$16.0 million (including the gains resulting out of the revaluation of biological assets) as compared to \$0.7 million for 4Q 2018.

Primary Production Segment	4Q 2018 A\$'million	1Q 2019 A\$'million	2Q2019 A\$'million	3Q2019 A\$'million	4Q2019 A\$'million
Revenue	91.5	90.9	101.1	95.8	96.2
EBITDA	0.7	2.7	4.5	4.3	17.0
Depreciation and amortisation	(2.4)	(3.7)	(3.6)	(3.7)	(3.7)
Net interest expense	(0.9)	(1.1)	(1.0)	(0.9)	(0.9)
PBT	(2.5)	(2.2)	(0.1)	(0.3)	12.4
Note: EBITDA, depreciation and amortisation, net interest expense for 2019 quarters have increased as a result of SFRS(I) 16. Excluding the impact of SFRS(I) 16, EBITDA would have been approximately A\$1.2 million for 1Q 2019, A\$3.2 million for 2Q 2019, A\$2.9 million for 3Q 2019 and A\$15.5 million for 4Q 2019.					

8. Review of the performance of the group (cont'd)

The performance review of the Group's business segments is as follows (cont'd):

PRIMARY PRODUCTION (cont'd)

Despite lower sales volume, revenue for the Primary Production segment increased by 4% or \$13.0 million from \$353.8 million in FY 2018 to \$366.8 million in FY 2019 as Rivalea continued to benefit from higher average selling prices arising from tightening of general market supply. In constant currency terms, Primary Production segment revenue increased by 10% in FY 2019 over FY 2018.

However, the performance of Rivalea, in particular the meat sales division, has been moderated by significantly higher grain costs in FY 2019, due to the lagging effects of the severe drought conditions experienced in Eastern Australia in 2018. The cost of wheat was about 60% higher as compared with 2018.

Primary Production segment EBITDA increased significantly to \$26.6 million in FY 2019 as compared to \$1.2 million in FY 2018. This substantial increase in EBITDA was achieved by higher average selling prices and savings in energy costs with the commissioning of its third biogas generator in 2019. This higher EBITDA also includes the \$7.3 million gain in FY 2019 on revaluation of biological assets. This revaluation of biological assets in FY 2019 was in line with higher market prices, as compared to a \$1.7 million write-down in FY 2018.

DISTRIBUTION & WAREHOUSING

The Group's Distribution & Warehousing segment achieved higher local sales in 4Q 2019. EBITDA for 4Q 2019 increased to \$1.8 million as compared to \$0.5 million for 4Q 2018. The increase is mainly attributable to the absence of losses of \$1.4 million incurred in 4Q 2018 in connection with the ammonia leak incident at the Group's warehouse at 1 Fishery Port Road in 2018, as well as the upgrading of the Group's warehouse.

For FY 2019, Distribution & Warehousing revenue increased by 5% or \$5.8 million to \$112.3 million, up from \$106.5 million for FY 2018, mainly contributed by higher domestic sales generated by the Group's wholesale and trading company, Ben Foods (S) Pte Ltd. Distribution & Warehousing segment revenue for FY 2018 was affected by the ammonia leak incident at the Group's warehouse at 1 Fishery Port Road in January 2018. Distribution & Warehousing segment also recognised other income of \$1.1 million in FY 2019 from its insurer, being compensation for loss of revenue and costs associated with the ammonia leak incident. Excluding the insurance compensation, segment revenue increased by 4%.

In the previous year, the segment incurred \$4.2 million losses in connection with the ammonia leak incident, as well as the upgrading of the Group's warehouse. In the absence of last year's non-recurring expenses, coupled with this year's insurance compensation, EBITDA for the Distribution & Warehousing segment increased by 204% or \$5.3 million, from \$2.6 million for FY 2018 to \$7.9 million for FY 2019.

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

No deviation.

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

The Group remains focused on growing its core businesses which have seen steady revenue growth and, barring unforeseen circumstances, this is expected to continue in 2020.

In Bakery, plant investments have borne fruit and some newer plants are expected to reach optimum capacity in the next two years. Planning is on-going to add bread, buns and rolls lines in Malaysia to cater to increasing demand. In the Philippines, the business strategy will be to increase bread per capita consumption through promotional activities and new product offerings, yet at the same time consolidating its expanded operations with a focus on its bottom line.

