ANNUAL REPORTS AND RELATED DOCUMENTS::

Issuer & Securities

Issuer/ Manager

QAF LIMITED

Securities

QAF LIMITED - SG1A49000759 - Q01

Stapled Security

No

Announcement Details

Announcement Title

Annual Reports and Related Documents

Date &Time of Broadcast

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Announcement Reference

SG250327OTHRGCOK

Submitted By (Co./ Ind. Name)

Serene Yeo

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please see attached:
(1) QAF Limited Annual Report FY2024
(2) QAF Annual Report FY2024 Appendix - Proposed Renewal of IPT Mandate

Additional Details

Period Ended

31/12/2024

Attachments

QAF Annual Report FY2024.pdf

QAF Appendix to the Annual Report_FY2024_IPT Mandate.pdf

Total size =9445K MB

QAF Limited

2024 ANNUAL REPORT

SUSTAINED PERFORMANCE
IN CHALLENGING TIMES

CORPORATE **INFORMATION**

(AS AT 17 MARCH 2025)

BOARD OF DIRECTORS

Lam Sing Chung (Chairman)
Philip Yeo Liat Kok (Vice-Chairman)
Lin Kejian (Joint Group Managing Director)
Michael Darren Hewat (Joint Group Managing Director)
Dawn Pamela Lum
Norman Ip
Chee Teck Kwong Patrick
Lian Hwee Peng Rebecca
Aw Syee Chia
Loh Wee Lee
Rachel Liem Yuan Fang
(Alternate Director to Lam Sing Chung)

AUDIT AND RISK COMMITTEE

Norman Ip (Chairman)
Dawn Pamela Lum
Chee Teck Kwong Patrick
Lian Hwee Peng Rebecca

NOMINATING COMMITTEE

Dawn Pamela Lum (Chairman)
Lam Sing Chung
Philip Yeo Liat Kok

REMUNERATION COMMITTEE

Dawn Pamela Lum (Chairman)
Lam Sing Chung
Philip Yeo Liat Kok

COMPANY SECRETARY

Serene Yeo Li-Wen

REGISTERED OFFICE

150 South Bridge Road
#09-03 Fook Hai Building
Singapore 058727

Tel: (65) 6538 2866
Fax: (65) 6538 6866

PLACE & DATE OF INCORPORATION

Singapore, 3 March 1958

COMPANY REGISTRATION NO.

195800035D

REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
9 Raffles Place
#26-01 Republic Plaza Tower 1
Singapore 048619

Tel: (65) 6236 3333

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner In-charge: Philip Ng Weng Kwai
(since the financial year ended 31 December 2022)

PRINCIPAL BANKERS

DBS Bank Limited
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
United Overseas Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
HL Bank

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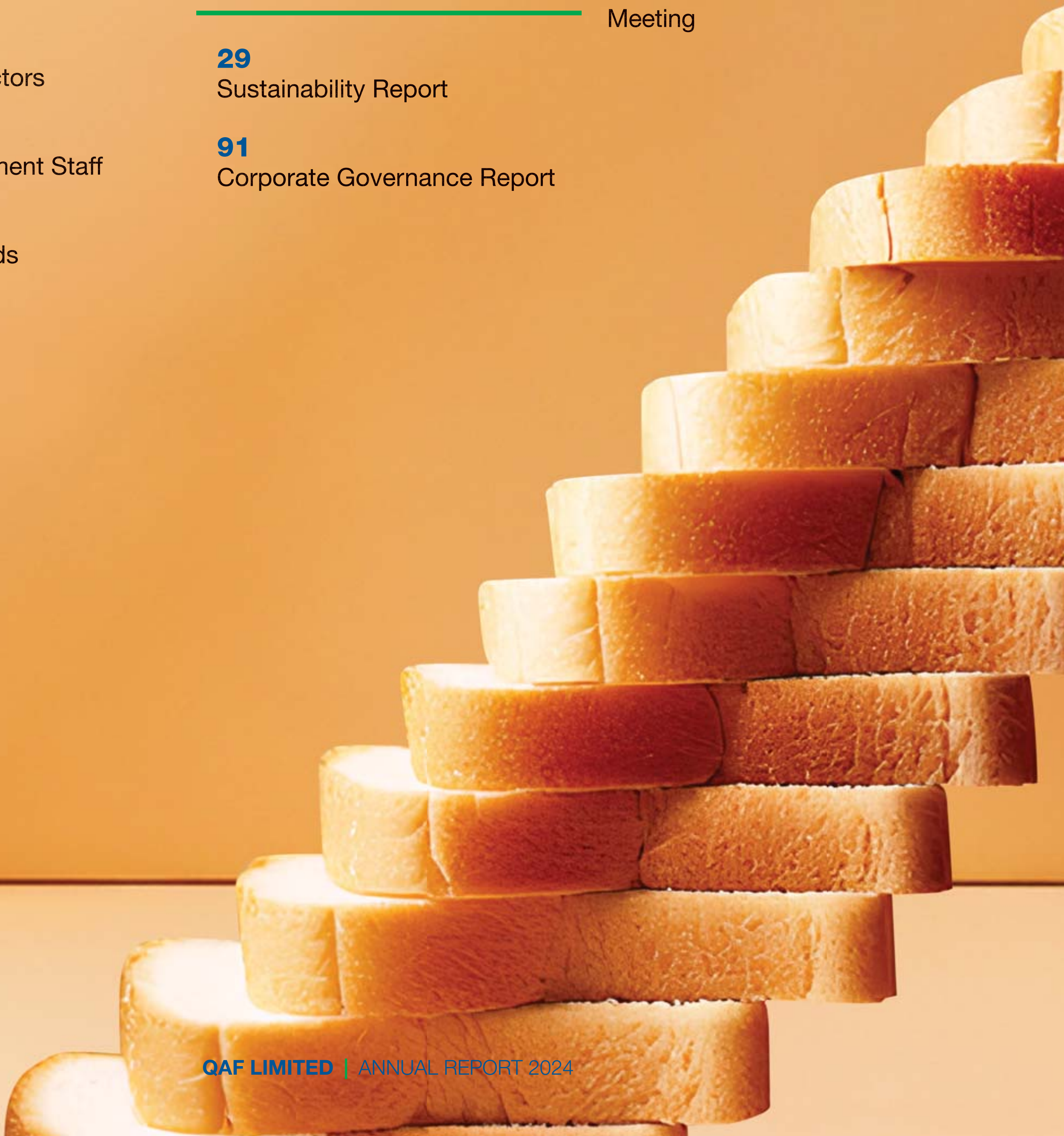


CHAIRMAN'S **STATEMENT**

> **The Group has achieved a year-on-year improvement in reported results, despite having to navigate a challenging trading environment. Our business has demonstrated strong resilience as we adapted to consumers' increased price sensitivity.**

Dear Shareholders,

The Group has achieved a year-on-year improvement in reported results, despite having to navigate a challenging trading environment. Whilst global efforts to reduce inflation are finally showing success, consumers across all regions continue to endue lower purchasing power in a higher cost-of-living environment. Our business has demonstrated strong resilience as we adapted to consumers' increased price sensitivity.

We achieved revenue growth in FY2024, 1% higher from FY2023. Along with cost management, the Group's profit before tax after exceptional items improved by 9% to $44.6 million. Consequently, the Group's profit attributable to the owners of the Parent rose by 26% to $34.7 million.

We ended FY2024 with a strong financial position, holding a net cash balance of $177 million. Our conservative capital management ensures we are positioned well to resist future global uncertainties and downside risks.

We remain committed to distributing sustainable dividends to our shareholders. For FY2024, the Board has recommended a final dividend of $0.04 per share. If approved by our shareholders at the upcoming Annual General Meeting, the total dividends for FY2024 would amount to $0.05 per share.

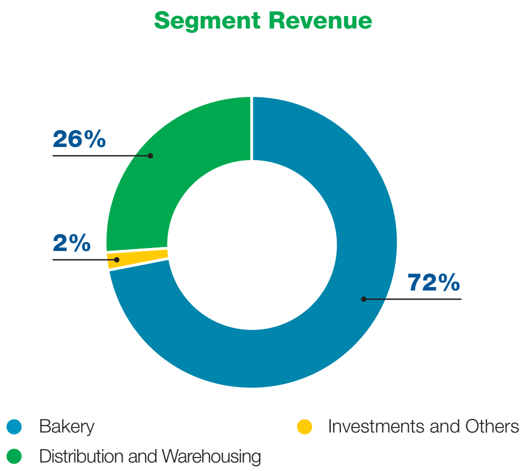
To ensure that the Company maintains an appropriate mix of skills and experience in this constantly changing global landscape, a review of the composition of the Board and its Committees is currently being undertaken. The Company expects to complete this process by mid-2025 and will announce any updates at its conclusion.

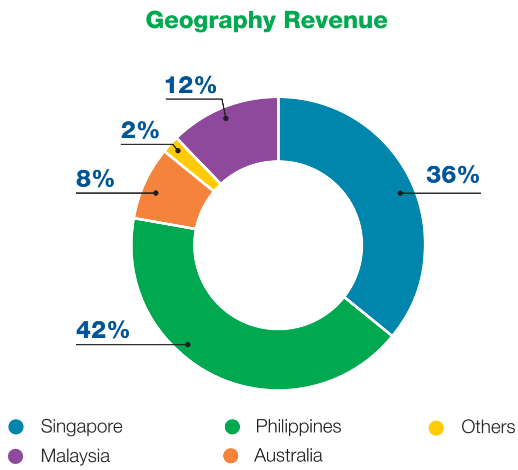
On behalf of the Board, I express our deepest gratitude for the continuous trust and support of our shareholders, customers, and business partners. I also extend my heartfelt appreciation to our staff for their dedicated contributions and continuing efforts in this changing business environment.

We look forward to another year of growth and support together.

Lam Sing Chung
Chairman
17 March 2025

BUSINESS **OVERVIEW**





REVENUE (EXCLUDING GBKL)	EBITDA[1] (BEFORE EXCEPTIONAL ITEMS)	PAT (AFTER EXCEPTIONAL ITEMS)		
$636m	**$59.6m**	**$34.7m**	**> 10,000**	**c.40**
GBKL[2] Revenue $413m	GBKL[2] EBITDA $30.9m	GBKL[2] PAT $11.9m	employees	key brands

BAKERY

REVENUE
$456m

EBITDA[3] (BEFORE EXCEPTIONAL ITEMS)
$58.2m

EBITDA MARGIN
13%

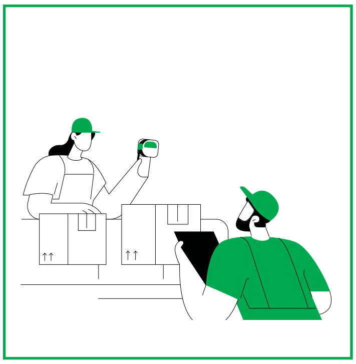
16 Factories
Singapore: 2
Philippines: 5
Malaysia: 8
Australia: 1

Produced > **1.4 billion** units of bread product annually

c.81,000 third party outlets

c.2,100 routes

c.2,000 trucks



DISTRIBUTION AND WAREHOUSING

REVENUE
$168m

EBITDA[4]
$8.1m

EBITDA MARGIN
5%

> 10 export markets

3 warehouses & cold store facilities

c.20 overseas distributors

c.38,000 sqm of gross floor area

1 Includes segment EBITDA of Bakery, Distribution and Warehousing, and Investment and Others.
2 Reflects 100% of Gardenia Bakeries (KL) Sdn Bhd of which QAF's share of 50% has been reflected in the Group's EBITDA and PAT.
3 Excludes head office expenses and joint venture (GBKL) contribution.
4 Excludes head office expenses.

JOINT GROUP **MANAGING DIRECTORS' REPORT**

	FY2024 $' million	FY2023 $' million	Change %
Revenue	636.1	628.6	1
Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") before exceptional items	59.6	48.0	24
EBITDA margin before exceptional items (%)	*9.4%*	*7.6%*	
Profit before Taxation ("PBT") after exceptional items	44.6	41.0	9
PBT margin after exceptional items (%)	*7.0%*	*6.5%*	
Profit after Taxation ("PAT") after exceptional items	34.7	27.6	26
PAT margin after exceptional items (%)	*5.5%*	*4.4%*	

We build on our Chairman's statement to present our Financial Results for FY2024.

In 2024, global inflation rates have stabilised, with many regions experiencing periods of disinflation. Consequently, global economic growth has moderated. Despite the lower inflation, the higher cost-of-living environment has persisted, influencing consumers' purchasing power and confidence across the Group's operating regions. We have also noted the changing preferences of our consumers, shifting towards lower-value and smaller-sized products.

The Group has adapted, with strategic price and product mix adjustments applied to maintain our competitive position. Opportunities, including new products and expanded regions, were also pursued to unlock new growth potentials. The Group achieved a revenue of $636 million in FY2024, a growth of 1% from FY2023. When foreign exchange effects are removed, the year-on-year improvement was 2% in constant currency terms.

Cost of materials fell by 1% and utilities by 2% during FY2024. However, labour and distribution costs rose by 1% and 14% respectively. In addition, the Group rationalised its marketing efforts, leading to a 9% reduction in marketing expense in FY2024 from the year before.

Our reported results continue to be affected by non-trading items. In respect of the December 2021 flood damage at one of our factories in Malaysia, we have finalised all insurance claims and received the final payments during the year. In total, we recorded exceptional gains relating mainly to insurance of $6.4 million in FY2024, lower than the $13.8 million recognised in FY2023.

Additionally, we recorded higher foreign currency translation losses amounting to $8.8 million in FY2024, compared to $2.4 million in FY2023, arising mainly from the AUD-dominated cash deposits. A $1.9 million impairment was also recognised in FY2024 to write down some assets no longer in use to their expected realisable value.

In accordance with accounting standards, we periodically assessed the recoverable amount of our investment in the joint venture, Gardenia Bakeries (KL) Sdn Bhd, and have recorded a lower non-cash impairment of $1.2 million in FY2024, compared to the non-cash impairment of $9.5 million in FY2023.

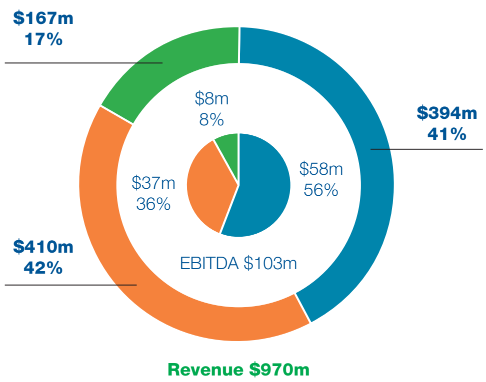
As a result, the Group's EBITDA before exceptional items improved by 24% to $59.6 million for FY2024. Profit before tax after exceptional items also improved by 9% to $44.6 million.

JOINT GROUP **MANAGING DIRECTORS' REPORT**

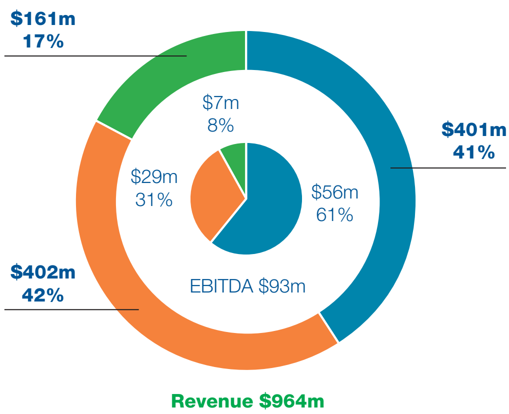
Consolidating 100% of GBKL but excluding head office, total proforma revenue of $970 million was achieved in FY2024, 1% higher than FY2023. Proforma EBITDA before exceptional items (including GBKL's royalty income to QAF Limited) rose by 11% to $103 million in FY2024. Please see the charts below.

Proforma Revenue & EBITDA before exceptional items excluding head office (net of inter-segment elimination)

FY2024



FY2023



● Bakery excluding GBKL ● GBKL (100%) ● Distribution and Warehousing

The Group remains in a strong financial position with a net cash position of $177 million, as at 31 December 2024. In consideration of our financial performance and commitment to sustainable dividend distributions, the Board has recommended a final dividend of $0.04 per share for FY2024. If approved by our shareholders at the upcoming Annual General Meeting, the total dividends for FY2024 would amount to $0.05 per share.

Moreover, our strong balance sheet continues to position us well to weather unexpected financial stresses ahead. The year ahead poses possible challenges as geopolitical uncertainties have not abated, with a new focus on the likelihood of higher and additional tariffs being imposed by some countries. While the downside risks remain, economic growth across our operating regions is expected to be modest.

We remain committed to investing in our proprietary brands to pursue long-term growth. We will continue to strategically adjust our product mix and develop new products to expand our product range and meet the changing preferences of our consumers. We will also continuously look to expand our presence through the expansion of our distribution channels and exploration of new opportunities.

As we look forward to another year ahead, we recognise and appreciate the contributions of our colleagues and the support of the Board during the past year. We also express our thanks to our shareholders, customers, and business partners.

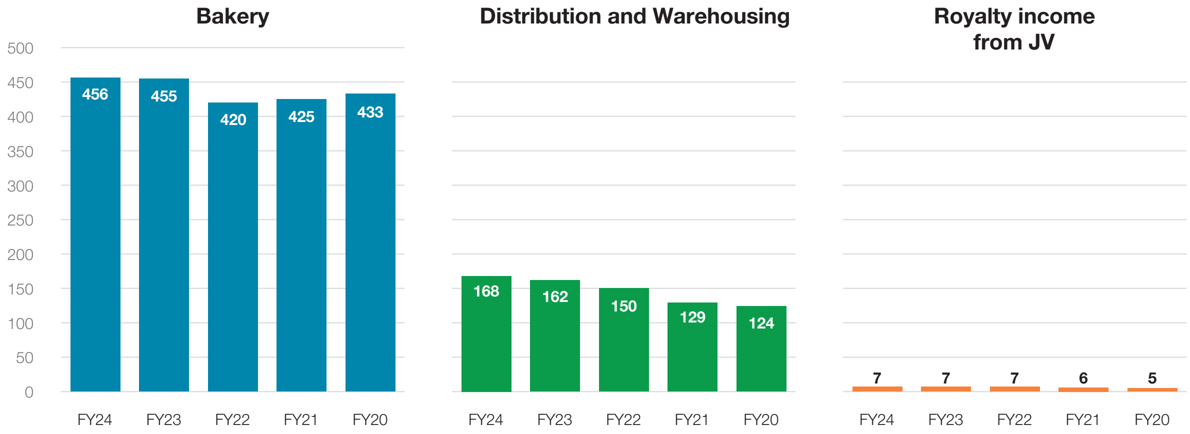
Lin Kejian
Michael Hewat
Joint Group Managing Directors
17 March 2025

FINANCIAL HIGHLIGHTS

	FY2024	FY2023	FY2022*	FY2021	FY2020
INCOME STATEMENT (S$'000)					
Revenue	636,107	628,590	577,523	558,976	561,785
Earnings before interest, tax, depreciation and amortisation ("EBITDA") before exceptional items	59,554	48,047	45,664	68,211	90,474
Profit before taxation ("PBT") after exceptional items	44,635	40,991	37,151	28,741	54,400
Profit attributable to owners of the Parent ("PATMI") after exceptional items	34,704	27,485	25,748	22,220	42,066
STATEMENT OF FINANCIAL POSITION (S$'000)					
Total assets	664,280	669,160	664,759	878,160	868,081
Total liabilities	163,241	180,678	165,300	345,832	351,162
Total equity	501,039	488,482	499,459	532,328	516,919
Equity attributable to owners of the Parent	499,680	486,851	497,708	530,554	516,310
Total cash and cash equivalents	209,403	215,677	216,792	88,705	81,362
Gross debt(Note 1)	31,966	48,923	41,751	56,955	71,329
SELECTED EARNINGS, LIQUIDITY AND SOLVENCY DATA					
EBITDA margin before exceptional items (%)	9%	8%	8%	12%	16%
Net margin after exceptional items (%)(Note 2)	5%	4%	4%	4%	7%
Return after exceptional items on average shareholders' equity (%)	7%	6%	5%	4%	8%
Return after exceptional items on average assets (%)	5%	4%	3%	3%	5%
Earnings per share (cents)	6.0	4.8	4.5	3.9	7.3
Net asset value per share (cents)(Note 3)	86.9	84.6	86.5	92.2	89.8
Total dividends per share (cents)	5.0	5.0	7.0*	5.0	5.0
Dividend payout (%)	83%	105%	112%*	129%	68%
Current ratio (no. of times)(Note 4)	2.9	2.7	3.1	1.9	1.9
Net gearing ratio (no. of times)(Note 5)	(0.36)	(0.34)	(0.35)	(0.06)	(0.02)
Capital expenditure (S$'000)(Note 6)	19,338	39,680	26,552	30,092	31,149
SELECTED VALUATION DATA					
Number of shares outstanding @ 31 December ('000)	575,268	575,268	575,268	575,268	575,268
Total market capitalisation (S$'000)	480,349	468,844	477,473	506,236	514,865
Price/Book Value (no. of times)(Note 7)	1.0	1.0	1.0	1.0	1.0
Price/Revenue (no. of times)(Note 8)	0.8	0.7	0.8	0.9	0.9
P/E Ratio (no. of times)(Note 9)	13.8	17.1	18.5	22.8	12.2
Price/CF (no. of times)(Note 10)	7.4	8.1	9.1	4.6	5.4
Total Dividend Yield (%)	6%	6%	8%*	6%	6%

FINANCIAL HIGHLIGHTS

Group Revenue from Key Segments (S$'m) (before inter-segment elimination)



Contribution from Key Segments (S$'m) (before exceptional items)

The above charts reflect financial performance of the key business segments only. The charts exclude financials of head office.

Notes:

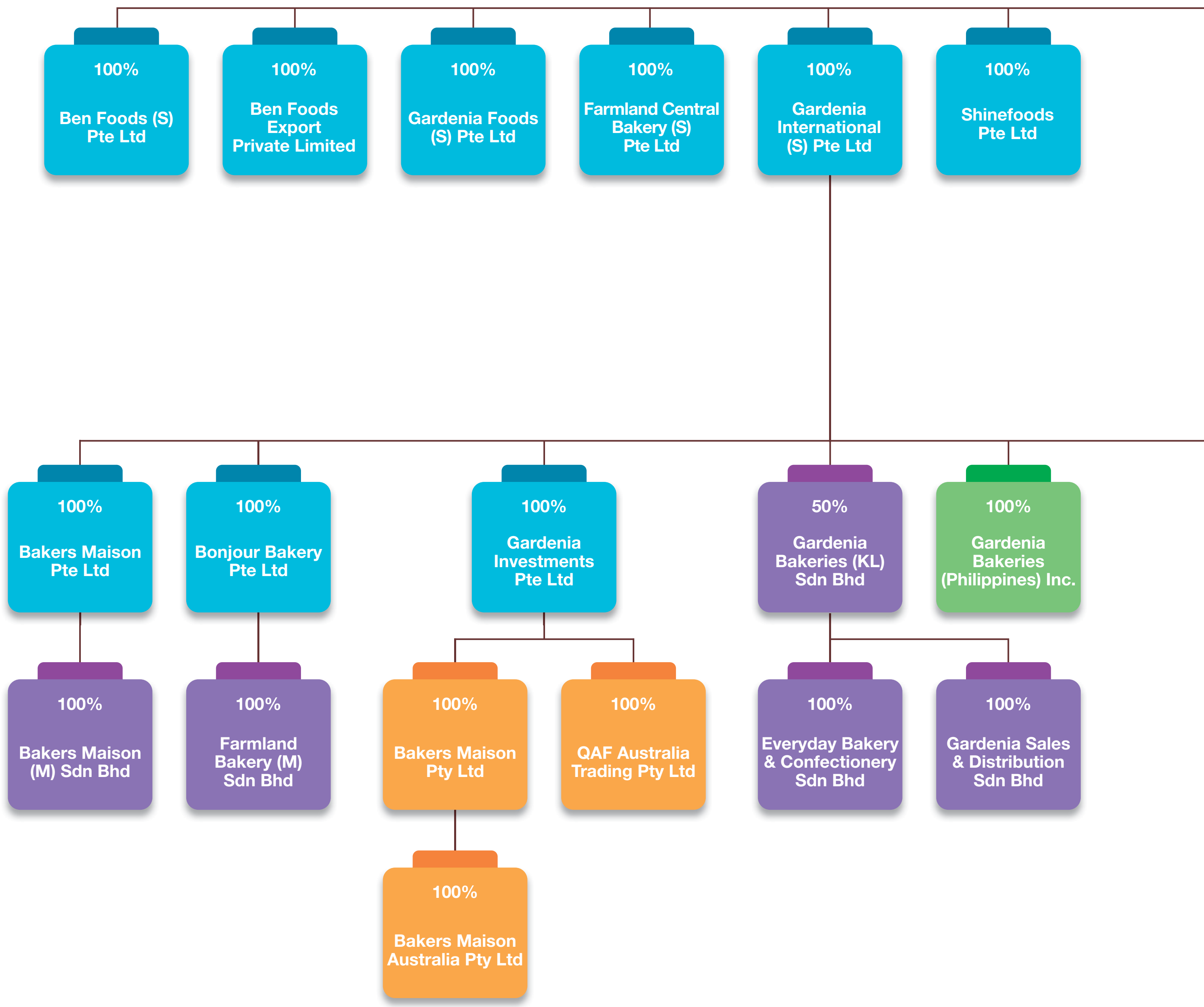
* In 2022, special dividends of $0.02 per share was paid. The special dividends relates to the discontinued operations and is excluded from the calculation of dividend payout.

1. Gross debt is calculated as bank borrowings, lease liabilities and loans from non-controlling interests.
2. Net margin is computed based on PATMI after exceptional items.
3. Net asset value per share is computed based on total assets less total liabilities and non-controlling interests.
4. Current ratio is computed based on total current assets and total current liabilities. For 2020 and 2021, both assets and liabilities belonging to disposal group classified as held for sale are excluded in the computation.
5. Net gearing ratio is calculated by dividing net debt/(cash) against equity attributable to owners of the Parent.
6. Capital expenditure relates to actual cash flows incurred. For 2020 and 2021, this includes those incurred by the discontinued operations. For 2022, 2023 and 2024, this includes the reinstatement of the damaged production lines in connection with the severe flooding at one of the Group's Malaysian factories in December 2021.
7. Price/Book Value is calculated by dividing total market capitalisation against equity attributable to owners of the Parent at the end of the year.
8. Price/Revenue is calculated by dividing total market capitalisation at the end of the year against annual revenue.
9. P/E Ratio is calculated by dividing total market capitalisation at the end of the year against PATMI after exceptional items.
10. Price/CF is calculated by dividing total market capitalisation at the end of the year against net cash from operating activities.

QAF **GROUP**

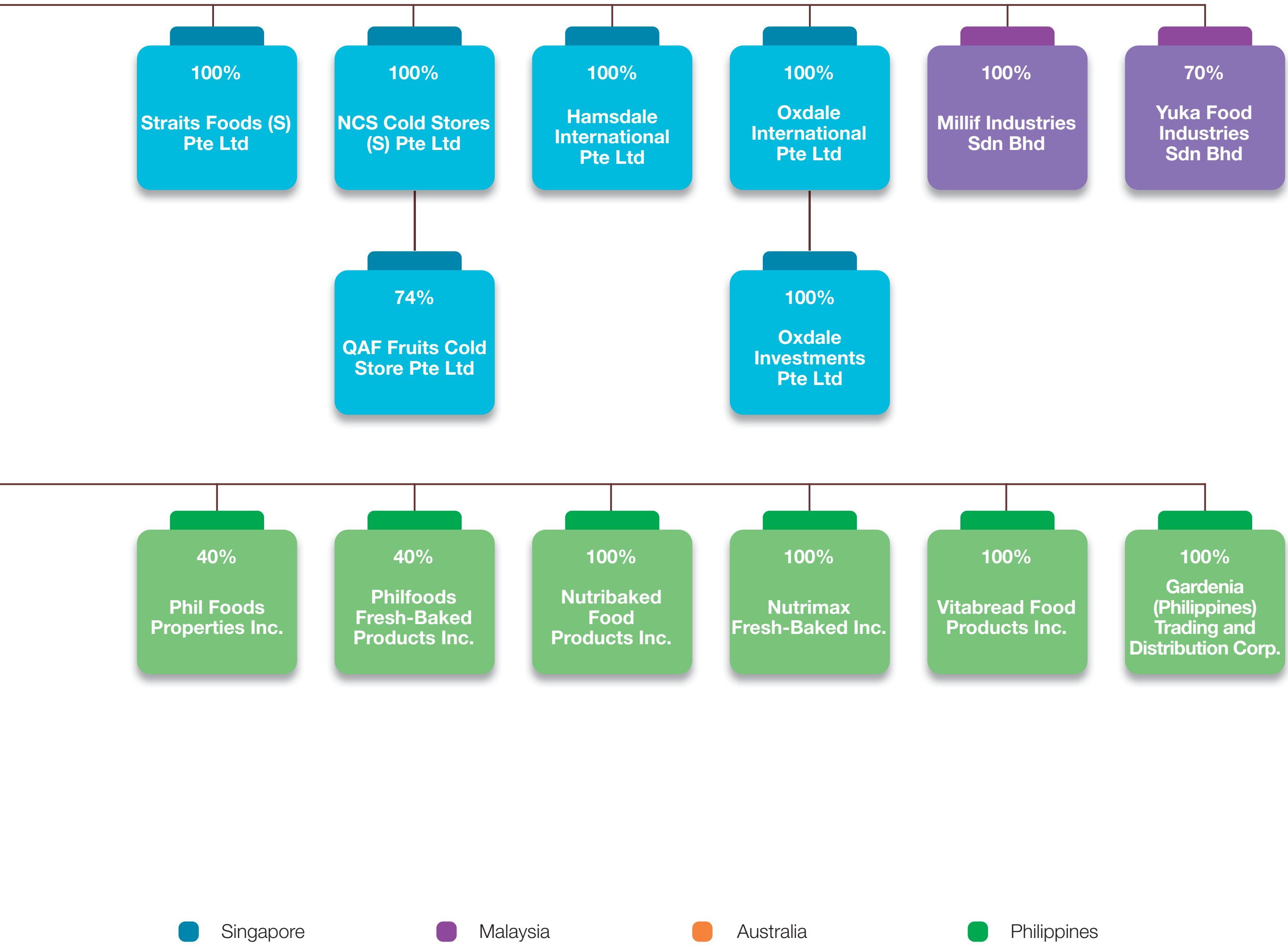
(AS AT 17 MARCH 2025)

QAF Limited



QAF **GROUP**

(AS AT 17 MARCH 2025)



Note: This chart shows the operating entities of the QAF Group

BOARD OF **DIRECTORS**

LAM SING CHUNG, 77

Chairman
Non-executive/Non-independent Director

Date of last election:
26 April 2024
Board Committee:
Nominating Committee (Member)
Remuneration Committee (Member)

Mr Lam Sing Chung was appointed as a Director and Vice-Chairman of the Board of Directors of the Company on 11 October 2003. He assumed the position of Chairman with effect from 1 May 2021.

Mr Lam holds a diploma in Business Studies from the South East London Technical College of United Kingdom. Mr Lam is an established entrepreneur and has investments in a wide range of businesses. He also sits on the board of directors of various private enterprises that he invested in.

Mr Lam is a controlling shareholder of the Company, with a shareholding interest of approximately 31.03% in the total issued shares of the Company as at 17 March 2025.

