FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

QAF LIMITED

Securities

QAF LIMITED - SG1A49000759 - Q01

Stapled Security

No

Announcement Details

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2H2021/FY2021 Unaudited Results Announcement.

Additional Details

For Financial Period Ended

31/12/2021

Attachments

QAF FY2021 Results Announcement 25.2.2022.pdf

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QAF Limited

(Company Registration No : 195800035D)

Full Year Unaudited Financial Statements for the Year Ended 31 December 2021

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:-

Income Statement (in Singapore Dollars)	Note	Group					
		2nd Half ended			Full Year ended		
		31/12/2021 S$'000	31/12/2020 S$'000	+ / (-) %	31/12/2021 S$'000	31/12/2020 S$'000	+ / (-) %
Continuing operations							
Revenue		290,354	277,512	5	558,976	561,785	(1)
Costs and expenses							
Costs of materials		154,314	140,498	10	293,071	277,542	6
Staff costs		54,176	54,516	(1)	109,931	109,871	0
Amortisation and depreciation		16,254	17,248	(6)	34,385	33,875	2
Repairs and maintenance		6,679	7,639	(13)	14,190	13,696	4
Utilities		9,083	7,670	18	17,138	15,545	10
Advertising and promotion		2,828	4,186	(32)	5,516	7,427	(26)
Other operating expenses		33,171	23,209	43	59,786	52,415	14
Total costs and expenses		276,505	254,966	8	534,017	510,371	5
Profit from operating activities		13,849	22,546	(39)	24,959	51,414	(51)
Finance costs		(936)	(1,177)	(20)	(1,960)	(2,576)	(24)
Exceptional items		1,519	-	n.m.	1,519	-	n.m.
Share of profits of joint venture		3,387	3,230	5	4,223	5,562	(24)
Profit before tax from continuing operations		17,819	24,599	(28)	28,741	54,400	(47)
Income tax expense	1(e)(E)						
- Current year		(4,508)	(3,637)	24	(7,372)	(11,497)	(36)
- Over/(under)provision in prior years		1,166	(608)	n.m.	1,028	(650)	n.m.
		(3,342)	(4,245)	(21)	(6,344)	(12,147)	(48)
Profit after tax from continuing operations		14,477	20,354	(29)	22,397	42,253	(47)
Discontinued operations [see page 3, Note 1(a)(ii)(b)]							
Profit/(loss) after tax from discontinued operations		11,132	(20,487)	n.m.	31,077	(13,693)	n.m.
Group profit/(loss) after tax		25,609	(133)	n.m.	53,474	28,560	87
Attributable to:							
Owners of the parent							
- Profit after tax from continuing operations		14,210	20,297	(30)	22,220	42,066	(47)
- Profit/(loss) after tax from discontinued operations		10,397	(20,763)	n.m.	29,863	(14,330)	n.m.
		24,607	(466)	n.m.	52,083	27,736	88
Non-controlling interests							
- Profit after tax from continuing operations		267	57	368	177	187	(5)
- Profit after tax from discontinued operations		735	276	166	1,214	637	91
		1,002	333	201	1,391	824	69
		25,609	(133)	n.m.	53,474	28,560	87

n.m. = not meaningful

(i) **Statement of Comprehensive Income**

	Group			
	2nd Half ended		Full Year ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	S$'000	S$'000	S$'000	S$'000
Profit/(loss) after tax	25,609	(133)	53,474	28,560
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
- Actuarial gain/(loss) on defined benefit plans, net of tax	1,036	(469)	916	(469)
Items that may be reclassified subsequently to profit or loss:				
- Currency translation arising on consolidation	(5,913)	5,697	(8,834)	10,498
- Fair value changes on investment security at fair value through other comprehensive income reclassified to profit or loss	-	21	-	21
- Share of other comprehensive income of joint venture	5	555	(1,189)	(318)
Other comprehensive income for the year, net of tax	(4,872)	5,804	(9,107)	9,732
Total comprehensive income for the year	20,737	5,671	44,367	38,292
Total comprehensive income attributable to:				
Owners of the parent	19,807	5,350	43,087	37,542
Non-controlling interests	930	321	1,280	750
	20,737	5,671	44,367	38,292
Total comprehensive income attributable to owners of the parent:				
From continuing operations, net of tax	12,804	21,019	17,739	45,048
From discontinued operations, net of tax	7,003	(15,669)	25,348	(7,506)
	19,807	5,350	43,087	37,542

Notes to the Group's Income Statement

Please see Section 8 for commentaries on the Group's 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:-

(a) Continuing operations

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

	Group					
	2nd Half ended			Full Year ended		
	31/12/2021	31/12/2020		31/12/2021	31/12/2020	+ / (-)
	S$'000	S$'000	%	S$'000	S$'000	%
Other income including interest income and government grants (included in Revenue)	981	3,361	(71)	3,140	7,700	(59)
Other Operating Expenses which include the following:						
Operating lease expense	(8,023)	(7,495)	7	(14,921)	(14,574)	2
Distribution and transportation expense	(5,884)	(5,310)	11	(11,471)	(10,117)	13
Impairment loss on property, plant and equipment	(3,490)	(1,035)	237	(3,490)	(1,035)	237
Foreign currency translation (loss)/gain	(2,040)	3,473	n.m.	(2,665)	5,092	n.m.
Allowance for inventories (charged)/written back and inventories written off, net	(1,196)	433	n.m.	(1,416)	(77)	n.m.
Professional fees	(1,038)	(1,612)	(36)	(2,090)	(2,690)	(22)
Loss allowance for receivables written back/(charged) and bad debts written off, net	433	473	(8)	(313)	(5,406)	(94)
Gain on disposal of property, plant and equipment	60	98	(39)	176	100	76

(b) Discontinued operations

As announced on 4 January 2022, the Group completed the disposal of its Primary Production business (the "Disposal") and Rivalea Holdings Pty Ltd, Oxdale Dairy Enterprise Pty Ltd, Rivalea (Australia) Pty Ltd and Diamond Valley Pork Pty Ltd have ceased to be subsidiaries of the Company.

The Group had already reclassified the business as a disposal group held for sale in accordance with SFRS(I) 5 *Noncurrent Assets Held for Sale and Discontinued Operations*. Based on the aggregate purchase price of $153 million (A$157 million) as stated in our announcement on 18 December 2021, the Group recorded in FY 2021, as an exceptional item, a non-cash gain on remeasurement of $5.7 million on the Primary Production business. In compliance with SFRS(I) 5, the Group is required to cease depreciation on the assets held for sale. These resulted in a profit after tax of $31.1 million for FY 2021 in respect of the discontinued operations. The remeasurement gain and cessation of depreciation are taken at Group consolidated accounts level and do not affect the financial results of Rivalea. Excluding such remeasurement gain and cessation of depreciation of $16.2 million, as well as associated costs incurred for the Disposal of $2.2 million, Primary Production business would have recorded a profit after tax of $11.4 million for FY 2021, as compared with $15.0 million for FY 2020. The decrease in profit after tax in FY 2021 from FY 2020 resulted from higher non-cash deferred tax expense recorded after changes in the preparation of income tax return were made following the completion of the sale transaction. Following the completion of the sale on 4 January 2022, the Purchaser issued a Completion Statement which indicates certain upward adjustment to the Purchase Price, please see page 24 for more details.

(c) Exceptional Items

The Group's "Exceptional Items" relates to net gain on disposal of a subsidiary.

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		Group		Company	
(in Singapore Dollars)		31/12/2021	31/12/2020	31/12/2021	31/12/2020
	Note	S$'000	S$'000	S$'000	S$'000
Current assets					
Inventories		50,903	45,150	-	-
Trade receivables		79,448	77,536	-	-
Other receivables		27,249	17,520	87,971	88,275
Tax recoverable		6,440	4,546	-	-
Cash and cash equivalents		88,705	81,362	38,357	36,488
Assets belonging to disposal group (Note 1) classified as held for sale	1(e)(H)	306,111	293,824	-	-
		558,856	519,938	126,328	124,763
Non-current assets					
Property, plant & equipment	1(e)(F)	217,338	238,567	3,420	3,600
Right-of-use assets		22,475	25,837	327	267
Investment in subsidiaries		-	-	101,532	100,132
Advances to subsidiaries (Note 2)		-	-	156,067	97,530
Investment in joint venture and associate		75,047	78,497	-	-
Intangibles	1(e)(G)	168	158	83	55
Deferred tax assets		4,276	5,084	-	-
		319,304	348,143	261,429	201,584
Total assets		878,160	868,081	387,757	326,347
Current liabilities					
Trade payables		61,695	43,062	87	87
Other payables		55,576	53,846	12,730	4,384
Short-term borrowings		2,943	6,114	-	-
Long-term borrowings - current portion		4,526	5,666	-	-
Lease liabilities - current portion		3,325	3,538	92	94
Income tax payable		3,236	3,744	494	692
Liabilities belonging to disposal group classified as held for sale	1(e)(H)	154,229	160,181	-	-
		285,530	276,151	13,403	5,257
Non-current liabilities					
Other payables		9,139	11,962	3,539	4,214
Long-term borrowings		25,569	32,354	-	-
Lease liabilities		20,592	23,657	247	183
Deferred tax liabilities		5,002	7,038	739	856
		60,302	75,011	4,525	5,253
Total liabilities		345,832	351,162	17,928	10,510
Net assets		532,328	516,919	369,829	315,837
Capital and reserves					
Share capital		277,043	277,043	277,043	277,043
Reserves		253,511	239,267	92,786	38,794
Equity attributable to owners of the parent		530,554	516,310	369,829	315,837
Non-controlling interests		1,774	609	-	-
Total equity		532,328	516,919	369,829	315,837

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

Note 1 Included in assets belonging to disposal group classified as held for sale are cash balances of $41.8 million (versus $38.7 million as at 31/12/2020) held by the Primary Production business. If not for the reclassification, the Group's cash and cash equivalents would have been $130.5 million ($88.7 million + $41.8 million) (versus $120.1 million ($81.4 million + $38.7 million) as at 31/12/2020).