The main bread plant in Singapore has a minor refurbishment in Jan 2020 and further upgrading is being planned in conjunction with our newer facilities in the Farmland Malaysia plant in Johor.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry (cont'd)

The coronavirus (Covid-19) outbreak has caused decline in consumer traffic in supermarkets in Metro Manila and Southern Luzon, resulting in a temporary decline in bread demand. However, sales at general trade (convenience stores) have increased. In Australia, sales to food service appear to have slowed down.

The momentum in the performance of the Primary Production business is expected to continue in the first half 2020 as pig numbers remain below last year. Branded sales of *Riverview Farms* roasted pork continues to show year on year growth. The capacity of the meat processing plant Diamond Valley Pork at Melbourne is currently being expanded with additional chiller space for carcase and boxed meat products. To be completed later this year, the A\$8 million expansion will include new slaughter and offals collection areas to cater to growing export demand from Asian customers. Rivalea is Australia's largest pork processor and leading integrated Australian pork producer with a significant presence in the Riverina region of Australia. Rivalea has extensive agricultural, processing and marketing interests that support high quality pork production for Australian and export markets.

Rivalea's operations span across 25 piggery farms (seven are owned by Rivalea with 18 contract farms owned by third parties), three feed mills and two export-accredited pork processing plants at Corowa and Melbourne. These assets are strategically located near end markets and key grain growing regions. Excluding contract farms, Rivalea operates on approximately 7,600 hectares of wholly-owned agriculture and commercial freehold land with water rights across New South Wales and Victoria. Rivalea is also planning to scale up its farming capacity in Victoria.

With an estimated 26% share of pork processing volumes in Australia as per data from Australian Pork Limited, Rivalea processes approximately 1.4 million pigs annually. It is also a leading pork producer in Australia with approximately 40,000 breeding herd, achieving more than 1 million piglet births annually with an estimated 15% share of pork production in Australia. Its feed mills can produce more than 300,000 tons of feed annually, which supplies 100% of its internal requirements and is also sold externally to independent farmers of various animal species.

Rivalea's key customers include major Australian supermarkets, wholesale butchers, food service distributors, small goods manufacturers and independent farmers. The long-standing relationships with its customer base has helped Rivalea to establish a nationwide reach of its pork products. Rivalea has sales offices in Sydney, Melbourne and Albury, sales representatives in Adelaide and Brisbane. Rivalea also operates its own wholesale and distribution operations in Melbourne and Sydney.

With a near 50-year operating track record with significant business expansion and milestones over the years, Rivalea has achieved a scale which is difficult to replicate. Rivalea's competitive position in Australia remains strong. Rivalea has an experienced management team, including two executive directors each having more than 20 years' industry experience. Rivalea has the largest private research and innovation team in Australia's pork industry, operating three innovation hubs focusing on nutrition, farming and processing to improve herd feed conversion, herd productivity and herd health. It operates its own genetics improvement program and produces genetics for its own use and for third parties.

To optimize costs, Rivalea is exploring strategic purchases of grains with additional storage facilities.

Further to the Company's 3Q2019 results announcement of November 2019, the Company has decided, after consultation with its financial advisor, Rabobank Singapore, to pursue a sale of the Primary Production business. The Company intends to focus on the Bakery and Distribution and Warehousing segments in the core markets of Singapore, Malaysia and the Philippines, within the growing 650 million population of ASEAN countries. The Primary Production business is in the animal protein segment, a very different and separate business, and operating in a different geographical region. Following nearly 20 years of ownership, the Primary Production business has reached the necessary scale and is now an ideal platform for a new owner with a strong focus on the animal protein segment to bring it to its next growth phase and take the business to the next level.

In Distribution and Warehousing, the business will continue to develop and grow proprietary branded products both domestically and regionally. Over the years, these brands have reached almost 60% of sales. The recent Covid-19 outbreak is still unfolding. Sales in the food service sector have been impacted as airlines, hotels and restaurants reduced their orders. However, sales to retail supermarkets have increased.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry (cont'd)

The knock-on effects of this Covid-19 outbreak on the global economy are expected to be adverse. It is still too early to assess the impact on the Group's operations, although to-date, it has not had material adverse impact on the Group's operations. The Group has implemented various precautionary measures to mitigate the risk of the outbreak on the Group's operations.

Following the recent changes to quarterly reporting requirements by SGX, the Company wishes to inform shareholders that it will cease quarterly reporting with immediate effect. The Company believes that in addition to reducing manpower and other compliance costs, and enabling management to be more focused on the Group's businesses, half-yearly financial reports, and together with continuing disclosures of material information, are sufficient to keep shareholders informed. Accordingly, the Company's next results release shall be in respect of the half-year ending 30 June 2020.