PHILIP YEO LIAT KOK, 78

Vice-Chairman
Non-executive/Independent Director

Date of last election:
27 April 2023
Board Committee:
Nominating Committee (Member)
Remuneration Committee (Member)

Mr Yeo was appointed as a non-executive independent Director of the Company on 1 November 2022. He assumed the position of Vice-Chairman with effect from 24 February 2023.

Mr Yeo has more than 40 years of public sector experience and had held various leadership and senior roles, including as Executive Chairman of the Economic Development Board; Executive Chairman of A*Star (Agency for Science, Technology and Research); Special Advisor for Economic Development (Prime Minister's Office); and Chairman of Spring (Standards, Productivity and Innovation for Growth) Singapore.

He has received various public awards, including the Public Administration Medal (Silver) in 1974; the Public Administration Medal (Gold) in 1982; the Meritorious Service Medal in 1991; and the Order of Nila Utama (First Class), Singapore's most prestigious National Day award, in 2006. He was also awarded the highest civilian honour, the Bintang Jana Tama (the First Class Order of Service Award), by the Indonesian Government in 1994 in recognition of his role in fostering good bilateral ties between Indonesia and Singapore; the Order of the Rising Sun, Gold and Silver Star from the Government of Japan in 2007; and the Distinguished Service (Star) award from the Singapore Labour Movement, National Trade Union Congress in 2008.

Mr Yeo is currently Chairman of Economic Development Innovations Singapore Pte. Ltd., a company which provides strategic advice and undertakes the development of integrated industrial and urban areas, Accuron Technologies Limited, a Singapore-based precision engineering and technology company, and Advanced MedTech Holdings, a high growth medical technology company in Southeast Asia with a well-established global footprint. It is also a global medical technology leader with a core focus in urology devices and services.

Mr Yeo holds a Bachelor of Applied Science (Industrial Engineering) and an Honorary Doctorate in Engineering from the University of Toronto, Canada; an Honorary Doctorate in Medicine from the Karolinska Institutet, Sweden; a Master of Science (Systems Engineering) from the University of Singapore; a Master of Business Administration from Harvard University, USA; an Honorary Doctor of Science from Imperial College, London; an Honorary Doctor of Letters from National University of Singapore; an Honorary Doctor of Law from Monash University of Australia; and an Honorary Doctor of Letters from Nanyang Technological University. He is also an Honorary Fellow of King's College London.

Directorships in other listed companies:
- City Developments Limited
- Sunway Berhad
- Indofood Agri Resources Ltd

BOARD OF **DIRECTORS**

LIN KEJIAN, 46

Joint Group Managing Director
Executive Director

Date of last election:
26 April 2024
Board Committee:
Nil

Mr Lin Kejian was first appointed as a non-executive Director of the Company on 1 December 2007. On 1 October 2010, he became an executive Director of the Company holding the post of Operations director. He assumed the position of Deputy Group Managing Director of the QAF Group in September 2014 and thereafter Joint Group Managing Director of the QAF Group with effect from 1 January 2017.

Prior to joining the Company, Mr Lin was the business manager of Culindo Livestock (1994), a family-owned private enterprise, whose principal activity is that of importer and supplier of live pigs to Singapore.

Mr Lin holds a degree in Business Administration (major in Finance) from California State University, Los Angeles.

Mr Lin is the son of Mr Lam Sing Chung, a Director and Chairman of the Company. He is also a controlling shareholder of the Company, with a shareholding interest of approximately 39.12% in the total issued shares of the Company as at 17 March 2025.

MICHAEL DARREN HEWAT, 59

Joint Group Managing Director
Executive Director

Date of last election:
26 April 2024
Board Committee:
Nil

Mr Hewat assumed the position of Joint Group Managing Director of the QAF Group with effect from 1 June 2023. Prior to that he was the Company's Chief Operating Officer, such appointment having commenced in November 2022.

Mr Hewat was the General Manager Finance of QAF Group's Australian Primary Production business under Rivalea from 2008 and promoted to chief executive officer from 2014 until the disposal of such business by the QAF Group, which was completed in early 2022. Mr Hewat is a Certified Practising Accountant of CPA Australia, holds a Bachelor of Business (Accountancy) from the Charles Sturt University Riverina, Australia and is an Accredited Director with Singapore Institute of Directors.

DAWN PAMELA LUM, 71

Non-executive/Independent Director

Date of last election:
26 April 2024
Board Committee:
Audit and Risk Committee (Member)
Nominating Committee (Chairman)
Remuneration Committee (Chairman)

Ms Lum was appointed as a non-executive independent Director of the Company on 12 February 2016.

Ms Lum holds a Bachelor of Laws (Honours) Degree from the University of Singapore. She was admitted to the Rolls of the Supreme Court of Singapore as an advocate and solicitor in 1977 and had been a practicing lawyer for several years. Ms Lum has had over 38 years of working experience and had assumed key roles in the corporate and management functions, including being the General Manager, Corporate Affairs and Group Company Secretary of a major listed company and its subsidiaries.

Ms Lum will be stepping down from the Board and her Board Committee positions at the conclusion of the Annual General Meeting on 25 April 2025 due to the expiry of her nine-year tenure as an independent director.

BOARD OF **DIRECTORS**

NORMAN IP, 72

Non-executive/Independent Director

Date of last election:
22 April 2022
Board Committee:
Audit and Risk Committee (Chairman)

Mr Ip was appointed as a non-executive independent Director of the Company on 1 May 2021.

He is a Chartered Accountant by training, with over 40 years of commercial experience in finance and investment, real estate, mining, hospitality and general management. From 2000 to 2009, he was President and Group Chief Executive Officer of The Straits Trading Company Limited ("STC"), a listed company in Singapore. Prior to joining STC in 1983, he was with Ernst & Whinney (now known as Ernst & Young LLP).

Mr Ip is a director and/or chairman of some of the principal insurance subsidiaries of Great Eastern Holdings Limited ("GE"). He served as Chairman of GE from 2013 to 2014 and as Acting Group Chief Executive Officer from 2014 to 2015.

Mr Ip is a member of the Securities Industry Council of Singapore, which administers the Singapore Code on Take-overs and Mergers.

Mr Ip graduated from London School of Economics and Political Science with a Bachelor of Science (Econs), Special Subject: Accounting and Finance. He is a Fellow of the Institute of Chartered Accountants in England and Wales and also a Fellow of the Singapore Institute of Chartered Accountants. Mr Ip was awarded The Public Service Medal (Pingat Bakti Masyarakat) from the President of the Republic of Singapore in 2020. He is an Accredited Director with Singapore Institute of Directors.

Mr Ip is proposed to be re-elected at the Annual General Meeting. For further information on Mr Ip as prescribed by Appendix 7.4.1 of the SGX-ST Listing Manual, please refer to pages 200 to 205 of this Annual Report.

CHEE TECK KWONG PATRICK, 70

Non-executive/Independent Director

Date of last election:
22 April 2022
Board Committee:
Audit and Risk Committee (Member)

Mr Chee was appointed as a non-executive independent Director of the Company on 1 May 2021.

Mr Chee holds a Bachelor of Laws (Honours) Degree from the University of Singapore. He is an Advocate and Solicitor of the Supreme Court of Singapore and a Solicitor of the senior courts of England and Wales. He has been in private legal practice since 1980 and is now a Senior Legal Consultant with Tito Isaac & Co LLP, a law firm providing legal services in Singapore and cross-border services in collaboration with a network of lawyers in overseas jurisdictions. His areas of practice are corporate and commercial matters, banking and finance, cross-border joint ventures and investments, mergers and acquisitions, setting up family offices and listing of companies. He has also advised on property law and handled several landmark development projects in Singapore, Indonesia, Malaysia, Vietnam and China. He also conducts civil litigation and arbitration proceedings.

Mr Chee is a member of the Law Society of Singapore, Singapore Academy of Law, Law Society of England and Wales, Singapore Institute of Arbitrators and Singapore Institute of Directors. He had served in the sub-committee of the National Crime Prevention Council, Singapore, and worked with the National Productivity Board, Singapore in developing and seeing the successful launch of some well-known franchises in Singapore in the early 1990s. From 2002 to 2013, Mr Chee was the Organising Chairman of the 'National Street Soccer League – Lee Hsien Loong Challenge Trophy'.

Mr Chee serves as Honorary Legal Advisor to several big clans and trade associations in Singapore. He is also a recipient of the National Day Awards 2003 – The Public Service Medal (Pingat Bakti Masyarakat) from the President of the Republic of Singapore.

Mr Chee is proposed to be re-elected at the Annual General Meeting. For further information on Mr Chee as prescribed by Appendix 7.4.1 of the SGX-ST Listing Manual, please refer to pages 200 to 205 of this Annual Report.

Directorships in other listed companies:
- MeGroup Ltd.
- Sheng Siong Group Ltd.
- Noel Gifts International Ltd.

BOARD OF **DIRECTORS**

LIAN HWEE PENG REBECCA, 69
Non-executive/Independent Director

Date of last election:
27 April 2023
Board Committee:
Audit and Risk Committee (Member)

Dr Lian was appointed as a non-executive independent Director of the Company on 1 May 2022.

Dr Lian has extensive experience in the food industry with major food groups. Her experience spans Research & Development and Product Innovation in multiple food categories such as Frozen Foods, Ambient Culinary, Coffee and Beverages, Dairy, Nutrition for seniors, Confectionery and Snacks, Food for Special Medical Purposes, Food Service and Quick Service Restaurant products. Dr Lian was with the Nestle group for more than 30 years, holding various leadership positions. She spent more than 20 years in China as Head of Nestle Operation and Manufacturing and Head R&D Centre, Nestle China. From 2016 to 2019, Dr Lian was a Distinguished Fellow and Co-Laboratory Director, Wilmar-NUS Lab Product Innovation and Program on Food & Health.

Dr Lian is an Innovation Advisor, Innovation Partner for Impact Singapore (a subsidiary of Enterprise Singapore) and an Adjunct Associate Professor at the School of Chemical and Biomedical Engineering at Nanyang Technological University. She is Chief Technology Officer at Green Planet Foods Pte. Ltd., a start-up company focused on the China market.

Dr Lian holds Bachelor of Science (First Class Honours) and Doctor of Philosophy (PhD) degrees in Food Technology from the University of Reading, United Kingdom. She also completed a Mastering Technology Enterprise course at IMD Business School, Switzerland.

AW SYEE CHIA, 61
Non-executive/Independent Director

Date of last election:
26 April 2024
Board Committee:
Nil

Mr Aw was appointed as a non-executive independent Director on 9 August 2023.

He has more than 30 years of experience in the information technology industry including experience working with clients in food-related business(es). Mr Aw is the Chief Executive Officer of Accel Works Worldwide Pte Ltd, a company which provides consultancy services for business process enhancement and automation through artificial intelligence and machine learning. He is also Director of Finance and Administration for Jireh Group Pte Ltd, a healthcare technology company which focuses on providing technology solutions in the healthcare industry.

Mr Aw graduated from the University of Windsor, Canada with a Bachelor of Commerce (Honours Business Administration) and has a Master of Business Administration from the University of Technology, Sydney, Australia.

BOARD OF **DIRECTORS**

LOH WEE LEE, 41

Non-executive/Independent Director

Date of last election:
Not applicable
Board Committee:
Nil

Mr Loh was appointed as a non-executive independent Director on 1 June 2024.

He holds a Bachelor of Arts with concentrations in Economics (Summa Cum Laude) from Cornell University, USA and graduated as a Merrill Presidential Scholar. He also holds a Master of Arts with concentrations in Statistics from Harvard University, USA.

Mr Loh is currently Group Chief Digital Officer of DFI Retail Group Holdings Limited, responsible for driving the growth of its digital businesses. Prior to joining DFI Retail Group Holdings Limited, he held various senior management roles with the Lazada group, serving in both regional and country business roles in corporate development, innovation and general business management. As Chief Executive Officer of Lazada Singapore Pte Ltd, he led both the Lazada marketplace and Singapore's online grocery, Redmart. Mr Loh also held other leadership roles in two Singapore-listed engineering and technology companies, leading strategy, corporate development and business operation roles in various jurisdictions, and leading and incubating growth of emerging new businesses in energy, infrastructure, robotics, automotives and AI-linked domains. Mr Loh started his private sector career as a management consultant with McKinsey and Company, serving clients in the Asia Pacific.

Mr Loh is proposed to be re-elected at the Annual General Meeting. For further information on Mr Loh as prescribed by Appendix 7.4.1 of the SGX-ST Listing Manual, please refer to pages 200 to 205 of this Annual Report.

RACHEL LIEM YUAN FANG, 29

Alternate Director to Mr Lam Sing Chung

Date of last election:
Not applicable
Board Committee:
Nominating Committee (Alternate)
Remuneration Committee (Alternate)

Ms Liem was appointed on 21 January 2018 as alternate director to Mr Lam Sing Chung, who is a Director and Chairman of the Board of Directors of the Company. Ms Liem holds a Bachelor of Science Degree (Magna Cum Laude) with concentrations in Strategic Management and Business Analytics from Babson College, United States. Ms Liem is the daughter of Mr Lam Sing Chung.

QAF MANAGEMENT STAFF

ALBERT LOH TECK HUI

Chief Financial Officer

Mr Loh was appointed Chief Financial Officer in June 2023 and is responsible for the overall financial and management accounting functions of the Group. He joined the QAF Group in May 2019 and served as the Group Corporate Finance Officer till May 2023. Mr Loh has more than 25 years of experience in corporate financial management. His last appointment before joining the QAF Group was as group corporate finance manager of a luxury retailer in the United Arab Emirates. Mr Loh is a Chartered Accountant of Singapore, Chartered Financial Analyst and Certified Internal Auditor. He holds a Bachelor degree from Nanyang Technological University and a Master of Business Administration from the National University of Singapore.

SERENE YEO LI-WEN

Joint Group Legal Counsel/ Company Secretary

Ms Yeo was appointed Group Legal Counsel and Company Secretary in January 2017 and has since then overseen the legal and corporate secretarial functions of our Group. As announced on 17 February 2025, Ms Yeo has expressed her intention to retire from her position. Accordingly, with effect from 1 February 2025 and for a transitionary period, Ms Yeo jointly heads QAF's legal department with Ms Soh Chai Lih. Following the transitionary period, Ms Yeo will step down from her position.

Ms Yeo holds a LLB (Honours) degree from the National University of Singapore and has more than 25 years of experience in legal practice, handling corporate work for many listed groups. She started her legal career in the corporate department of a major Singapore law firm, later joined Rajah & Tann as a partner in 2002 and remained with Rajah & Tann Singapore LLP till the end of 2016. Ms Yeo was a senior member of the firm's corporate practice (capital markets and mergers and acquisitions practice group). She was ranked or recognised in legal guides such as Chambers Asia Pacific, Asia Pacific Legal 500, AsiaLaw Profiles, Best Lawyers International and International Who's Who Legal.

SOH CHAI LIH

Joint Group Legal Counsel

Ms Soh oversees the legal and corporate secretarial functions of our Group, jointly with Ms Serene Yeo. Ms Soh holds a LLB (Honours) degree from the National University of Singapore. Prior to joining the QAF Group in February 2025, she spent a decade in various in-house counsel roles: Group General Counsel at Pathology Asia Holdings Pte Ltd, Deputy General Counsel and Chief of Staff (Board of Directors) at Fullerton Health Corporation Limited and Assistant General Counsel, Vice President at GIC Private Limited. She also has over a decade of experience in private practice where she specialised in mergers and acquisitions and capital markets work. She was a partner at Rajah & Tann Singapore LLP from 2011 to 2015.

WONG CHIN CHIN

Group Financial Controller

Ms Wong was appointed Group Financial Controller in May 2019 and is responsible for the Group's financial and accounting matters including compliance with financial reporting. Ms Wong has been with the QAF Group since 2005 and was the Group Deputy Financial Controller from January 2018 to April 2019 and Assistant Financial Controller from January 2009 to December 2017. Ms Wong has more than six years of audit experience in providing audit and advisory services to clients in diverse industries and SGX-ST listed companies. Prior to joining the QAF Group, she was a manager (corporate financial services) with Raffles International Limited. Ms Wong is a Chartered Accountant of Singapore and holds a Bachelor degree from Nanyang Technological University.

OUR KEY **BRANDS**

Gardenia So good... you can even eat it on its own!
BAKERS MAISON YOUR AUTHENTIC FRENCH BAKE HOUSE
EST. BAKERS MAISON 1998 FRENCH INSPIRED · AUSTRALIAN MADE
Bonjour Simply Delicious

DELICIA
Delicia
NeuBake
HEALTHI Grain
BONANZA
Super Value

Toasties
DOUBLE DELIGHTS
Squiggles
Gardenia nuMee
Toastem
Fluffy Buns

Bonjour Delights
Big Smile BREAD STATION
TWIGGIES
Gardenia Cream Roll
Fun Bun

Pocket Sandwich
Toast Bites
Gardenia ROLL-UP WRAPS
Breakthru
Snack'em

Quick Bites
PUAZZ!
Slim 'n Fit WHEATEN BREAD
Gourmet Selections
Gardenia Classic
Auntie Rosie's

Cowhead
farmland
HATON
SPICES OF THE ORIENT
COFFEE SMILE

ThinCurv
FARMVALE
farmchef
Orchard Fresh
happy mie

OPERATIONAL REVIEW
SEGMENT FINANCIALS

QAF Group – Bakery Segment	FY2024 $' millions	FY2023 $' millions	Change %
Revenue	456.0	455.5	0
Segment EBITDA before exceptional items[1]	58.2	56.4	3
EBITDA margin before exceptional items (%)	*12.8%*	*12.4%*	
Share of profits/(losses) and royalty income from joint venture (GBKL)[2]	11.5	(1.7)	n.m.
Segment EBITDA before exceptional items, plus joint venture (GBKL) contribution	69.7	54.7	27

QAF Group – Distribution and Warehousing Segment	FY2024 $' millions	FY2023 $' millions	Change %
Revenue	168.0	162.2	4
Segment EBITDA[1]	8.1	7.5	8
EBITDA margin (%)	*4.8%*	*4.6%*	

1 Segment EBITDA excludes head office expenses.

2 Share of profits/(losses) and royalty income from joint venture includes the impairment of investment in joint venture at the Group level of $1.2 million in FY2024 and $9.5 million in FY2023.

OPERATIONAL REVIEW
BAKERY

SINGAPORE
Gardenia Foods (S) Pte Ltd
*(“**Gardenia Singapore**”)*

In 2024, Gardenia Singapore maintained its leadership position in the industry with steady demand for its core products and strategic expansion into new products.

The local industry has been impacted by reduced domestic consumer spending due to factors such as heightened cost of living and increased cross-border travel. Gardenia Singapore remained resilient and stayed responsive to consumer preferences for delicious, innovative bread options and convenient on-the-go bun products. In addition, strategic partnerships with island-wide retail chains, digital sales channels and a robust distribution network ensured that Gardenia Singapore’s products remained widely accessible.

On top of staying adaptable to the preferences of its consumers, Gardenia Singapore is committed to enhancing the nutritional value and quality of its products through ongoing product innovation. This has resulted in the introduction of new products during 2024, including:

- *Gardenia Nutri-Ace Hearty Oat Wholemeal Loaf* – A heart-friendly wholemeal loaf for health-conscious consumers aiming to “ACE” their daily nutrition.
- *Gardenia Pandan Coconut with Gula Melaka Loaf* – A speciality fruit loaf with local flavours tailored to the taste preference of Singaporeans.
- *Gardenia Gold Edition Cream Rolls* – A newly-launched cream roll series with 4 flavours (Black Forest, Chocolate Hazelnut, Salted Caramel and Pandan Gula Melaka) enhancing its on-the-go product range that provides a convenient food option to busy consumers.
- *Gardenia Twiggies Peanut Butter Bounce* – A new addition to the popular *Twiggies* range designed for younger consumers who seek a convenient and delicious treat.

Gardenia Singapore introduced several new products catering to evolving consumer preferences in 2024.

In 2024, Gardenia Singapore also launched Gardenia Gold Edition Cream Rolls in 4 flavours, namely Black Forest, Chocolate Hazelnut, Salted Caramel and Pandan Gula Melaka.

OPERATIONAL REVIEW
BAKERY

Beyond delivering nutritious products, Gardenia Singapore has actively maintained collaboration with strategic partners to promote healthier, more active lifestyles while strengthening community ties.

- Gardenia Singapore has been a long-term supporter of nationwide initiatives by Singapore's Health Promotion Board ("**HPB**") since 1992. To help consumers identify healthier options, all of Gardenia Singapore's wholemeal and multi-grain products prominently feature HPB's "Healthier Choice" symbol.
- Gardenia Singapore also maintained its support in HPB's annual "Eat Drink Shop Healthy 2024" campaign, aimed at encouraging healthier eating habits among consumers. This included its participation in community roadshows, sponsorship of products and investments in advertisement and promotion to amplify the campaign outreach.
- Gardenia Singapore is also a long-term partner with Diabetes Singapore, actively supporting key events such as "World Diabetes Day", "World Obesity Day", "International Women's Day", "World Heart Day", and multiple health screening sessions. These initiatives aimed to raise awareness about diabetes prevention and management through healthier living practices.
- To encourage the adoption of low glycemic index ("**GI**") foods, Gardenia Singapore organised promotions for its *Low GI Nutri Multi-Grain* and *Low GI Soft Grain* loaves, as well as a series of social media campaigns to emphasise the benefits of low GI food choices in reducing the risk of diabetes over time. Gardenia Singapore also took the opportunity to highlight the importance of wholegrains by engaging busy office workers in the Central Business District on "World Bread Day".
- Gardenia Singapore actively supported a wide range of philanthropic community initiatives by partnering with organisations such as It's Raining Raincoats, Food From The Heart, Children's Society of Singapore and Project Sama Sama @ North West. Through the sponsorships and donations of bread, beneficiaries of such initiatives included the less fortunate households, healthcare organizations, social service agencies, community centres, public service workers and migrant workers, reflecting Gardenia Singapore's dedication to diverse groups across Singapore.

Gardenia Singapore consistently explores and enhances its operational efficiency to achieve better economies of scale, streamline production processes, and reinforce its commitment to excellence. During 2024, further initiatives were implemented, including the utilisation of capacity across the Gardenia bakery network, the installation of equipment to improve workers' safety, enhancing machine efficiency to streamline operations and reduce production time at our Singapore premises.

Gardenia Singapore's continuous efforts ensure that its products are produced in a clean and secure environment. For the 30th consecutive year, Gardenia Singapore has maintained Grade A status under the Food Safety Excellence Scheme, overseen by the Singapore Food Agency.

Gardenia Singapore has also received various awards and accolades, solidifying its position in the packaged bread industry, including:

- No. 1 Best Selling Bread Brand in Singapore in terms of value and volume sales for 2024. Gardenia Singapore also secured the No. 1 position from NielsenIQ in four key categories, namely, "White Bread", "Wholemeal Bread", "Flavoured Bread", and "Non-filled Bun Bread" for the period January to December 2024.
- "Top Business Partner of the Year Award" by FairPrice for Gardenia Singapore's achievement of holistic growth, outstanding sales and providing strong partnership support during the year.
- "Customer Favourite Brand Award" by DFI Retail Group and the "Favourite Brand Award" under the Bakery category by 7-Eleven in 2024. These accolades underscore Gardenia Singapore's dedication to delivering top-quality, value-for-money products that consistently exceed customer expectations.

Looking forward to 2025, business conditions are expected to remain challenging due to escalating geopolitical and trade tensions. Increased cross-border travel will likely sustain and impact domestic spending. The bakery landscape in Singapore will also continue to evolve and remain competitive, with rising demand for innovative flavours, and convenient and value-for-money products.

Gardenia Singapore is committed to fostering product innovations that excite consumers and optimise consumer campaigns and operational programs that deliver value. Gardenia Singapore will continue to drive initiatives that will focus on sustaining its leadership, such as:

- Expanding of ready-to-eat, single-serve buns that promote convenience for time-pressed consumers and its specialty product range.
- Adopting strategic adjustments to its product and price mix, ensuring affordability for the mass market while maintaining quality and mitigating rising costs.
- Increasing retail campaigns to meet the needs of cost-conscious consumers and deliver cost savings.

These actions will support and reinforce Gardenia Singapore's position as a trusted household brand while ensuring that its product portfolio aligns with consumer preferences and government initiatives for better public health.

OPERATIONAL REVIEW
BAKERY

MALAYSIA

Gardenia Bakeries (KL) Sdn Bhd
Bakers Maison (M) Sdn Bhd
Millif Industries Sdn Bhd
Farmland Bakery (M) Sdn Bhd
*(“**Gardenia Malaysia**”)*

Gardenia Malaysia continued to leverage on its strong foundations, driving consumption through the promotion of existing products and introduction of new products, to achieve gross sales of more than RM1.4 billion in 2024.

Gardenia Malaysia remains committed to being the market leader, despite the challenges in an increasingly competitive market. Industry growth was driven by ready-to-eat products, a trend Gardenia Malaysia was able to capitalise on. Gardenia Malaysia also increased its penetration of the instant noodle segment with *Gardenia NuMee* through effective marketing and communication strategies.

The introduction of new products during 2024 included:

- *NuMee Instant Noodle Signature Laksa Kari* – A premium instant noodle product which embodies the essence of traditional Laksa Kari with a modern twist.
- *PUAZZ Black Pepper Chicken Bun* – An expansion to the fan favourite *PUAZZ!* Range, this savoury bun was introduced to capture more of the growing Ready-To-Eat segment.
- *TOAST’EM Choco Perfecto* – The chocolate loaf, ladened with chocolate chips, was created to meet the preferences of a portion of consumers that prefer chocolate loaves without raisins.

Additionally, Gardenia Malaysia increased its efforts to connect and engage with its consumers directly through exciting on-ground activities, such as:

- *QuickBites*: “Minda Sihat, Cergas Fizikal” – Endorsed by the Ministry of Education Malaysia, Gardenia Malaysia held a mural contest featuring *Gardenia QuickBites* in schools. The contest sought to provide a platform for creativity and talent, while focusing on promoting a healthy mental and physical lifestyle. It made history by earning recognition as the “Most Wall Murals in A Branding Campaign” by The Malaysia Book of Records.
- “*NuMee* MyMee” – Building on the success of the “*NuMee* Setulus Kasih Truck” in 2023, Gardenia Malaysia continued to expand awareness to government servants by reaching out to police and fire stations nationwide. The *NuMee* Setulus Kasih Wagon also travelled to various academic venues over 80 days to promote *NuMee* products among younger audiences.
- *NuMee*’s Brand Ambassador: Fasha Sandha – Social media campaigns and appearances at in-store cooking contests drove the promotion of *Numee* strongly. In addition, her popularity had boosted *Gardenia’s* online presence through her established following.
- Relaunch of *Gardenia* Factory Visit, officiated by the Minister of Women, Family and Community Development (“**KPWKM**”), YB Dato’ Sri Hajah Nancy Shukri.

New products launched by Gardenia Malaysia in 2024.

OPERATIONAL REVIEW
BAKERY

Gardenia Malaysia maintains its food safety certifications for all its factories to ensure its products are produced safely and of quality. This includes the International Organization for Standardization ("**ISO**") 22000:2018 Food Safety Management System certification and the MS 1480 Hazard Analysis and the Critical Control Point ("**HACCP**") system.

In addition to delivering value to its consumers, Gardenia Malaysia remains dedicated to contributing back to the community. Several notable initiatives, among others, held in 2024 were:

- "Always With You – Cahaya Ramadan 2024" – The distribution of 30,000 free white breads to Muslim consumers throughout Ramadan month. Monetary and grocery support were also given to single parents and their children from Persatuan Wanita and Ibu Tunggal Nur Iman in celebration of Hari Raya.
- "Gardenia Malaysia Bag-2-School Programme" – Organised for the past 10 years, this programme has benefitted underprivileged students with a school bag, stationery and *Gardenia* products. *Gardenia Twiggies* were also donated to schools.
- "#beMINDful" SJKT Primary School event – In collaboration with NobleDr.my, a non-profit organization, Gardenia Malaysia supported their mental health programme by sponsoring breakfast and lunch, and providing goodies bag and special merchandise to vernacular schools (Sekolah Jenis Kebangsaan Tamil).
- "Wellness Begins at Home 2024 – Orite Tak Orite?" – In its third edition, Gardenia Malaysia and Mia Sara Nasuha, a young actress who is also familiar with the topic of mental health, hit the streets to raise awareness and reduce the stigma of mental health, and promoting health-seeking behaviour amongst young adults in Malaysia.
- Regular monthly donations of food products to support Muhibbah Food Bank addressing food insecurity in the community and those affected by adverse events such as floods.

In 2024, Gardenia Malaysia is honoured to have received several accolades again, demonstrating the success of its actions during the year.

- Putra Brand Awards: "Platinum Award" – For the 15th consecutive year, *Gardenia* has been proudly recognised as Malaysia's preferred choice. This remarkable achievement reflects the unwavering trust and loyalty of Malaysian consumers, solidifying Gardenia Malaysia's leadership in the bakery industry.
- "Putra Most Enterprising Brand of the Year" – For the first time, Gardenia Malaysia received this award in recognition of its international market expansion through innovation, excellence in marketing and branding practices, product development and corporate social responsibility.
- Malaysia Public Relations Awards: "Silver (Corporate Branding Category)" – Organised by the Public Relation & Communications Association of Malaysia, Gardenia Malaysia was recognised at the 2024 Malaysia Public Relations Awards ceremony.

As the Malaysian economy is expected to maintain its steady growth in 2025, Gardenia Malaysia will look to focus on key strategic priorities to continue driving its growth.

- Strengthening its core by enhancing the performance of its *Gardenia* flagship products such as white bread and cream rolls. Gardenia Malaysia will also look to launch more variants under *QuickBites Gold, Toast'em, Puazz!* and *NuMee instant noodles*.
- Expanding its capabilities by driving growth in the Hotel, Restaurant, and Catering ("**HORECA**") segment, fortifying its distribution partner network and pushing its penetration in export markets.
- Enhancing operational excellence by streamlining processes and investing in human capital to improve efficiency and cultivate innovation.

Gardenia Malaysia was awarded "Putra Brand Platinum Award (Foodstuff Category)" for 2024, the 15th consecutive year it has won the "Putra Brand Award".

OPERATIONAL REVIEW
BAKERY

AUSTRALIA
Bakers Maison Australia Pty Ltd
*(“**Bakers Maison**”)*

Building on the momentum of previous years, Bakers Maison continued to grow strongly during 2024. Whilst Bakers Maison had started the year strong, it was impacted in the second half by a slowdown in the Australian economy and the softening of the foodservice channel. In addition, despite inflation easing, higher-for-longer interest rates have impacted consumers’ disposable income and confidence.

This year, Bakers Maison’s growth was fuelled by the foodservice, quick service restaurants (“**QSR**”) and travel and tourism segments. Additionally, Bakers Maison has begun exporting to New Zealand, unlocking new growth opportunities. Underlying these is Bakers Maison’s commitment to meeting its consumers’ needs and preferences, which has resulted in the introduction and enhancement of several products in 2024.

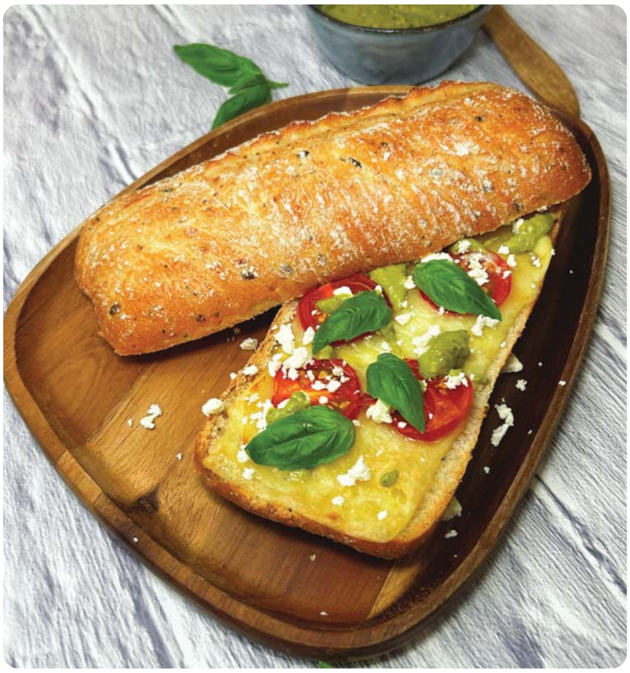
- Two new packaged, retail-ready products (*Crusty French Stick* and *Banh Mi Rolls*) were launched in May 2024 and have been performing very well in independent retailers.