Note 2 Increase in advances to subsidiaries is due to outstanding dividends from a subsidiary.

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 31/12/2021		As at 31/12/2020	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
-	10,794	-	15,318

Note: The above relates only to the continuing operations

(b) Amount repayable after one year

As at 31/12/2021		As at 31/12/2020	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
-	46,161	-	56,011

Note: The above relates only to the continuing operations

(c) Details of any collaterals

None.

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	
Statement of Cash Flows	31/12/2021	31/12/2020
(in Singapore Dollars)	S$'000	S$'000
Cash flows from operating activities:		
Profit before tax from continuing operations	28,741	54,400
Profit/(loss) before tax from discontinued operations	48,441	(8,910)
Profit before tax, total	77,182	45,490
Adjustments for:		
Amortisation and depreciation	34,385	48,064
Gain on disposal of property, plant and equipment	(122)	(97)
Share of profits of joint venture	(4,223)	(5,562)
Impairment loss on property, plant and equipment	3,490	1,035
Impairment loss written back on investment securities	-	(362)
Fair value changes on biological assets	(2,360)	1,836
Allowance for receivables charged and bad debts written off, net	313	5,466
Net gain on disposal of a subsidiary	(1,519)	-
Remeasurement (gain)/loss on disposal group classified as held for sale	(5,653)	28,664
Interest expense	3,594	4,566
Interest income	(291)	(472)
Exchange differences	2,416	(5,619)
Operating profit before working capital changes	107,212	123,009
(Increase)/decrease in trade and other receivables	(13,462)	10,398
Increase in inventories and biological assets	(409)	(11,118)
Increase/(decrease) in trade and other payables	32,381	(12,694)
Cash from operations	125,722	109,595
Interest paid	(3,621)	(4,639)
Interest received	291	472
Income tax paid	(13,202)	(9,448)
Net cash from operating activities	**109,190**	**95,980**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(30,092)	(31,149)
Proceeds from disposal of property, plant and equipment	334	422
Purchase of intangibles	(28)	(55)
Investment in associate	-	(8)
Dividends received from joint venture	6,471	9,851
Proceeds from redemption of investment security	-	2,000
Net proceeds from disposal of a subsidiary (Note A)	(98)	-
Net cash used in investing activities	**(23,413)**	**(18,939)**
Cash flows from financing activities:		
Dividends paid during the year	(28,763)	(28,763)
Dividends paid to non-controlling interests	(288)	(327)
Proceeds from borrowings	74	14,965
Repayment of borrowings	(34,462)	(10,914)
Repayment of lease liabilities	(9,454)	(8,646)
Proceeds from long-term loans from non-controlling interests	217	294
Net cash used in financing activities	**(72,676)**	**(33,391)**
Net increase in cash and cash equivalents	13,101	43,650
Cash and cash equivalents at beginning of year	120,107	73,167
Effect of exchange rate changes on cash and cash equivalents	(2,720)	3,290
Cash and cash equivalents at end of year (Note B)	130,488	120,107

1(c) Note A : Analysis of disposal of a subsidiary

	Full Year ended 31/12/2021 S$'000
Inventories	21
Trade and other receivables	26
Trade and other payables	(3,015)
Cash and cash equivalents	102
Non-controlling interests	1,307
Net assets disposed	(1,559)
Gain on disposal	1,519
Reclassification of reserves	44
Cash consideration	4
Cash and cash equivalents of a subsidiary	(102)
Net cash outflow on disposal of a subsidiary	(98)

Note B : Cash and cash equivalents

	Group	
	31/12/2021 $'000	31/12/2020 $'000
Cash and cash equivalents		
- Continuing operations	88,705	81,362
- Discontinued operations	41,783	38,745
	130,488	120,107

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	Capital reserve $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Reserve of disposal group classified as held for sale **#** $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2021	277,043	(1,511)	243,526	2,296	(5,044)	609	516,919
Total comprehensive income for the year							
Net profit for the year	-	-	52,083	-	-	1,391	53,474
Other comprehensive income							
Currency translation arising on consolidation	-	-	-	(4,467)	(4,236)	(131)	(8,834)
Actuarial gain on defined benefit plans	-	-	896	-	-	20	916
Share of other comprehensive income of joint venture	-	-	-	(1,189)	-	-	(1,189)
Other comprehensive income for the year, net of tax	-	-	896	(5,656)	(4,236)	(111)	(9,107)
Total comprehensive income for the year	-	-	52,979	(5,656)	(4,236)	1,280	44,367
Transactions with owners in their capacity as owners							
Contributions by and distributions to owners							
Transfer to other payables	-	-	-	-	-	(1,214)	(1,214)
Dividends	-	-	(28,843)	-	-	(208)	(29,051)
Total contributions by and distributions to owners	-	-	(28,843)	-	-	(1,422)	(30,265)
Change in ownership interest in subsidiary							
Disposal of a subsidiary	-	-	-	-	-	1,307	1,307
Total change in ownership interests in subsidiary	-	-	-	-	-	1,307	1,307
Total transactions with owners in their capacity as owners	-	-	(28,843)	-	-	(115)	(28,958)
Balance at 31 December 2021	277,043	(1,511)	267,662	(3,360)	(9,280)	1,774	532,328

See page 12, Note 1(e)(H)

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	Reserve of disposal group classified as held for sale $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2020	277,043	244	(3,306)	(21)	245,427	(11,802)	-	(7,265)	500,320
Total comprehensive income for the year									
Net profit for the year	-	-	-	-	27,736	-	-	824	28,560
<u>Other comprehensive income</u>									
Currency translation arising on consolidation	-	-	-	-	-	10,610	-	(112)	10,498
Fair value changes on investment security at fair value through other comprehensive income reclassified to profit or loss	-	-	-	21	-	-	-	-	21
Actuarial (loss)/gain on defined benefit plans	-	-	-	-	(507)	-	-	38	(469)
Share of other comprehensive income of joint venture	-	-	-	-	(313)	(5)	-	-	(318)
Other comprehensive income for the year, net of tax	-	-	-	21	(820)	10,605	-	(74)	9,732
Total comprehensive income for the year	-	-	-	21	26,916	10,605	-	750	38,292
Transactions with owners in their capacity as owners									
<u>Contributions by and distributions to owners</u>									
Waiver of debt from shareholder of a subsidiary	-	-	-	-	-	-	-	8,021	8,021
Transfer to other payables	-	-	-	-	-	-	-	(624)	(624)
Dividends	-	-	-	-	(28,817)	-	-	(273)	(29,090)
Total transactions with owners in their capacity as owners	-	-	-	-	(28,817)	-	-	7,124	(21,693)
Others									
Reserve attributable to disposal group classified as held for sale	-	(244)	1,795	-	-	3,493	(5,044)		-
Total Others	-	(244)	1,795	-	-	3,493	(5,044)	-	-
Balance at 31 December 2020	277,043	-	(1,511)	-	243,526	2,296	(5,044)	609	516,919

Company	Share capital $'000	Fair value reserve $'000	Revenue reserve $'000	Total equity $'000
Balance at 1 January 2021	277,043	-	38,794	315,837
Net profit for the year	-	-	82,755	82,755
<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 2021	277,043	-	92,786	369,829
Balance at 1 January 2020	277,043	(21)	38,949	315,971
Net profit for the year	-	-	28,608	28,608
<u>Other comprehensive income</u>				
Fair value changes on investment security at fair value through other comprehensive income reclassified to profit or loss	-	21	-	21
<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 2020	277,043	-	38,794	315,837

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

Since 30 June 2021 up to 31 December 2021, 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.

	As at 31/12/2021	As at 31/12/2020
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 2021.

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

1(e) Selected Notes to the Interim Financial Statements
For the full year ended 31 December 2021

A. CORPORATE INFORMATION

QAF Limited (the "Company") is a public limited liability company incorporated and domiciled in Singapore. The registered address and principal place of business of the Company is 150 South Bridge Road, #09-03 Fook Hai Building, Singapore 058727.

The principal activities of the Company are those of an investment holding and management company. The principal activities of the Group consist of the manufacture and distribution of bread, bakery and confectionery products; provision for warehousing logistics for food items; trading and distribution of food and beverages; production, processing and marketing of meat; feedmilling and sale of animal feeds and related ingredients and investment holding.