11. Dividends

(a) Current financial period reported on

Any dividend declared? Yes

	Interim (paid)	Proposed Final Dividend
Dividend type	Cash	Cash
Dividend rate	1 cent per ordinary share	4 cents per ordinary share
Tax rate	Exempt 1 tier	Exempt 1 tier

The QAF Scrip Dividend Scheme will not apply to the proposed final dividend.

(b) Previous corresponding period

Any dividend declared? Yes

	Interim	Final Dividend
Dividend type	Cash/Scrip	Cash
Dividend rate	1 cent per ordinary share	4 cents per ordinary share
Tax rate	Exempt 1 tier	Exempt 1 tier

(c) Date payable To be announced later

(d) Book closing date To be announced later

12. If no dividend has been declared or recommended, a statement to the effect and the reason(s) for the decision.

N.A.

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

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions entered into during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Listing Manual) (S\$'000)	Aggregate value of all interested person transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than \$100,000) (S\$'000)
Salim Group - Sale of unsold and returned bread	See Note ⁽¹⁾	N.A.	986
Tiong Lian Food Pte Ltd - Sale of products (pork products)	See Note ⁽²⁾	N.A.	608
Austral Dairy Group Sdn. Bhd. - Sale of products (cheese)	Entity in which Mr Andree Halim has an interest	N.A.	575
Salim Group - Purchase of raw materials including flour	See Note ⁽¹⁾	N.A.	14,001
Salim Group - Purchase of finished products (milk, noodles)	See Note ⁽¹⁾	N.A.	5,721
Austral Dairy Group Sdn. Bhd. - Purchase of finished products (processed cheese)	Entity in which Mr Andree Halim has an interest	N.A.	707
	TOTAL	N.A.	22,598

Note:

- ⁽¹⁾ Salim Group refers to Mr Anthoni Salim and the group of companies controlled by him or, if the context requires, Mr Anthoni Salim. Mr Anthoni Salim is an immediate family member of Mr Andree Halim.
- ⁽²⁾ Entity in which the Salim Group has shareholding interest.

14. **Confirmation that the Issuer has procured undertakings from all its Directors and Executive Officers**

The Company confirms that it has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Listing Manual.

15. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the company's most recently audited financial statements, with comparative information for the immediately preceding year.**

Segment Information

(In Singapore Dollars)

	Bakery \$'000	Primary production \$'000	Distribution & warehousing \$'000	Investments & others \$'000	Eliminations \$'000	Consolidated \$'000
<u>Revenue and expenses 2019</u>						
Revenue from external customers	375,847	364,262	110,848	4,877	-	855,834
Other revenue from external customers	3,495	2,516	1,224	22	-	7,257
Inter-segment revenue	65	-	204	14,400	(14,669)	-
	<u>379,407</u>	<u>366,778</u>	<u>112,276</u>	<u>19,299</u>	<u>(14,669)</u>	<u>863,091</u>
Unallocated revenue						801
Total revenue						<u>863,892</u>
Segment EBITDA	50,228	26,612	7,932	5,130	-	89,902
Amortisation and depreciation	(27,614)	(13,973)	(3,407)	(319)	-	(45,313)
Segment EBIT	<u>22,614</u>	<u>12,639</u>	<u>4,525</u>	<u>4,811</u>	<u>-</u>	<u>44,589</u>
Unallocated revenue						801
Unallocated expenses						(12,491)
Profit from operating activities						<u>32,899</u>
Finance costs						(5,841)
Share of profits of joint venture	6,020	-	-	-	-	<u>6,020</u>
Profit before tax						<u>33,078</u>
Income tax expense						(4,840)
Profit after tax						<u>28,238</u>
<u>Revenue and expenses 2018</u>						
Revenue from external customers	345,226	351,676	106,207	4,938	-	808,047
Other revenue from external customers	3,281	2,084	131	19	-	5,515
Inter-segment revenue	11	-	113	13,904	(14,028)	-
	<u>348,518</u>	<u>353,760</u>	<u>106,451</u>	<u>18,861</u>	<u>(14,028)</u>	<u>813,562</u>
Unallocated revenue						1,306
Total revenue						<u>814,868</u>
Segment EBITDA	48,671	1,197	2,634	5,113	-	57,615
Amortisation and depreciation	(22,569)	(9,382)	(2,483)	(236)	-	(34,670)
Segment EBIT	<u>26,102</u>	<u>(8,185)</u>	<u>151</u>	<u>4,877</u>	<u>-</u>	<u>22,945</u>
Unallocated revenue						1,306
Unallocated expenses						(17,320)
Profit from operating activities						<u>6,931</u>
Finance costs						(3,370)
Share of profits of joint venture	9,737	-	-	-	-	<u>9,737</u>
Profit before tax						<u>13,298</u>
Income tax expense						(4,639)
Profit after tax						<u>8,659</u>