- A new *Multi-Grain loaf* version, an extension of its popular *Continental Range*, was released in September 2024. This loaf offers a healthy alternative in the lunch and sandwich segment.

- A new *Garlic Baguette* was released in the fourth quarter of 2024. This new product has had great customer feedback and is showing good potential.

- In March 2024, a Sour Dough culture tank was installed and commissioned. From a crafted mix of starter, the leaven is then added to the dough allowing Bakers Maison to create its own unique Sour Dough flavour.

Bakers Maison continues to improve its operations and manage costs as it faces strong cost pressures in areas such as labour and distribution. Several equipment have been commissioned that will improve efficiency and cost, while bringing flexibility in manufacturing. In addition, a full third-party audit of Baker Maison’s manufacturing processes has delivered key improvement points that have been progressively implemented.



Multi-Grain loaf

Garlic Baguette

OPERATIONAL REVIEW
BAKERY

In 2024, Bakers Maison celebrated its 25th anniversary with a refreshed *Bakers Maison* logo. As Bakers Maison builds on its successes, participation in trade shows and strategic partnerships continue to play a crucial role in growing its presence, such as:

- Participation in various industry events such as "Foodservice Australia Trade Show 2024", "Metcash Food Expo and Convenience & Impulse Expo 2024" to expand its business presence and capture new opportunities.
- Partnership with key distributor groups in their marketing programs which has strengthened business relationships and nurtured future opportunities.
- Collaboration with Chef Dave Wilson in Melbourne which increased Bakers Maison's visibility.
- Investment in digital marketing to expand social media presence.

Moving into 2025, the Australian economy is expected to improve but with only modest growth. The industry will still be pressured by low consumer confidence as well as labour, transport and logistics cost pressures. The foodservice channel is expected to remain quite tight, with strong pressure on pricing and service levels. However, tourism is expected to continue to grow, with opportunities to capitalise on the airline and hotel channels.

Bakers Maison will continue to build up its resources to capture new opportunities and pursue growth.

- Bakers Maison will be introducing the tortilla and flat bread in 2025. This product will reinforce Bakers Maison's strong position in foodservice lunch segment.
- Bakers Maison embarked on an expansion project that involved the installation of additional equipment to support growth as well as maximizing production floor space. This project was substantially completed in December 2024. Once running at full operations, these additions will allow the increase of production output and reduce overtime work.
- An innovation department has been established, focusing on product development recipe improvements and ingredient research. This will provide Bakers Maison further opportunities to improve its current products, expand its product range and enter new product categories.

In 2024, Bakers Maison participated in various industry events to expand its business presence and capture new opportunities.

OPERATIONAL REVIEW
BAKERY, DISTRIBUTION AND WAREHOUSING

THE PHILIPPINES

Gardenia Bakeries Philippines, Inc.
Nutribaked Food Products, Inc.
Nutrimax Fresh-Baked, Inc.
Vitabread Food Products, Inc.
Phil Foods Properties Inc.
Philfoods Fresh-Baked Products Inc.
Gardenia (Philippines) Trading and Distribution Corp.
*("**Gardenia Philippines**")*

In 2024, Gardenia Philippines maintained market leadership as it continuously focused on expanding its reach, increasing consumer engagement and expanding its product range to meet consumer preferences and drive consumption.

While economic growth in the Philippines continued to be resilient, inflationary pressures had impacted the fast-moving consumer goods ("**FMCG**") sector. As such, consumers reallocated their resources towards rice, causing a general decline in demand in the bread market.

Gardenia Philippines leveraged on the existing strength of its products to expand its accessibility and acceptance among consumers through key strategic decisions during 2024, by:

- Establishing more regional distributors and wholesalers to broaden coverage, and increasing trucking providers in Mindanao to improve reach.
- Expanding to more provinces such as Zamboanga, Olutanga (Zamboanga Sibugay) and Siquijor.
- Adding new supermarket and convenience store branches to its service network.
- Increasing availability of *Bakers Maison* frozen products in supermarkets.

This was complemented by major marketing initiatives that supported Gardenia Philippines in driving consumption among its consumers.

- Extensive digital campaigns and product sampling activities to enhance brand visibility, promote its products and drive awareness of newer products such as *Happy Mie* and *Coffee Smile*. These efforts were synergised on-ground, and by public relations and influencer efforts to engage a wider target audience.
- "Kusina ni Gardee (Gardee's Kitchen)" campaign that included both digital campaigns through recipe videos and live cooking demonstrations in supermarkets and schools to highlight the versatility of *Gardenia* products.
- "MaSigLakas (Energy & Strength)" campaign for *Gardenia Classic White Bread*, promoting the Nutri+Plus Advantage and "Deliciously Nutritious" campaign for *Gardenia High Fiber Wheat Raisin Loaf*.

Gardenia Philippines launched the "MaSigLakas (Energy & Strength)" campaign for Gardenia Classic White Bread, promoting the Nutri+Plus Advantage.

OPERATIONAL REVIEW
BAKERY, DISTRIBUTION AND WAREHOUSING

Beyond its existing range of products, Gardenia Philippines remained committed to meeting the evolving preferences of consumers and introduced new products in 2024.

- *HealthiGrain Multigrain Loaf* was introduced in March 2024. A premium, health-focused artisan-style sourdough bread that also combines the benefits of wholesome 10 grains, made more accessible to the mid-to-high-end market segment.

- *NeuBake White Bread Econo Pack* and *NeuBake Wheaten Bread Econo Pack* were introduced in September 2024. These white and wheat-based breads targeting the lower-income segment were offered in smaller and more affordable packs.

To ensure quality products for its consumers, Gardenia Philippines consistently maintains its certifications across all its factories, continually enhancing its manufacturing facilities.

- Certifications such as ISO 9001:2015 and HACCP certification.

- Halal registration, confirming the quality standards required to produce Halal-quality products.

Gardenia Philippines is also advancing its commitment to sustainability and people and skills development, with initiatives, such as:

- Solar panel system at the factories in Luzon became fully operational in 2024, and new solar installation is underway at the Cagayan de Oro plant, with operations expected to commence in 2025.

- Standardised quality control through knowledge-sharing and continuous training across Research and Development, Engineering, Food Safety, and Production teams.

- Sustainability efforts such as a plastic packaging waste recovery program with local government offices, schools and local communities leading to recycling into school chairs donated to public schools.

New products launched by Gardenia Philippines in 2024.

OPERATIONAL REVIEW
BAKERY, DISTRIBUTION AND WAREHOUSING

For Gardenia Philippines, supporting the community remains integral as it participated in numerous charitable and philanthropic efforts over the year. Notable initiatives include:

- Donation of *Gardenia* products to communities, charitable organisations and public elementary students.
- Distribution of products to families affected by typhoons, fires, and floods through its Quick Response program.
- Participation in the Department of Trade and Industry-led initiative, “Diskwento Caravan”, offering basic goods at discounted prices to communities in various provinces.
- Educational initiatives such as Gardenia plant tours for students and individuals, the partnership with the Philippine Red Cross through the “Nutrisyon at Kalinisan Para sa Maayos na Kinabukasan (Nutrition and Hygiene for a Healthier Future)” program, and the wellness activities implemented by Gardenia’s team of nutritionist-dietitians engaging students in healthy eating and hygiene practices.
- Participation in coastal clean-up and environmental campaigns, resulting in Gardenia Philippines receiving recognition from the Laguna Lake Development Authority for their contributions.

As a result of its dedicated sustainability efforts during 2024, Gardenia Philippines is honoured to have been recognised as a Finalist at the 2024 “Excellence in Ecology and Economy Awards” by the Philippine Chamber of Commerce and Industry.

Gardenia Philippines also achieved the “Circle of Excellence Award” for “Top Employer of the Year” at the Asia CEO Awards 2024 in recognition of the company’s programs for its employees through the company’s health and wellness programs, annual training plans, and other benefits for the employees’ family members, reflecting Gardenia Philippines’ commitment to best HR practices benefitting the employees.

For 2025, Gardenia Philippines is hopeful that the momentum seen towards the end of 2024 will be sustained as inflation eases. While the white bread segment continues to remain the largest, due to its availability and accessibility, on-the-go baked goods and healthy products continue to show promising growth potential. On-the-go baked products have been driven by the return to on-site activities and the rise in snacking among workers and students, as busy lifestyles fuel the need for convenient food products. Increasing consumer awareness of nutrition and wellness has also led to higher demand for healthier, functional food options. With this, Gardenia Philippines will continue to stay adaptable to changing market demands and engage in strategic actions to strengthen its position in existing areas and seize new growth opportunities.

Gardenia Philippines achieved the “Circle of Excellence Award” for “Top Employer of the Year” at the Asia CEO Awards 2024.

During the year, Gardenia Philippines conducted educational initiatives such as Gardenia plant tours for students.

OPERATIONAL REVIEW
DISTRIBUTION AND WAREHOUSING

SINGAPORE

Ben Foods (S) Pte Ltd,
NCS Cold Stores (S) Pte Ltd,
QAF Fruits Cold Store Pte Ltd
*("**Ben Foods Group**")*

Ben Foods Group has navigated through continued global supply chain challenges and the weaker market conditions due to inflationary pressures in 2024.

The food service channel remained a key pillar of Ben Foods Group's business, driven by meetings, incentives, conferences, and exhibitions ("**MICE**") and tourism. Ben Foods Group also actively pursued the development of new export markets to build its business. Additionally, demand for warehousing sustained during 2024, enabling Ben Foods Group to maintain high occupancy rates.

To capitalise on existing and new business opportunities, Ben Foods Group engaged in aggressive promotions and efficient stock management strategies. Ben Foods Group also leveraged on its proprietary brands and expanded its product portfolio with offerings such as *Cowhead granola*, *egg cookies*, *cheese slices*, *whipped butter*, *3-in-1 premium coffee* and *milk tea*, amongst others. As a testament to the strength of its proprietary brands, Ben Foods Group was awarded "Customer Favourite Brand 2024" by DFI Retail Group for the *Cowhead* brand.

Ben Foods Group remains committed to ensuring effective, safe and sustainable food management.

- A solar power system in QAF Fruits has been fully operational since early 2024. This initiative has generated cost savings and reduced the Group's carbon footprint.

- Initiatives to reduce plastic use have also been implemented. For example, improved "U" shaped paper straws for *Cowhead UHT Milk 200ml* products and non-plastic, paper-wire for *Cowhead pancakes* are currently being used.

- The environmental management system has been certified to ISO 14001, showing Ben Foods Group's commitment to improving environmental performance.

- Ben Foods Group has also updated its accreditation for ISO 22000, showing its dedication to effective food safety management.

Ben Foods Group continues to contribute to the community through sponsorships and product donations. In 2024, Ben Foods Group supported fundraising efforts such as "Rice Ball 2024", organised by Wild Rice, and the "Nanyang Academy of Fine Arts Fundraising Golf Tournament". In addition, like in previous years, Ben Foods Group supported NTUC Food Drinks and Allied Workers Union's annual "Gift from the Heart 2024" by contributing *Cowhead* products for the gift bags that were distributed to the beneficiaries.

Looking ahead to 2025, Ben Foods Group expects market conditions to remain challenging, with higher operating cost pressures and increasing trade demands on the business. Ben Foods Group will remain steadfast in its growth strategy.

- Leveraging on its proprietary brands, Ben Foods Group will introduce new products in areas such as potatoes and snacks.

- Ben Foods Group will also continue expanding its export markets, developing and growing its e-commerce and vending machine business, and reduce reliance on brick-and-mortar businesses.

Ben Foods Group will strive to maintain high occupancy rates for its warehousing business. Warehousing remains well-positioned in the market, with its prime location being an ideal choice for customers seeking reliable and cost-effective storage solutions.

OPERATIONAL REVIEW
DISTRIBUTION AND WAREHOUSING

New products launched by Ben Foods Group in 2024.

QAF Limited

2024 SUSTAINABILITY REPORT

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SUSTAINABILITY **REPORT**

INTRODUCTION

About this Report

[GRI 2-1, 2-3]

QAF Limited (the "**Company**" or "**QAF**") is pleased to present our eighth annual Sustainability Report ("**SR**") covering our business operations for the period 1 January 2024 to 31 December 2024 ("**FY2024**").

Reporting Scope

[GRI 2-1, 2-2, 2-6]

Unless otherwise stated, this Report covers the following entities, which are collectively referred to as the "**Group**":

Entity	Location	Segment
QAF Limited	Singapore	Corporate Office ("**QAF HQ**")
Gardenia Foods (S) Pte Ltd ("**Gardenia Singapore**" or "**GFS**")	Singapore	Bakery
Gardenia Bakeries (Philippines) Inc. ("**GBPI**") Philfoods Fresh-Baked Products Inc. Nutribaked Food Products Inc. Nutrimax Fresh-Baked Inc. Vitabread Food Products Inc. (collectively "**Gardenia Philippines**")	Philippines	Bakery
Gardenia Bakeries (KL) Sdn Bhd* ("**GBKL**") Bakers Maison (M) Sdn Bhd ("**BMM**") Farmland Bakery (M) Sdn Bhd ("**Farmland Malaysia**" or "**FLM**") Millif Industries Sdn Bhd ("**Millif**")	Malaysia	Bakery
Bakers Maison Pty Ltd ("**Bakers Maison Australia**" or "**BMA**")	Australia	Bakery
Ben Foods (S) Pte Ltd ("**Ben Foods Singapore**" or "**BFS**") NCS Cold Stores (S) Pte Ltd ("**NCS Cold Stores**") QAF Fruits Cold Store Pte Ltd ("**QAF Fruits**" or "**QAFF**")	Singapore	Distribution and Warehousing ("**D&W**")

* *The Group has 50% interest in the ownership and voting rights of GBKL that is held through a wholly owned subsidiary.*

Reporting Framework

[GRI 2-3]

This report is prepared with reference to the Global Reporting Initiative's ("**GRI**") Standards 2021, and we have applied the following principles to define the report content and quality of information:

(i) GRI Reporting Principles for defining report content: Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness

(ii) GRI Reporting Principles for defining report quality: Balance, Clarity, Accuracy, Timeliness, Comparability and Reliability

GRI data was collected at a subsidiary level and where appropriate, has been aggregated to provide a group-level view. GRI Standards guide our reporting as it is a globally recognised framework that enables a standardised approach for businesses to report on critical sustainability issues; and encourages transparency and consistency in the data presented. The GRI content index relevant to this report can be found on pages 87 to 89.

This year, we continue to follow the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") in our climate reporting. Our TCFD disclosures can be found on pages 49 to 58.

This report is aligned with the reporting requirements of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules 711A and 711B.

Our last sustainability report was published in March 2024. We publish our sustainability reports annually and our reports for previous years are available on our website www.qaf.com.sg.

In accordance with SGX-ST Listing Rule 711B, our sustainability reporting process is subject to internal review. QAF does not currently conduct external assurance on our sustainability reporting, but intends to adopt external assurance in the coming years when it becomes mandatory.

Feedback

[GRI 2-3]

If you wish to provide feedback on our report, please send it to sustainability@qaf.com.sg.

SUSTAINABILITY **REPORT**

BOARD STATEMENT

[GRI 2-22]

The Board of Directors ("**the Board**") is dedicated to enhancing sustainability throughout the QAF Group. We seek to improve our approach year on year as we continue to integrate sustainability throughout our operations.

The Board is pleased to present its FY2024 Sustainability Report, which provides an update on our material environmental, social, and governance ("**ESG**") performance and our ESG initiatives for the Group, pursuant to the reporting requirements of SGX-ST Listing Rules 711A and 711B.

The Board assumes overall responsibility for the Group's sustainability direction and maintains oversight over the management and monitoring of QAF's material ESG factors. As part of the Board's oversight, the Board has confirmed that the material ESG topics reviewed in the prior year remain relevant to the Group for FY2024.

In efforts to continuously ensure our disclosures remain robust and relevant to the regulatory developments in sustainability reporting, we conducted a gap review of our sustainability disclosures against the International Sustainability Standards Board ("**ISSB**") IFRS S1 and S2 this year. Through this process, QAF has developed a phased approach towards alignment with the SGX RegCo's requirements for all issuers which begins its climate-related disclosures to IFRS S2 starting from FY2025.

This year, we have expanded our disclosures to include the energy consumption and GHG emissions of QAF's corporate office. We also re-examined our targets for material ESG topics and widened their scope. Whilst setting more measurable targets and creating greater alignment with our medium-term strategic goals, we have established new targets primarily related to quantitative mid-term objectives. We have also commenced a supplier climate risk assessment to better understand the effect of physical and transition risks on the Group's supply chain. More details of this assessment can be found on page 51. We have also conducted a preliminary Scope 3 emissions calculation exercise in line with GHG Protocol and identified material categories to our Group, allowing us to focus our efforts on improving data availability and quality.

We continue to channel our efforts into enhancing our performance and driving sustainability initiatives throughout our operations. As a food business, the safety and quality of our products, along with prioritising consumer and employee health and wellness, remains paramount for QAF. The QAF Group is dedicated to achieving excellence across all areas of our operations, and the formally recognised accomplishments received this year are a testament to our team's dedication and unwavering commitment to this goal. The Board is pleased to highlight several notable achievements in FY2024, which are detailed on page 34 of this report.

The food industry faces growing expectations to minimise environmental impact and enhance transparency. We recognise the need to stay agile and adaptable in navigating our business through a rapidly evolving landscape.

Looking ahead, we will continue to measure our sustainability progress and strive to create long-term value for our key stakeholders.

The Board of Directors

QAF Limited

SUSTAINABILITY **REPORT**

QAF – AT A GLANCE

[GRI 2-1, 2-6]

QAF is a leading regional food company with core businesses in Bakery, and Distribution and Warehousing. We have an extensive operations and distribution network across the Asia-Pacific region. We employ more than 10,000 people regionally and are listed on the Singapore Exchange Securities Trading Limited.

Our bakery operations manufacture branded packaged bread, bread-based snacks and specialty French-style frozen and par-baked breads and pastries. Our distribution and warehousing business is a leading importer and distributor of a wide range of regionally established food and beverage brands.

We are committed to enhancing shareholder value by pursuing a strategy of long-term sustainable growth and value creation. In this respect, we engage with the communities in which we operate and seek to, amongst others, strengthen our market position and brand equity and expand the operations of our core businesses and distribution networks.

SUSTAINABILITY **REPORT**

AWARDS AND RECOGNITION

The Group has been awarded with the following recognitions during 2024:

1. QAF maintained its place in the Singapore Exchange's Fast Track list in recognition of its high corporate governance standards and good compliance track record.

2. QAF was the joint winner of the **Singapore Corporate Governance Award 2024, Mid Cap Category,** awarded by the Securities Investors Association Singapore in recognition of our good corporate governance and sustainability practices which promote shareholder interests while achieving good business and financial results.

3. Gardenia Philippines was one of the **finalists** of the "**Excellence in Ecology and Economy Awards 2024**" organised by the Philippine Chamber of Commerce and Industry. The award seeks to recognise companies with pioneering and innovative environmental programmes, improved environmental performance, or outstanding environmental stewardship projects.

4. Gardenia Philippines was recognised as one of the **Circle of Excellence Awardees** for the "**Top Employer of the Year**" category at the Asia CEO Awards 2024. This award recognises Gardenia's contributions to the nation's development, and the opportunities they have given to Filipinos.

5. For 2024, Gardenia Singapore is the No. 1 Best Selling Bread Brand in Singapore in terms of value and volume sales. It has also secured No. 1 status from NielsenIQ in four categories, namely, "White Bread", "Wholemeal Bread", "Flavoured Bread" and "Non-filled Bun Bread" for the period January to December 2024.

6. At the FairPrice Partners Excellence Awards 2025, Gardenia Singapore received the "**Top Business Partner of the Year Award**" for achieving holistic growth with outstanding sales, and providing strong partnership support.

7. Gardenia Singapore was awarded "**Customer Favourite Brand 2024**" **award** by DFI Retail Group for delivering high-quality and customer-centric products. Gardenia Singapore was also awarded the "**Favourite Brands**" **award** for the Bakery category by 7-Eleven. These accolades underscore the company's dedication to delivering trust-worthy and value-for-money products which consistently exceed consumers' expectations.

8. In 2024, Gardenia Singapore maintained its **Grade A status** for the 30th consecutive year under the Singapore Food Agency's Food Establishment Licensing Scheme which covers food hygiene and safety standards.

9. In Malaysia, *Gardenia* was awarded the "**Putra Brand Platinum Award (Foodstuff Category)**" for year 2024, the fifteenth year it has won the "Putra Brand Award" and the sixth year it has won the Platinum award. *Gardenia* was also awarded "**Putra Most Enterprising Brand of the Year**" for the first time. The award was received in recognition of its international market expansion through innovation, excellence in marketing communication and branding practices, impactful corporate social responsibility programmes and excellence in product development.

10. Gardenia Malaysia was also awarded a **Silver Award** under the **Corporate Branding Category** of the Malaysia Public Relations Awards organised by the Public Relations and Communications Association of Malaysia. The award recognises Gardenia Malaysia's "Gardenia Wellness Begins at Home 2024 – Normalising Mental Wellness Conversations" campaign.

11. Ben Foods Singapore was presented with the "**Customer Favourite Brand**" award at the Stronger Together Partners Awards Dinner 2024, organised by DFI Retail Group. This recognition reflects the trust and loyalty of its customers for its proprietary brand, *Cowhead*, and its commitment to product quality and consistency.

12. Ben Foods Singapore was one of the recipients of the "**Preferred Business Partner Award**" in the FairPrice Partners Excellence Awards 2025. This award recognises Ben Foods' strong partnership with FairPrice, built on reliable supply, quality products, and effective collaboration.

SUSTAINABILITY **REPORT**

SUSTAINABILITY AT QAF – QAF'S 5 PILLARS

At QAF, we believe sustainable growth is key to both our long-term success and the well-being of the communities and environment in which we operate. To guide our efforts, QAF has been utilising the United Nations Sustainable Development Goals ("**SDG**"s) 5Ps framework since FY2019, adapting it to fit our organisation's context. This adaptation includes the addition of "Products and Process". Our sustainability strategy focuses on "5Ps" – "Prosperity", "Products and Process", "Planet", "People", and "Peace and Partnerships". These 5 pillars help us tackle key environmental, economic, and social challenges in a transparent and measurable way.

We outline below the five key pillars of sustainability at QAF and describe how each contributes to our long-term vision for sustainable growth.

1) **Prosperity**: Prosperity goes beyond financial success to encompass the ethical principles and governance frameworks that complement sustainable growth. We are committed to maintaining transparency and upholding high standards of integrity, guided by our robust business ethics and anti-corruption policies.

2) **Products and Process**: We prioritise food safety and quality, with stringent standard operating procedures and quality management systems in place so as to achieve compliance with food safety standards. Bakery staff involved in food handling undergo regular food safety training to remain updated on food safety requirements and standards. We are also focused on promoting healthy lifestyles by offering diverse products that cater to various dietary preferences.

3) **Planet**: The Group is focused on reducing our environmental impact and we have implemented solar panels and LED lighting at our facilities to reduce reliance on non-renewable energy. Together with our efforts in recycling and waste reduction, we work towards building a circular economy that lowers resource consumption.

4) **People**: QAF Group promotes a diverse and inclusive workforce focused on employee well-being, while offering health and wellness programmes to support our employees. By investing in training, leadership development, and career advancement, we build a skilled and engaged workforce that drives QAF Group's long-term success.

5) **Peace and Partnerships**: Our community support projects and disaster relief work, combined with strategic partnerships with non-governmental organisations ("**NGOs**") and government bodies, enable us to offer a positive impact on our communities.

SUSTAINABILITY **REPORT**

Our Approach towards Sustainable Growth

To strengthen our commitment to sustainable growth, the Group has also identified two priority SDGs to focus our efforts on. SDG 3 and SGD 12 were identified as these are most relevant to our material topics.

Ensure healthy lives and promote well-being for all at all ages

As a food manufacturer, we are committed to delivering healthy products, advocating healthy consumption habits among our consumers and encouraging healthy lifestyles among our employees. We aim to work with schools and various organisations to promote Nutrition, Health and Wellness education. Through innovation, we believe we continue to work towards creating a portfolio that includes wholesome products with great taste. Beyond products, we work with our partners to promote healthy eating and active lifestyles.

Ensure sustainable consumption and production patterns

At QAF, we continue to work towards improving the efficiency of our production and distribution operations.

We will continue to expand our initiatives to promote responsible consumption and production. This includes adopting efficient resource management strategies, reducing food waste, exploring sustainably sourced and packaged products, and advocating for recycling within our operations.

Sustainability Governance

[GRI 2-9, 2-12, 2-13, 2-14, 2-17]

Governance provides the framework necessary for a resilient and sustainable future. It involves implementing strategies, policies, and practices that align with QAF's sustainability goals.

The Board assumes overall responsibility for the Group's sustainability direction and delegates the oversight over sustainability reporting to the Audit and Risk Committee ("**ARC**"), which reports directly to the Board.

The ARC is tasked with overseeing and providing recommendations to the Board on sustainability reporting. Pursuant to this, the ARC is responsible for the approval of material economic, environmental, social, and governance ("**EESG**") factors identified during the materiality assessment, as well as the review of the Group's sustainability policies, practices, performance, and targets, including climate-related matters, for the purpose of such reporting. Refer to the responsibilities of the ARC in the Corporate Governance Report on page 109 for more information.

Supporting the ARC is the Sustainability Working Group, which includes a Joint Group Managing Director and Company executives from the Group head office. This group plays a more operationally focused role, working closely with the business units to fulfil the Group's commitment to positive sustainable advancements. The Sustainability Working Group formally reports to the ARC at each board committee meeting and provides both scheduled and ad-hoc updates between board committee meetings to keep the ARC apprised of developments and progress in the Group's sustainability journey. Collectively, the Sustainability Working Group manages climate-related risks and opportunities at the Group level, including the assessment and direction of appropriate mitigation actions.

To further strengthen the reporting process, QAF has engaged an independent consultant to advise the Group on this report.

To enhance sustainability competencies and provide updates with the latest sustainability trends, all Board members have attended SGX-ST prescribed sustainability training course(s) offered by the Singapore institute of Directors. Sustainability Working Group members regularly attend sustainability training and workshops to remain updated on the latest developments in sustainability reporting.

Figure 1: QAF Sustainability governance structure

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder Engagement

[GRI 2-16, 2-26, 2-29]

Stakeholders are individuals or groups who are impacted by or interested in our activities. Building strong relationships with our material stakeholders is vital to QAF as it ensures that our approach towards sustainable growth remains relevant and effective. We build and maintain close connections to attain a better understanding of alternative perspectives on key issues.

Key Stakeholders	Key Topics and Concerns	Engagement Methods[1]	Examples of Engagement Frequency
Employees	• Orientation for newly hired employees	• Discussion of expectations and employee commitments	• Weekly, or prior to commencement of new employees at Gardenia Philippines • Prior to commencement of new employees at Gardenia Singapore and BMA • Annually and prior to commencement of new employees at Farmland Malaysia
	• Career progression/ development	• Training and career development initiatives	• Periodically throughout the year
		• Regular performance reviews	• 3-month and 5-month intervals for new hires and semi-annually for tenured employees at Gardenia Philippines • 1-month, 3-month and 6-month intervals for new hires at BMA and Farmland Malaysia. • Quarterly one on one discussions for existing employees at BMA. • Annual review for performance appraisal at Gardenia Singapore
		• Feedback sessions with manager at BMA	• One on one conversations quarterly
		• Cross training for production staff at BMA	• Ongoing
	• Compensation and other benefits	• Health and wellness related initiatives	• Quarterly "*Wellness Week*" event at Gardenia Philippines • Periodically during the year at BMA
		• Mental health support, and mental health and well-being programmes at Gardenia Philippines and BMA	• Periodically during the year
		• Vaccination programmes at Gardenia Philippines and BMA	• Periodically during the year

1 Includes virtual engagements, where applicable.

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Key Stakeholders	Key Topics and Concerns	Engagement Methods[1]	Examples of Engagement Frequency
		• Discussion of performance and achievements	• Annual performance reviews are held • Periodically during the year for Gardenia Philippines • Quarterly one on one conversations at BMA
		• Virtual and social team building activities	• Periodically during the year for Gardenia Philippines • Quarterly for BMA
		• Engagement with applicable trade unions	• As and when required
		• Livelihood training for employee dependents at Gardenia Philippines	• Periodically during the year
	• Sustainability Reporting	• Materiality reviews	• Annually
Shareholders	• Business and financial performance, strategy, and outlook	• Release of financial results and other announcements, and other relevant disclosures through SGXNet and QAF's website	• Half-yearly results announcements • As and when required
		• Publish Annual Report • Annual General Meeting	• Annually
		• Extraordinary General Meeting(s), where necessary	• As and when required
		• Responding to questions raised through channel provided (info@qaf.com.sg)	• Ongoing as and when relevant questions/concerns are raised
Customers and Consumers	• Quality of products	• Participation in interactive roadshows held in conjunction with health promotion campaigns or initiatives • Participation in in-store promotions with health-related campaigns and initiatives	• Periodically during the year
		• Customer satisfaction surveys • Customer feedback and internal feedback review meetings for Gardenia Singapore	• Periodically during the year • Daily monitoring of customer feedback and internal review meetings twice a year for Gardenia Singapore
	• Nutritional content of products • Availability/ accessibility of products	• Product packaging including nutritional panels and logos such as "*Healthier Choice*" logos. • Digital Advertisements, Transit Ads, and marketing and sales promotions • Interaction between brands and customers via websites and social media platforms • Customer surveys	• Periodic product review to strengthen the "*Healthier Choice*" positioning of our Singapore products • Regular interaction throughout the year
	• Customer and business partner relationships	• Gardenia Singapore and BMA conduct business reviews and updates with key customers/ retailers	• Periodically during the year

SUSTAINABILITY **REPORT**

Key Stakeholders	Key Topics and Concerns	Engagement Methods[1]	Examples of Engagement Frequency
Suppliers and Business Partners	• Supplier and business partner relationships	• Supplier and business partner meetings	• Periodically during the year • Ongoing for BMA
	• Quality of materials supplied • On-time delivery of products	• Regular audits of factories • Audits by third parties and business partners	• Periodically during the year
Government and Regulators	• Compliance with relevant rules and regulations	• Routine and ongoing communication and collaboration • Compliance with mandatory reporting requirements	• As and when required
Local Communities	• Promote healthier lifestyles and raise awareness of the importance of food nutrition on overall mental and physical health	• Participation in interactive roadshows held in conjunction with healthy eating promotion campaigns • Participation in health and wellness activities at schools, offices, supermarkets, communities and hospitals held in conjunction with promoting healthy eating • Educational plant tours at Gardenia Philippines showcasing our bread-making facility • "Kusina ni Gardee" (Gardee's Kitchen) bread recipe digital videos and art cards on social media by Gardenia Philippines • Promotion of healthier lifestyles via social media platforms	• Throughout the year
	• Help improve the livelihoods and living quality of the local community	• Activities to support philanthropic, community and charitable causes	• Throughout the year
Industry Bodies	• Short and long-term interests of the industry body groups	• Collaboration with industry bodies including Philippine Baking Industry Group	• Throughout the year for Gardenia Philippines

Materiality Assessment

[GRI 2-29, 3-1]

QAF undertook a comprehensive four-step materiality assessment process in FY2022 which was reviewed again in FY2023. During this process, we engaged internal stakeholders to identify and assess the EESG topics of significance to the Group. This process takes into consideration Rule 711B(1) of the SGX-ST Listing Manual and draws guidance from certain GRI Standards.