B. BASIS OF PREPARATION

The condensed interim financial statements for the financial year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

1(e) Selected Notes to the Interim Financial Statements (cont'd)
For the full year ended 31 December 2021 (cont'd)

C. USE OF JUDGEMENTS AND ESTIMATES

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

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

D. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

	Group	
	31/12/2021 S$'000	31/12/2020 S$'000
Loans and receivables		
Trade receivables	79,448	77,536
Other receivables	13,285	3,587
Cash and cash equivalents	88,705	81,362
	181,438	162,485
Financial liabilities measured at amortised cost		
Trade payables	61,695	43,062
Other payables	52,469	49,821
Short-term borrowings	2,943	6,114
Long-term borrowings	30,095	38,020
Lease liabilities	23,917	27,195
	171,119	164,212

E. INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated income statement are:

	2nd Half ended		Full Year ended	
	31/12/2021 S$'000	31/12/2020 S$'000	31/12/2021 S$'000	31/12/2020 S$'000
Current income tax expense	(4,611)	(1,483)	(8,165)	(9,507)
Deferred tax relating to origination and reversal of temporary differences	1,269	(2,762)	1,821	(2,640)
	(3,342)	(4,245)	(6,344)	(12,147)

Note: The above relates only to the continuing operations.

1(e) Selected Notes to the Interim Financial Statements (cont'd)
For the full year ended 31 December 2021 (cont'd)

F. PROPERTY, PLANT AND EQUIPMENT

During the financial year ended 31 December 2021, the Group acquired assets amounting to $17,496,000 (31 December 2020: $30,561,000) and disposed of assets amounting to $81,000 (31 December 2020: $325,000). Capital commitments not provided for in the financial statements amounted to $7,666,000 as at 31 December 2021.

Note: The above relates only to the continuing operations.

G. INTANGIBLE ASSETS

	Group			
	Trademark	**Intellectual property**	**Software**	**Total**
	S$'000	S$'000	S$'000	S$'000
Cost:				
At 1.1.2020	2,750	136	-	2,886
Additions	-	-	55	55
Currency realignment	-	11	-	11
At 31.12.2020 and 1.1.2021	2,750	147	55	2,952
Additions	-	-	28	28
Currency realignment	-	(6)	-	(6)
At 31.12.2021	2,750	141	83	2,974
Accumulated amortisation and impairment loss:				
At 1.1.2020	2,750	27	-	2,777
Amortisation for the year	-	14	-	14
Currency realignment	-	3	-	3
At 31.12.2020 and 1.1.2021	2,750	44	-	2,794
Amortisation for the year	-	15	-	15
Currency realignment	-	(3)	-	(3)
At 31.12.2021	2,750	56	-	2,806
Net carrying amount:				
At 31.12.2021	-	85	83	168
At 31.12.2020	-	103	55	158

Note: The above relates only to the continuing operations.

Trademark and intellectual property with finite lives are amortised on a straight-line basis over their useful lives of 20 and 10 years respectively.

Software with finite life will commence amortisation on a straight-line basis over its useful life of 5 years once it is available for use.

1(e) Selected Notes to the Interim Financial Statements (cont'd)
For the full year ended 31 December 2021 (cont'd)

H. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

The assets and liabilities related to Primary Production business have been presented in the balance sheet as "Assets belonging to disposal group classified as held for sale" and "Liabilities belonging to disposal group classified as held for sale", and its results are presented separately in profit or loss as "Profit after tax from discontinued operations". The Disposal was completed on 4 January 2022.

Balance sheet disclosures

The major classes of assets and liabilities of the disposal group classified as held for sale are as follows:

	31/12/2021 S$'000	31/12/2020 S$'000
Assets:		
Biological assets	61,416	64,681
Inventories	37,656	41,652
Trade and other receivables	26,481	27,335
Cash and cash equivalents	41,783	38,745
Property, plant and equipment	128,721	121,621
Right-of-use assets	19,341	14,651
Pension assets	2,108	2,783
Deferred tax assets	12,640	13,028
Remeasurement loss	(24,035)	(30,672)
Assets belonging to disposal group classified as held for sale	306,111	293,824
Liabilities:		
Trade and other payables	62,137	55,519
Short-term borrowings	39,079	62,091
Long-term borrowings	16,961	20,889
Lease liabilities	13,904	14,785
Income tax payable	-	714
Deferred tax liabilities	22,148	6,183
Liabilities belonging to disposal group classified as held for sale	154,229	160,181
Net assets belonging to disposal group classified as held for sale	151,882	133,643
Reserves:		
Revaluation reserve	244	244
Capital reserve	(1,795)	(1,795)
Foreign currency translation reserve	(7,729)	(3,493)
	(9,280)	(5,044)

1(e) Selected Notes to the Interim Financial Statements (cont'd)
For the full year ended 31 December 2021 (cont'd)

H. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (cont'd)

Income statement disclosures

	2nd Half ended		Full Year ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	S$'000	S$'000	S$'000	S$'000
Revenue	211,038	194,911	416,790	373,260
Less: Expenses	(183,530)	(181,880)	(370,213)	(351,516)
Profit from operating activities	27,508	13,031	46,577	21,744
Less: Finance costs	(745)	(946)	(1,634)	(1,990)
Add/(less): Gain/(loss) recognised on remeasurement to fair value less cost to sell	1,748	(28,664)	5,653	(28,664)
Less: Associated costs incurred for the Disposal	(1,159)	-	(2,155)	-
Profit before tax	27,352	(16,579)	48,441	(8,910)
Income tax expense	(16,220)	(3,908)	(17,364)	(4,783)
Net profit after tax from discontinued operations	11,132	(20,487)	31,077	(13,693)

Note: In compliance with SFRS(I) 5, the Group is required to cease depreciation (amounting to S$8.2 million for 2H 2021 and S$16.2 million for FY 2021) on the assets classified as held for sale. The increase in tax expense in 2H 2021 and FY 2021, compared against the corresponding periods last year, resulted from higher non-cash deferred tax expense recorded after changes in the preparation of income tax return were made following the completion of the sale transaction.

I. DIVIDENDS

	Full Year ended	
	31/12/2021	31/12/2020
	S$'000	S$'000
Ordinary dividends paid:		
Interim tax-exempt (one-tier) dividend of $0.01 per share in respect of the financial year ended 31 December 2021	5,753	
Final tax-exempt (one-tier) dividend of $0.04 per share in respect of the financial year ended 31 December 2020	23,010	-
Interim tax-exempt (one-tier) dividend of $0.01 per share in respect of the financial year ended 31 December 2020	-	5,753
Interim tax-exempt (one-tier) dividend of $0.04 per share in respect of the financial year ended 31 December 2019	-	23,010
Share of a subsidiary's dividends paid to a non-controlling interest in respect of the financial year ended 31 December 2021	80	-
Share of a subsidiary's dividends paid to a non-controlling interest in respect of the financial year ended 31 December 2020	-	54
	28,843	28,817

1(e) Selected Notes to the Interim Financial Statements (cont'd)
For the full year ended 31 December 2021 (cont'd)

J. RELATED PARTY TRANSACTIONS

The following significant transactions took place during the financial year on terms agreed by the parties concerned:

	Full Year ended	
	31/12/2021	31/12/2020
	S$'000	S$'000
Royalty income from joint venture	5,195	3,940
Purchase of goods from joint venture	2,166	1,634
Sale of goods to joint venture	75,901	77,995
Purchase of goods from a company in which Mr Andree Halim and immediate family member of Ms Rachel Liem Yuan Fang have an interest	1,805	3,004
Sale of goods to a company in which Mr Andree Halim and immediate family member of Ms Rachel Liem Yuan Fang have an interest	2,603	1,142

K. FAIR VALUE OF ASSETS AND LIABILITIES

The Group does not have any financial instruments carried at fair value.

L. SUBSEQUENT EVENTS

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

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 2020. However, the Group adopted new or amended Singapore Financial Reporting Standards (International) ("SFRS(I)") that are mandatory for financial years beginning on or after 1 January 2021. The adoption of these standards did not have any material effect 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.

N.A.

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	
	31/12/2021	31/12/2020
Basic and Diluted EPS	9.1 cents	4.8 cents
- continuing operations	3.9 cents	7.3 cents
- discontinued operations	5.2 cents	(2.5) cents
Number of shares used for the calculation of Basic and Diluted EPS:		
Weighted average number of ordinary shares in issue	575,268,440	575,268,440

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:

	As at 31/12/2021	As at 31/12/2020
Group	92.2 cents	89.8 cents
QAF Limited	64.3 cents	54.9 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 (COMMENTARY ON THE FINANCIAL RESULTS)

NB: Any discrepancies in percentages included in Section 8 between the amounts shown and the corresponding percentage are due to rounding. Accordingly, figures shown as percentages in Section 8 may not be derived directly from such amounts shown.

2H 2021 vs 2H 2020

Continuing operations

Group revenue increased by 5% to $290.4 million for the second half year ended 31 December 2021 ("2H 2021") from $277.5 million for the second half year ended 31 December 2020 ("2H 2020"). Group earnings before interest, tax, depreciation and amortisation ("EBITDA") before exceptional items reduced by 22% to $33.4 million for 2H 2021 from $42.9 million for 2H 2020. The decrease in performance of 2H 2021 as compared with 2H 2020 was largely due to higher raw materials cost in 2H 2021, especially the increase in flour prices, non-cash foreign currency translation loss in 2H 2021 and gain in 2H 2020, and higher government support in 2H 2020. Other operating expenses (resulting from the flood at a Malaysian bakery factory and higher distribution and transportation expense, amongst others) and utilities (resulting from oil and gas prices increasing by 50% from end of FY 2020 to end of FY 2021) also affected the Group EBITDA before exceptional items in 2H 2021.