15. Segment Information (cont'd)
(In Singapore Dollars)

	Bakery \$'000	Primary production \$'000	Distribution & warehousing \$'000	Investments & others \$'000	Consolidated \$'000
<u>Assets and liabilities 31 December 2019</u>					
Segment assets	360,743	273,263	80,272	31,933	746,211
Investment in joint venture and associate	79,814	-	-	-	79,814
Total assets	440,557	273,263	80,272	31,933	826,025
Deferred tax assets					21,394
Tax recoverable					3,054
Total assets per consolidated statement of financial position					850,473
Segment liabilities	109,643	71,736	30,586	9,736	221,701
Income tax payable					3,652
Deferred tax liabilities					11,584
Bank borrowings					113,216
Total liabilities per consolidated statement of financial position					350,153
<u>Assets and liabilities 31 December 2018</u>					
Segment assets	341,751	240,236	67,215	36,064	685,266
Investment in joint venture	80,483	-	-	-	80,483
Total assets	422,234	240,236	67,215	36,064	765,749
Deferred tax assets					15,885
Tax recoverable					1,999
Total assets per consolidated statement of financial position					783,633
Segment liabilities	86,856	52,927	16,673	9,874	166,330
Income tax payable					2,990
Deferred tax liabilities					10,432
Bank borrowings					98,862
Total liabilities per consolidated statement of financial position					278,614
<u>Other segment information 2019</u>					
Expenditure for non-current assets	19,949	9,639	1,468	6	31,062
Impairment loss	-	-	-	21	21
Loss allowance for inventories charged and inventories written off, net	128	-	744	-	872
Loss allowance for receivables charged/ (written-back) and bad debts written off, net	851	(27)	59	-	883
<u>Other segment information 2018</u>					
Expenditure for non-current assets	58,641	10,919	6,295	73	75,928
Impairment loss	-	-	-	162	162
Loss allowance for inventories (written-back)/ charged and inventories written off, net	(326)	-	534	-	208
Loss allowance for receivables charged and bad debts written off, net	657	22	-	-	679

15. Segment Information (cont'd)
(In Singapore Dollars)

	Revenue		Non-current assets	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Australia	380,248	372,187	145,540	136,804
Philippines	208,883	183,753	108,099	100,524
Singapore	179,885	168,015	71,285	48,680
Malaysia	79,504	77,076	72,063	77,007
Other countries	15,372	13,837	-	-
	<u>863,892</u>	<u>814,868</u>	<u>396,987</u>	<u>363,015</u>

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment properties and intangibles as presented in the consolidated statement of financial position.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Section 8.

17. A breakdown of sales as follows:

	Group		
	2019	2018	+ / (-)
	\$'000	\$'000	%
Revenue reported for first half year	<u>421,302</u>	<u>395,887</u>	6
Profit after tax before deducting non-controlling interests for the first half year	<u>2,535</u>	<u>4,131</u>	(39)
Revenue reported for second half year	<u>442,590</u>	<u>418,981</u>	6
Profit after tax before deducting non-controlling interests for the second half year	<u>25,703</u>	<u>4,528</u>	468

18. A breakdown of the total annual dividend for the company's latest full year and its previous full year as follows:-

	Full Year	Full Year
	2019	2018
	\$'000	\$'000
Ordinary dividend	<u>28,763</u>	<u>28,717</u>

19. Persons occupying managerial positions who are related to the directors, chief executive officer or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, set out below are details of each person occupying a managerial position in the Company and/or its principal subsidiaries who is a relative of a Director or chief executive officer or substantial shareholder of the Company:

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lin Kejian	41	Son of Mr Andree Halim (Vice Chairman and a controlling shareholder of the Company)	Mr Lin was appointed as Joint Group Managing Director with effect from 1 January 2017. As Joint Group Managing Director, Mr Lin together with the other Joint Group Managing Director, is responsible for the leadership and overall management of the affairs of QAF and overall oversight of the QAF group of companies and is tasked to set strategic objectives and implement strategies to achieve the long-term growth and value creation of the QAF Group.	N.A.

BY ORDER OF THE BOARD

Serene Yeo
Company Secretary
26 February 2020