The Board has reviewed the Group's material topics and concluded that the seven material EESG topics and one non-material topic identified remained relevant in FY2024.

Our materiality methodology adopts a data-driven approach to evaluate our material stakeholders' perspectives. Guided by the GRI Materiality Principle, the materiality assessment comprised the following steps:

Figure 2: Overview of materiality assessment methodology

Identify Material EESG Factors

- An external trend analysis was conducted to identify an initial list of potential sustainability topics.
- A scan of peers' disclosures was assessed, along with a review of global frameworks, such as the Global Reporting Initiative and the Sustainability Accounting Standards Board.

Rate Material EESG Factors

- Potential material topics were clustered to similar issues.
- A rating process was used to assess which issues are pervasive and most common across the group.
- Materiality is considered based on the interactions between QAF's value chain and its operating environment.

Prioritise Material EESG Factors

- Internal stakeholders of the Group were engaged to prioritise the factors based on likelihood and impact.
- The assessment takes into consideration relevance to the business, sustainability strategy and key stakeholders' expectations.
- Based on inputs received from stakeholders, the list of material EESG topics were plotted in a matrix.

Validate Factors

- The material topics were reviewed and endorsed by QAF management and approved by the Company's Audit and Risk Committee.
- 7 material EESG topics and 1 non-material reporting EESG topic were finalised and to be disclosed in QAF's sustainability report.
- The material topics are reviewed annually for their continuing relevance and to identify if there are other topics that should be included.

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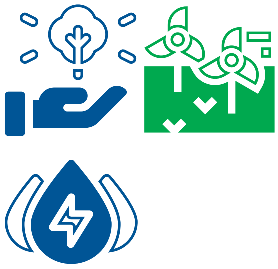
Material Mapping and Topic Boundary

[GRI 3-2]

Guided by the GRI Standards and the SGX Practice Note 7.6 Sustainability Reporting Guide, the Group has identified the following material EESG topics displayed in the table below. These topics are categorised into five distinct pillars known as the 5Ps – "Prosperity", "Products and Processes", "Planet", "People", and "Peace and Partnerships". The table highlights the significance of these material topics in relation to the Group's business and its material stakeholders.

Alignment to 5Ps	Material Topic	Materiality to QAF	Key Stakeholder/s
Prosperity	Economic Performance 	Our financial performance is essential in delivering shareholder value and achieving long-term growth of the Company.	• Shareholders • Employees
	Governance and Ethics: Ethical and Fair Business Practices 	Our governance structure, business ethics, anti-corruption policies and procedures, and compliance against laws and regulations.	• Employees • Shareholders • Government and Regulators
	Governance and Ethics: Data Protection and Cybersecurity 	Promote governance in the management of cybersecurity.	• Consumers • Customers • Government and Regulators
Products and Processes	Consumer Health and Safety: Product Responsibility 	Commitment to food safety and quality to our customers.	• Consumers
	Consumer Health and Safety: Promoting Healthy Eating and Lifestyles 	Helping consumers lead healthy lives by catering to consumers' varying nutritional needs, tastes and initiatives to help consumers understand the benefits of a healthy diet and lifestyle on wellness.	• Consumers

SUSTAINABILITY **REPORT**

Alignment to 5Ps	Material Topic	Materiality to QAF	Key Stakeholder/s
Planet	Resource Management (comprising Energy Management, Waste Management and Water Management) 	Going beyond environmental compliance and running environmentally sustainable operations.	• Shareholders • Suppliers and Business Partners • Government and Regulators
People	Our People (comprising Occupational Health & Safety, Employee Training & Development) 	• Creating safe working environments. • Investing in developing skills capabilities of our workforce.	• Employees

The Group has also identified a non-material EESG reporting topic that is relevant to QAF.

Alignment to 5Ps	Reporting Topic	Relevance to QAF	Stakeholder/s
Peace and Partnerships	Community Engagement 	Supporting economic development and creating positive social impact of the less fortunate and fostering strong ties within the communities in which we operate.	• Local Communities

SUSTAINABILITY REPORT

PROSPERITY

This pillar encompasses our commitment to robust economic performance as well as stringent ethical and fair business practices. Both material topics are core to achieving organisational excellence, and upholding strong corporate governance to maintain our company's growth and delivering value to shareholders.

Economic Performance [Material topic]

[GRI 3-3]

Maintaining financial stability, achieving strong economic performance, and upholding our Corporate Governance principles are crucial for the strategic and sustainable long-term growth of the Group. This positively impacts our shareholders and other material stakeholders involved in our business.

Our economic performance is disclosed in the Chairman's Statement, Joint Group Managing Directors' Report and Financial Highlights as contained in our FY2024 Annual Report on pages 2 to 7 and is confirmed in the audited financial statements of the FY2024 Annual Report.

Governance and Ethics: Ethical and Fair Business Practices [Material topic]

[GRI 2-15, 2-16, 2-25, 2-26, 2-27, 3-3]

Corporate Governance

Our corporate governance is guided by the Singapore Code of Corporate Governance. For further details, please refer to our Corporate Governance Report, which is located on pages 91 to 116 of our FY2024 Annual Report.

Anti-corruption

The board maintains a zero-tolerance stance towards all forms of fraud, corruption and unethical behaviour. The Group prioritises ethical conduct, transparency, and the effective management of conflicts of interest. Our Code of Business Ethics emphasises our commitment to conducting business with integrity and good ethical standards, and compliance with relevant anti-bribery and anti-corruption laws. Corrupt practices could expose both the Group and the individuals involved to criminal and civil liabilities, as well as damage the Group's reputation and the confidence of its material stakeholders. In addition to the Code of Business Ethics, certain entities within our Group have also implemented local policies tailored to their specific operational needs and jurisdictions.

Whistleblowing Policy

The ARC is responsible for oversight and monitoring of whistleblowing. The Group has put in place a Whistleblowing Policy that provides an avenue for our officers and employees to raise, in confidence, concerns regarding actual or suspected improprieties on financial reporting, corruption, bribery, fraud and other matters, directly to the Chairman of the ARC or the Group Legal Counsel.

Under the Whistleblowing Policy, whistleblowers raising genuine concerns in good faith are not at risk of losing their jobs or risk suffering from reprisal as a result, even if they are mistaken. The Company seeks to treat complaints in a confidential and sensitive manner. A complaint is only to be disclosed to persons in the Group on a need-to-know basis so as to carry out an investigation (subject to exceptions such as legal and regulatory requirements to disclose). The ARC considers the concerns raised, and, amongst others, if there are grounds for proceeding further with the case, may consult relevant persons from the Group as necessary, conduct its own investigation or review and/or instruct parties such as the internal or external auditors and lawyers to conduct further investigations or review.

Tax Governance

Strong tax governance and tax risk management are essential to good corporate governance. Tax governance encompasses a well-defined and communicated corporate policy on taxation that is approved at a senior level of a company and reflects the attitude and culture of the company towards managing its tax risks. Tax risk management involves implementing a robust tax control framework to identify, mitigate and monitor key tax risks on an ongoing basis.

A company that adopts strong tax governance and risk management practices instils confidence in its stakeholders and the general public by demonstrating transparency in its tax matters and contributing its fair share of taxes.

The Company's Tax Governance Policy with respect to its Singapore based operations was submitted to the Inland Revenue Authority of Singapore ("**IRAS**") for endorsement under the Tax Governance Framework programme. This was approved by IRAS in May 2024. Through a strong corporate governance culture and practice, QAF Group is committed to ensure accurate, transparent and timely submission of tax returns. Business strategies pursued are supported by bona-fide commercial and economic circumstances, and in compliance with relevant tax laws. The Company's Joint Group Managing Director, assisted by the Chief Financial Officer and Tax Vice President, escalate tax matters based on the materiality threshold to the Board and ARC.

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QAF continues to participate in the IRAS Goods and Services Tax ("**GST**") – Assisted Compliance Assurance Programme ("**ACAP**"). In recognition of its efforts in ensuring GST compliance and its commitment to incorporate GST risk management as part of good corporate governance, QAF was awarded a five-year "ACAP Premium" status from 2021 to 2026.

Governance and Ethics: Data Protection and Cybersecurity [Material topic]

[GRI 3-3]

Data protection and cybersecurity have been identified as key areas of focus in our Group, especially as we integrate more technology into our operations. In response to the increasing frequency and complexity of cyber threats and data breaches, the Group is dedicated to enhancing our protective measures and preparedness to secure our data and guarding against cyberattacks. We achieve this by focusing on three core pillars across the group: Process (mitigation measures), Technology (system security), and People (cybersecurity awareness education).

Must-Know IT Policy

The Group has established a comprehensive IT policy, the "Must Know IT Policy", which outlines the guidelines for the secure usage of email, internet, antivirus software, password protocols, personal data protection, and data and information classification. This policy is easily accessible to all employees and is subject to regular reviews and updates. During the year, we updated the policy to include the safe and secure use of Generative AI tools while protecting individual and company information.

Key features of QAF's Group IT Policy are highlighted below in Figure 3.

Figure 3: Summary of QAF's Group IT Policy

Computer Anti-virus Policy

A combination of preventive and detective measures implemented to reduce the risk of damage to data and programmes caused by various types of malicious software, including computer viruses, malware, spyware, and ransomware.

Internet Use Policy

A set of guidelines detailing the practices of internet usage within QAF, such as limiting access to malicious, phishing, or non-work-related websites, regulating the downloading or publishing of content, and managing the distribution of information.

Email Use Policy

A set of protocols outlining the proper use of email within QAF, including guidelines for email communication, strategies to recognise phishing attempts and how to react, and maintaining the confidentiality of data.

Some of our best practices regarding data protection and cybersecurity are highlighted below.

Data Backup and Recovery

The Group recognises the critical need for reliable systems and data backup and recovery processes, encompassing both on-site and off-site backups. Regular backup of essential data to secure storage and maintaining reliable backup procedures are vital for prompt data restoration in case of data loss, system malfunctions, or security breaches like ransomware attacks.

Our IT team conducts and validates technical restorations on a regular basis to confirm data availability and recoverability. Additionally, we perform IT disaster recovery exercises on key operational and financial systems and data.

SUSTAINABILITY **REPORT**

Incident Response Management

To build cyber resilience and enhance our ability to respond and recover effectively, we have standardised our cybersecurity incident response management at the QAF corporate office since FY2023. This entailed the formation of a Crisis Management Team and Cyber Incident Response Team, defining their roles and responsibilities, and outlining the incident response process.

In FY2024, our key business units, including GBPI, GBKL, GFS, BFS and BMA, have also established their incident response process and formed their Crisis Management Team and Cyber Incident Response Team.

Investing in People (the Human Firewall)

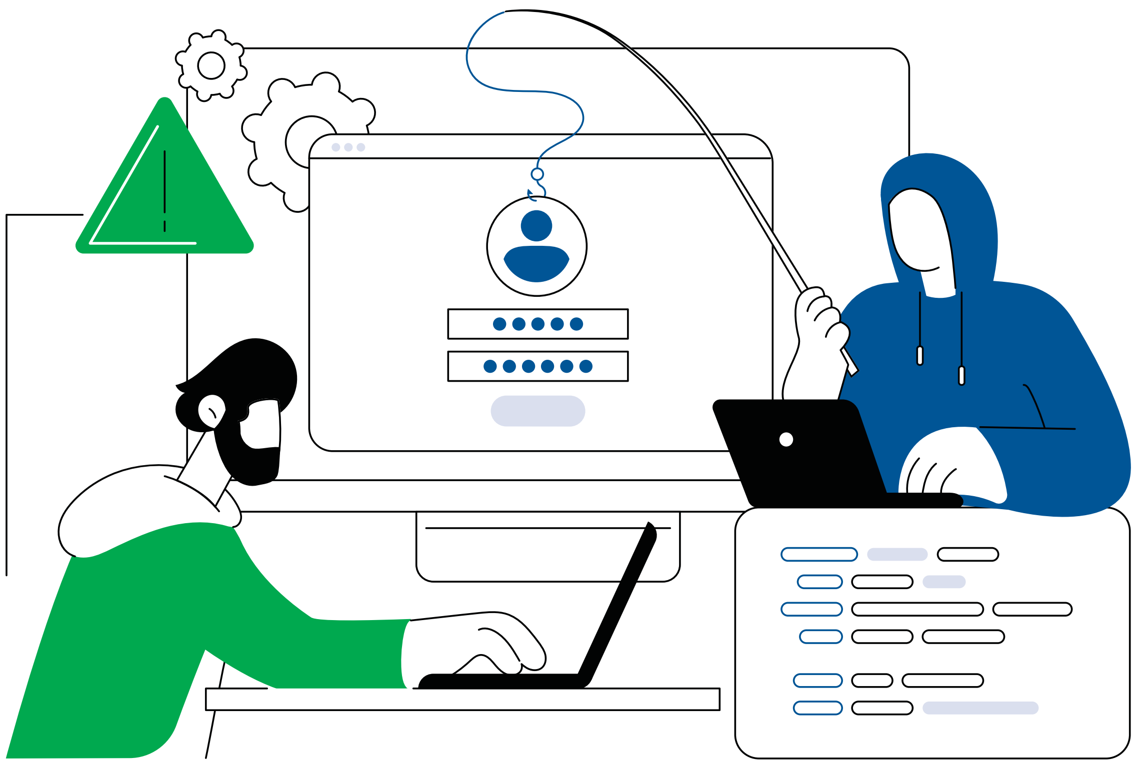
We recognise that our employees are crucial in combating cyber threats. To foster a culture of cybersecurity awareness and responsibility across the group, we continuously educate our staff through various initiatives. These include:

- Distributing monthly newsletters on cyber related news and tips to employees so that they are kept abreast of recent cyber incidents and best practices to identify, detect, protect, and respond to social engineering and email phishing.
- Conducting annual cybersecurity awareness training and assessment.
- Conducting annual simulated email phishing exercise to validate employees' preparedness and readiness.

In FY2024, we conducted an online training and assessment on our cyber incident response process and management for QAF corporate office's Crisis Management Team and Cyber Incident Response Team.

Vulnerability Assessment and Penetration Testing

In FY2024, we conducted a vulnerability assessment and penetration testing for QAF corporate office and our business units, including GBPI, GBKL, GFS, BFS, BMM, FLM and BMA.



PRODUCTS AND PROCESS

We support the health and well-being of our consumers through responsible product design and advocating healthy eating. Our processes are designed to deliver safe and quality products to our consumers. Furthermore, we actively support the awareness of our consumers on healthy eating habits and active lifestyles by offering a range of nutritional options to meet different dietary needs.

Consumer Health and Safety – Product Responsibility [Material topic]

[GRI 3-3, 416-1, 417-1]

Our Commitment to Food Safety and Quality

The Group is committed to producing food that is consistently of high quality and complies with all relevant food safety standards. We adhere to stringent standard operating procedures with the aim of ensuring that our products and production processes are safe, hygienic and compliant with the relevant regulations and quality standards. Throughout the year, all our Group's bakery facilities have maintained their internationally-recognised food quality and safety certifications, including ISO, Food Safety System and/or Hazard Analysis and Critical Control Point ("**HACCP**") certifications. Regular internal quality audits are also conducted to monitor adherence to quality management systems and food safety standards.

Our bakery operations' systematic Quality Assurance programmes apply periodic sampling and testing to monitor against the safety and quality standards of our raw materials specifications. Bakery staff involved in food handling periodically undergo training on food safety and hygienic practices.

The Group conducts periodic review on product labelling to check that information are updated with the latest regulatory requirements, thus providing our consumers with correct product information, such as expiry dates, allergen declarations, ingredients and nutritional content.

Please refer to "Appendices: Certifications" section on page 85 for the Group's quality and food safety certifications.

Key case studies

1) Gardenia Singapore continues to hold Grade A status for the 30th consecutive year under the Singapore Food Agency's Food Establishment Licensing Scheme which covers food hygiene and safety standards. Every year, relevant production employees attend Workforce Skills Qualification Food Safety Course, Food Hygiene & Allergen Training Courses and Food Safety & Hygiene Management workshops to stay updated on safety and correct hygienic practices on food handling.

2) Every year, relevant employees at Bakers Maison Australia attend a two-hour Food Safety Update course, conducted by Australian Food Microbiology. This course is specially designed for the food industry and serves to ensure that employees are kept abreast of the latest food safety topics. Topics covered in this course include legislation, food safety hazards, temperature control, refrigeration, chilling and cold holding, cooking, hot holding and reheating, food handling, principles of safe food storage, cleaning, and food premises and equipment. At the end of the course, all employees receive a certificate which confirms their participation.

SUSTAINABILITY **REPORT**

Consumer Health and Safety – Promoting Healthy Eating and Lifestyles [Material topic]

[GRI 3-3]

Innovating and Developing Nutritious and Tasty Foods

Our Gardenia bakeries regularly review its product offerings to remain relevant to evolving consumer preferences and industry trends. Our innovation team continuously develops new delicious products with ingredients which offer nutrients that promote good health.

The Group's in-house research and development ("**R&D**") teams manage the development of new products, focusing on nutritional value, taste, shelf-life and compliance with local food safety and product labelling regulations. A dedicated team of 34 staff, including professional staff, baking technologists, laboratory technicians and support staff, handles Gardenia's R&D and compliance tasks.

A selection of the new products launched by the Group in FY2024 is set out below.

New products launched in FY2024	Key features of new products
Launched in Singapore:	
 ***Gardenia Nutri-Ace Hearty Oat Wholemeal Loaf***	A low in sugar loaf which is high in dietary fibre and contains Beta-Glucan. It also contains Protein, Iron and Vitamin B1, B2 and B3. Oat beta-glucans have been shown to lower or reduce blood cholesterol. High blood pressure is a risk factor in the development of coronary heart disease.
Launched in the Philippines:	
 ***HealthiGrain® Multigrain Loaf***	A healthy bread loaf which combines the wholesome benefits of 10 grains such as chia seeds, sunflower seeds, oat grains, and barley, with the tangy notes of sourdough, delivering a uniquely flavourful, soft and moist sensory experience. The loaf is high in Vitamin D3, Vitamin E and Folate and a source of Vitamin A, Zinc and fibre.

We prioritise promoting and offering healthy, accessible, and affordable eating choices for our consumers.

Cultivating Healthier Food Choices

We promote nutrition education and encourage healthy eating habits among our consumers. In the Philippines and Singapore, we collaborate with government agencies and educational institutions to encourage consumers to adopt dietary choices which are beneficial to their health, such as increasing wholegrains and fibre intake. To encourage consumers to create healthier meals at home, Gardenia Philippines published recipe videos on its social media pages such as Facebook, Instagram and TikTok featuring delicious and healthy meals prepared using *Gardenia* loaves and buns.

Expanding Reach for Consumer Convenience

Operating sixteen factories across four countries, our products are able to reach consumers through a diverse distribution network including supermarkets, hypermarkets, convenience stores, mini marts, petrol kiosks, caterers, restaurants, hotels, hospitals, airlines, and schools. Our bakery operations deliver fresh bread to approximately 81,000 third-party outlets and through major e-commerce platforms. This extensive network enables consumers to have easy access to our healthier food offerings.

Making Our Products Affordable

To maintain affordability for the lower income market, the Group's bakery operations offer selected product ranges, such as the *NeuBake* bread range in the Philippines, the *Super Value* bread range in Singapore, and the *Gardenia Bonanza Keluarga* in Malaysia. During the year, the *NeuBake* range has been expanded with product offerings in smaller pack size, which include *NeuBake Econo Pack White Bread* (300g) and *NeuBake Econo Pack Wheaten Bread* (375g) to cater to smaller-sized families.

We also run various retail promotions, including discounts, bundle deals, and value pack offers, throughout the year to provide savings for consumers.

Key case studies

1) **Singapore**
Gardenia Singapore has 15 wholemeal retail products certified by Health Promotion Board, Singapore ("**HPB**") as "*Healthier Choice*", two of which includes "*Low GI*" loaves.

Gardenia Singapore worked with various organisations such as Health Promotion Board, Singapore, Diabetes Singapore, Raffles Hospital, Singhealth, Singapore Cancer Society and Khoo Teck Puat Hospital to educate and encourage consumers to increase their intake of wholegrains. This is done through sponsorship of events such as "World Obesity Day", "World Heart Day" and "World Cancer Day". At the "World Diabetes Day" event, Gardenia Singapore organised educational activities at the event booth to promote the importance of low GI food. A dietitian was also invited for a health talk and recipe demonstration to showcase how to include low GI bread in our daily diet to reduce the risks of diabetes.

2) **Philippines**
In 2024, Gardenia Philippines' plant tours were attended by almost 312,000 students from over 1,400 schools. In addition, the "School Nutri-Tour" programme reached out to more than 106,000 students from over 200 schools through an hour-long programme, which provided nutrition education, a sandwich recipe demonstration, physical activities and bread sampling for public and private school children.

Gardenia Philippines continued its "Corporate Wellness Movement" to support both private sector and government employees in achieving their health and wellness goals. This programme offered nutrition consultations conducted by registered Nutritionist-Dietitians through both in-person and video conference sessions. These complimentary workshops were attended by over 80,000 participants from 230 offices in 2024.

Gardenia Philippines also participated in seven Diskwento Caravans in various provinces across the country as part of its continuous support to the Department of Trade and Industry ("**DTI**"). This government-led initiative, which is a collaboration between DTI and local food manufacturers, aimed to provide selected communities with access to essential goods and commodities at discounted prices.

3) **Malaysia**
In 2024, Gardenia Malaysia organised 8CTIVE™ School Tour, a programme endorsed by the Ministry of Education. The objective was to educate students on a healthy diet. The tour was conducted at 50 secondary schools, reaching out to over 82,000 students. A talk on healthy diet and lifestyle was conducted and students were distributed with free sample packs of the *Gardenia Breakthru Bran & WheatGerm Bread*. Students also participated in a contest called Resepi Sihat (Healthy Recipe) whereby they had to create a video on a healthy recipe.

At the "World Diabetes Day" event, Gardenia Singapore invited a dietitian for a health talk and recipe demonstration to showcase how to include low GI bread in our daily diet to reduce the risks of diabetes.

In 2024, Gardenia Malaysia organised 8CTIVE™ School Tour at 50 secondary schools, reaching out to over 82,000 students to educate them on a healthy diet.

SUSTAINABILITY **REPORT**

PLANET

This pillar underscores our dedication to environmental stewardship. It addresses our strategies for climate risk management and emphasises efficient resource management – focusing on water conservation, waste reduction, and energy optimisation. Through these efforts, we aim to reduce our ecological footprint and promote climate-friendly solutions in our operations.

Climate Risk Management and Reporting (TCFD disclosures)

QAF commenced reporting its climate risk assessment in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2022. This section provides an overview of the implementation status of the TCFD recommendations relating to four key areas: Governance, Strategy, Risk Management, and Metrics and Targets.

The new International Sustainability Standards Board (ISSB) Standards – IFRS S1 and S2 will apply from 2025 and will incorporate the recommendations of the TCFD. In 2024, QAF conducted a gap analysis against the ISSB IFRS S1 and S2 requirements in anticipation of aligning our disclosures in a phased approach over the coming years.

TCFD Pillar	Recommended Disclosure	QAF's Approach	Report Section
Governance	a) Describe the Board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	The Board is ultimately responsible for the Company's reporting on climate-related risks and opportunities and approves the disclosures in the Annual and Sustainability Reports. Annually, the Board is apprised on climate-related assessments, issues, and updates to the climate risk register. For more details regarding the Group's ARC and the QAF Sustainability Working Group's role in managing climate-related risks and opportunities, please refer to page 36 in the "Sustainability Governance" section.	**Sustainability Governance**
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**Identification of climate-related risks and opportunities** In FY2023, QAF conducted its first climate risk assessment for operations located in Singapore, the Philippines, Malaysia, and Australia. The climate risk assessment provided an understanding of climate change impacts on our business strategy, operations, and financial position under different climate scenarios, and enabled the group to assess its resilience across various time horizons to better prepare for future impacts. The assessment involved in-depth research into various climate-related physical and transition risks, categorising and assessing the relevance and impact of each risk to QAF. QAF adopted two climate scenarios and three time-horizons as part of the climate scenario analysis. The first scenario aligns with the 2015 Paris Agreement target of limiting global temperature rise to within 2°C above pre-industrial levels. The second scenario reflects a continuation of historical patterns in development. The analysis was conducted across short-term (by 2025), medium-term (by 2030), and long-term (by 2050) time horizons, which were selected based on our business operations and a landscape study on appropriate timeframes. The categorisation of risks was conducted in reference to QAF's Enterprise Risk Management (ERM) framework.	**Climate-Risk Assessment**

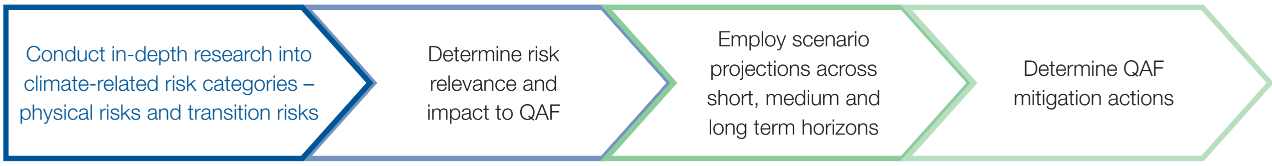
TCFD Pillar	Recommended Disclosure	QAF's Approach	Report Section
		As a result of the assessment, QAF has recognised ten categories of high climate-related risks: five pertaining to transition risks and five relating to physical risks. Transition risks are anticipated to be impactful for QAF over the medium- and long-term time horizons, especially under the net zero scenario, where customer preferences and regulations shift towards a sustainable and low-carbon economy. Conversely, physical risks such as changes in precipitation and rising average temperatures are set to be more apparent under the business-as-usual (BAU) scenario. **Impact of climate-related risks and opportunities** The use of qualitative climate scenario analysis offers QAF comprehensive insights into the potential impact of climate-related risks and opportunities across various assumptions, trends, pathways, and hypotheses. The impacts of both physical and transition risks to QAF's operations are further elaborated within the tables below on pages 54 to 56. To address these risks, the Group has implemented mitigation measures to reduce inherent risks and ensure business resilience, also detailed on pages 54 to 56. As part of ongoing efforts to enhance and optimise operations, QAF consistently reviews its mitigation strategies and adopts a forward-thinking management approach. For example, as a manufacturer and wholesaler, QAF is committed to minimising the effects of increased energy costs associated with greenhouse gas emissions by implementing energy-efficient technologies and optimising production processes. To address material physical risks, QAF is evaluating flood protection measures and backup power sources at its most vulnerable sites to minimise disruption to production and operations. Contingency plans are being developed to diminish the risk of loss in production in the event of disruption at one or more locations. Additionally, QAF will also consider physical risk of current locations when evaluating any extension of current leased premises, and implementation of relevant measures when upgrading facilities. Currently, risk mitigation measures are not critical over the shorter term but are being evaluated for future implementation ahead of medium to long-term impacts. Nevertheless, QAF remains vigilant and will assess and modify its strategy as required.	

TCFD Pillar	Recommended Disclosure	QAF's Approach	Report Section
		Integration of climate resilience into our strategy and operations We integrate climate resilience into the foundation of our corporate strategy and operations by proactively identifying climate-related risks and opportunities. The scenarios used are applicable to QAF for planning and decision-making purposes and will be revised regularly and whenever significant changes occur in our business. This year, we have also conducted a supplier climate risk assessment for key ingredients used in our bakery business to identify our business' climate resilience, including understanding how our operations can withstand and adapt to climate-related challenges, such as extreme weather events, supply chain disruptions, and regulatory changes. This proactive approach aims to mitigate risks, safeguard our supply chain, and maintain business continuity. Please see the impacts of suppliers' physical and transition risks to QAF, as well as the Group's mitigation actions on page 55 for more details. QAF has recently developed mid-term targets as part of our strategy to broaden our climate mitigation planning. Please see the 'Metrics and Targets' section on page 58 for more details.	

Climate-Risk Assessment

Aligning to our Group risk management processes, we conducted a climate scenario analysis across our entities. The following illustrates our risk assessment approach and scope of scenario analysis:

Risk Assessment Approach



Scenario Analysis

The Intergovernmental Panel on Climate Change ("IPCC") identified potential future scenarios for climate change. A climate scenario describes a plausible trajectory for future levels of greenhouse gas ("GHG") emissions. QAF conducted the analysis based on the following climate scenarios, which were mapped to the Representative Concentration Pathways (RCP) scenarios adopted by IPCC for physical risks and the Network for Greening the Financial System (NGFS) for transition risks.

Physical and Transition Climate Change Risk Assessment Scope					
Assessment Scope	• Physical Risk: Manifests from extreme weather events and longer-term shifts in climate • Transitional Risk: Manifests from the shift towards a low-carbon economy				
Scenarios	**Net-Zero**		**BAU**		
Time Horizons	**Medium Term (2030)**	**Long Term (2050)**	**Short Term (2025)**	**Medium Term (2030)**	**Long Term (2050)**
For physical risks and key assumptions	**IPCC RCP 2.6**		**IPCC RCP 8.5**		
	GHG emissions are strongly reduced, resulting in global average temperature increase of no greater than 2°C in an organised transition.[2]		Minimal policies or actions are in place to support decarbonisation, GHG emissions continue to rise with continued high fossil fuel usage. Depicting implications of a future with higher physical risks.[2]		
For transition risk and key assumptions	**NGFS Net Zero Scenario**		**NGFS Nationally Determined Contributions (NDCS) Scenario**		
	Assumes ambitious climate policies are introduced immediately. Net CO_2 emissions to reach zero around 2050, with a chance of limiting global warming to below 1.5°C by the end of the century, with transition risks expected to be high.[3]		Assumes that the moderate and heterogeneous climate ambition reflected in the conditional NDCs at the beginning of 2021 continues over the 21st century, with transition risks expected to be relatively low.[3]		

2 For more information please visit: Intergovernmental Panel on Climate Change, Topic 2 – Future Climate Changes, Risks and Impacts, https://ar5-syr.ipcc.ch/topic_futurechanges.php
3 For more information please visit: Network for Greening the Financial System Scenarios Portal, https://www.ngfs.net/ngfs-scenarios-portal/explore/

Physical and Transition Risks

QAF focuses on high-risk factors in the following table but maintains firm commitment to review and monitor all recognised climate-related risks. The risks deemed as high under various scenarios are consolidated in the following table:

Scenario	Net-Zero		BAU		
Risk and Category/Time Horizon	Medium Term (2030)	Long Term (2050)	Short Term (2025)	Medium Term (2030)	Long Term (2050)
Physical Risk					
Acute: Change in precipitation (Increased intensity, frequency and/or duration of flooding)	✓	✓	✓	✓	✓
Acute: Extreme temperature spells	✓	✓		✓	✓
Acute: Extreme weather (Increased intensity, frequency and/or duration of storms)			✓	✓	✓
Chronic: Change in average temperature				✓	✓
Supplier physical risks*	✓			✓	✓
Transition Risk					
Market: Changes in customer behaviour	✓	✓			✓
Market: Uncertainty in market signals	✓	✓	✓		
Policy and Legal: Increased pricing of GHG emissions across the value chain, Supplier transition risks		✓			
Reputation: Shifts in consumer preferences	✓	✓			
Technology: Costs to transition to lower emissions technology	✓				

* QAF, with core businesses in Bakery, and Distribution and Warehousing, relies on a diverse network of suppliers across different countries. However, these suppliers are exposed to climate-related risks both physical and transition-related, which can disrupt supply chains, increase production costs and have an indirect financial impact on QAF.