The Group's costs of materials increased by 10% or $13.8 million from $140.5 million in 2H 2020 to $154.3 million in 2H 2021, in line with higher raw material (particularly flour) costs and higher sales volume.

Other income including interest income and government grants reduced by 71% or $2.4 million from $3.4 million in 2H 2020 to $1.0 million in 2H 2021 mainly due to the recognition of government pandemic-related grants received of $3.0 million in 2H 2020, in connection with the Covid-19 pandemic.

Repairs and maintenance decreased 13% from $7.6 million in 2H 2020 to $6.7 million in 2H 2021 due to fewer infrastructure and facilities improvements implemented by Bakery segment. The Group's utilities increased by 18% from $7.7 million in 2H 2020 to $9.1 million in 2H 2021 while distribution and transportation expense increased by 11% from $5.3 million to $5.9 million due mainly to an increase in electricity, gas and fuel prices.

Advertising and promotion reduced 32% from $4.2 million in 2H 2020 to $2.8 million in 2H 2021 due mainly to cutback of marketing expenses by the Bakery segment.

Other operating expenses increased by 43% or $10.0 million to $33.2 million in 2H 2021 from $23.2 million in 2H 2020 mainly due to non-cash foreign currency translation loss and one-off impact arising from the flood at a Malaysian bakery factory. The Group recorded foreign currency translation loss of $2.0 million in 2H 2021 as compared with foreign currency translation gain of $3.5 million in 2H 2020 as the Australian Dollar had appreciated vis a vis the Singapore Dollar. The flood at a Malaysian bakery factory resulted in one-off inventory write-off of $1.3 million and one-off impairment loss on property, plant and equipment of $3.5 million. The Group intends to seek recovery under the consequential insurance loss policy and fire insurance policy (which covers floods). Any receipt under such policies will be treated as income for financial periods after FY 2021.

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

INCOME STATEMENT (cont'd)

2H 2021 vs 2H 2020 (cont'd)

Continuing operations (cont'd)

Group finance costs (interest expense) decreased by 20% or $0.3 million to $0.9 million in 2H 2021 from $1.2 million in 2H 2020 due mainly to lower Group's borrowings and lower interest rates.

Following the restructuring and disposal of the Group's 55% shareholdings in Gaoyuan Pte Ltd to Jadeluck Investments Limited, a company in which our controlling shareholder has an interest, the Group recognised a non-cash exceptional accounting gain of $1.5 million in 2H 2021.

The Group's share of profits of joint venture is marginally higher at $3.4 million in 2H 2021 from $3.2 million in 2H 2020. GBKL's revenue increased 5% or $9.3 million to $185.1 million in 2H 2021 from $175.8 million in 2H 2020. Including the royalty income from GBKL, the contribution to the Group increased by 33% from $4.9 million in 2H 2020 to $6.5 million in 2H 2021.

Group profit before tax ("PBT") from continuing operations reduced by 28% or $6.8 million from $24.6 million for 2H 2020 to $17.8 million for 2H 2021. Group PBT margin reduced from 8.9% to 6.1% due mainly to the exceptional high margin in 2H 2020 arising from higher demand during the pandemic which led to lower bread returns, as well as the impact of increased costs in 2H 2021.

In line with reduced Group PBT, Group total income tax expense reduced by 21% or $0.9 million to $3.3 million for 2H 2021 as compared with $4.2 million for 2H 2020.

As a result, Group profit after tax ("PAT") from continuing operations reduced by $5.9 million or 29% to $14.5 million for 2H 2021 as compared with $20.4 million for 2H 2020. PAT margin reduced from 7.3% in 2H 2020 to 5.0% in 2H 2021. Group profit attributable to owners of the parent ("PATMI") from continuing operations reduced by 30% to $14.2 million for 2H 2021 as compared with $20.3 million for 2H 2020.

Discontinued operations

In accordance with SFRS(I) 5 *Noncurrent Assets Held for Sale and Discontinued Operations*, the Group had reclassified the Primary Production business as a disposal group held for sale.

Primary Production's 2H 2021 revenue was 8% higher, resulting from higher pork sales and processing volumes. Primary Production benefitted from lower feed costs which came about with lower average wheat and barley prices in 2H 2021 compared with 2H 2020.

Based on the purchase price as stated in our announcement on 18 December 2021, the Group recorded in 2H 2021, as an exceptional item, a non-cash gain on remeasurement of $1.7 million on the Primary Production business. In compliance with SFRS(I) 5, the Group is required to cease depreciation on the assets held for sale. These resulted in a profit after tax of $11.1 million for 2H 2021. The remeasurement gain and cessation of depreciation are taken at Group consolidated accounts level and do not affect the financial results of Rivalea. Excluding such remeasurement gain and cessation of depreciation of $8.2 million, as well as associated costs incurred for the Disposal of $1.2 million, Primary Production business would have recorded a profit after tax of $2.4 million for 2H 2021 compared with $8.2 million for 2H 2020. The decrease in profit after tax in 2H 2021 compared with 2H 2020 resulted from higher non-cash deferred tax expense recorded after changes in the preparation of income tax return were made following the completion of the sale transaction. Following the completion of the sale on 4 January 2022, the Purchaser issued a Completion Statement which indicates certain upward adjustment to the Purchase Price, please see page 24 for more details.

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

INCOME STATEMENT (cont'd)

FY 2021 vs FY 2020

Continuing operations

Group revenue decreased marginally by $2.8 million to $559.0 million for the financial year ended 31 December 2021 ("FY 2021") from $561.8 million for the financial year ended 31 December 2020 ("FY 2020"). Group EBITDA before exceptional items reduced by 30% to $63.4 million for FY 2021 from $90.5 million for FY 2020. The Group's exceptional performance for FY 2020 was mainly attributable to the onset of the Covid-19 pandemic which caused panic buying resulting in lower bread returns and government pandemic-related grants. Higher raw material costs, foreign currency translation loss, utilities, distribution and transportation expense and one-off impact arising from the flood at a Malaysian bakery factory also affected the Group EBITDA before exceptional items in FY 2021.

The Group's costs of materials increased by 6% or $15.6 million to $293.1 million in FY 2021 from $277.5 million in FY 2020 driven by higher sales volume of the Bakery and Distribution & Warehousing segments, as well as higher raw material (particularly flour) costs.

Other income including interest income decreased by 59% or $4.6 million to $3.1 million in FY 2021 from $7.7 million in FY 2020 mainly due to the recognition of lower government pandemic-related grants received of $1.3 million (FY 2020: $6.7 million) in connection with the Covid-19 pandemic.

Utilities increased by 10% to $17.1 million in FY 2021 from $15.5 million in FY 2020 while distribution and transportation expense increased by 13% to $11.5 million from $10.1 million due to an overall increase in electricity, gas and fuel prices.

Advertising and promotion expenses was lower at $5.5 million in FY 2021 from $7.4 million in FY 2020, in line with lower advertising activities by Bakery segment.

Other operating expenses increased by 14% to $59.8 million in FY 2021 from $52.4 million in FY 2020 due mainly to non-cash foreign currency translation loss, higher distribution and transportation expense, and one-off impact arising from the flood at a Malaysian bakery factory, partially offset by lower loss allowance for receivables. The Group recorded non-cash foreign currency translation loss of $2.7 million in FY 2021 as compared with foreign currency translation gain of $5.1 million in FY 2020 as the Australian Dollar had appreciated vis a vis the Singapore Dollar. Higher distribution and transportation expense is incurred mainly by Bakers Maison Australia Pty Ltd, upon the strong recovery of the growing meal kit business and general recovery in the food service sector. The flood at a Malaysian bakery factory resulted in one-off inventory write-off of $1.3 million and one-off impairment loss on property, plant and equipment of $3.5 million. The Group intends to seek recovery under the consequential insurance loss policy and fire insurance policy (which covers floods). Any receipt under such policies will be treated as income for financial periods after FY 2021. In FY 2021, loss allowance for receivables improved against FY 2020 because in FY 2020, there was an additional $4.2 million provision for trade receivables relating to Gardenia Bakery Philippines Inc. ("GBPI")'s Big Smile and Bakers Maison franchise operations.

Group finance costs (interest expense) decreased by 24% or $0.6 million to $2.0 million in FY 2021 from $2.6 million in FY 2020 due mainly to lower Group's borrowings and lower interest rates.

The Group's share of profits of joint venture decreased by 24% or $1.4 million to $4.2 million in FY 2021 from $5.6 million in FY 2020 due mainly to higher raw material prices. GBKL's revenue decreased marginally by $1.5 million to $352.7 million in FY 2021 from $354.2 million in FY 2020.

Group PBT from continuing operations reduced by 47% from $54.4 million in FY 2020 to $28.7 million for FY 2021 with margin reduced from 9.7% to 5.1%. Group income tax expense decreased by 48% to $6.3 million for FY 2021 as compared to $12.1 million for FY 2020 due to reduced profitability in the Group's operations.

Group PAT from continuing operations reduced by 47% compared to FY 2020. PAT margin reduced from 7.5% in FY 2020 to 4.0% in FY 2021. Group PATMI from continuing operations reduced by 47% to $22.2 million for FY 2021 as compared to $42.1 million for FY 2020, with margin reduced from 7.5% to 4.0%.