To address this, a desktop study was conducted in FY2024 to evaluate the climate risks faced by our key ingredient suppliers, taking into account the countries of origin of their raw materials. This assessment evaluated both the impact comprising exposure and vulnerability as well as the likelihood of the risk affecting QAF. This analysis was conducted for different time horizons and climate scenarios.

Additional details regarding the risks and QAF's strategy to mitigate these risks are presented below:

Risk and Category	Impact of Risk	Mitigation Actions
	Physical Risks	
Acute: Change in Precipitation (Increased intensity, frequency and/or duration of flooding)	• Projected increase in frequency and intensity of extreme weather events in the medium and long term, especially in Philippines, Malaysia, and Singapore. • Costs associated to weatherproof facilities can become prohibitive	• Evaluate installation of flood mitigation measures (i.e. barriers) at premises and assess backup energy supply in case of grid or utility disruption. • Ensure sufficient insurance coverage. • Develop and maintain operationally ready business continuity plans which may include ramping up production in alternative sites to mitigate production capacity loss.
Acute: Extreme temperature spells	• High or extreme temperatures can result in heatwaves. Particularly the Philippines in the medium to long term, and especially in the BAU scenario. • Heatwaves can result in decreased worker productivity and increased costs with higher cooling loads.	• Evaluate alternative architectural designs to enhance ventilation and airflows. • Monitor developments in Occupational Health and Safety standards and evaluation of technology targeted to improve operational comfort.
Acute: Extreme weather (Increased intensity, frequency and/or duration of storms)	• For the BAU scenario, in the medium and long term, floods are predicted to occur more often and with greater severity, potentially disrupting road access and resulting in factory shutdowns, particularly relevant to Manufacturing facilities in Malaysia and the Philippines. • Operational disruptions can result in significant decrease in revenue.	• Evaluate installation of flood mitigation measures (i.e. barriers) at premises and assess backup energy supply in case of grid or utility disruption. • Ensure sufficient insurance coverage. • Activation of business continuity plan.
Chronic: Change in average temperature	• Rising global temperatures will lead to an escalation in cooling requirements. In Malaysia and the Philippines, temperatures are expected to increase by an estimated 1.6 degrees, in the long term under the BAU scenario. • Production delays caused by affected infrastructure and lower productivity can result in significant revenue impact.	• Evaluate initiation or installation of energy-efficient or environmentally friendly cooling measures or systems. • Ongoing monitoring and evaluation of developments in Heating, Ventilation and Air Conditioning ("**HVAC**") technologies, with view to implement viable options.

Risk and Category	Impact of Risk	Mitigation Actions
Supplier physical risks	• Acute and chronic physical risks, such as severe storms, droughts, and rising temperatures, may affect QAF's suppliers' raw material production and infrastructure over the medium to long term. • These factors could influence the availability and cost of key raw materials to QAF like flour, milk and gluten, potentially impacting suppliers' production and indirectly affecting QAF.	• Our supplier-focused study has enhanced our understanding of the risks associated with key raw materials and their market resilience • Using the results of the study, QAF can strengthen its supply chain management. By maintaining a diversified supplier network and monitoring market conditions for price fluctuations, QAF is able to ensure smooth operations despite change in climate conditions.
	Transition Risks	
Market: Changes in customer behaviour	• Large segment of consumers committing to purchasing from 'sustainable' brands. This risk is especially prevalent in net zero scenario where businesses are expected to improve traceability and transparency, and potential revenue impact if customers' expectations are not met.	• Expand on range of products to accommodate variety of consumer preferences. • Close monitoring of sales results by product, conducting customer surveys to keep abreast of graduating shifts in consumer preferences. • Investment in branded retail consumer staple products to build customer loyalty.
Market: Uncertainty in market signals	• Greater investor scrutiny over supply chain ESG impacts. Investors expect companies to demonstrate decarbonisation efforts including value chain engagement. • Lack of investment in transition initiatives resulting in more limited access to capital due to decreased investor confidence.	• Focus on a continuous improvement approach to realise decarbonisation efforts. • Investment in green energy generation (i.e., solar) and energy reduction (efficient equipment and lighting).
Policy and Legal: Increased pricing of GHG emissions across the value chain, Supplier transition risks	• Carbon pricing policies in some countries may impact the agricultural sector in upstream supply chain, resulting in increased operational costs for suppliers procuring raw agricultural products. • Increase in fuel and energy costs incurred in manufacturing processes observed where carbon taxes are passed through. • Supplier transition risks, driven by global shifts toward sustainability and net-zero goals, could lead to increased costs for QAF's raw materials	• Consider adopting viable lower emissions technology. • Reducing emissions throughout production processes through improving energy efficiency. • Close monitoring of current emissions to facilitate cost evaluation and future planning. • Explore green rebates and financing arrangements for adoption of new technologies. • Maintain a diversified supplier network and monitor market conditions for price fluctuations.

Risk and Category	Impact of Risk	Mitigation Actions
Reputation: Shifts in consumer preferences	• Consumers shift away from traditional packaged food products. Packaged food companies are driven to expand product offerings to cater to shift in customer preferences. • Increase in capital expenditure for research and development to ensure accommodating shifts in consumer preferences will not compromise food quality and safety.	• Close monitoring of market and sales performance to ensure that products are aligned with the latest consumer trends and choices. • Review sourcing arrangements (including purchasing from locations closer to manufacturing facilities). • Reviewing equipment and energy requirements. • Review product development, particularly relating to sustainable packaging.
Technology: Costs to transition to lower emissions technology	• Local policies necessitate QAF reduce emissions by purchasing more energy-efficient equipment	• Ongoing monitoring of commercially available technologies. • Scheduling current asset replacement or deferral to reduce future transition costs associated with adopting new technology.

Opportunities

Our assessment in FY2023 revealed that the current landscape features minimal climate-related opportunities for early business adoption within the Group. In view of this, we continue to evaluate opportunities focusing on improvements to our existing processes, raw material sourcing, renewable energy and low-energy initiatives, as well as exploring emerging technologies related to sustainable packaging and advancements in the distribution industry.

SUSTAINABILITY **REPORT**

TCFD Pillar	Recommended Disclosure	QAF's Approach	Report Section
Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related risks. b) Describe the organisation's processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	QAF's climate scenario analysis approach continues to mature. The Group adopts an integrated top-down risk review process that enables systematic identification and prioritisation of all material risks. In FY2024, we updated our group risk profile and Group ERM policy and Corporate Governance Report to encompass climate risk. Various internal stakeholders were consulted during these assessments to secure diverse insights and perspectives. Using QAF's existing risk parameters as a guide, physical and transition risks were assessed based on their 'Likelihood' and 'Impact' on QAF's businesses. 'Likelihood' measures the probability of a particular risk occurring, while 'Impact' evaluates the severity of its consequences on the QAF group if the risk materialises. A matrix combines these ratings to provide an overall risk assessment, which is then used to evaluate, prioritise, and mitigate each risk. The risk parameters outlined in the ERM framework have been used to evaluate climate-related risks in our scenario analysis. The ERM assessment is rolled into the Group ERM Policy which is approved by the ARC, which oversees its implementation. The ARC reviews key enterprise risks identified through the ERM process, along with the corresponding risk mitigation strategies. The Group recognises that climate risks are business risks, which can potentially impact the Group's assets, revenue, operations, supply chain, product design, and stakeholder engagement. QAF integrates various climate considerations into its broader enterprise decision-making processes under its revised Group ERM Policy. Climate risk has been identified as one of QAF's top material risks, ranking second. This shapes our approach to identifying, evaluating, and managing the risks and opportunities associated with climate change. More information can be found in our Corporate Governance Report on pages 105 to 107 of our FY2024 Annual Report.	**Corporate Governance Report**

<table>
<tr><th>TCFD Pillar</th><th>Recommended Disclosure</th><th>QAF's Approach</th><th>Report Section</th></tr>
<tr><td>Metrics and Targets</td><td>a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks.

c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.</td><td>Since FY2022, the Group has closely monitored and disclosed its energy consumption and Scope 1 and 2 GHG emissions, in line with the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol") methodology. This can be found in the "Scope 1 and Scope 2 GHG Emissions" section on page 62.

This year, QAF has also conducted a preliminary Scope 3 emissions assessment in line with GHG Protocol and have identified material categories to our Group. We will continue to work on refining our data tracking and availability ahead of future disclosure.

We have engaged with the CEOs of our business units to set common, meaningful, and measurable climate-related targets. For our 'Resource Management' material topic, we have set mid-term FY2030 targets to achieve a 4.5% reduction in energy consumption and a 1% reduction in mobile fuel consumption per metric tonne of sales volume, using FY2023 as the baseline year. These targets reinforce our commitment to emissions reductions. Moving forward, QAF remains dedicated to monitoring our performance and setting new targets to ensure accountability and effective management of identified issues.</td><td>Energy Management

Scope 1 and Scope 2 GHG emissions</td></tr>
</table>

Resource Management [Material topic]

[GRI 3-3]

The careful management of natural resources is crucial to sustainable existence. Over-exploitation of resources can lead to damaged ecosystems and negatively impact human rights, while responsible management can lead to positive environmental, economic and social outcomes.

We are committed to responsibly managing vital resources such as energy and water by continuously monitoring our practices. Our goal is to reduce energy consumption and waste generation, thereby minimising our environmental impact and contributing to a healthier planet.

Energy Management

[GRI 3-3]

The Group optimises our energy consumption to reduce our greenhouse gas emissions and operating expenses. This is achieved through regular monitoring of our energy usage and evaluating available energy efficiency solutions and renewable energy technology.

The Group's energy management initiatives across its facilities include:

1) **The implementation of solar technology to generate renewable energy.**

- As of 31 December 2024, the Group has approximately 7,600 square metres ("**sqm**") (FY2023: 4,800 sqm) of solar panels in operation. Solar panels are installed in the key geographical locations of Singapore, Malaysia, Philippines and Australia. Refer to "Key case study" section for more details.

- Gardenia Singapore has initiated a pilot project aimed at testing the feasibility of standalone solar lighting. Fourteen solar-powered lighting fixtures were set up to enhance energy savings and energy efficiency.

2) **Heat recovery system**

- A heat recovery system is in use at one of our factories in Malaysia. This system produces hot water directly from the condensers of the factory cooling system, instead of using electrical heaters to heat water separately. The hot water is used to clean the cream roll injectors and bread cooler conveyors. A similar heat recovery system is also in use at one of the factories of GBKL.

3) **Roof repainting**

- Repainting of roofs in white at 2 plants in the Philippines has reduced temperatures inside the plants.

4) **Use of energy efficient technologies**

- Installation and use of LED lights and sensor activated lighting at the Group's factories, offices and warehouses.

- Utilising energy efficient technology such as inverter-type air-conditioning units with energy-saving features, enhancing cooling efficiency while minimising energy usage and the deployment of capacitor banks in electrical systems to improve power factor and reduce energy wastage.

SUSTAINABILITY REPORT

Key case study

Since FY2017, the Group has implemented solar technology to generate renewable energy, with the first solar panels being installed at Bakers Maison Australia followed by at GBKL's facility in Malaysia since FY2021.

Singapore:

In Q4 2023, QAF Fruits installed 2,800 sqm of solar panels, which became operational in January 2024. For 2024, the solar panels generated more than 693,000 kWh of renewable energy. This translates to a reduction of over 285 tonnes of CO2 emissions.

Philippines:

Approximately 1,217 sqm of solar panels have been installed at our Group's Laguna plant since FY2023. For FY2024, the solar panels at its Laguna plant generated more than 314,000 kWh of renewable energy. The use of renewable energy also led to a reduction of over 251 tonnes of CO2 emissions.

In 1H 2024, Gardenia Philippines has commenced installation of approximately 1,250 sqm of solar panels at its Cagayan de Oro plant. The solar panels are expected to be operational in 1Q 2025.

New solar panels installed at QAF Fruits which became operational in FY2024.

Performance

[GRI 2-4, 302-1, 302-3, 305-1, 305-2, 305-4]

The Group closely monitors its energy consumption and Scope 1 and 2 GHG emissions, measured in line with the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol") methodology. We have identified key climate metrics and targets as mentioned in "Climate Risk Management and Reporting (TCFD disclosures)" section. Our energy consumption and the corresponding Scope 1 and 2 GHG emissions disclosures are gathered from all aspects of our operations, across our operating markets as per the reporting scope defined on page 82. In 2024, the Group has expanded our disclosures to include energy consumption and GHG emissions of QAF corporate office.

The energy consumption of QAF Group (Bakery, GBKL JV, D&W and corporate office) are presented into two categories – production and operations, and transport-related activities. Whilst we expect an increase in energy usage in the coming years due to our ongoing efforts to expand business volumes, we are committed to managing our energy consumption proactively, through initiatives such as implementing solar power projects and enhancing our focus on energy efficiency throughout the Group.

The disclosure of energy intensity is presented on a per metric tonne (production volume) basis, given that production constitutes a substantial portion of our business. With the expected growth of our business, monitoring of intensity will provide insights to our energy efficiency performance.

Energy consumption and energy intensity (2023 and 2024)

Metric	Bakery		GBKL JV		D&W		QAF HQ		Total	
Year	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Production and operations										
Electricity consumption, non-renewable (MWh)	54,176.96	58,345.07	63,602.01	61,459.08	10,274.37	9,755.35	–	64.85	128,053.34	129,624.35
Electricity consumption, renewable (MWh)	350.89	568.71	248.72	286.42	–	478.55	–	–	599.61	1,333.68
Fuel consumption, stationary combustion (TJ)	185.91*	194.61	240.42	237.96	–	–	–	–	426.33*	432.57
Transport-related activities										
Fuel consumption, mobile combustion (TJ)	207.91*	201.62	441.50	442.36	10.74	11.40	–	–	660.15*	655.38
Total usage based on category										
Production and operations (TJ)	382.21*	406.70	470.28	460.24	36.99	36.84	–	0.23	889.48*	904.01
Transport-related activities (TJ)	207.91*	201.62	441.50	442.36	10.74	11.40	–	–	660.15*	655.38
Energy intensity (per metric tonne "MT" of production volume)										
Production volume (MT)	174,229.52*	178,027.17	141,952.70	138,418.23	Not relevant		Not relevant		Not relevant	
Production and operations (TJ/MT)	0.00219*	0.00228	0.00331	0.00333	*Note*		*Note*		*Note*	

Note: As production volume is not relevant in the context of Distribution and Warehousing segment and QAF HQ, disclosure of intensity cannot be provided.

* Minor restatements of FY2023 data have been made which have not materially impacted prior year disclosures.

The total energy consumption for QAF Group was 1,549.63 TJ for 2023 and 1,559.39 TJ for 2024, representing a 0.63% increase from the previous year. This change is due to a slight increase in bakery production volume in FY2024, which resulted in greater electricity consumption and stationary fuel usage. In our assessment of energy intensity, we focused on our Bakery segment and GBKL JV, which saw an increase of 4.11% and 0.60% respectively from the previous year.

Scope 1 and Scope 2 GHG emissions (2023 and 2024)

	Emission and Intensity Disclosure									
Metric	**Bakery**		**GBKL JV**		**D&W**		**QAF HQ**		**Total**	
Year	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**
Production and operations										
GHG emissions – Scope 1 (tCO2e)	26,175.89*	24,900.21	18,032.31	17,788.94	2,893.18	2,243.52	–	–	47,101.38*	44,932.67
GHG emissions – Scope 2 (tCO2e)	37,754.86	40,185.27	41,010.58	38,043.17	4,282.36	4,019.21	–	27.03	83,047.80	82,274.68
GHG emissions – Total Scope 1 and 2 (tCO2e)	63,930.75*	65,085.48	59,042.89	55,832.11	7,175.54	6,262.73	–	27.03	130,149.18*	127,207.35
Transport-related activities										
GHG emissions – Scope 1 (tCO2e)	15,643.08*	15,169.49	33,165.87*	33,233.93	808.10*	857.50	–	–	49,617.05*	49,260.92
Emissions by scope										
GHG emissions – Scope 1 (tCO2e)	41,818.97*	40,069.70	51,198.18*	51,022.87	3,701.28*	3,101.02	–	–	96,718.43*	94,193.59
GHG emissions – Scope 2 (tCO2e)	37,754.86	40,185.27	41,010.58	38,043.17	4,282.36	4,019.21	–	27.03	83,047.80	82,274.68
GHG emissions – Scope 1 and 2 (tCO2e)	79,573.83*	80,254.97	92,208.76*	89,066.04	7,983.64*	7,120.23	–	27.03	179,766.23*	176,468.27
GHG emissions intensity										
Production volume (MT)	174,229.52*	178,027.17	141,952.70	138,418.23	Not relevant		Not relevant		Not relevant	
Production and operations – Total Scope 1 and 2 (tCO2e/MT)	0.367*	0.366	0.416	0.403	*Note*		*Note*		*Note*	

Note: As production volume is not relevant in the context of Distribution and Warehousing segment and QAF HQ, disclosure of intensity cannot be provided.

* Minor restatements of FY2023 data have been made which have not materially impacted prior year disclosures.

In 2023, the Group's GHG emissions was 96,718.43 tCO2e for Scope 1 and 83,047.80 tCO2e for Scope 2. In 2024, there was a reduction in emissions, with Scope 1 decreasing to 94,193.59 tCO2e, representing a 2.61% decrease from the previous year. Similarly, Scope 2 emissions decreased to 82,274.68 tCO2e, representing a 0.93% reduction from the previous year.

In our analysis of emissions intensity, we concentrated on our Bakery segment and GBKL JV, which saw a decrease of 0.27% and 3.13% respectively from the previous year. This decrease was primarily due to the reduced usage of refrigerants, which caused a reduction in fugitive emissions under Scope 1, and the adoption of solar renewable energy by QAFF and Gardenia Philippines, which contributed to reduced Scope 2 emissions. Solar panels were only operational at QAFF and GBPI since 1Q2024 and 2H2023.

SUSTAINABILITY **REPORT**

Waste Management

[GRI 3-3, 306-2]

The Group is conscious of our environmental footprint, and we aim to better manage and reduce our waste through continuous improvement by reducing, reusing and recycling ("**3R**") the by-products generated in our factories.

As part of the mandatory requirement of the National Environment Agency (Singapore) ("**NEA**") for 3R Plans, the Group's two key subsidiaries in Singapore, Gardenia and Ben Foods, have also submitted their mandatory packaging data and 3R plans to the NEA since 2022.

Reduce

The Group aims to reduce plastic and paper usage. We are exploring the reduction of plastic packaging thickness for some of our products. For example, Gardenia Singapore, a signatory to the Singapore Packaging Agreement, started to reduce the packaging thickness for some *Gardenia* products since 2022. This initiative has resulted in a reduction of about 4,669 kg of plastic from FY2022 to FY2024. Gardenia Singapore plans to extend these reductions to more *Gardenia* products in FY2025.

As part of its ongoing commitment to reducing plastic use in product packaging, Ben Foods Singapore is transitioning to more sustainable packaging solutions. Since FY2022, its *Cowhead UHT Milk* 200ml products were packaged with paper straws instead of plastic straws. For its *Cowhead* pancake range, BFS has phased out the white plastic-wire clips in October 2024, replacing them with non-plastic, paper-wire alternatives.

Gardenia Singapore has also encouraged consumers to 'go green' by distributing reusable non-woven shopping bags and reusable sandwich boxes with purchase of selected *Gardenia* loaves.

The Group is transitioning to paperless transactions to reduce paper consumption and wastage.

Reuse

In addition to reducing the amount of food waste produced, the group is also focusing on increasing its reuse. In FY2024, BMA donated approximately 151 tonnes (FY2023: 121 tonnes) of edible bread and pastry dough waste to local farmers. The waste is utilised as animal feed. Gardenia Philippines has diverted more than 15,000 tonnes of bread waste to fish meal in FY2024. During the year, Gardenia Singapore continued to work with several local start-ups, such as Less & Co, which upcycles unsold bread into beverages for Food Service and Retailers, and Prefer, which produces bean-free coffee. Since December 2024, Gardenia Singapore has also commenced on a community project to provide market surplus bread every week to beneficiaries of the Food From The Heart organisation and It's Raining Raincoats.

Recycle

The Group aims to recycle the cardboard and plastic we use. We have set up recycling programmes where we collect corrugated board and plastic waste from our factories and warehouses, and send them to recycling plants. In FY2024, Ben Foods Singapore recycled approximately 89 tonnes of corrugated cardboard, 8 tonnes of plastic and 0.4 tonnes of paper. Since FY2017, BMA has been recycling the cardboard waste it generates. In FY2024, it recycled approximately 64 tonnes. To reduce cardboard usage, BMA also introduced reusable food grade plastic crates in its production facility instead of using cardboard cartons. Gardenia Philippines also continued their waste segregation processes to divert recyclable materials away from landfill.

The Group is currently working towards collecting waste generation data from our operations.

Ben Foods Singapore is transitioning to more sustainable packaging solutions, such as use of paper straws instead of plastic straws for Cowhead UHT milk range, as well as use of paper-wire clips instead of plastic-wire clips for Cowhead Pancakes range.

Key case study

Since FY2023, Gardenia Philippines, through its partner facility, started to recycle product packaging into school chairs, which are then donated to local schools. This innovative approach not only reduces packaging waste, but also provides school-going children with valuable classroom furniture. To-date, Gardenia Philippines has donated 300 school chairs. In FY2024, Gardenia Philippines partnered with local government units to broaden the impact of the plastic collection drive within local communities, resulting in an estimated collection of almost 2,200 kg of plastics. The plastics can be recycled to make more than 70 school chairs, which are scheduled for donation to schools in FY2025.

Water Management

[GRI 3-3, 303-2]

Water is a fundamental resource in the food industry. Our bakery operations are heavily reliant on water consumption for the manufacturing of its products. Hence, it is vital that we monitor and manage our water consumption to avoid depletion of a local resource. To optimise water usage within their operations, Gardenia Philippines has invested in water conservation technologies. The Group's factory in Johor also harvests rainwater for toilet flushing.

The Group is currently working towards collecting water consumption data from our operations.

In our operations, we discharge wastewater. We are committed to adhering to the applicable regulations and wastewater requirements of local authorities when discharging wastewater to the sewers. At our bakeries, oil interceptors and strainers are used to prevent oil, grease, or sludge from entering the sewers. The interceptors are inspected, cleaned, and regularly maintained. Where required by the local authorities, testing and monitoring of standard effluent parameters are performed at an accredited laboratory, and test reports are submitted to the respective local authorities. These tests encompass critical factors such as pH value, discharge temperature, oil and grease content, biological oxygen demand, and total suspended solids.

In FY2024, Gardenia Philippines collected almost 2,200 kg of plastics, which can be recycled to make school chairs.

PEOPLE

At the heart of our corporate responsibility and sustainability efforts lies the unwavering commitment to the safety and well-being of our employees. Recognising that a healthy, safe, and fulfilled workforce is fundamental to productivity and innovation, we invest in nurturing employees' development and providing a safe working environment. This holistic approach not only encourages our employees to stretch their potential but also drives superior business performance, cementing the foundation for our Group's enduring success and resilience.

Our People [Material Topic]

[GRI 2-7, 405-1]

Total Employees by Employment Type and Region

Year	2023			2024		
Country	Full time contract	Part time contract	Total	Full time contract	Part time contract	Total
Philippines	4,522	–	4,522	4,539	–	4,539
Singapore	659	3	662	623	2	625
Malaysia	4,661	–	4,661	4,700	–	4,700
Australia	150	–	150	93	76	169
	9,992	3	9,995	9,955	78	10,033

Total Employees by Gender

Year	2024	
Gender	Employees by gender	% of total employees by gender
Male	7,955	79.3%
Female	2,078	20.7%
Total	10,033	100.0%

Total Employees by Age

Year	2024	
Age group	Employees by age group	% of total employees by age group
Under 30 years old	2,987	29.8%
30 to 50 years old	6,218	62.0%
Over 50 years old	828	8.2%
Total	10,033	100.0%

Occupational Health and Safety ("OHS")

[GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6]

Creating a high-quality working environment is essential for QAF Group's continued success. Inadequate health and safety procedures lead to higher injury rates and lost workdays, and can adversely affect employee performance and disrupt our operations. The Group is committed to creating a healthy, safe, and inclusive workplace that supports the well-being of our employees.

To support this commitment, we have established OHS policies at all our bakeries. This year, two major D&W subsidiaries, Ben Foods Singapore and NCS Cold Stores, also implemented OHS policies. Our OHS policies and procedures comply with the local OHS regulations of the respective countries in which we operate, and aim to reduce or minimise workplace hazards and occupational illnesses. We identify and assess work-related hazards and risks through a risk assessment conducted for new processes and activity at least once every 3 years. A hierarchy of controls is employed to manage potential hazards and reduce risks. The controls include Elimination (physically removing the hazard), Substitution (replacing the hazard), Engineering Controls (isolating people from the hazard), Administrative Controls (changing the way people work), and wearing of Personal Protective Equipment. Where required, our manufacturing facilities are also subject to audits or inspections by the local Safety and Health regulators or external vendors at least once every 3 years.

We have established Safety Committees which conduct meetings on a regular basis to discuss workplace hazards, injuries and any safety-related concerns. The committees discuss preventive and corrective actions for safety incidents and other necessary precautionary measures to prevent these incidents happening in the future. As an additional safeguard, employees can confidentially report safety concerns without fear of retaliation, in line with the Group's Whistleblowing Policy.

We also provide OHS training for employees in areas such as Workplace Safety and Health, Occupational First Aid, Forklift Safety, Chemical Handling, Safe Driving, Fire Fighting, Emergency Response, Scaffold Awareness, Safety in Confined Spaces, and Safety when Performing Work at Height. Such training is conducted at least once every 2 years so that our employees are equipped with the knowledge to perform their duties in a safe manner and know how to respond effectively to emergencies or workplace accidents.

OHS initiatives implemented at some of our bakery facilities include:

- Employees working in areas with high noise levels are provided with hearing protection to reduce noise exposure. Production employees also undergo mandatory annual audiometric examinations to monitor their hearing health.

- Other Personal Protective Equipment, such as safety harness, safety shoes, gloves and goggles, are also provided for production employees.

- Chemical health risk assessments were also performed to assess the level of chemicals which our employees are exposed to, and to assess the effectiveness of personal protective equipment to reduce or eliminate employees' risks of chemical exposure.

Key case studies

1) Philippines

- In FY2024, Gardenia Philippines conducted Mandatory Eight-hour Safety and Health ("**MESH**") training, which were attended by 199 employees. This programme, which is conducted monthly by in-house safety officers for all plant-based employees, covered topics such as safety behaviour awareness, personal protective equipment, accident investigation, material safe handling, machine and electrical safety, emergency preparedness, hazard identification, risk assessment and control, and ergonomics.

- At Gardenia Philippines, the flooring is slip-resistant and walkways are kept clear. To reduce temperature inside the plants and prevent heat stress for employees, roofs at 2 plants in the Philippines were repainted to a white colour during the year.

Gardenia Philippines organised MESH training for plant-based employees.

2) Singapore

- Gardenia Singapore organises an annual Defensive Safety Training course for the delivery team to equip them with the techniques to mitigate potential road hazards.

- First aid kits are provided at all departments and Automated External Defibrillator machines are also placed within the company premises for emergency cardiac situations.

- In recognition of its commitment to workplace safety, Gardenia Singapore is also accredited with BizSAFE Level 4 by the Workplace Safety and Health Council.

- As part of our Workplace Health and Safety initiative, we have organised 2 workshop sessions on Fire Safety and Simplified CPR+AED at QAF corporate office.

Access to Healthcare Services

The Group prioritises the physical and mental health of our employees by providing employees with easy access to both occupational and non-occupational health services. In Singapore, Malaysia, and the Philippines, employees have access to panel clinics and are covered under our group hospital and medical insurance plans.

Supporting Employee well-being

Throughout the year, the Group also implemented various initiatives targeted at addressing employee well-being.

Key initiatives to support employees' physical well-being include:

Philippines

- Gardenia Philippines has an on-site clinic where employees can seek a consultation with the company physician. The company nurse is also available on day and night shifts. Gardenia Philippines also has an ambulance on standby, so that transport to medical facilities is readily available where necessary. Free flu vaccinations are also provided for employees.

Singapore

- During the year, Gardenia Singapore organised two rounds of complimentary health screening for all its employees. It also distributed goodie bags comprising supermarket vouchers and food items, to all employees for Lunar New Year and Singapore's National Day celebrations to help staff defray the rising cost of living. Inhouse catering food and wholemeal bread are provided as complimentary meals to all staff. In addition, meal allowances are also provided to staff who are not based in offices.

- A health screening workshop was conducted for NCS Cold Stores and QAF Fruits employees in November 2024.

Australia

- Bakers Maison Australia conducts biennial fitness-to-work assessments for its employees. Free flu vaccinations are also provided to employees. BMA also introduced discounted fresh fruit and juices for employees via its onsite café, to support employee health & well-being. BMA celebrated International Harmony Day with a multicultural feast, whereby all administrative, logistics and production staff brought home-cooked meals to share and celebrate their heritage and cultural background, driving inclusiveness and engagement across the team.

BMA celebrated International Harmony Day with a multicultural feast, whereby all administrative, logistics and production staff brought home-cooked meals to share and celebrate their heritage and cultural background.

Malaysia

- Gardenia Malaysia organised the Gardenia All-Stars Treasure Hunt 2024. The main objective of the programme was to encourage teamwork among employees, as well to boost employee morale and create better engagement. The programme also provided side activities for the staff family members to enjoy the day while their spouses were 'hunting'. It was a rewarding day of fun and celebration fueled by great teamwork and great prizes.

- Since September 2024, Farmland Malaysia started organising bi-monthly badminton sessions which are open to all employees. This initiative is aimed at promoting physical activity, reducing stress and fostering stronger interpersonal bonds among employees.

Key initiatives to support employees' mental well-being include:

Philippines

- Gardenia Philippines provided webinars focusing on improving one's mental health and well-being. It also implemented "Wellness Week" activities to educate and promote the positive effects of health and wellness within the workplace.

Singapore

- During the year, Gardenia Singapore conducted three Mental Wellness and Fatigue Management sessions to educate employees on the importance of maintaining mental well-being and managing fatigue effectively. The sessions were facilitated by Concord Associates Pte Ltd. These sessions covered recognising signs of fatigue, managing workplace stress, building resilience, achieving work-life balance, incorporating practical techniques like mindfulness, breathing exercises, and time management. Interactive discussions and case studies encouraged collaboration and real-world application of strategies, particularly benefitting employees in high-pressure roles.

Australia

- To address mental health concerns, Bakers Maison Australia has an Employee Assistance Programme ("**EAP**") in place. All employees have full day access to an EAP provider, Acacia. Acacia provides mental health support, coaching and advice on a range of personal issues. In September, BMA invited a member of the Acacia team to the BMA site for "R U OK Day". All BMA employees were updated on the EAP programme that is available to access at any time, and the importance of mental health and support networks was discussed.

Malaysia

- In 2024, Gardenia Malaysia organised a series of Mental Health Wellness training to employees from clerical to managerial levels. The sessions were conducted by Dr. Annathurai Ranganathan, a distinguished HRDF certified Trainer with expertise in psychology. During the sessions, Dr. Annathurai shared his knowledge and experience on mental health and healthy lifestyle with almost 150 Gardenia Malaysia staff.