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

INCOME STATEMENT (cont'd)

FY 2021 vs FY 2020 (cont'd)

Discontinued operations

Primary Production's FY 2021 revenue increased 12% due to higher pork sales and processing volumes. Primary Production benefitted from lower feed costs which came about with lower average wheat and barley prices in FY 2021 compared with FY 2020,

Based on the purchase price as stated in our announcement on 18 December 2021, the Group recorded in FY 2021, as an exceptional item, a non-cash gain on remeasurement of $5.7 million on the Primary Production business. In compliance with SFRS(I) 5, the Group is required to cease depreciation on the assets held for sale. These resulted in a profit after tax of $31.1 million for FY 2021. The remeasurement gain and cessation of depreciation are taken at Group consolidated accounts level and do not affect the financial results of Rivalea. Excluding such remeasurement gain and cessation of depreciation of $16.2 million, as well as associated costs incurred for the Disposal of $2.2 million, Primary Production business would have recorded a profit after tax of $11.4 million for FY 2021, as compared with $15.0 million for FY 2020. The decrease in profit after tax in FY 2021 from FY 2020 resulted from higher non-cash deferred tax expense recorded after changes in the preparation of income tax return were made following the completion of the sale transaction. Following the completion of the sale on 4 January 2022, the Purchaser issued a Completion Statement which indicates certain upward adjustment to the Purchase Price, please see page 24 for more details.

STATEMENT OF FINANCIAL POSITION

Inventories increased by 13% from $45.2 million as at end of FY 2020 to $50.9 million as at end of FY 2021 due mainly to higher inventory holdings in anticipation of increasing supply costs and disruptions to supply chain.

Other receivables increased by 56% or $9.7 million from $17.5 million as at end of FY 2020 to $27.2 million as at end of FY 2021 largely due to trust monies receivable of $8.6 million relating to deposit received upon signing of the sale and purchase agreement to dispose of the Primary Production business.

Tax recoverable increased by 42% or $1.9 million from $4.5 million as at end of FY 2020 to $6.4 million as at end of FY 2021 due mainly to the Philippines group of companies' accumulated certificates of creditable tax withheld. Philippines tax regulations mandate the advance withholding of tax for selected transactions which is paid directly to the tax authority and are useable as income tax credits. The excess creditable withholding taxes may be carried forward to succeeding years until fully utilised.

Cash and cash equivalents for the Group (including disposal group) increased by $10.4 million from $120.1 million as at end of FY 2020 to $130.5 million as at end of FY 2021, resulting mainly from positive cash from operating activities of $109.2 million and $6.5 million dividends received from GBKL, offset by repayment of borrowings and lease liabilities of $43.8 million, capital expenditure of $30.1 million and dividends payment of $29.1 million.

Right-of-use assets reduced by $3.4 million from $25.8 million as at end of FY 2020 to $22.4 million as at end of FY 2021, mainly due to depreciation of the assets during the year of $3.7 million.

Trade payables increased by $18.6 million from $43.1 million as at end of FY 2020 to $61.7 million as at end of FY 2021, due to higher inventory holdings.

Total short-term and long-term borrowings decreased by 25% from $44.1 million as at end of FY 2020 to $33.0 million as at end of FY 2021 due to repayment of loans. Net gearing ratio (including disposal group) as at 31 December 2021 was (0.01) times as compared with 0.09 times as at 31 December 2020.

Other payables (non-current) decreased by 24% to $9.1 million as at end of FY 2021 due mainly to lower provision for retirement benefits, in view of lower expected payouts as well as additional employer contribution made during the year to the plan asset to fund the future retirement benefits obligations.

Total lease liabilities decreased by 12% from $27.2 million as at end of FY 2020 to $23.9 million as at end of FY 2021 due to payments made.

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

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

Continuing operations

Segment	Revenue ^ 2H 2021 $'million	Revenue ^ 2H 2020 $'million	+ / (-) %	EBITDA 2H 2021 $'million	EBITDA 2H 2020 $'million	+ / (-) %	EBITDA margin 2H 2021 %	EBITDA margin 2H 2020 %
Bakery	*220.1*	*212.6*	*4*	*31.3*	*36.5*	*(14)*	*14*	*17*
Royalty income from joint venture	*3.1*	*1.7*	*82*	*3.1*	*1.7*	*82*		
Share of profits of joint venture	*-*	*-*	*-*	*3.4*	*3.2*	*5*		
Bakery and joint venture contribution	223.2	214.3	4	37.8	41.4	(9)		
Distribution & Warehousing	67.7	63.5	7	2.8	2.6	8	4	4
Others * (including head office financials)	(0.5)	(0.3)	67	(7.2)	(1.1)	555		
	290.4	277.5	5	33.4	42.9	(22)	12	15

* *Exclude share of profits and royalty income from joint venture Gardenia Bakeries (KL) Sdn Bhd ("GBKL"). Includes non-cash foreign exchange translation loss of $2.0 million in 2H 2021 and gain of $3.5 million in 2H 2020 recorded at head office.*

^ *GBKL's revenue is not consolidated as it is accounted for as a joint venture. GBKL's revenue increased 5% or $9.3 million to $185.1 million in 2H 2021 from $175.8 million in 2H 2020.*

Segment	Revenue ^ FY 2021 $'million	Revenue ^ FY 2020 $'million	+ / (-) %	EBITDA FY 2021 $'million	EBITDA FY 2020 $'million	+ / (-) %	EBITDA margin 2021 %	EBITDA margin 2020 %
Bakery	*425.1*	*433.3*	*(2)*	*60.3*	*79.6*	*(24)*	*14*	*18*
Royalty income from joint venture	*5.9*	*4.8*	*23*	*5.9*	*4.8*	*23*		
Share of profits of joint venture	*-*	*-*	*-*	*4.2*	*5.6*	*(24)*		
Bakery and joint venture contribution	431.0	438.1	(2)	70.4	90.0	(22)		
Distribution & Warehousing	128.9	124.0	4	6.4	7.0	(9)	5	6
Others * (including head office financials)	(0.9)	(0.3)	200	(13.4)	(6.5)	106		
	559.0	561.8	(1)	63.4	90.5	(30)	11	16

* *Exclude share of profits and royalty income from joint venture Gardenia Bakeries (KL) Sdn Bhd ("GBKL"). Includes non-cash foreign exchange translation loss of $2.7 million in FY 2021 and gain of $5.1 million in FY 2020 recorded at head office.*

^ *GBKL's revenue is not consolidated as it is accounted for as a joint venture. GBKL's revenue decreased marginally by $1.5 million to $352.7 million in FY 2021 from $354.2 million in FY 2020.*

BAKERY

The Group's Bakery segment achieved overall increase in sales in 2H 2021 by 4% to $220.1 million from $212.6 million in 2H 2020. Higher costs of materials, distribution and transportation expense and utilities posed a significant pressure on the segment. These costs increase, together with lower government pandemic-related grants, reduced Group's Bakery segment EBITDA from $36.5 million for 2H 2020 to $31.3 million for 2H 2021. Overall EBITDA margin for the Bakery segment reduced from 17% for 2H 2020 to 14% for 2H 2021. GBKL's sales, which were not included in the Group's revenue, increased by 5% or $9.3 million to $185.1 million in 2H 2021.

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

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

Continuing operations (cont'd)

BAKERY (cont'd)

Including GBKL, overall EBITDA contribution of Bakery segment reduced by 9% or $3.6 million from $41.4 million for 2H 2020 to $37.8 million for 2H 2021.

For FY 2021, Bakery segment revenue reduced by 2% to $425.1 million from $433.3 million in FY 2020. The Group's Bakery segment achieved exceptional performance in FY 2020 with higher demand triggered by the onset of the Covid-19 pandemic. Coupled with the increasing costs and lower pandemic-related grants from governments in FY 2021, EBITDA reduced by 24% or $19.3 million, from $79.6 million for FY 2020 to $60.3 million for FY 2021. Including GBKL, overall EBITDA contribution of Bakery segment reduced by 22% or $19.6 million, from $90.0 million for FY 2020 to $70.4 million for FY 2021.

However, when compared with the pre-Covid situation in FY 2019, the Group's Bakery segment revenue increased by 12% or $45.7 million from $379.4 million for FY 2019 to $425.1 million for FY 2021, and EBITDA increased by 20%, from $50.2 million for FY 2019 to $60.3 million for FY 2021.

The contribution to the Group from our share of profits of joint venture and royalty income from GBKL declined by 7% from $10.9 million in FY 2019 to $10.1 million in FY 2021. The decline in FY 2021 is mainly due to higher costs related to the pandemic and in 4Q 2021, a sharp spike in costs of materials.

DISTRIBUTION & WAREHOUSING

The Group's Distribution & Warehousing segment achieved an increase in revenue by 7% or $4.2 million to $67.7 million in 2H 2021, up from $63.5 million for 2H 2020. The increase is mainly contributed by higher food services and export sales, partly offset by lower sales to retail supermarkets. EBITDA for 2H 2021 increased to $2.8 million as compared with $2.6 million for 2H 2020.

For FY 2021, Distribution & Warehousing segment revenue increased by 4% or $4.9 million to $128.9 million, up from $124.0 million for FY 2020, mainly contributed by higher food services and export sales, partly offset by lower sales to supermarkets. Although revenue had increased, EBITDA for the Distribution & Warehousing segment decreased by 9% or $0.6 million, from $7.0 million for FY 2020 to $6.4 million for FY 2021. This decrease resulted mainly from operating profits falling by $0.9 million with higher cost of products and increased warehousing costs due to higher inventory levels. Government pandemic-related grants were also $1.3 million lower. However, in FY 2020, there was a $1.0 million impairment loss on property, plant and equipment and this moderated the decrease in EBITDA in FY 2021 compared with FY 2020.