All BMA employees were updated on the EAP programme that is available to access at any time, and the importance of mental health and support networks was discussed.

In 2024, Gardenia Malaysia organised a series of Mental Health Wellness training for almost 150 staff.

Employee Training and Development

[GRI 3-3, 404-1, 404-2, 404-3]

Employee competency is enhanced through continuous training. We believe in providing adequate training opportunities to empower our staff with the right skills and expertise needed to excel both professionally and personally.

Our training programmes, organised to equip employees with essential technical and soft skills, are delivered by in-house trainers, subject matter experts, or external training providers. By providing the right training, we not only improve our employees' professional performance but also enhance their overall personal development.

Average hours of Employee Training by Gender

Year	2024	
Gender	Training Hours	Average Training Hours per Employee
Male	42,146	5.3
Female	16,077	7.7
Total	58,223	5.8

Percentage of employees receiving regular performance and career development reviews by Gender

Year	2024	
Gender	Employees Receiving Performance review	% of total employees receiving a Performance Review
Male	3,573	44.9%
Female	1,531	73.7%
Total	5,104	50.9%

Training programmes conducted during the year by entities under the Group include:

Philippines

Gardenia Philippines has 3 main types of employee training programmes:

- The Building Blocks Training Programmes, which encompass training for new hires, soft skills development, and updates on government and regulatory requirements. Participation in these training programmes is mandatory for all employees.
- The Expert's Track Training Programmes, which are designed to enhance the specific functional or technical expertise of employees.
- The Leader's Track Training Programmes, which are focused on building the leadership capabilities of supervisors, senior supervisors, and assistant managers.

Malaysia

- During the year, targeted professional development programmes were initiated for two Farmland Malaysia employees:

    - o Quality Assurance ("**QA**"): One QA employee was nominated to attend a Bakery course in Thailand conducted by UFM Baking and Cooking School. The course was a specialised 42 days training programme designed to deepen technical expertise within the bakery industry.

    - o Human Resources ("**HR**"): One HR personnel was selected to attend a professional course focused on HR practices, which will support skill-building in strategic HR management and strengthen the department's overall capabilities.

- Gardenia Malaysia continues its focus on team building. During the year, a team bonding programme was organised for more than 90 employees. The programme was conducted over three sessions at Malacca and Port Dickson, Negeri Sembilan:

    - o The first and second session, "Poka-Yoke team Enhancement Programme – Minimise Human Error and Downtime", was attended by operations staff from officer to managerial levels in the Production, Research & Development, Quality Assurance, and Engineering Departments. Poka Yoke, a Japanese concept, is a lean manufacturing methodology aimed at preventing errors or mistakes in production.

    - o The third session, "Harnessing Excellent Individual & Group Towards High Performance Team", was organised for non-operation staff from non-officer to managerial levels. Activities focused on a group of individuals working together to achieve a set of goals, with leaders and members transforming their group into a team resulting in improved quality, productivity and work environment.

During the year, a team bonding programme was organised by Gardenia Malaysia for more than 90 employees.

SUSTAINABILITY REPORT

Singapore

- Gardenia Singapore employees attended courses related to Food Safety, Hygiene, and Allergen Management, Defensive Driving, Mental Wellness and Fatigue Management, Workplace Safety and Sustainability Awareness. The sustainability-focused workshops covered topics such as waste reduction, energy efficiency, and environmentally conscious practices to align operations with global sustainability goals.

- Employees from the Distribution & Warehousing business attended courses related to workplace safety and health, food safety, first aid, operating of scissor lift, as well as GST Workshop.

Australia

- Selected BMA employees from the Logistics, Finance, Production, and Supply and Demand functions attended intermediate and advanced Microsoft Excel training to enhance their skills in analysis and reporting.

  Additionally, selected employees participated in leadership and other role-specific trainings throughout the year. The trainings covered a range of topics including food safety refresher, technology updates, personal development, and forecasting and demand management.

SUSTAINABILITY **REPORT**

PEACE AND PARTNERSHIPS

QAF believes in creating positive social impact for the less fortunate and fostering strong ties within the communities in which we operate. The Group actively supports initiatives that benefit the communities tied to our business, engaging in various philanthropic, community, and charitable efforts, as well as investing in the well-being of future generations. These initiatives demonstrate our ongoing dedication to creating lasting social good.

Supporting Philanthropic, Community and Charitable Causes

In FY2024, *Gardenia* products were donated by the Group to the community, benefitting more than 3.2 million households. Through these donations, we have supported charitable organisations, students, frontline workers, lower income groups and vulnerable individuals.

The key philanthropic, community and charitable causes which we contributed to include the following:

Key bread and other donation programmes	• Gardenia Philippines' Daily Bread Nutrition Programme, which donated more than 1.7 million packs of bread and other products to about 3,000 charitable organisations in various parts of the Philippines. The Gardenia Philippines' Nutrition Assistance Programme donated over 39,000 units of products to almost 1,600 public elementary school students. • Gardenia Malaysia's initiative to provide breakfast to students sitting for the Sijil Pelajaran Malaysia examination. In 2024, Gardenia Malaysia distributed approximately 34,590 units of *Gardenia* products to more than 6,000 students at over 30 schools. Gardenia Malaysia's Bag-2-School Programme, an annual programme to help under-privileged students prepare for the new school term, has benefitted more than 1,500 students in FY2024. • Gardenia Singapore donated over 46,000 *Gardenia* loaves and buns to the community. Beneficiaries include less fortunate households, healthcare organisations, social service agencies, community services centres, NGOs, as well as workers in the public service sector and migrant workers.
	• BFS donated 800 boxes of *Cowhead Assorted Tartlets* and *Cowhead Gold Bite Egg Cookies* to support "Gift from the Heart", an annual initiative by the Food, Drinks, and Allied Workers Union to help lower-income members. BFS also supported Wild Rice and Nanyang Academy of Fine Arts in their fund raising by donating $9,000 and $10,000 respectively. • BMA also contributed products to the Sydney French Open, helping raise over A$20,000 for Redkite charity, an organisation supporting families facing childhood cancer.

Gardenia Malaysia's Bag-2-School Programme, an annual programme to help under-privileged students prepare for the new school term, has benefitted more than 1,500 students in FY2024.

Disaster relief and recovery support for local communities	• In 2024, Gardenia Philippines provided immediate food relief to Filipinos affected by natural calamities and disasters. Through its Quick Response programme, Gardenia Philippines distributed more than 193,000 units of *Gardenia* products to families and individuals affected by typhoons and different incidents of fires and floods in various parts of the Philippines. • In 2024, Gardenia Malaysia continued to collaborate with the Social Welfare Department to distribute more than 180,000 units of *Gardenia* products to the communities in affected areas and at the relief centres in Johor, Pahang, Kelantan and Terengganu.
Development of future generations through nurturing young talents	• Gardenia Malaysia offered internship positions to 20 local university students from various fields to equip them with real-life working experience so that they will be better prepared to join the workforce in the future. Gardenia Singapore also offered internship positions in the R&D department to two students from local polytechnics. The interns were provided with hands-on baking experience.
Support for an inclusive community	• Gardenia Singapore supported the Singapore National Paralympic Council's Charity Walkathon, St. Andew's Autism Centre's fund-raising walk, as well as The Purple Parade, which is a movement to celebrate the abilities of persons with disabilities. Gardenia Singapore raised awareness for the Purple Parade movement through a social media post encouraging consumers to pledge their support for persons with disabilities by joining The Purple Parade event to promote an inclusive society. During the year, Gardenia Singapore also supplied bread supply to Yellow Ribbon Singapore, a statutory board under the Ministry of Home Affairs that helps ex-offenders reintegrate into society. • During the year, BMA continued its ongoing support for the local Broderick Gillawarna School for disabled primary school students, through the donation of iPads and school supplies for the students' usage.

Through its Quick Response programme, Gardenia Philippines distributed Gardenia products to families and individuals affected by natural calamities and disasters.

Promoting Public Awareness on Mental Health

As a brand integral to many households, Gardenia understands the significance of the family as a pillar of society. Amidst rising mental health challenges, we are dedicated to fostering public knowledge on maintaining mental health through our brand's educational outreach.

Examples of our initiatives conducted during the year include:

Supporting Teenage Mental Health

Under the #GardeniaCares Wellness Begins at Home campaign, Gardenia Malaysia continued its collaboration with NobleDr+, a non-governmental organisation that promotes Mental Health Programme for teenagers at schools called #beMINDful. Its main goal is to provide more extensive awareness on making mental health a priority and reducing stigma, in line with the World Health Organisation's vision of "Make mental health for all a global priority". For 2024, the collaboration with NobleDr focused on providing screening and intervention for school students at Sekolah Jenis Kebangsaan Tamil. It also promoted awareness about mental health among parents and students, and encouraged more people to normalise speaking up about their mental health and be comfortable to seek help.

Promoting Mental Health in the Workplace

To commemorate World Mental Health Day, Gardenia Singapore sponsored wholemeal bread to hospital staff at the Mental Wellness Fair organised by Mount Alvernia Wellness Centre, to show our support in encouraging conversation about mental health in the workplace.

Caring for Our Environment

Since 2014, Gardenia Philippines has been actively engaged in tree planting activities. In 2024, employee volunteers planted over 2,000 seedlings. Additionally, Gardenia Philippines has been recognised by the Laguna Lake Development Authority as a "Pagkilala at Pasasalamat" (To Recognise and to Acknowledge) awardee for its invaluable contributions and unwavering support towards the organisation's campaigns, including coastal clean-up drives.

In 2024, Gardenia Philippines employee volunteers planted over 2,000 seedlings.

Gardenia Philippines has been recognised by the Laguna Lake Development Authority as a awardee for its invaluable contributions and unwavering support towards the organisation's campaigns, including coastal clean-up drives.

PERFORMANCE SNAPSHOT AND TARGETS

[GRI 2-27, 205-3, 416-2, 417-2, G4 FP5]

QAF acknowledges the importance of setting targets in-line with our strategic aims. This year, we have reviewed our short-term targets and improved their robustness. We have also developed measurable mid-term Group targets.

● *Short Term Targets (for FY2025)* ● *Medium Term Targets (for FY2030)*

FY2024 Targets	FY2024 Performance	Short/Medium-term Targets	Time horizon
Material ESG Topic: Governance and Ethics (Ethical and Fair Business Practices)			
Maintain zero confirmed incidents of corruption.	During the year, 3 incidents of employee misappropriation of company property were identified. Two employees were dismissed, and one was given a written final warning.	Zero confirmed cases of material corruption. *GRI 205 defines "... Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering"*	● ●
Material ESG Topic: Governance and Ethics (Data Protection and Cybersecurity)			
1. To conduct annual cybersecurity awareness training and assessment for all QAF subsidiaries.	1. Conducted annual cybersecurity awareness training and assessment for QAF and all its subsidiaries.	1. To continue annual cybersecurity awareness training and assessment for QAF and all its subsidiaries.	● ●
2. To conduct an annual simulated email phishing exercise for all QAF subsidiaries.	2. Conducted an annual simulated email phishing exercise for QAF and all its subsidiaries.	2. To continue an annual simulated email phishing exercise for QAF and all its subsidiaries.	● ●
		3. Zero incidences of reportable regulatory breaches of customer privacy in the key geographical locations of Singapore, Malaysia, Philippines and Australia.	● ●

SUSTAINABILITY **REPORT**

FY2024 Targets	FY2024 Performance	Short/Medium-term Targets	Time horizon
Material ESG Topic: Consumer Health and Safety (Product Responsibility)			
1. Maintain the FY2023 percentage of total production volume manufactured in sites certified by an independent third-party according to internationally recognised food safety management system standards.	1. Percentage of total production volume manufactured in sites certified by an independent third-party according to internationally recognised food safety management system standards is maintained at 100% for Bakery segment.	1. Maintain the percentage of total production volume manufactured in sites certified by an independent third-party according to internationally recognised food safety management system standards at 100% for Bakery segment.	
2. Zero incidents of non-compliance with applicable laws and regulations relating to food safety of its Bakery products, resulting in a fine or penalty or regulatory warning.	2. There was 1 incident of non-compliance with applicable laws and regulations relating to food safety and product information and labelling of its Bakery products, resulting in a "Stern Warning" issued by the Singapore Food Agency on 7 May 2024. An immediate corrective action was implemented with new printed packaging that includes all allergen statements. The transition to the new packaging was completed by the end of May 2024.	2. Zero incidents of non-compliance with applicable laws and regulations relating to food safety of its Bakery products, resulting in a fine or penalty or regulatory warning.	
		3. Zero incidents of non-compliance with applicable laws and regulations relating to product information and labelling of its Bakery products, resulting in a fine or penalty or regulatory warning.	

SUSTAINABILITY **REPORT**

FY2024 Targets	FY2024 Performance	Short/Medium-term Targets	Time horizon
Material ESG Topic: Consumer Health and Safety (Promoting Healthy Eating and Lifestyles)			
1. Gardenia Singapore aims to develop more variants of healthier and innovative products that keep up with changing market demands. It will continue to actively promote the health benefits of its range of wholemeal and multi-grain products to consumers.	1. Gardenia Singapore launched the *Gardenia Nutri-Ace Hearty Oat Wholemeal Loaf*, a low in sugar loaf which is high in dietary fibre and contains Beta-Glucan. It also contains Protein, Iron and Vitamin B1, B2 and B3. Gardenia Singapore worked with various organisations such as Health Promotion Board, Singapore, Diabetes Singapore, Raffles Hospital, Singapore Cancer Society and Khoo Teck Puat Hospital to educate and encourage consumers to increase their intake of wholegrains. This is done through sponsorship of events such as "World Obesity Day", "World Heart Day" and "World Cancer Day" where complimentary wholemeal or multi-grain products were provided.	1. The Group plans to develop at least 1 new variant of healthier products such as wholemeal or multi-grain products.	
2. Gardenia Philippines aims to continue producing more innovative and healthier product offerings for different target markets.	2. Gardenia Philippines launched the *HealthiGrain® Multigrain Loaf*, a healthy bread which combines the wholesome benefits of 10 grains such as chia seeds, sunflower seeds, oat grains, and barley. The loaf is high in Vitamin D3, Vitamin E and Folate and a source of Vitamin A, Zinc and Fiber. It also launched the *NeuBake Econo Wheaten Bread* in 375g, an addition to the existing 560g loaf. The loaf is high in Iron and a source of Fiber, Calcium, Vitamin A and Vitamin B3.	2. Continue to conduct or support educational activities aimed at encouraging healthy eating habits among consumers.	

SUSTAINABILITY **REPORT**

FY2024 Targets	FY2024 Performance	Short/Medium-term Targets	Time horizon
Material ESG Topic: Consumer Health and Safety (Promoting Healthy Eating and Lifestyles)			
3. GBKL will concentrate on the existing range of healthy grain products that was relaunched in 2023, such as *Breakthru* and *Gourmet Selections*. We will continue creating awareness campaigns towards promoting healthy eating habits. This includes continuing the 8CTIVE School Tour 2.0 – Excellence Programme "Balanced Nutrition, Excellent Students", a programme endorsed by the Ministry of Education. In 2024, we plan to visit more schools across Peninsular Malaysia and target to reach around 83,000 students. The students will be educated on healthy eating habits and the programme will also include some physical games plus a sample of *Breakthru* bread for them to take home.	3. GBKL continued creating awareness campaigns towards promoting healthy eating habits. This included continuing the 8CTIVE™ School Tour. The main objective was to educate students on a healthy diet. The tour was conducted at 50 secondary schools, reaching out to over 82,000 students. A talk on healthy diet and lifestyle was conducted and students were distributed with free sample packs of the *Gardenia Breakthru Bran & WheatGerm Bread*. Students also participated in a contest called Resepi Sihat (Healthy Recipe) which they had to create a video on a healthy recipe.		
Material ESG Topic: Resource Management			
1. Maintain no incidents of material non-compliance with the applicable regulations and wastewater requirements of the local authorities in respect to the water quality discharge.	1. There were no incidents of material non-compliance with the applicable regulations and wastewater requirements of the local authorities in respect to the water quality discharge.	1. Maintain no incidents of material non-compliance with the applicable regulations and wastewater requirements of the local authorities in respect to the water quality discharge.	● ●
2. Complete additional installations of solar energy at QAF Group facilities.	2. In Q4 2023, QAF Fruits installed 2,800 sqm of solar panels, which became operational in January 2024.	2. Complete additional installations of solar energy at QAF Group facilities.	● ●
		3. Achieve a 4.5% reduction in energy consumption per metric tonne of sales volume by FY2030, with a baseline year of FY2023.	●
		4. Achieve a 1% reduction in mobile fuel consumption per metric tonne of sales volume by FY2030, with a baseline year of FY2023.	●

SUSTAINABILITY **REPORT**

FY2024 Targets	FY2024 Performance	Short/Medium-term Targets	Time horizon
Material ESG Topic: Our People			
Employee Training and Development			
1. Gardenia Singapore will conduct an annual departmental training plan to review the training requirements of its employees.	1. Gardenia Singapore conducted an annual departmental training plan to review the training requirements of its employees.	1. QAF Group will maintain current level of training hours per employee whilst introducing new initiatives to increase overall hours.	
2. BMA will invest in the education and development of its people to build their knowledge, skills, and capabilities.	2. BMA invested in the education and development of its employees to build their knowledge, skills and capabilities.	2. Conduct yearly performance and career development review for eligible employees.	
3. Gardenia Philippines will continue with the semi-annual competency assessment of employees, as the basis for both Departmental and Annual Training Plans.	3. In FY2024, Gardenia Philippines continued with the semi-annual competency assessment of employees, as the basis for both Departmental and Annual Training Plans.	3. Achieve an average of 15 training hours for all employees (yearly).	
4. GBKL, BMM & Millif will continue in-house training on Food Handler, Operational Prerequisite Programme/ Critical Control Point training and comprehensive induction programme that cover food safety topics, Halal Awareness, safety at workplace and security induction.	4. GBKL, BMM and Millif continued in-house training on Food Handler, Operational Prerequisite Programme/ Critical Control Point training and comprehensive induction programme that covered food safety topics, Halal Awareness, safety at workplace and security induction.		

FY2024 Targets	FY2024 Performance	Short/Medium-term Targets	Time horizon
Material ESG Topic: Our People			
Occupational Health and Safety			
1. BMA will continue to run in-house first aid training, food safety refresher training and fire safety training. Monthly Workplace Health and Safety ("**WHS**") committee meetings will be conducted to review safety concerns and near-miss incidents.	1. BMA ran in-house first aid training, food safety refresher training and fire safety training. BMA also conducted monthly WHS committee meetings to review safety concerns and near-miss incidents that occurred during the month and took all necessary corrective action.	1. BMA will continue to run in-house first aid training, food safety refresher training and fire safety training. Monthly WHS committee meetings will be conducted to review safety concerns and near-miss incidents.	
2. Gardenia Singapore will continue to organise in-house Occupational First Aid training for its employees and refresher Food Hygiene/ Hazard Control Plan and Food Allergy training for its production workers. It will conduct Workplace Safety and Health training for different groups of employees and organise annual audiometric examination tests for production workers.	2. Gardenia Singapore continued to organise Occupational First Aid training for its employees and refresher Food Hygiene/ Hazard Control Plan and Food Allergy training for its production workers. It also conducted Workplace Safety and Health training for different groups of employees and organised annual audiometric examination tests for production workers.	2. Gardenia Singapore will continue to organise Occupational First Aid training for its employees and refresher Food Hygiene/ Hazard Control Plan and Food Allergy training for its production workers. It will continue to conduct Workplace Safety and Health training for different groups of employees and organise annual audiometric examination tests for production workers.	
3. Gardenia Philippines will conduct Basic Occupational Safety and Health ("**BOSH**") training for all newly hired employees as mandated by the labour and employment department of the Philippines.	3. Gardenia Philippines conducted BOSH training for all newly hired employees as mandated by the labour and employment department of the Philippines.	3. Gardenia Philippines will conduct BOSH training for all newly hired employees as mandated by the labour and employment department of the Philippines.	

SUSTAINABILITY **REPORT**

FY2024 Targets	FY2024 Performance	Short/Medium-term Targets	Time horizon
Material ESG Topic: Our People			
Occupational Health and Safety			
4. GBKL, BMM & Millif will again conduct in-house Emergency Preparedness, Fire Fighting and Hazard Identification, Risk Assessment and Risk Control training for Safety Committee Members and Emergency Response Team Members. We will also organise Chemical Handling training and Hearing Conservation Programme for our different groups of operation staff. Additionally, annual audiometric tests will also be conducted for operation staff.	4. GBKL, BMM & Millif conducted in-house Emergency Preparedness, Fire Fighting and Hazard Identification, Risk Assessment and Risk Control training for Safety Committee Members and Emergency Response Team Members. We also organised Chemical Handling training and Hearing Conservation Programme for our different groups of operation staff. Additionally, annual audiometric tests were also conducted for operation staff.	4. GBKL, BMM & Millif will continue to conduct in-house Emergency Preparedness, Fire Fighting and Hazard Identification, Risk Assessment and Risk Control training for Safety Committee Members and Emergency Response Team Members. We will also continue to organise Chemical Handling training and Hearing Conservation Programme for our different groups of operation staff. Additionally, annual audiometric tests will also be conducted for operation staff.	
		5. Farmland Malaysia will conduct quarterly WHS committee meetings to review and improve work health and safety practices. It will also conduct annual in-house emergency preparedness and fire-fighting drill.	
		6. Monthly WHS committee meetings will be held by BFS and NCS to assess and enhance workplace health and safety practices. BFS and NCS will also conduct monthly fire safety inspections and two fire drills per year.	

APPENDICES

Definitions, Boundaries and Methodologies

[GRI 2-2, 2-7, 302-1, 302-3, 305-1, 305-2, 305-4, 403-1, 416-2, G4 FP5]

Boundaries for Sustainability Report (unless otherwise defined in the specific sections)

Entity	Location	Segment
QAF Limited	Singapore	Corporate Office ("**QAF HQ**")
Gardenia Foods (S) Pte Ltd ("**Gardenia Singapore**" or "**GFS**")	Singapore	Bakery
Gardenia Bakeries (Philippines) Inc. ("**GBPI**") Philfoods Fresh-Baked Products Inc. Nutribaked Food Products Inc. Nutrimax Fresh-Baked Inc. Vitabread Food Products Inc. (collectively "**Gardenia Philippines**")	Philippines	Bakery
Gardenia Bakeries (KL) Sdn Bhd* ("**GBKL**") Bakers Maison (M) Sdn Bhd ("**BMM**") Farmland Bakery (M) Sdn Bhd ("**Farmland Malaysia**" or "**FLM**") Millif Industries Sdn Bhd ("**Millif**")	Malaysia	Bakery
Bakers Maison Pty Ltd ("**Bakers Maison Australia**" or "**BMA**")	Australia	Bakery
Ben Foods (S) Pte Ltd ("**Ben Foods Singapore**" or "**BFS**") NCS Cold Stores (S) Pte Ltd ("**NCS Cold Stores**") QAF Fruits Cold Store Pte Ltd ("**QAF Fruits**" or "**QAFF**")	Singapore	Distribution and Warehousing ("**D&W**")

Energy

- This report covers non-renewable electricity consumption (purchased electricity), renewable electricity consumption (solar generation) and non-renewable fuel consumption (natural gas, diesel use and liquified petroleum gas).
- Total energy consumption within the organisation is calculated in Joules and presented under the categories of 'production and operations' and 'transport-related activities'.
- The conversion factor used to convert kilowatt-hours (kWh) to terajoules (TJ) is 3.6e-6.
- Energy intensity is derived by taking total energy consumption from production and operations activities (in terajoules) divided by the total production volume (in MT). This offers a representation of energy efficiency specifically in our primary business activities. The production volume used for bakery is 178,027.17 MT and for GBKL is 138,418.23 MT.
- As production volume is not relevant in the context of Distribution and Warehousing segment and QAF HQ, disclosure of intensity cannot be provided.

GHG Emissions

- The GHG emissions are reported in accordance with the guidelines outlined in the GHG Protocol Corporate Accounting and Reporting Standard. Our methodology employs the operational control approach, where we take responsibility for GHG emissions from operations under its direct control. CO2e emissions are estimated based on the conversion factors from Intergovernmental Panel on Climate Change ("**IPCC**") Guidelines AR4 and 5 for National Greenhouse Gas Inventories.
- Direct (scope 1) and indirect (scope 2) emissions are included in the calculation. CO2, CH4 and N2O is included in the calculation of the GHG emissions. Scope 2 emission uses a location-based method.

- Direct (scope 1) and indirect (scope 2) emissions are calculated in tonnes of CO2 equivalent ("**tCO2e**") and presented under the categories of 'production and operations' and 'transport-related activities'.

- Direct (scope 1) and indirect (scope 2) emissions are included in the calculation of the GHG emissions intensity.

- Emission intensity is derived by taking total emissions from production and operations (in tCO2e) divided by the total production volume (in MT). This offers a representation of emission efficiency specifically in our primary business activities.

- For FY2024 data, the production volume used for emission intensity calculation is similar to that used for energy intensity calculation, which is 178,027.17 MT for bakery and 138,418.23 MT for GBKL.

- As production volume is not relevant in the context of Distribution and Warehousing segment and QAF HQ, disclosure of intensity cannot be provided.

GRI G4 FP5 (Percentage of production of volume manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards)

- This report identifies the sites that have undergone third-party certification for internationally recognised food safety management system standards, considering the total production volume.

- The denominator is the total production volume of all the sites operated by the reporting organisation where products are manufactured.

- This report calculates the percentage in accordance with GRI G4 FP5 by dividing the production volume certified by an independent third party for internationally recognised food safety management system standards across all the Bakery entities of the reporting organisation where products are manufactured to get the percentage.

OHS

- OHS Management Systems refers to a set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives. This definition is based on the International Labour Organisation (ILO), Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001, 2001.

Consumer Health and Safety

- Incidents of non-compliance with regulations and/or voluntary codes concerns the direct health and safety impacts of products and services on consumers.

Employees

- An individual who is in an employment relationship with the organisation. All employee data relates to the headcount as of 31 December 2024.

Policies for Material ESG Topics

Material ESG Topics	Applicable to which entity?	Name of policy/procedure/check sheet
Consumer Health and Safety: Product Responsibility	• Gardenia Singapore	• Food safety policy • Consumer Health and Safety Standard Operating Procedures ("**SOP**")
	• Gardenia Philippines	• Good Manufacturing Practices ("**GMP**") Agreement with plant-based employees
	• Gardenia Malaysia • BMM • Millif	• Food safety policy • GMP Systems Overview
	• Farmland Malaysia	• Food safety procedure
	• Bakers Maison Australia	• Quality Assurance Good Hygiene Practices & GMP Check Sheet
	• Ben Foods Singapore	• New Products SOP • Listing SOP
Consumer Health and Safety: Promoting Healthy Eating and Lifestyles	• Gardenia Singapore	• Consumer Health and Safety SOP
	• Gardenia Malaysia	• New Product Development SOP
Resource Management (Energy Management)	• Gardenia Malaysia • BMM • Millif	• Energy Policy
	• Gardenia Philippines	• Energy Policy
	• Gardenia Singapore	• Energy Policy
	• Farmland Malaysia	• Energy & Sustainability Policy
Resource Management (Waste Management)	• Ben Foods Singapore • NCS Cold Stores	• Waste Management SOP
	• Farmland Malaysia	• Energy & Sustainability Policy • Waste Management SOP
	• Gardenia Philippines	• Waste Disposal Policy • Baking of Dough Waste Policy
	• Gardenia Malaysia • BMM • Millif	• Waste Disposal Policy
Resource Management (Water Management)	• Gardenia Philippines	• Water Policy
Our People (Occupational Health and Safety)	• Bakers Maison Australia	• Work, Health & Safety Policy • Risk Management Policy and Procedure • Safety and Emergency (Freezer and Chiller Areas) • Monthly WHS Committee Meeting Policy & Procedure
	• Gardenia Philippines	• Safety Manual • Emergency Action Plan
	• Gardenia Singapore	• Employee health, safety and well-being SOP

Material ESG Topics	Applicable to which entity?	Name of policy/procedure/check sheet
	• Gardenia Malaysia • BMM • Millif • Farmland Malaysia	• Safety and Health Policy
	• Ben Foods Singapore • NCS Cold Stores	• Safety and Health Policy
Our People (Employee Training and Development)	• Gardenia Malaysia • BMM • Millif • Farmland Malaysia	• Training Policy
	• Gardenia Philippines	• Training and Development Policy
	• Gardenia Singapore	• Employee training and development SOP

Certifications

[GRI 416-1]

Name of entity	Name of internationally recognised quality or food safety certification
• Gardenia Bakeries (Philippines) Inc. • Philfoods Fresh-Baked Products Inc. • Nutribaked Food Products Inc. • Nutrimax Fresh-Baked Inc. • Vitabread Food Products Inc.	• ISO 9001: 2015 Quality Management Systems • HACCP certification
• Gardenia Foods (S) Pte Ltd	• ISO 22000: 2018 – Food Safety Management System
• Gardenia Bakeries (KL) Sdn Bhd • Bakers Maison (M) Sdn Bhd • Millif Industries Sdn Bhd	• ISO 22000: 2018 – Food Safety Management System • HACCP certification
• Farmland Malaysia	• Food Safety System Certification FSSC22000 v5.1, Food Manufacturing
• Bakers Maison Australia	• SQF Food Safety Code: Food Manufacturing Edition 9 • SQF Quality Code Edition 9
• Ben Foods Singapore • NCS Cold Stores	• ISO 22000: 2018 – Food Safety Management System
• Ben Foods Singapore	• ISO 14001:2015 Receiving, Storage and Delivery of Frozen, Chilled, Dry food products, Alcoholic and other Beverages and Raw Meat Processing Operations

Memberships and Initiatives

[GRI 2-28]

Location	Name of Memberships
Singapore	• GS1 Singapore Council • Singapore Manufacturers' Federation • Singapore Business Federation • Singapore Food Manufacturers' Association • Singapore Bakery & Confectionery Trade Association • Singapore National Employers Federation • International Association of Refrigerated Warehouses – World Food Logistics Organisation (IARW-WFLO) Warehouse Membership
Philippines	• Employers Confederation of the Philippines, Inc. • European Chamber of Commerce • Filipino-Chinese Bakery Association, Inc. • Laguna International Industrial Park Association, Inc. • Makati Business Club • Philippine Marketing Association • People Management Association of the Philippines • Philippine Baking Industry Group • Philippine Chamber of Food Manufacturers, Inc. • Philippine Institute for Supply Management • Philippine Society for Talent Development
Malaysia	• Federation of Malaysian Manufacturers • Malaysia External Trade Development Corporation • Malaysian Investment Development Authority • SME Association of Malaysia (South Johor)
Australia	• Food Standards Australia New Zealand • New South Wales – Food Authority • Australian Institute of Food Science & Technology • Canterbury-Bankstown Council

Location	Name of External Initiative
Singapore	Singapore Packaging Agreement
Philippines	Philippine Integrity Initiative

SUSTAINABILITY **REPORT**

GRI Context Index

Statement of use	QAF Limited has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure		Location: Report section	Page No.
GRI 2: General Disclosures 2021	The organisation and its reporting practices			
	2-1	Organisational details	Annual Report 2024 (QAF Group), About this Report, Reporting Scope, QAF – At a Glance	Page 8-9, 31, 33
	2-2	Entities included in the organisation's sustainability reporting	Reporting Scope, Definitions, Boundaries and Methodologies	Page 31, 82
	2-3	Reporting period, frequency and contact point	About this Report, Reporting Framework, Feedback	Page 31
	2-4	Restatements of information	Planet	Page 61, 62
	Activities and workers			
	2-6	Activities, value chain and other business relationships	Annual Report 2024 (Operational Review), Reporting Scope, QAF – At a Glance	Page 17-28, 31, 33
	2-7	Employees	People, Definitions, Boundaries and Methodologies	Page 65, 83
	Governance			
	2-9	Governance structure and composition	Annual Report 2024 (Board of Directors), Sustainability Governance, Annual Report 2024 (Corporate Governance Report)	Page 10-14, 36, 91, 94-95
	2-10	Nomination and selection of the highest governance body	Annual Report 2024 (Corporate Governance Report)	Page 94-95, 97-98
	2-11	Chair of the highest governance body	Annual Report 2024 (Board of Directors)	Page 10
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance	Page 36
	2-13	Delegation of responsibility for managing impacts	Sustainability Governance	Page 36
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	Page 36
	2-15	Conflicts of interest	Prosperity, Annual Report 2024 (Corporate Governance Report, Additional Information on Directors Seeking Re-Election)	Page 43, 92, 115, 203
	2-16	Communication of critical concerns	Stakeholder Engagement, Prosperity	Page 37-39, 43
	2-17	Collective knowledge of the highest governance body	Sustainability Governance	Page 36
	2-19	Remuneration policies	Annual Report 2024 (Corporate Governance Report)	Page 99-101
	2-20	Process to determine remuneration	Annual Report 2024 (Corporate Governance Report)	Page 99

GRI Standard		Disclosure	Location: Report section	Page No.
	Strategy, policies, and practices			
	2-22	Statement on sustainable development strategy	Board Statement	Page 32
	2-25	Processes to remediate negative impacts	Prosperity	Page 43
	2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement, Prosperity	Page 37-39, 43
	2-27	Compliance with laws and regulations	Prosperity, Products and Process, Performance Snapshot and Targets	Page 43-44, 75-76, 78, 80
	2-28	Membership associations	Memberships and Initiatives	Page 86
	Stakeholder engagement			
	2-29	Approach to stakeholder engagement	Stakeholder Engagement, Materiality Assessment	Page 37-39, 40
GRI 3: Material topics 2021	3-1	Process to determine material topics	Materiality Assessment	Page 40
	3-2	List of material topics	Material Mapping and Topic boundary	Page 41-42
Material Topic: Economic performance				
GRI 3: Material topics 2021	3-3	Management of material topics	Prosperity	Page 43
Material Topic: Governance and Ethics (Ethical and Fair Business Practices)				
GRI 3: Material topics 2021	3-3	Management of material topics	Prosperity	Page 43-44
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Performance Snapshot and Targets	Page 75
Material Topic: Governance and Ethics (Data Protection and Cybersecurity)				
GRI 3: Material topics 2021	3-3	Management of material topics	Prosperity	Page 44-45
Material Topic: Consumer Health and Safety (Product Responsibility)				
GRI 3: Material topics 2021	3-3	Management of material topics	Products and Process	Page 46
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Products and Process, Certifications	Page 46, 85
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Performance Snapshot and Targets, Definitions, Boundaries and Methodologies	Page 76, 83
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	Products and Process	Page 46
	417-2	Incidents of non-compliance concerning product and service information and labelling	Performance Snapshot and Targets	Page 76
GRI G4: Food Processing Sector Disclosures	FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards	Performance Snapshot and Targets, Definitions, Boundaries and Methodologies	Page 76, 83

SUSTAINABILITY **REPORT**

GRI Standard	Disclosure		Location: Report section	Page No.
Material Topic: Consumer Health and Safety (Promoting Healthy Eating and Lifestyles)				
GRI 3: Material topics 2021	3-3	Management of material topics	Products and Process	Page 47-48
Material Topic: Resource Management (comprising Energy Management, Waste Management and Water Management)				
GRI 3: Material topics 2021	3-3	Management of material topics	Planet	Page 49-64
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Planet, Definitions, Boundaries and Methodologies	Page 61, 82
	302-3	Energy intensity	Planet, Definitions, Boundaries and Methodologies	Page 61, 82
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Planet, Definitions, Boundaries and Methodologies	Page 62, 82-83
	305-2	Energy indirect (Scope 2) GHG emissions	Planet, Definitions, Boundaries and Methodologies	Page 62, 82-83
	305-4	GHG emissions intensity	Planet, Definitions, Boundaries and Methodologies	Page 62, 82-83
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	Planet	Page 64
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	Planet	Page 63
Material Topic: Our People (comprising Occupational Health and Safety, Employee Training and Development)				
GRI 3: Material topics 2021	3-3	Management of material topics	People	Page 65-71
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	People, Definitions, Boundaries and Methodologies	Page 66-68, 83
	403-2	Hazard identification, risk assessment, and incident investigation	People	Page 66-68
	403-3	Occupational health services	People	Page 66-68
	403-4	Work participation, consultation, and communication on occupational health and safety	People	Page 66-68
	403-5	Worker training on occupational health and safety	People	Page 66-68
	403-6	Promotion of worker health	People	Page 66-68
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	People	Page 69
	404-2	Programmes for upgrading employee skills and transition assistance programmes	People	Page 69-71
	404-3	Percentage of employees receiving regular performance and career development reviews	People	Page 69
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	People, Annual Report 2024 (Corporate Governance Report)	Page 65, 94-95


HEALTHI Grain
NewBake
Wheaten BREAD
Breakthru
H.E.I.G.H.T:
HARNESSING EXCELLENT
INDIVIDUAL & GROUP TOWARDS
HIGH PERFORMANCE TEAM
TREE PLANTING

CORPORATE **GOVERNANCE REPORT**

(As at 17 March 2025)

In this Corporate Governance Report, QAF Limited ("**QAF**" or the "**Company**") describes its corporate governance practices for the financial year ended 31 December 2024 ("**FY2024**") with specific reference to the principles and provisions of the Code of Corporate Governance 2018 ("**Code**"). This report makes cross-references to certain sections of the Annual Report such as information on our Directors on pages 10 to 14 and our sustainability approach on pages 29 to 90. For completeness, this report should be read in conjunction with the other reports and information in the Annual Report.

The Company recognises the importance of sound corporate governance practices. It focuses on the substance and objective of the Principles underpinning the Code's Provisions whilst pursuing its corporate objectives and strategy of long-term sustainable growth and value creation. Where there were variations in the Company's corporate governance practices from the Provisions, explanation as to how the Company's practices were consistent with the intent of the Principle in question is provided in the relevant paragraph of this report.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: *The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

(1) *Provisions 1.1, 1.3, 1.4 and 1.5*

The Board of Directors of QAF ("**Board**") is responsible for overall corporate governance, strategic direction and formulation of broad policies to oversee the business performance and affairs of QAF and its subsidiaries (the "**Group**"), with a view to achieving long-term success for the Company. The Board also provides leadership, reviews the performance of the Management, and has oversight of the proper conduct of the Group's business including the framework for the Group's system of internal controls and risk management. Please also refer to the Company's Sustainability Report found on pages 29 to 90 of the Annual Report which sets out the Board's Statement and other information on the Company's sustainability approach as well as information on the Group's Code of Business Conduct.

The functions of the Board are carried out by the Board or delegated by it to various Board Committees. The Board has in place the following Board Committees: Audit & Risk Committee, Nominating Committee and Remuneration Committee. The members of these Committees are set out in the Corporate Information page of the Annual Report.

Each Committee has written terms of reference including the authority to examine issues relevant to its terms of reference and to approve and/or make recommendations to the Board for consideration. A summary of the terms of reference and the activities of the Committees are more particularly described in other sections of this report. The implementation of the long-term vision and strategy for the Company as formulated by the Board is tasked to the executive Directors. Management works with, and is accountable to, the Board. In its review of the performance of Management, the Nominating Committee and the Remuneration Committee, as the case may be, consider several factors such as those set out on pages 98 to 101 of this report under Principle 5 "Provisions 5.1 and 5.2" and Principle 7 "Provisions 7.1 and 7.3".

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During FY2024, the Board held two scheduled meetings in connection with the review of the Group's financial results announcements. The Company's practice is to hold additional Board and Committee meetings and discussions, whether by physical or electronic means or a combination of both, as and when circumstances warrant. Where a Director faces conflicts of interest, he shall recuse himself from discussions and decisions on the relevant matter. The FY2024 attendance and participation of the Directors at such Board and Committee meetings as well as the Company's Annual General Meeting ("**AGM**") in April 2024, is set out below:

	Board	Audit & Risk Committee	Nominating Committee	Remuneration Committee	AGM
Number of meetings held in FY2024	2	6	1	1	1
Name of Director	**Number of meetings attended in FY2024**				
Lam Sing Chung	2	N/A	1	1	1
Philip Yeo Liat Kok	2	N/A	–	–	1
Lin Kejian	1	N/A	N/A	N/A	1
Michael Darren Hewat	2	N/A	N/A	N/A	1
Dawn Pamela Lum	2	6	1	1	1
Norman Ip	2	6	N/A	N/A	1
Chee Teck Kwong Patrick	2	6	N/A	N/A	1
Lian Hwee Peng Rebecca	2	6	N/A	N/A	1
Aw Syee Chia	2	N/A	N/A	N/A	1
Loh Wee Lee(1)	1	N/A	N/A	N/A	N/A
Ong Wui Leng(2)	N/A	N/A	N/A	N/A	N/A

(1) Appointed Director with effect from 1 June 2024.

(2) Ceased to be a Director with effect from 20 February 2024.

The other directorships and principal commitments held by the Directors have not compromised the time and attention devoted by them to the discharge of their duties to the Company. Please also refer to the disclosures under Principle 4 "Provision 4.5" at page 98 of this report.

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(2) *Provision 1.2*

Newly-appointed Directors of the Company are given orientation including briefings to familiarise them with the business and operations of the Group. They are furnished with information on their fiduciary and other general duties and obligations, and on the Company's governance framework, policies and/or processes.

Directors are provided the opportunity to develop and maintain their skills and knowledge on areas relevant to their duties as directors of a public-listed company and to their roles on Board Committees, such as those organised by the Singapore Institute of Directors, Accounting and Corporate Regulatory Authority and/or the SGX-ST. The Company funds and makes arrangements for the Directors to attend such training. The Management (with the assistance of external consultants, where considered appropriate) furnishes the Directors with information pertinent to the Group's business, including information to keep them apprised of material issues and developments, both locally and in other jurisdictions, relevant to the Group's businesses, changes in laws, listing rules or accounting matters and regulatory and compliance issues. In addition, Directors are at liberty to request for further explanations, briefings or information as and when required.

(3) *Provisions 1.6 and 1.7*

The Management provides Directors with periodic management financial information relating to the Group as well as information on material matters and issues being dealt with by Management. Board papers are prepared for each meeting of the Board and are normally circulated at least five days in advance of each meeting to allow sufficient lead time for Directors to review the items tabled at the meetings. The Management is required to supply the Board with papers containing adequate information pertaining to the agenda (including, where applicable, budgets, forecasts and analyses) to assist the Directors' review of the issues to be considered at Board meetings and to facilitate discussion at such meetings. Directors are at liberty to request from the Management additional information as needed to make an informed decision and to discharge their responsibilities.

The Directors have separate and independent access to relevant Management and the Company Secretary. The Company Secretary attends all Board meetings and her responsibilities include checking that board procedures are followed, applicable rules and regulations, including the listing rules and the Code, are complied with and that minutes of meetings are fairly recorded. The Company Secretary is also tasked with handling information flow within the Board and its Committees. The Constitution of the Company provides that the Company Secretary shall be appointed and may be removed by the Directors.

If Directors, whether as a group or individually, in furtherance of their duties need independent professional advice, assistance is available to help them obtain such advice at the Company's expense.

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BOARD COMPOSITION AND GUIDANCE

Principle 2: *The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.*

(1) *Provisions 2.1, 2.2, 2.3 and 2.4*

As at 31 December 2024, the Board comprised 10 Directors, seven of whom were, in the Board's judgement, independent. Our independent Directors are Mr Philip Yeo Liat Kok (who is Vice-Chairman of the Board), Ms Dawn Pamela Lum, Mr Norman Ip, Mr Chee Teck Kwong Patrick, Dr Lian Hwee Peng Rebecca, Mr Aw Syee Chia and Mr Loh Wee Lee. A majority of the Board comprises (a) independent Directors, namely, seven out of 10; and (b) non-executive Directors, namely, eight out of 10.

The independence of each Director is reviewed annually by the Nominating Committee (with the relevant Nominating Committee member abstaining in respect of himself/herself). In its deliberation on the independence of Directors in respect of FY2024, the Nominating Committee took into account, amongst others, each independent Director's confirmation of his or her independence based on the applicable provisions of the SGX-ST Listing Manual and the Code. Under the Listing Manual, a director is not independent if (a) he is or has, in the last three financial years, been employed by the company or any of its related corporations; or (b) he has an immediate family member who is or has, in the last three financial years, been employed by the company or any of its related corporations, and whose remuneration is or was determined by the remuneration committee; or (c) he has been a director for an aggregate period of more than nine years, whether before or after listing (such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer). These disqualifying provisions did not apply to any of our independent Directors for FY2024. The Nominating Committee also considered the principle-based definition of "independence" in the Code (set out in Provision 2.1), which states that an independent director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. The Board is of the view that the Board has an appropriate level of independence and that the size of the Board, and that of the Board Committees, is also appropriate. Ms Dawn Pamela Lum will step down from the Board and her Board Committee positions at the conclusion of the Annual General Meeting on 25 April 2025 due to the expiry of her nine-year tenure as an independent director pursuant to Rule 210(5)(d)(iv) of the SGX-ST Listing Manual. A review of the composition of the Board and its Committees is currently being undertaken and the Company expects to complete this process by mid-2025 and will announce any updates at its conclusion.

For the selection, appointment and re-appointment of Directors, the Board has a Board Diversity Policy that covers diversity factors such as skills & experience, age and gender for the purpose of enhancing Board effectiveness and in the context of the needs and future plans of the Group. Certain information on the diversity of the Company's Board (including Alternate Director) for FY2024 is set out below.

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The Board does not intend pursuant to the Board Diversity Policy to appoint persons as Directors by reason of their gender or age as token representatives on the Board or simply to meet quotas. In the Board's view, the fundamental principle is that the candidate must be of the right fit, taking into account the needs and future plans of the Group's businesses, and must meet the relevant needs and vision of the Board and Company at the material time. The pursuit of quotas, if any, and targets should take this overriding principle into account. Under the Company's Board Diversity Policy, the Nominating Committee shall, in this context, review annually the relevant targets for promoting Board diversity and make its recommendations with accompanying plans and timelines for consideration and approval by the Board. The Nominating Committee shall also undertake an annual review of the Board's composition with the Policy in mind (including succession planning), review key selection criteria as well as different channels for sourcing candidates. It is to report and make recommendations to the Board accordingly. With respect to the following elements of diversity, the Company's targets in the context of the Board Diversity Policy are as follows:

In respect of skills & experience, as disclosed in 2023 in the Company's FY2022 Annual Report, the Company's target was to appoint by FY2026 at least one more Director with experience relevant to our business and future plans, for example in the food industry or a related industry. Business opportunities and threats are constantly evolving and a diverse combination of in-depth skills & experience, such as extensive relevant experience in the food industry or a related industry, would enhance the quality and effectiveness of the Board and its performance. This target took into consideration the pre-existing skillsets and experience of Board members. As to the Company's progress towards this target, in FY2023, the Company appointed Mr Michael Darren Hewat to the Board as Joint Group Managing Director. Mr Hewat has experience in the food including distribution industry, having been chief executive officer of the Group's Primary Production business prior to its disposal. In FY2024, the Company appointed an independent Director, Mr Loh Wee Lee, who has experience with a major Pan-Asian retail group which offers a wide range of products.

In respect of age, the Company had also in its FY2022 Annual Report, disclosed its target of having over the subsequent three years (ie, 2023 to 2026) a mix of both younger and more senior Directors, with heavier emphasis being on depth of experience, track record and business and other networks. In the light of this principle, the Company's objective is to have a Board where more than 50% of the Directors are within the age group of 51 and above. The Company currently meets this target percentage.

In respect of gender, the Company had disclosed its target of maintaining a Board with female representation of at least 25% for the subsequent three years (ie, 2023 to 2026). The Company also noted that a target of 25% female representation on the boards of Singapore listed companies by 2025 was set in 2019 by the Council for Board Diversity. As at 31 December 2024, approximately 27% of the Company's Board (including Alternate Director) comprised female Directors.

Taking into consideration the above, the Nominating Committee believes that the Board comprises Directors who as a group have an appropriate balance and mix (as well as breadth and depth) of skills, knowledge and experience, and diversity of thought and background, so as to foster constructive debate and avoid "groupthink". Board members have diverse backgrounds, skillsets and experience (including extensive and in-depth corporate experience and strategic thinking), which are essential and/or valuable for decision-making. Further information on our Directors is found in the section of the Annual Report entitled "Board of Directors" at pages 10 to 14.

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(2) *Provision 2.5*

The non-executive and/or independent Directors communicate at Board Committee meetings and as and, when necessary, without the presence of Management and are also provided with the opportunity annually to meet without Management's presence. They provide feedback to the Management of their views including on the Group's operations and processes, from time to time. The independent Directors of the Company may communicate periodically without the presence of the other Directors as and when they see the need for issues to be discussed separately from the entire Board.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: *There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

(1) *Provisions 3.1 and 3.2*

Provision 3.1 of the Code states that "The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making". The Chairman and the Joint Group Managing Directors of the Company are separate persons. The Board believes that the Company has not varied from Provision 3.1. Mr Lam Sing Chung is the non-executive Chairman of the Board. Mr Lam Sing Chung and one of the Joint Group Managing Directors, Mr Lin Kejian, are immediate family members. The Board had considered that whilst Mr Lam Sing Chung and Mr Lin Kejian are immediate family members, the Vice-Chairman, Mr Philip Yeo Liat Kok, as well as Joint Group Managing Director, Mr Michael Darren Hewat, are not relatives of either of them. Mr Lin Kejian focuses on the strategic direction of the Group. Whilst Mr Hewat also focuses on the Group's strategic direction, oversight of the Group's affairs is handled by him. In addition, Mr Lam Sing Chung and Mr Lin Kejian, together, do not comprise a majority of the Board. On this basis, no single Director of the Company has unfettered powers to make decisions on behalf of the Board. The Nominating Committee and the Board consider that, in the circumstances, there is sufficient balance of power and accountability, and the capacity of the Board for independent decision making is not prejudiced, and that the Company's practice is consistent with the intent of Principle 3 of the Code.

(2) *Provision 3.3*

Provision 3.3 of the Code provides that "The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate". Our Chairman, Mr Lam Sing Chung, is not an independent Director. In February 2023, the Company announced the appointment of Mr Philip Yeo Liat Kok as Vice-Chairman of the Board. He is an independent Director. With the appointment of an independent Vice-Chairman, the Board considered that it was no longer necessary to have a lead independent director. Whilst we may have varied from Provision 3.3, our Vice-Chairman, who is an independent Director, would be an alternative channel of communication for shareholders. Further, our Chairman and his son, Mr Lin Kejian, do not comprise a majority of the Board. On this basis, no single Director of the Company has unfettered powers to make decisions on behalf of the Board. The Nominating Committee and the Board consider that in the circumstances, the Company's practice is consistent with the intent of Principle 3 of the Code.

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BOARD MEMBERSHIP

Principle 4: *The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

(1) *Provisions 4.1 and 4.2*

In FY2024, the Nominating Committee consisted of Ms Dawn Pamela Lum (chairman), Mr Lam Sing Chung and Mr Philip Yeo Liat Kok, the independent Vice-Chairman of the Board. The majority of the Nominating Committee, including the chairman, are independent Directors.

Under its written terms of reference, the Nominating Committee is empowered, *inter alia*, to review and make recommendations to the Board on the following matters:

(a) setting up and implementation of procedures to facilitate a formal and transparent process for the appointment of new directors;

(b) the suitability of the directors due for re-election and re-nomination each year;

(c) the independence of each director;

(d) the training needs of the Board members; and

(e) the process and criteria for the evaluation of the performance and effectiveness of the Board as a whole, and ascertain whether any aspects of the Board's oversight can be strengthened and improved.

In addition, the Nominating Committee is responsible for making recommendations to the Board on relevant matters relating to, amongst others, the review of succession plans for Directors and key management personnel, the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors, and Board diversity (as further elaborated under Principle 2 "Provisions 2.1, 2.2, 2.3 and 2.4").

(2) *Provision 4.3*

As part of the selection process for the appointment of new directors, the Nominating Committee reviews the composition of the Board, taking into account, amongst others, the need to refresh Board membership progressively, the requirement under the Listing Manual and the Code for independent directors, whether the candidate is of the right fit taking into consideration the needs and future plans of the Group's businesses and the Board, as the case may be, and whether the candidate meets or is expected to meet the relevant needs and vision of the Board and Company at the material time. With respect to the need for Board diversity in matters such as skillsets, experience and expertise, gender and age so as to enhance the Board's effectiveness, please refer to the write-up above under Principle 2 "Provisions 2.1, 2.2, 2.3 and 2.4". The Nominating Committee typically identifies and searches for candidates through various contacts and recommendations (including proposals and recommendations of substantial shareholders and Board members). The Nominating Committee's recommendation is subject to the Board's approval.

In deciding the Directors who are to stand for re-election, the Nominating Committee evaluates the contribution and performance of each Director to the effectiveness of the Board and also considers the need for progressive renewal of the Board. The review parameters for evaluating each Director include attendance, preparedness, candour and participation at Board/Committee meetings, professional skills, knowledge and experience relevant to management or operation of the business, entrepreneurial business skills and regional investment experience.

(3) *Provision 4.4*

The independence of each Director is reviewed annually by the Nominating Committee and, as and when circumstances require, whether there is a change to the independent status previously accorded to the relevant Directors. For the Nominating Committee's review on the independence of Directors in FY2024, please refer to the section dealing with Principle 2 "Provisions 2.1, 2.2, 2.3 and 2.4" on page 94 of this report.

(4) *Provision 4.5*

The Nominating Committee is assisted by the Legal Department of the Company in providing new Directors with information on their duties and obligations as directors (please refer to the section dealing with Principle 1 "Provision 1.2" of this report). The Nominating Committee evaluates the performance of the Directors annually, as described under Principle 5 "Provisions 5.1 and 5.2".

The Directors' board representations (if any) on other listed companies and other principal commitments are set out on pages 10 to 14 and pages 200 to 205 of the Annual Report. The Board takes the view that such other listed company board representations have not compromised any of the relevant Directors' ability to carry out and discharge his/her duties adequately. The number of directorships in other listed companies held by each of the Directors (if any) does not give rise to material concern and the Board considers the experience that our Directors may have in other listed companies to be an asset.

BOARD PERFORMANCE

Principle 5: *The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

Provisions 5.1 and 5.2

The Nominating Committee recommends to the Board the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole and of each Board Committee separately as well as the contribution of the Chairman of the Board and each individual Director.

The Nominating Committee believes that in evaluating the Board's effectiveness, both quantitative and qualitative criteria of a long-term perspective are to be taken into account. Criteria considered by the Nominating Committee include the pursuit of strategy of long-term sustainable growth and value creation to enhance shareholder value; the financial performance of the Group including by reference to revenue growth, EBITDA and profitability; financial position and returns to shareholders; any business opportunities introduced by the Board; and readiness of the Board to redefine and modify corporate strategies in a changing business environment and its ability to lend support to the Management in steering the Group towards the objectives set.

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The Nominating Committee has established a formal evaluation process for assessing the Board as a whole, the Board Committees and individual Directors. For FY2024, no external facilitator was engaged. Each Director was requested to complete an evaluation form to assess the effectiveness of the Board in key areas including board composition, procedures, strategy, performance and training. The Nominating Committee also undertook an evaluation of the Board Committees based on, amongst others, certain assessment criteria recommended by the Singapore Institute of Directors. Information on the contributions and performance of individual Directors including on Board Committees was collated, incorporating any comments of the Directors by way of self-assessment, and reviewed by the Nominating Committee. In its evaluation of individual Directors, the Nominating Committee considered, amongst others, the specific criteria set out under Principle 4 "Provision 4.3" and under Principle 7 "Provisions 7.1 and 7.3". The results of the evaluation exercise were reviewed by the Nominating Committee, and reported to the Board with any relevant recommendations where applicable. When deliberating on the performance of a particular Director who is also a member of the Nominating Committee, that member abstains from the decision-making.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies/Level and Mix of Remuneration/Disclosure on Remuneration

Principle 6: *The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

Principle 7: *The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

Principle 8: *The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

(1) *Provisions 6.1 to 6.4*

In FY2024, the Remuneration Committee consisted of Ms Dawn Pamela Lum (chairman), Mr Lam Sing Chung and Mr Philip Yeo Liat Kok. All of them are non-executive Directors and the majority, including the chairman, are independent Directors.

Under its written terms of reference, the Remuneration Committee, amongst others, shall assist the Board in the review of the framework for remuneration of the Board and key management personnel, set up procedures to facilitate a process by which the remuneration of executive Directors is determined and adopt the criteria by which their performance and contribution is to be assessed in an objective and fair manner. Remuneration includes salary, discretionary bonuses and other benefits such as Central Provident Fund ("**CPF**") contributions. The Remuneration Committee shall also review service contracts to be entered into between the Company and an executive Director or other key management personnel of the Company, including the provisions relating to remuneration, the duration of appointment and early termination, to ascertain that such service contracts do not provide for excessively long periods of employment or onerous removal clauses. No remuneration consultant was engaged by the Company in FY2024.

The Remuneration Committee reviews and makes recommendations to the Board on the remuneration packages of the Directors and key management personnel (who are not also Directors). Any Director who has an interest in the matter in question is required to abstain from participating in the decision-making. In FY2024, Ms Ong Wui Leng retired and ceased to be a member of the Board and an executive Director with effect from 20 February 2024. The Board determined that she be paid an amount of approximately S$208,575 for her past services, taking into account 3.5 months' remuneration for FY2024. This is in line with the Company's objective of facilitating smooth succession, rewarding and motivating other Group executives and promoting a strong sense of commitment by such executives to the Group with a view to their retention.

(2) *Provisions 7.1 and 7.3*

The Remuneration Committee's review and recommendations to the Board on the remuneration packages of the executive Directors and key management personnel (who are not also Directors) are undertaken with the objective of ensuring that their remuneration is competitive and sufficient to attract, retain and motivate persons of the required calibre, skills and integrity to provide good stewardship and manage the Company and oversee the Group successfully, as well as motivate competent, committed and loyal key executives. For FY2024, the Remuneration Committee determined that the factors to be taken into account for this purpose include the individual performance and contribution of the employee to the Group, performance of the Group and prevailing market remuneration where applicable. With respect to individual performance and contribution, considerations include where applicable, technical knowledge, experience, understanding of Group's strategic objectives (including expanding its distribution business), steering the Group towards meeting such objectives, leadership and other skillsets, risk management, motivating and guiding management teams in the execution of projects, the extent to which the individual is accountable and responsible for other employees and whether the executive is a team player. Performance of the Group is not based on a single year in isolation, but over a period of time, to encourage focus on long-term sustainable growth and value creation, over short-termism. Consideration is also given to the scale of the Group's operations (including Gardenia Bakeries (KL) Sdn Bhd, the Group's Malaysian joint venture), which span several countries and generated revenue of approximately S$985 million in FY2024.

For FY2024, a total of four executives (who are not Directors) were considered by the Company to be key management personnel within the definition of the Code (ie, the chief executive officer and other persons having authority and responsibility for planning, directing and controlling the activities of the company).

The remuneration of the Company's executive Directors and key management personnel (who are not also Directors) generally comprises two components. One component is fixed in the form of a base salary. The other component is variable in the form of discretionary bonus (determined taking into consideration the factors set out above). In addition, the executive Directors and certain key management personnel receive benefits such as car benefits. The Company does not have any employees' share incentive plan to avoid short-termism. None of the executive Directors' and key management personnel's remuneration is tied solely and specifically to the profitability of the Company or the Group. Executive Directors and the key management personnel (who are not also Directors) receive remuneration as employees of the Company and do not receive directors' fees or other remuneration from the Company or its subsidiaries.

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The long-term interests of the Company and its risk policies are therefore taken into account in structuring and determining remuneration. Board endorsement is sought for the remuneration packages of the executive Directors and the key management personnel (who are not Directors).

The Company did not have contractual provisions to reclaim incentive components of remuneration from FY2024 executive Directors and key management personnel (who are not also Directors) in exceptional cases of mis-statement of financial results or of misconduct resulting in financial loss to the Company. The executive Directors owe fiduciary, statutory as well as contractual duties to the Company and the Company considered that it may avail itself of remedies against the executive Directors in the event of breach of their relevant duties. Further, none of the executive Directors' and other key management personnels' remuneration is tied solely and specifically to the profitability of the Company or the Group, as explained above.

(3) *Provision 7.2*

For Directors' fees for FY2024, non-executive Directors are to be paid a basic fee for Board membership and an additional fee for serving on Committees as per the fee structure set out below:

Board Membership (base fee)	S$40,000
Board Chairman	Nil as our Chairman has elected not to receive fees
Audit & Risk Committee	
Chairman	S$30,000
Other members	S$20,000
Nominating/Remuneration Committee	
Chairman	S$20,000
Other members	S$15,000

In the interest of maintaining the objectivity and independence of the non-executive Directors, the Company has applied a cash-based fixed fee generally at a rate considered comparable with those that are adopted by a majority of other SGX-ST listed companies with similar market capitalisation.

Directors' fees are subject to approval by the shareholders of the Company as a lump sum at each AGM of the Company and accordingly, shareholders may vote on the total FY2024 remuneration of non-executive Directors at the AGM to be held on 25 April 2025. The total Directors' fees, subject to shareholders' approval, payable for FY2024, as well as the breakdown payable to each non-executive Director, is set out in the sub-section below under "Provisions 8.1 and 8.3".

(4) *Provisions 8.1 and 8.3*

The Corporate Governance Code (Provision 8.1) provides, *inter alia*, that the amount and breakdown of remuneration of individual directors and the chief executive officer paid by the company and its subsidiaries are to be disclosed. In view of the SGX-ST listing rules, such disclosure is mandatory.

Provision 8.1 of the Code also provides that the remuneration of the top five key management personnel at least (who are not directors, and who are to be named) are to be disclosed in bands no wider than S$250,000, on a "comply or explain" basis. As stated above, for FY2024, the Company had only four executives (who are not Directors) considered to be key management personnel within the definition of the Code.

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Please refer to the tabulation below for information on the remuneration in respect of FY2024, of the Company's executive Directors and key management personnel (who are not Directors):

Key Management Personnel	**Remuneration/ Remuneration Band**[(1)]	**Fixed Salary**	**Variable Bonus**	**Other Benefits**[(1)]
		Breakdown of remuneration by percentage		
Michael Darren Hewat	*S$1,412,000*[(4)]	72%	16.6%	11.4%
Ong Wui Leng[(2)]	*S$302,000*[(4)]	82.4%	0%	17.6%
		Number of Key Management Personnel (other than Directors)		
Key Management Personnel (other than Directors)[(3)]	*S$500,000 – S$750,000*	1		
	S$250,000 – S$500,000	2		
	Below S$250,000	1		
Aggregate remuneration of key management personnel (including executive Directors)	*S$3,349,000*[(4)]			

(1) Includes, where applicable, employer's CPF contribution, car benefits, accommodation, air passage benefits and leave encashment.

(2) Ceased employment with effect from 20 February 2024.

(3) Includes executive(s) who became key management personnel during FY2024.

(4) Figures are rounded to the nearest thousand.