Discontinued operations

PRIMARY PRODUCTION

	Revenue			EBITDA			EBITDA margin	
	2H 2021	2H 2020	+ / (-)	2H 2021	2H 2020	+ / (-)	2H 2021	2H 2020
	$'million	$'million	%	$'million	$'million	%	%	%
Primary Production	211.1	194.8	8	27.5	20.5	34	13	11

In the Primary Production segment, Rivalea Holdings Pty Limited ("Rivalea") achieved 8% revenue growth or $16.3 million from $194.8 million in 2H 2020 to $211.1 million in 2H 2021. This was mainly driven by higher pork sales and processing volumes despite a weakening in the wholesale selling prices. Primary Production's EBITDA for 2H 2021 increased by 34% or $7.0 million to $27.5 million as compared with $20.5 million for 2H 2020.

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

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

Discontinued operations (cont'd)

	Revenue			EBITDA			EBITDA margin	
	FY 2021 $'million	FY 2020 $'million	+ / (-) %	FY 2021 $'million	FY 2020 $'million	+ / (-) %	2021 %	2020 %
Primary Production	416.8	373.2	12	46.5	35.9	30	11	10

For FY 2021, revenue for the Primary Production segment increased by 12% or $43.6 million from $373.2 million in FY 2020 to $416.8 million in FY 2021, and EBITDA increased by 30% or $10.6 million from $35.9 million in FY 2020 to $46.5 million in FY 2021. Primary Production saw lower feed costs which resulted from lower wheat and barley prices in FY 2021 as compared with FY 2020, due to a better harvest in late FY 2020.

As announced on 4 January 2022, the Group completed the disposal of its Primary Production business (the "Disposal") and Rivalea Holdings Pty Ltd, Oxdale Dairy Enterprise Pty Ltd, Rivalea (Australia) Pty Ltd and Diamond Valley Pork Pty Ltd have ceased to be subsidiaries of the Company. Based on the purchase price as stated in our announcement on 18 December 2021, the Group recorded in FY 2021, as an exceptional item, a non-cash gain on remeasurement of $5.7 million on the Primary Production business. In compliance with SFRS(I) 5, the Group is required to cease depreciation on the assets held for sale. This resulted in a profit after tax of $31.1 million for FY 2021. The remeasurement gain and cessation of depreciation are taken at Group consolidated accounts level and do not affect the financial results of Rivalea. Excluding such remeasurement gain and cessation of depreciation of $16.2 million, as well as associated costs incurred for the Disposal of $2.2 million, Primary Production business would have recorded a profit after tax of $11.4 million for FY 2021 as compared with $15.0 million for FY 2020. The decrease in profit after tax in FY 2021 from FY 2020 resulted from higher non-cash deferred tax expense recorded after changes in the preparation of income tax return were made following the completion of the sale transaction. Following the completion of the sale on 4 January 2022, the Purchaser issued a Completion Statement which indicates certain upward adjustment to the Purchase Price, please see page 24 for more details.

Overall Group operations

	Full year ended				
	31/12/2021 S$'m	31/12/2020 S$'m	FY21 vs FY20 + / (-) %	30/12/2019 S$'m	FY21 vs FY19 + / (-) %
Continuing operations					
Revenue	559.0	561.8	(1)	497.0	12
EBITDA	63.4	90.5	(30)	56.8	12
PATMI	22.2	42.0	(47)	18.2	22
Discontinued operations					
Revenue	416.8	373.2	12	366.8	14
EBITDA	46.5	35.9	30	26.6	75
PATMI	29.9	(14.3)	n.m.	9.4	218
Group (Continuing and discontinued operations)					
Revenue	975.8	935.0	4	863.8	13
EBITDA	109.9	126.4	(13)	83.4	32
PATMI	52.1	27.7	88	27.6	89

On overall group level including both continuing and discontinued operations, FY 2021 revenue was 4% and 13% higher than FY 2020 and FY 2019, respectively. FY 2021 EBITDA was 13% lower with the normalisation of the Bakery business against FY 2020 but was 32% higher than FY 2019. FY 2021 PATMI was 88% higher than FY 2020 as the previous year was affected by the non-cash remeasurement loss of $28.7 million on the discontinued Primary Production business. Excluding remeasurement losses in FY 2021 and FY 2020, PATMI would have decreased by $10.0 million or 18% largely due to the normalisation of the Bakery business offset by a $9.8 million improvement from the discontinued operations. Compared with FY 2019, Group PATMI's improved 89%, with 22% and 218% growth from continuing and discontinued operations respectively.

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.

NB: Any discrepancies in percentages included in Section 10 between the amounts shown and the corresponding percentage are due to rounding. Accordingly, figures shown as percentages in Section 10 may not be derived directly from such amounts shown.

Continuing operations

Based on government statistics, the Singapore economy recovered by 7.6% in FY 2021 after the 5.4% decline in FY 2020 while Malaysia's rebounded by 3.1% from a 5.6% fall the previous year. The Philippine government recently announced that its economy recovered 5.6% after shrinking 9.6% in FY 2020. The International Monetary Fund estimated that Australia's economy grew 3.5% in FY 2021 after declining 2.4% in FY 2020. Although there was economic recovery in core markets in which the Group operates, the recovery of the regional economies in FY 2021 was largely due to the low base in FY 2020 during the onset of the Covid-19 pandemic.

Various forms of pandemic-related restrictions have been imposed by governments in these countries, in response to new waves of Covid-19 infections arising from new variants. The pandemic continues to cast uncertainty over the business environment and has affected the economies of our core markets, which resulted in lower household consumption. Singapore had rolled back its planned reopening in May 2021 after a resurgence of Covid-19 cases. The Philippines had also prolonged its lockdown measures into 2021. In Malaysia, severe lockdown measures were reimposed on several occasions. Lockdown measures were reintroduced in Australia, after outbreaks of the new Covid-19 Delta variant in June 2021 and Omicron variant in December 2021.

As mentioned in our FY 2020 results announcement and annual report, FY 2020 was an exceptionally good year for the Bakery business which was expected to moderate as our business started to normalise in FY 2021. In line with such commentary, Group Bakery revenue for FY 2021 fell against last year by 2% from $438.1 million to $431 million and EBITDA fell 22% from $90 million to $70.4 million. However, compared with the pre-Covid situation in FY 2019, Group Bakery revenue grew by 12% from $384.3 million to $431 million and EBITDA was 15% higher from $ 61.1 million to $70.4 million. The significant increase in revenue in FY 2021 compared with FY 2019 was supported by strategic investments in heavy expansion capex of $200 million in the 4-year period before FY 2020. These investments significantly increased our production capacity and enable the Group to achieve better economies of scale. This was in line with our strategy of pursuing organic growth. Although business has normalised, our performance in the Bakery segment in these markets was relatively steady compared with the general industry for fast moving consumer products. For Bakers Maison Australia Pty Ltd ("BMA"), after initial setbacks in its sales to food service and airline customers when the pandemic started, the company had seen strong recovery in June 2020 with the growing meal kit business and general recovery in the food service sector that continued into 1H 2021. In 2H 2021 with further outbreaks of Covid-19 cases in Australia, BMA's business in the food service sector has again been affected, although to a lesser extent than the year before. Notwithstanding these outbreaks, BMA achieved its best performance to-date.

In the Distribution & Warehousing segment, being nimble and responsive to changing market demand have helped us to maintain continued year-on-year sales increase in FY 2021. Notably, decisions to increase inventory and diversification of suppliers helped us to avoid inventory shortage situations and even allowed us to expand our product range during the year. While sales growth in FY 2020 was largely attributable to supermarkets and exports, the growth in FY 2021 was largely attributable to the recovery in the food service sector. However, owing to the disruptions to our supply chain caused by the pandemic, costs have increased (for example, higher cost of products from suppliers and higher warehousing cost because of increased inventory) and margins have contracted. This was partly caused by food manufacturers worldwide facing difficulty meeting demand and disruptions in the shipping industry which increased shipping costs. EBITDA in FY 2021 of $6.4 million is lower than FY 2020's $7 million due mainly to lower amount of grants received in connection with the Covid-19 pandemic, higher cost of products and increased warehousing costs. Compared against FY 2019 operating EBITDA of $6.8 million (excluding the insurance compensation), EBITDA is $0.4 million lower as a result of higher cost of products and increased warehousing costs. The $2.5 million repair works on the roof structure of our warehouse which started in May 2021 is expected to be fully completed by February 2022. The repair works had reduced our coldroom capacity by 30% and we expect full capacity utilisation from March 2022 onwards.

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

Continuing operations (cont'd)

The Group remains committed to its corporate social responsibility and will continue to give back to the lower-income community. For example, GFS has continued to donate bread products to underprivileged communities. GBKL has continued to work closely with government agencies and NGOs to provide products and cash to help those financially affected by the COVID-19 pandemic. GBPI remains focused on bread donations to crisis-affected poor communities and COVID-19 frontline workers in hospitals and security checkpoints, and other essential services workers. Immediate bread donations were also made in the aftermath of typhoons that hit the Philippines this year. Including our joint-venture company, GBKL, donations of $2.8 million were incurred by the Group in FY2021. The Group also incurred expenses for vaccines and other workplace safety measures necessary to mitigate the pandemic risks.

Further to our announcement dated 6 August 2021, we completed the restructuring of and exited our entire stake in Gaoyuan Pte Ltd ("Gaoyuan") on 20 December 2021. An accounting gain of $1.5 million was recognised from this restructuring and settlement of the consideration of S$3,768.60 was made pursuant to the sale to a company in which our controlling shareholder has an interest. The consideration was determined, taking into consideration that, Gaoyuan together with its subsidiaries, was technically insolvent and the net asset value of our stake was negative $1.5 million.

In November 2021, we incorporated a new wholly-owned subsidiary, Straits Foods (S) Pte Ltd, with issued and paid-up capital of S$1.00 to explore new trading opportunities in ASEAN. Our Group also invested approximately S$0.5m in paid-up capital in a newly-incorporated wholly-owned Philippine subsidiary, Gardenia (Philippines) Trading and Distribution Corp. in January 2022 to engage in trade and distribution operations in the Philippines, as a strategic move to diversify from the Bakery segment.

Discontinued operations

Continuing from 2020, the Primary Production business did well in 2021, achieving sales of $417 million and EBITDA of $46.5 million. Sales went up by 12% and EBITDA improved 30%. The business continued to benefit from the lower grain prices since 2020 when the severe drought of 2018 to 2019 ended.

We have announced on 4 January 2022 the completion of the sale of the Primary Production business to an Australian subsidiary of JBS S.A. ("JBS") and A$157 million (S$153 million) has already been received from the purchaser on Completion which amount was based on an estimate of the defined financial conditions as at 30 November 2021. The final amount to be settled will be based on the defined financial condition of the Primary Production business as at 31 December 2021, taking into account:

(a) the aggregate enterprise value of A$175.0 million (approximately S$171.7 million);
(b) the aggregate actual net external debt;
(c) the aggregate actual related party balances between the vendors and Rivalea Group; and
(d) the aggregate actual net working capital, measured against the pre-agreed net working capital amount.

On 16 February 2022, JBS issued a Completion Statement of the amount to be settled and based on such Completion Statement, the amount has to be adjusted upwards by A$0.3 million. The Group is still reviewing the Completion Statement and will make the necessary announcement in due course on the final amount to be adjusted.

It is expected that there will be no material impact from the completion of the sale on the Group's results for FY 2022. However:

(a) If additional costs are incurred in FY 2022, there will then be a negative impact on profit before tax and total comprehensive income, although the impact is not expected to be material.

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

Discontinued operations (cont'd)

(b) For FY 2022, there will be a non-cash $7.7 million translation loss resulting from the reclassification of foreign currency translation reserve from the equity on the balance sheet to the profit and loss statement in accordance with Singapore Financial Reporting Standard (International) 1-21. This is an accounting requirement following the completion of the disposal of the Primary Production business. However, a corresponding gain of $7.7 million will be recorded in other comprehensive income.

(c) The Completion Statement issued by the Purchaser on 16 February 2022 is currently being reviewed by the Group and the final amount to be adjusted upwards will be reflected in the Group's results for FY2022.

Outlook

The International Monetary Fund (IMF) recently announced that it expects global growth to moderate from 5.9% in 2021 to 4.4% in 2022. This forecast took into consideration the removal of fiscal policy package, earlier withdrawal of monetary accommodation and continued supply shortages for the United States, as well as pandemic-induced disruptions and protracted financial stress among property developers in China. The IMF also highlighted that the emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. The United Nations Food and Agriculture Organization (FAO) estimated that global wheat prices had increased 31% over the year 2021. In November 2021, wheat traded at its highest prices in nine years. High energy prices are also an increasing risk concern with oil and gas prices increasing by about 50% from end of FY 2020 to end of FY 2021 and trading near 7-year highs during the last quarter of FY 2021 to early January 2022. Volatile energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies and will likely continue to cast uncertainty in the business environment. In Singapore, inflation rose to 4 per cent in December, exceeding economists' expectations and prompting the authorities to review their 2022 forecasts. In December 2021, unemployment rate in Australia dived to its lowest level since 2008 which will pose staff cost and hiring challenges for our remaining operations in Australia. Accordingly, inflationary pressures are expected to continue into FY 2022, particularly in the first half.

The pandemic situation in our core markets of Singapore, Malaysia, the Philippines and the other regional economies has continued to pose operational challenges leading to increased costs. In particular, the pandemic has continued to severely disrupt production, supply chains and movement of labour. Since the last quarter of FY 2021, we saw the beginning of the increase of our cost of operations, especially higher raw material, distribution and utility costs. The inflationary pressures have been fuelled by amongst others, producer price increases, persistent supply side disruptions and labour shortages, and volatile high energy costs. For example, flour costs expense, which is the biggest component of our costs of materials, has increased by approximately 4% in FY 2021 compared with FY 2020. However, this increase does not fully reflect the impact of the increase in the cost of flour in the last quarter of FY 2021, which increase will be felt in FY 2022 due to the lagging effect of flour price increases. Typically, we purchase flour in advance on a quarterly basis and thus any increase in such costs will only be felt subsequently. Average flour price since the end of FY 2020 has gone up by more than 20%, the increase having started from the last quarter of FY 2021. For Gardenia Singapore, flour price has increased by another 15% for 1Q 2022 from 4Q 2021 and is estimated to increase further in 2Q 2022 with more than 20% increase from 4Q 2021. Compared with 2H 2020, the Group distribution and transportation expense has increased by 11% while utility cost has also increased by 18% as oil and gas prices have increased by about 50% in FY 2021. Our costs are therefore expected to increase significantly in 1H 2022. To mitigate the challenges of cost escalation arising from inflationary pressures, strategic steps such as product innovations, adjustments to product mix and selling prices have been and will be taken. The selling price adjustments are however moderated by keeping our prices competitive.

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

Outlook (cont'd)

In December 2021, unprecedented torrential rain throughout Peninsular Malaysia caused severe flooding across several states. One of Gardenia Malaysia's factories was adversely affected and had to be shut down. A one-off loss adjustment of $4.8 million has been made for damaged inventory and fixed assets. To a certain extent, the shutdown of this factory is expected to affect Gardenia Malaysia's total supply of bakery products for FY 2022. During the period of replacement or reinstatement, there will be no revenue generated from the affected lines of production in FY 2022. The financial contribution from the affected lines of production will therefore cease until the requisite replacement or reinstatement works are completed and the lines are fully operational and this will have an impact on performance of Gardenia Malaysia. Local management has taken strategic measures to mitigate the impact of this factory shutdown, including ramping up production of other factories, changing product mix and temporary outsourcing of production to other contract manufacturers.

In view of the above, barring unforeseen circumstances, the operating performance of the continuing business in 1H 2022 is expected to be challenging as compared to 1H 2021. The ongoing pandemic situation, inflationary pressures and geopolitical tensions have created heightened uncertainty and this has made it challenging to comment on the trend for 2H 2022, although typically, the 2H operating performance would be better than the 1H operating performance.

Our commentary on the operating performance for FY 2022 does not take into account recovery under the consequential insurance loss policy and fire insurance policy (which covers floods). Gardenia Malaysia is in the process of seeking recovery under such policies and any payment under such policies will be treated as income for the financial period after FY 2021. Repair and replacement of damaged factory installations are currently being planned, taking into consideration the insurer's assessment of the damage and the Group's proposal for the repair and replacement.

In line with the strategy of sustainable long-term growth, we will continue to pursue our current strategy of pursuing organic growth. At the same time, we are looking into new investment opportunities to grow and expand our existing core businesses. The receipt of cash proceeds of S$153 million (A$157 million) (which amount is subject to upward adjustment as mentioned on page 24 above) from the disposal of the Primary Production business will enable the Group to pursue organic growth, which will require significant capital expenditure, with some degree of confidence. The stronger cash position of the Group will also allow us to pursue new business opportunities in the food industry as part of our diversification strategy.

During the period of FY 2016 to FY 2019, the Group had invested in expansion capex of approximately $200 million to expand our overall bakery production capacity. This was in line with our strategy of pursuing organic growth. As a continuation of this strategy, we plan to further invest in expanding our production capacity for our core markets in Singapore, Malaysia and the Philippines. The aggregate investment is estimated to be approximately $116 million. Given the age of the plant in Singapore, we are planning to upgrade our production facilities in Singapore. A key aspect of the upgrading works will be automating the process of packing finished products. This automation will address the general shortage of workforce in Singapore and cut future manpower costs. Some improvements have already been made to our plants in Singapore in FY 2021. GBKL's new bun and roll line at Bukit Kemuning has also been completed on time and within budget in 2H 2021. Further expansion plans in Malaysia will take into account, amongst others, the recent factory shutdown arising from the flood in December 2021 and any temporary shutdown in Singapore required for upgrading works. Gardenia Philippines is nearing completion of the construction of the factory structure to house new production lines at North Luzon. However, the installation of the production lines at this location is still being reviewed, taking into consideration the economic environment and our expectation of increased market competition.

The Group's balance sheet was strengthened in January 2022 with the sale proceeds from the discontinued operations. This will facilitate the pursuit of our strategy of value creation to enhance shareholders value, balanced by our prudent capital management policy and the need to support expansion capex and other investments. Accordingly for FY 2021, the Board has decided to recommend a final dividend of $0.04 per share. Together with the interim $0.01 dividend paid in 2021, the total dividend for FY 2021 would amount in total to $0.05 per share or total of $28.8 million, although our FY 2021 profit after tax from continuing operations attributable to shareholders is $22.2 million.

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	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 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]	1,054
Tiong Lian Food Pte Ltd - Sale of products (pork products)	See Note [2]	4,041
Austral Dairy Group Sdn. Bhd. - Sale of products (cheese)	Entity in which Mr Andree Halim and immediate family member of Ms Rachel Liem Yuan Fang has an interest	2,603
Salim Group - Purchase of raw materials including flour	See Note [1]	16,782
Salim Group - Purchase of finished products (noodles)	See Note [1]	372
Austral Dairy Group Sdn. Bhd. - Purchase of finished products (processed cheese)	Entity in which Mr Andree Halim and immediate family member of Ms Rachel Liem Yuan Fang has an interest	1,805
	TOTAL	26,657

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.

<u>Segment Information</u>
(In Singapore Dollars)

	Continuing operations			Discontinued operations		
	Bakery $'000	Distribution & warehousing $'000	Investments & others $'000	Primary production $'000	Adjustments & eliminations $'000	Consolidated $'000
Revenue and expenses 2H 2021						
Revenue from external customers	217,043	67,029	3,065	208,536	(208,536)	287,137
Other revenue from external customers	2,951	115	43	2,537	(2,537)	3,109
Inter-segment revenue	114	532	7,771	-	(8,417)	-
	220,108	67,676	10,879	211,073	(219,490)	290,246
Unallocated revenue						108
Total revenue						290,354
Segment EBITDA	31,340	2,875	3,287	27,460	(27,460)	37,502
Amortisation and depreciation	(14,402)	(1,696)	(156)	-	-	(16,254)
Segment EBIT	16,938	1,179	3,131	27,460	(27,460)	21,248
Unallocated revenue						108
Unallocated expenses						(7,507)
Profit from operating activities						13,849
Finance costs						(936)
Exceptional items						1,519
Share of profits of joint venture	3,387	-	-	-	-	3,387
Profit before tax						17,819
Income tax expense						(3,342)
Profit after tax						14,477
Timing of transfer of goods or services						
At a point in time	219,981	64,978	49	210,956	(210,956)	285,008
Over time	107	2,167	3,072	82	(82)	5,346
	220,088	67,145	3,121	211,038	(211,038)	290,354
Revenue and expenses 2H 2020						
Revenue from external customers	208,769	62,134	1,708	190,813	(190,813)	272,611
Other revenue from external customers	3,662	823	265	4,051	(4,051)	4,750
Inter-segment revenue	118	532	7,593	10	(8,253)	-
	212,549	63,489	9,566	194,874	(203,117)	277,361
Unallocated revenue						151
Total revenue						277,512
Segment EBITDA	36,440	2,533	1,368	20,539	(20,539)	40,341
Amortisation and depreciation	(15,384)	(1,705)	(159)	(7,504)	7,504	(17,248)
Segment EBIT	21,056	828	1,209	13,035	(13,035)	23,093
Unallocated revenue						151
Unallocated expenses						(698)
Profit from operating activities						22,546
Finance costs						(1,177)
Share of profits of joint venture	3,230	-	-	-	-	3,230
Profit before tax						24,599
Income tax expense						(4,245)
Profit after tax						20,354
Timing of transfer of goods or services						
At a point in time	212,419	60,515	266	194,842	(194,842)	273,200
Over time	102	2,448	1,762	69	(69)	4,312
	212,521	62,963	2,028	194,911	(194,911)	277,512

15. Segment Information (cont'd)

(In Singapore Dollars)

	Continuing operations: Bakery $'000	Continuing operations: Distribution & warehousing $'000	Continuing operations: Investments & others $'000	Discontinued operations: Primary production $'000	Adjustments & eliminations $'000	Consolidated $'000
Revenue and expenses 2021						
Revenue from external customers	418,828	127,148	5,869	411,625	(411,625)	551,845
Other revenue from external customers	6,007	704	234	5,143	(5,143)	6,945
Inter-segment revenue	237	1,068	15,263	-	(16,568)	-
	425,072	128,920	21,366	416,768	(433,336)	558,790
Unallocated revenue						186
Total revenue						558,976
Segment EBITDA	60,293	6,437	6,251	46,472	(46,472)	72,981
Amortisation and depreciation	(30,681)	(3,388)	(316)	-	-	(34,385)
Segment EBIT	29,612	3,049	5,935	46,472	(46,472)	38,596
Unallocated revenue						186
Unallocated expenses						(13,823)
Profit from operating activities						24,959
Finance costs						(1,960)
Exceptional items						1,519
Share of profits of joint venture	4,223	-	-	-	-	4,223
Profit before tax						28,741
Income tax expense						(6,344)
Profit after tax						22,397
Timing of transfer of goods or services						
At a point in time	424,809	123,386	240	416,606	(416,606)	548,435
Over time	175	4,469	5,897	184	(184)	10,541
	424,984	127,855	6,137	416,790	(416,790)	558,976
Revenue and expenses 2020						
Revenue from external customers	425,466	121,171	4,798	368,125	(368,125)	551,435
Other revenue from external customers	7,608	1,748	617	5,040	(5,040)	9,973
Inter-segment revenue	189	1,116	16,108	64	(17,477)	-
	433,263	124,035	21,523	373,229	(390,642)	561,408
Unallocated revenue						377
Total revenue						561,785
Segment EBITDA	79,577	6,955	4,888	35,889	(35,889)	91,420
Amortisation and depreciation	(30,162)	(3,394)	(319)	(14,189)	14,189	(33,875)
Segment EBIT	49,415	3,561	4,569	21,700	(21,700)	57,545
Unallocated revenue						377
Unallocated expenses						(6,508)
Profit from operating activities						51,414
Finance costs						(2,576)
Share of profits of joint venture	5,562	-	-	-	-	5,562
Profit before tax						54,400
Income tax expense						(12,147)
Profit after tax						42,253
Timing of transfer of goods or services						
At a point in time	433,050	117,964	617	373,113	(373,113)	551,631
Over time	183	4,965	5,006	147	(147)	10,154
	433,233	122,929	5,623	373,260	(373,260)	561,785

15. Segment Information (cont'd)

(In Singapore Dollars)

	Continuing operations			Discontinued operations	
	Bakery $'000	Distribution & warehousing $'000	Investments & others $'000	Primary production $'000	Consolidated $'000
Assets and liabilities 31 December 2021					
Segment assets	349,390	84,206	52,690	306,111	792,397
Investment in joint venture and associate	75,047	-	-	-	75,047
Total assets	424,437	84,206	52,690	306,111	867,444
Deferred tax assets					4,276
Tax recoverable					6,440
Total assets per consolidated statement of financial position					878,160
Segment liabilities	96,087	37,039	17,201	154,229	304,556
Income tax payable					3,236
Deferred tax liabilities					5,002
Bank borrowings					33,038
Total liabilities per consolidated statement of financial position					345,832
Assets and liabilities 31 December 2020					
Segment assets	362,725	81,899	41,506	293,824	779,954
Investment in joint venture and associate	78,497	-	-	-	78,497
Total assets	441,222	81,899	41,506	293,824	858,451
Deferred tax assets					5,084
Tax recoverable					4,546
Total assets per consolidated statement of financial position					868,081
Segment liabilities	93,347	33,477	9,487	160,181	296,492
Income tax payable					3,744
Deferred tax liabilities					7,038
Bank borrowings					43,888
Total liabilities per consolidated statement of financial position					351,162
Other segment information 2021					
Expenditure for non-current assets	15,989	1,466	68	12,103	29,626
Impairment loss	3,490	-	-	-	3,490
Loss allowance for inventories charged/ (written-back) and inventories written off, net	1,523	(109)	2	-	1,416
Loss allowance for receivables charged and bad debts written off, net	277	36	-	-	313
Other segment information 2020					
Expenditure for non-current assets	14,567	1,265	108	14,676	30,616
Impairment loss charged/(written-back)	-	1,035	(362)	-	673
Loss allowance for inventories charged/ (written-back) and inventories written off, net	282	(205)	-	-	77
Loss allowance for receivables charged and bad debts written off, net	5,203	203	-	-	5,406

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

	Revenue		***Non-current assets***	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	$'000	$'000	$'000	$'000
Australia	450,144	386,491	170,894	161,620
Philippines	242,328	248,354	96,918	105,111
Singapore	185,158	193,477	62,645	67,016
Malaysia	86,942	88,640	57,586	67,087
Other countries	11,194	18,083	-	-
Less: Disposal group classified as held for sale	(416,790)	(373,260)	(148,062)	(136,272)
	558,976	561,785	239,981	264,562

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets 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				
	Continuing operations		Discontinuing operations		
	2021	2020	2021	2020	+ / (-)
	$'000	$'000	$'000	$'000	%
Revenue reported for first half year	268,622	284,273	205,752	178,349	3
Profit after tax before deducting non-controlling interests for the first half year	7,920	21,899	19,945	6,794	(3)
Revenue reported for second half year	290,354	277,512	211,038	194,911	6
Profit/(loss) after tax before deducting non-controlling interests for the second half year	14,477	20,354	11,132	(20,487)	n.m.

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

	Full Year 2021	Full Year 2020
	$'000	$'000
Ordinary dividend	28,763	28,763

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	43	Son of Mr Andree Halim (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
25 February 2022