In considering the disclosure of remuneration of the Company's key management personnel (who are not also Directors) in the manner set out in Provision 8.1 of the Code, the Remuneration Committee considered, amongst others, the importance of maintaining the cohesion, spirit of teamwork and morale prevailing among senior management executives of the Group, the competitive industry conditions and the sensitive and confidential nature of employees' remuneration. The Group's competitors include groups that are unlisted and who do not publish details of the remuneration of its key executives.

The Company is of the view that its corporate governance practice for FY2024 in relation to remuneration disclosure is consistent with the intent of Principle 8. Although the Company has varied from Provision 8.1 to the extent that the names and breakdown of remuneration of its key management personnel (who are not Directors) are not disclosed, the Company has in respect of its four key management personnel (who are not Directors) disclosed their FY2024 remuneration in band(s) of S$250,000 and sufficient information to ascertain their aggregate remuneration. The Company has also provided information on its remuneration policy including criteria for assessment of performance and the relationship between remuneration, performance and value creation (see information under Principle 7 "Provisions 7.1 and 7.3"). The Company therefore believes that, taken as a whole, the disclosures provided are meaningful and sufficiently transparent in giving an understanding of the remuneration of its key management personnel including the executive Directors.

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Subject to the approval of Shareholders at the AGM, the fees payable to the non-executive Directors of the Company who served in FY2024 are set out below:

Name of Director		Directors' Fees
Lam Sing Chung	Chairman and member of the Board Member of Nominating Committee Member of Remuneration Committee	Elected not to receive Directors' fees
Philip Yeo Liat Kok	Vice-Chairman and member of the Board Member of Nominating Committee Member of Remuneration Committee	S$70,000
Dawn Pamela Lum	Member of the Board Chairman of Nominating Committee Chairman of Remuneration Committee Member of Audit & Risk Committee	S$100,000
Norman Ip	Member of the Board Chairman of Audit & Risk Committee	S$70,000
Chee Teck Kwong Patrick	Member of the Board Member of Audit & Risk Committee	S$60,000
Lian Hwee Peng Rebecca	Member of the Board Member of Audit & Risk Committee	S$60,000
Aw Syee Chia	Member of the Board	S$40,000
Loh Wee Lee	Member of the Board (Pro-rated for period 1.6.2024 to 31.12.2024)	S$23,333
	Total	S$423,333

(5) *Provision 8.2*

The Group did not employ any immediate family member of a Director, the Joint Group Managing Directors or substantial shareholder of the Company, and whose remuneration exceeded S$100,000 for FY2024.

Mr Lin Kejian, the Joint Group Managing Director, had elected not to receive remuneration. Mr Lin Kejian is an immediate family member of Mr Lam Sing Chung.

CORPORATE **GOVERNANCE REPORT**

(As at 17 March 2025)

ACCOUNTABILITY AND AUDIT

Risk management and Internal Controls

Principle 9: *The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

Provisions 9.1 and 9.2

The Board is overall responsible for the governance of risk. To assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies, the Audit & Risk Committee, with the assistance of internal and external auditors and Management, assumes the responsibility of the risk management function. Management reviews regularly the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Management reviews significant policies and procedures and highlights significant matters to the Audit & Risk Committee.

The Board has determined the nature and extent of the significant risks that the Company is willing to take to achieve its strategic objectives and value creation. It has determined that the following approval thresholds shall apply, and shall be observed by Management:

(a) Major transactions (as defined in the Listing Manual) require Board approval. Generally, under the Listing Manual, major transactions are acquisitions or disposals of assets or the provision of financial assistance where the 20% threshold, based on the prescribed benchmarks, are exceeded. Examples are where the net profit attributable to the relevant asset exceeds 20% of the Group's net profit and where the aggregate value of the consideration for the asset exceeds 20% of the market capitalization of the Company;

(b) (i) Interested person transactions of value below 3% of the latest audited consolidated NTA of the Group require the approval of the Audit & Risk Committee; and

(ii) Interested person transactions of value equal to or more than 3% of the latest audited consolidated NTA of the Group require Audit & Risk Committee and Board approval;

(c) Investments or divestments with a value more than 10% of the market capitalization of the Company require Board approval; and

(d) Any matter which the Management considers to be material for deliberation by the Board.

For each of (a) to (d) above, shareholders' approval shall also be sought where required by law or the Listing Manual.

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(As at 17 March 2025)

The Group's financial performance and operations are influenced by a wide range of risk factors and some of these risks are not within the Group's control. There may also be risks that are either presently unknown or not currently assessed as significant, which may later prove to be material. The Group aims to mitigate these risks through appropriate risk management strategies and internal controls and has updated its Group Enterprise Risk Management Policy and performed its annual Group Risk Assessment based on our Enterprise Risk Management framework. The key categories of risks faced by the Group's continuing operations and the mitigation strategies in place, which are not listed in the order of significance, as at 31 December 2024 are summarised as follows:

Risk	Risk Description	Key Mitigation Strategies
Foreign Exchange	• Fluctuations in foreign exchange rates	• The Group accepts that operating across multiple geographical locations exposes itself to foreign exchange risks relating to both foreign currency transactions and translation of its financial results. It considers any additional risk and cost associated with introducing any hedging strategy. Typical mitigation strategies in place across the Group include borrowings in local overseas markets.
Climate Change	• Longer-term shifts in climate patterns, prolonged adverse weather conditions	• Climate change and unforeseen weather events are increasing, thereby creating future uncertainty and heightening risk across industries. The specific consequences of climate events and their mitigation are dealt with individually within the Group ERM framework and disclosed through the Group's reporting of its Sustainability Report on pages 49 to 58 of this Annual Report.
Commodity	• Input costs linked to commodities such as wheat, oil and gas • Commodity price volatility impact long-term cost structure • Inflationary or increasing price trends	• The Group mitigates this exposure through its core business in branded retail consumer staple products. Branding allows pricing flexibility for the Group to manage its revenue against changing input costs.
Supply Chain	• Increasing cost, disruption or unavailability of resources • Lack of adequate capacity in key transportation and logistics infrastructure due to supply chain interruptions	• Business units are encouraged to have various transport and logistics options available to mitigate any interruption of a single channel. • Building of raw material inventory ahead of anticipated interruptions is a key strategy. • Business units are encouraged to incorporate logistics into their business continuity plans ("**BCPs**").

CORPORATE **GOVERNANCE REPORT**
(As at 17 March 2025)

Risk	Risk Description	Key Mitigation Strategies
Catastrophic Loss	• A major disaster causing damage to the Group's facilities limiting its ability to sustain operations	• The Group takes insurance in relation to facility loss. • Business units are required to develop BCPs to guide their operations and mitigate any loss of production in the event of an interruption.
Information Technology	• Suboptimal IT strategy for operations • Failure of IT systems and infrastructure • Cybersecurity lapses – Systems failure and data breach • Poor response times and functionality that lower productivity	• The Group mitigates its IT risk by employing professional staff to oversee its IT systems. • Regular maintenance and replacement of core infrastructure before end of life. • Systematic backup and restoration procedures are employed and tested on a systemic basis. • Cybersecurity risks are mitigated by physical measures, and the training and testing of staff to identify potential infiltrations. • Cybersecurity Incident response plans to track and remedy any cases.
Macro-Economic	• Adverse changes in broad economic conditions (eg. higher interest rates, economic recessions, liquidity crisis) may negatively impact the Company's financial performance	• Macro-economic conditions determine the overall profitability of most industries. The Group's consumer staple products reduce its exposure as compared to other businesses. • Prudent cash management and maintaining a portfolio of unutilised bank facilities to mitigate any unforeseen financial stresses caused by external factors.
Reputation	• Negative publicity from social media or customer complaints • Staff grievances • Public and social opinions of the Group's environmental impact	• Whistleblowing Policy for both internal and external parties to report any possible wrongdoings. • Business units actively monitor social media for any public feedback and opinion.
Infectious Disease	• Shutdown or disruption of operations • Cost increase • Impact on market demand for the Group's products and its revenue	• Experience from recent events have been incorporated into current operations, policies and BCPs to address any future occurrence (see sections on Commodity, Macro-Economic and Supply Chain).
Engineering	• Equipment failure resulting in disruption to operations • Failure to complete upgrades and facility construction on time	• All business units apply preventative maintenance on equipment. • Inventory of key spares is employed. • Strategic replacement of key plants is undertaken before expected failure.

CORPORATE **GOVERNANCE REPORT**

(As at 17 March 2025)

Risk	Risk Description	Key Mitigation Strategies
Product Safety and Quality	• Products that are unsafe or below quality standards for customers	• Maintain certifications to keep facilities to a high standard (e.g. ISO, HACCP, Halal). • Raw materials are measured against specifications through batch sampling and testing. • Employees trained on food safety and Halal awareness (where appropriate). • Regular monitoring to ensure product labelling standards and practices adhere to local requirements.
Valuation	• Fluctuations in the value of strategic investments impacting both the balance sheet and income statement	• The Group accepts such fluctuations that are driven more by accounting treatments rather than a reflection of long-term economic and operational fundamentals. • The Group also relies on the valuation process as part of its monitoring of the operational performance of its strategic investments.

Further, in performing its function, the Audit & Risk Committee met with internal and external auditors, reviewed the audit plans of both internal and external auditors and the assistance given by Management to the auditors, to assess sufficiency of coverage in terms of the scope of audit. Audit findings and recommendations in respect of FY2024 were presented to the Audit & Risk Committee for discussion. The following key audit matter in respect of FY2024 was presented by the external auditor, Ernst & Young LLP ("**E&Y**"), to the Audit & Risk Committee for consideration and action:

Key audit matter	How Audit & Risk Committee reviewed this matter and what decision was made
Impairment of investment in joint venture	• Audit & Risk Committee considered and is satisfied with the valuation methodology and reasonableness of key assumptions used to estimate the recoverable amount of the investment in joint venture. • The assessment of the recoverable amount of the investment in joint venture was a key area of focus for E&Y. This item was included as a key audit matter in its audit report for FY2024. Please refer to page 121 of this Annual Report.

The review of the Group's internal controls and risk management systems is a continuing process. The internal controls (including in respect of the financial, operational, compliance and information technology controls) and risk management systems as adopted by the Group are designed to manage rather than eliminate the risk of failure to achieve key business objectives. Part of the Group's business is located in regional countries which are challenging with different control environments to operate in and where laws, practices and cultures differ from those in Singapore. The internal controls and risk management systems are designed to provide reasonable, but not absolute, assurance as to material financial, operational, compliance and information technology risks. No such system can provide absolute assurance against the occurrence of material errors and other situations not currently within the contemplation or beyond the control of the Board and/or Management including matters arising from human and/or system errors, poor judgement in decision making, corruption, fraud or other irregularities. Management continues to review and look at areas of improvement.

CORPORATE **GOVERNANCE REPORT**

(As at 17 March 2025)

Based on the internal controls and risk management systems established and maintained by the Group, the work performed by the internal and external auditors and consultant(s), reviews performed by Management and relevant Board Committees, the assurances of the senior management of the various business units and the assurances of the personnel referred to below and where applicable having regard to the matters above, the Board is of the opinion that in respect of FY2024:

(a) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and financials; and

(b) the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2024 to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business operations.

The Board had received assurances from the Joint Group Managing Directors, Chief Financial Officer and Group Financial Controller of the Company confirming the matters in (a) above and from the Joint Group Managing Directors, Chief Financial Officer, Group Financial Controller, the Head of Internal Audit and relevant executive(s) of the Company confirming the matters in (b) above. The Audit & Risk Committee concurs with the Board's opinion.

AUDIT COMMITTEE

Principle 10: *The Board has an Audit Committee ("AC") which discharges its duties objectively.*

(1) *Provisions 10.1, 10.2 and 10.3*

In FY2024, the Audit & Risk Committee consisted of four non-executive independent Directors, namely Mr Norman Ip (chairman), Ms Dawn Pamela Lum, Mr Chee Teck Kwong Patrick and Dr Lian Hwee Peng Rebecca.

At least two members, including the Audit & Risk Committee chairman, have recent and relevant accounting or related financial management expertise or experience. The Company's Audit & Risk Committee chairman, Mr Norman Ip, is a Chartered Accountant by training and has experience as director, chief executive officer and senior management in listed entities, including on audit and/or risk committees. Ms Dawn Pamela Lum has extensive working experience and had assumed key roles in corporate and management functions, including as the group company secretary of a major listed company. Mr Chee Teck Kwong Patrick is a commercial lawyer by training and has many years of experience as an independent director and member of the audit committee of other listed entities. Dr Lian Hwee Peng Rebecca has extensive experience with major food groups, holding various leadership positions and worked closely with business head(s) on financial, technical and management of ongoing business as well as mergers & acquisitions of new businesses.

None of the members of Audit & Risk Committee was appointed to the Committee within two years of the date he/she ceased to be a partner or director of E&Y (if applicable), or holds any financial interest in E&Y.

CORPORATE **GOVERNANCE REPORT**

(As at 17 March 2025)

The Audit & Risk Committee performs the functions set out in the Companies Act and the Code relating to audit committees. It has written terms of reference which sets out its authority and duties. Its responsibilities include:

- To review at least annually the independence and objectivity of the external auditors, taking into consideration the non-audit services provided to the Company
- To make recommendations to the Board on the appointment or re-appointment, terms of engagement and remuneration of the external auditors
- To review the effectiveness of the external audit function and the audit plans of the Company's external auditors
- To review and discuss with the external auditors their annual audit report including key audit matters
- To review and discuss with the external auditors, *inter alia*, the assistance given by the Group's officers to the external auditors and the findings arising from their audit including their evaluation of the Group's internal controls
- To review the significant financial reporting issues and judgements so as to obtain reasonable assurance as to the integrity of the financial statements of the Company and the consolidated financial statements of the Group before making recommendations to the Board
- To review the assurance provided to the Board by the management (including the Group Managing Director(s) and chief financial officer or their equivalent) on the financial records and financial statements
- To oversee the Management in the implementation of the risk management framework of the Group
- To review interested person transactions pursuant to the Listing Manual of the SGX-ST
- To review and report to the Board at least annually on the adequacy and effectiveness of the internal controls and risk management system of the Group with respect to financial, operational, compliance and IT risks, and the internal audit function
- To review the Group's sustainability policies, practices, performance and targets
- To review the effectiveness of the internal audit function, the independence of the Head of Internal Audit, scope of work of the internal auditor and periodic findings of the internal auditors
- To review whether the internal audit function is adequately resourced, the qualifications and experience of the internal auditor and whether the Head of Internal Audit has appropriate standing within the Company to enable performance of the internal audit function
- To review policies and procedures for detecting fraud and whistle-blowing policy, and arrangements that are in place by which employees and officers of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or any other matters.

CORPORATE **GOVERNANCE REPORT**
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The Audit & Risk Committee is empowered by its terms of reference to investigate any matter within its terms of reference. It is also to be given full access to and the co-operation of the Management, including the internal auditors, and has full discretion to invite the external auditors, any Director and executive officer to attend its meetings.

(2) *Provisions 10.4 and 10.5*

The Group employs a qualified and experienced internal audit manager as at 31 December 2024, who oversees the internal audit programme for the Group with the assistance of an external professional audit firm which is contracted to perform the relevant field work. The Head of Internal Audit is a member of the Institute of Singapore Chartered Accountants (ISCA), the Institute of Internal Auditors (IIA), the Information Systems Audit and Control Association (ISACA) and the Association of Certified Fraud Examiners. The primary reporting line of the Head of Internal Audit is to the Audit & Risk Committee, with administrative reporting to the Joint Group Managing Directors. The Audit & Risk Committee reviews and approves the annual internal audit plan proposed by the Head of Internal Audit. The internal auditors perform their work in accordance with the International Professional Practices Framework set by the IIA and report independently their findings and recommendations to the Audit & Risk Committee. The Audit & Risk Committee's terms of reference provide for it to review and approve the appointment, termination and remuneration of the Head of Internal Audit. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the Audit & Risk Committee, and has appropriate standing within the Company. Taking into account the foregoing matters and the work performed by the internal auditors, the Audit & Risk Committee is of the view that the internal audit function is independent, effective and adequately resourced.

The Company appoints E&Y which is a firm registered with the Accounting and Corporate Regulatory Authority to conduct audit on its financial statements. The Company also engages E&Y for audit of its Singapore-incorporated subsidiaries and member firms of E&Y for its significant foreign incorporated subsidiaries and associated company/joint venture. The Company is in compliance with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the appointment of its audit firms for the Group.

Prior to the annual re-appointment of the external auditor, its independence is reviewed by the Audit & Risk Committee. E&Y has confirmed to the Committee that it is independent within the meaning of the Singapore Accountants (Public Accountants) Rules and the requirements of the Companies Act. E&Y has informed the Committee that it has evaluated its independence and, *inter alia*, that it has policies and procedures in place to safeguard its independence. The fees for audit and non-audit services in FY2024 amounted to approximately S$886,000 and S$174,000, respectively. E&Y had also confirmed to the Audit & Risk Committee that the non-audit services provided during FY2024 have not impaired its independence. The amount of non-audit fees received by E&Y from the Company and its controlled entities do not exceed 50% of the total annual audit fees received by E&Y from the Company and its controlled entities. E&Y has further confirmed that it is not aware of any relationships between E&Y and the Company that, in its professional judgement, may reasonably be thought to bear on its independence. Taking into account the foregoing, the Audit & Risk Committee is of the opinion that the non-audit fees paid to the auditors for FY2024 would not compromise the independence of E&Y and the Audit & Risk Committee recommended to the Board the re-appointment of the external auditor for FY2025 (subject to shareholders' approval).

The Audit & Risk Committee meets with the Head of Internal Audit and the external auditor, without the presence of Management, at least annually.

CORPORATE GOVERNANCE REPORT
(As at 17 March 2025)

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: *The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

(1) *Provisions 11.1 and 11.2*

The Company is committed to treating its shareholders fairly and equitably. It believes in timely corporate disclosure as prescribed in Appendix 7.1 (Corporate Disclosure Policy) of the Listing Manual. Material information with respect to the Group is released to shareholders via SGXNET and not to a selected group only, pursuant and subject to the listing rules. Emphasis has been placed on further enhancing the level and quality of disclosures in the Company's announcements, including results announcements, and annual report, including giving a balanced and understandable assessment of the Group's performance and prospects (for example, competitive landscape and significant trends).

Communication is made principally through:

- annual reports to shareholders issued before the AGM. The annual report, which contains the notice of annual general meeting, includes key relevant information about the Company and the Group including a review of the Group's major operations and their general outlook, disclosures required by the Companies Act, Listing Manual and the Accounting Standards;
- financial announcements on the financial performance of the Group for the period in question;
- circulars for extraordinary general meetings where applicable ("**EGM**");
- announcements and disclosures to the SGX-ST via SGXNET; and
- the Company's website at www.qaf.com.sg at which our shareholders can access information on the Group.

The full annual report of the Company is made available to shareholders.

In line with the Company's sustainability efforts and as permitted by the Companies Act and the listing rules, the Company makes annual reports and circulars of the Company available to shareholders by way of electronic communications via posting these documents on the Company's website. Shareholders may however request for a printed copy of such documents by submitting a request form to the Company's share registrar. Further, printed copies of the notice of AGM/EGM, proxy form and such request forms will be sent to shareholders. The notice of AGM/EGM is also advertised in a local newspaper as required by the Company's Constitution.

Shareholders are entitled to vote at general meetings in person or by proxy in accordance with the Company's Constitution or applicable law. Resolutions are put forth with a view to each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled" (if any), the Company will explain the reasons and material implications in the notice of meeting pursuant to the relevant requirements. Each item of special business included in the notice of the meeting is accompanied by a statement regarding the effect of the proposed resolution in respect of such business. At each general meeting, the procedure for voting is explained to shareholders by the scrutineer and/or the polling agent appointed by the Company.

CORPORATE **GOVERNANCE REPORT**

(As at 17 March 2025)

The Company implements electronic poll voting for resolutions tabled at an AGM and/or EGM. This entails shareholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by show of hands), thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. Votes cast for, or against, each resolution are made known to shareholders at the meeting. The total number and percentage of votes cast for or against the resolutions are also announced after the meetings via SGXNET pursuant and subject to requirements of the listing rules.

(2) *Provision 11.3*

All members of the Board as at that date attended the AGM of the Company in FY2024. The external auditors were also present to address shareholders' queries, if any, about the conduct of audit and the preparation and content of the auditors' report.

(3) *Provision 11.4*

Under the Constitution, a shareholder may appoint up to two proxies to attend and vote on his/her behalf at the meeting through proxy forms deposited with the Company at least 72 hours before the meeting. A member who is a "relevant intermediary" may appoint more than two proxies each at the AGM. "Relevant intermediary" includes certain corporations holding licenses for the provision of custodial services for securities and the CPF Board in respect of purchases of shares on behalf of CPF investors.

The Company's Constitution permits voting in absentia by appointment of proxy.

(4) *Provision 11.5*

The Company Secretary prepares minutes of general meetings that include substantive and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and Management. In FY2024, the Company published minutes of general meetings of shareholders on its corporate website as required by the listing rules. The Company will continue to publish minutes of general meetings of shareholders on its corporate website where required by the prevailing listing rules. Consistent with the intent of Principle 11, shareholders have a right to attend general meetings either in person or by proxy, and, subject to applicable laws, they may exercise their right to speak or raise relevant questions, and vote, and have the opportunity to communicate their views on various matters affecting the Company. Given prevailing listing rules, the Company will either publish its replies to substantial and relevant written questions raised by shareholders prior to an AGM or respond to such questions at the relevant AGM. Further, shareholders, including those who did not attend the relevant general meeting, have a statutory right to be furnished copies of minutes of general meetings in accordance with Section 189 of the Companies Act. The Company is therefore of the view that, consistent with the intent of Principle 11, as between themselves, shareholders are treated fairly and equitably by the Company.

(5) *Provision 11.6*

The Company does not have a formal policy on the payment of dividends (and to that extent its practice varies from Provision 11.6 of the Code which states that a “company has a dividend policy”). However, consistent with Provision 11.6, the Company has communicated to shareholders that this is to maintain flexibility to support the growth of the Group. The Company is of the view that a fixed dividend policy can hinder a long-term sustainable growth strategy. Although there is no formal dividend policy, the Board considers the sustainability of dividends to be paid based on the Group’s balance sheet, cash generating capability and performance over several years, after setting aside appropriate capital expenditure needed for the businesses. The Company aims to pay consistent and steady dividends having regard, amongst others, to the long-term nature of the Group’s business, the financial strength of the Group’s balance sheet and the Company’s strategy of value creation to enhance shareholder value. In line with the strategy of value creation to enhance shareholder value, balanced by the Company’s prudent capital management policy, the Board has decided to recommend a final dividend of S$0.04 per share for FY2024. Together with the interim S$0.01 dividend paid in 2024, the total dividend for FY2024 would amount to S$0.05 per share (total of approximately S$28.8 million). Dividends recommended or declared for payment are announced on SGXNET. The Company pays dividends in a timely manner after they have been declared or approved at the AGM, as the case may be. If the QAF Limited Scrip Dividend Scheme is applied to any dividend, the payment date will be in compliance with the SGX-ST Listing Rules (that is, the payment date will be not more than 35 market days after the relevant record date). The Company is accordingly of the view that it gives its shareholders a balanced and understandable assessment of its position on a dividend policy, as well as on the Company’s performance, financial position and prospects through its disclosures in its results and other announcements and its annual report, and its practice is consistent with the intent of Principle 11.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: *The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

(1) *Provision 12.1*

Shareholder meetings are the principal forum for dialogue and interaction with shareholders including soliciting and understanding their views. Subject to applicable laws and/or rules in relation to these meetings, shareholders are given the opportunity to air their views and ask Directors and/or Management relevant questions regarding the Company and the Group.

The Company has also designated certain personnel to attend to communications with shareholders and, as a matter of policy, Management engages with shareholders from time to time on relevant matters including where individual shareholders reach out to provide feedback or seek clarification on matters relating to the Group’s business. Shareholders may provide feedback through the Company’s designated email address, info@qaf.com.sg, provided in the Company’s corporate website. Where arising from such queries any material information is proposed to be disclosed, the Company releases the information on SGXNET pursuant to the listing rules, so that such information is available to all shareholders.

(2) *Provisions 12.2 and 12.3*

The Company has an investor policy which encourages shareholders to regularly communicate with it including through the Company's designated email address, info@qaf.com.sg, provided in the Company's corporate website. The Company's objective is to encourage constructive comments and exchange of views so that it may take into account or address such comments and concerns when preparing its results announcements and annual report. In addition, where necessary, the Company may issue announcement(s) in response to comments and concerns raised, so that the information is available to all shareholders.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: *The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

(1) *Provision 13.1*

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. This is done by the different business units on an on-going basis (for example, with their suppliers, customers and the local community in which they operate) as such matters have to be tailored to their differing needs, and on an annual basis in conjunction with the Company's preparations for sustainability reporting.

(2) *Provision 13.2*

The Company's Sustainability Report at pages 29 to 90 discloses its strategy and key areas of focus in relation to the management of stakeholder relationships during FY2024.

(3) *Provision 13.3*

The Company maintains a current corporate website (www.qaf.com.sg) to communicate and engage with its stakeholders.

CORPORATE **GOVERNANCE REPORT**

(As at 17 March 2025)

FY2024 Interested Person Transactions

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 – Purchase of raw materials including flour	See Note(1)	N.A.	13,658
Salim Group – Purchase of finished products (electricity and vegetables)	See Note(1)	N.A.	3,127
Austral Dairy Group Sdn. Bhd. – Sale of products (cheese)	Entity in which Mr Lam Sing Chung, Ms Rachel Liem Yuan Fang and her immediate family member have an interest	N.A.	3,003
Austral Dairy Group Sdn. Bhd. – Purchase of finished products (processed cheese)	Entity in which Mr Lam Sing Chung, Ms Rachel Liem Yuan Fang and her immediate family member have an interest	N.A.	2,731
The French Farm Company – Purchase of finished products (milk)	Entity in which Mr Lin Kejian has an interest	N.A.	111
Recharge of staff costs to Mr Lam Sing Chung	Director and controlling shareholder of the Company	106	N.A.
Ms Ong Wui Leng – Payment in respect of past services	Director of the Company who stepped down from the Board with effect from 20 February 2024	209	N.A.
TOTAL		**315**	**22,630**

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 Lam Sing Chung.

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Save as may be disclosed in the Annual Report including the Appendix relating to the proposed renewal of the interested person transactions mandate, there were no material contracts entered into by the Company or its subsidiaries involving the interests of any Directors or controlling shareholders of the Company which were still subsisting at the end of FY2024, or if not then subsisting, entered into since the end of FY2023.

Dealings in Securities

The Company has internal guidelines on dealings in the shares of the Company by key executives of the Group. The guidelines are issued to all Directors of the Company and the relevant executives of the Group before the start of each prohibition period to remind them to refrain from dealing in the shares of the Company on short term considerations, and to refrain from any dealings during the period commencing one month prior to the release of each of the half-yearly and full year financial results of the Group.

FINANCIAL **CONTENTS**

DIRECTORS' **STATEMENT**

The directors have pleasure in presenting their statement together with the audited financial statements of QAF Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position of the Company for the financial year ended 31 December 2024.

Opinion of the directors

In the opinion of the directors,

(i) the accompanying statements of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance of the business, changes in equity and cash flows of the Group for the year ended on that date, and

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

Directors of the Company

The directors of the Company in office at the date of this statement are:–

Lam Sing Chung	(Chairman)
Philip Yeo Liat Kok	(Vice-Chairman)
Lin Kejian	(Joint Group Managing Director)
Michael Darren Hewat	(Joint Group Managing Director)
Dawn Pamela Lum	
Norman Ip	
Chee Teck Kwong Patrick	
Lian Hwee Peng Rebecca	
Aw Syee Chia	
Loh Wee Lee	
Rachel Liem Yuan Fang	(Alternate director to Lam Sing Chung)

Based on information recorded in the register kept by the Company pursuant to Section 164 of the Companies Act 1967 of Singapore (the "Act"), particulars of interests of directors of the Company who held office at the end of the financial year in the shares of the Company or its related corporations are as follows:

	Direct interest			Deemed interest		
Names of directors	**At 1.1.2024**	**At 31.12.2024**	**At 21.1.2025**	**At 1.1.2024**	**At 31.12.2024**	**At 21.1.2025**
Number of shares in QAF Limited						
Lam Sing Chung	–	–	–	394,629,813	178,524,884	178,524,884
Lin Kejian	5,391,600	5,391,600	5,391,600	277,369,871	219,657,011	219,657,011
Michael Darren Hewat	32,894	32,894	32,894	–	–	–
Rachel Liem Yuan Fang	432,900	432,900	432,900	–	–	–

Save as disclosed above, no director who held office at the end of the financial year had an interest in any shares or debentures or rights or options over the shares in the Company or in any related corporations of the Company, either at the beginning of the financial year, or at the end of the financial year.

DIRECTORS' STATEMENT

Directors of the Company (cont'd)

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangements, to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Options

No options were granted by the Company or its subsidiaries during the financial year to subscribe for unissued shares of the Company or its subsidiaries. No shares were issued during the financial year by the Company by virtue of the exercise of options to take up unissued shares of the Company. There were no unissued shares of the Company under option as at 31 December 2024.

Audit & Risk Committee

The Audit & Risk Committee is tasked with performing the functions specified in the Act in respect of audit committees. The Corporate Governance Report contains information relating to the responsibilities of the Audit & Risk Committee.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Lin Kejian
Director

Michael Darren Hewat
Director

Singapore
17 March 2025

INDEPENDENT **AUDITOR'S REPORT**

For the year ended 31 December 2024

Independent auditor's report to the members of QAF Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of QAF Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2024, the consolidated statement of changes in equity, the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 of Singapore (the "Act") and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT **AUDITOR'S REPORT**

For the year ended 31 December 2024

Independent auditor's report to the members of QAF Limited (cont'd)

Key audit matters (cont'd)

Impairment of investment in joint venture

The Group has an investment in joint venture which amounted to $48.2 million as of 31 December 2024. Note 20 to the financial statements provides information on the contractual agreement with the partner of the joint venture. During the year, the Group recognised an impairment loss of $1.2 million.

Management assessed that there were indicators of impairment at the end of the reporting period and has accordingly, assessed the recoverable amount of the investment in joint venture. The recoverable amount of the investment in joint venture was determined based on value-in-use calculations using cash flow projections approved by management. This requires management to exercise judgement in making the impairment assessment and make a number of assumptions in the underlying cash flow projections which are subject to significant estimation uncertainty. As such, we determined this to be a key audit matter.

How our audit addressed the key audit matter

As part of our audit procedures, we reviewed management's identification of indicators of impairment in the joint venture. We assessed the valuation methodology and the reasonableness of key assumptions used to estimate the recoverable amount of the investment in joint venture. The key assumptions include the forecast revenue growth rates and discount rate at the end of the term of contractual agreement with the partner of the joint venture. We considered the robustness of management's budgeting process by comparing the actual financial performance against previously forecasted results and evaluated the forecast revenue growth rates by comparison to recent and actual performance and available external market data. We involved our internal valuation specialists to independently develop expectations of the discount rate for reasonableness. We reviewed management's sensitivity analysis in relation to how reasonable changes in the key assumptions could impact the estimation of recoverable amount.

We also reviewed the adequacy of disclosures set out in Note 20 to the financial statements.

Other information

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

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

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

INDEPENDENT **AUDITOR'S REPORT**

For the year ended 31 December 2024

Independent auditor's report to the members of QAF Limited (cont'd)

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

INDEPENDENT **AUDITOR'S REPORT**

For the year ended 31 December 2024

Independent auditor's report to the members of QAF Limited (cont'd)

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming express an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Philip Ng Weng Kwai.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

17 March 2025

CONSOLIDATED **INCOME STATEMENT**

For the financial year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Revenue	3	636,107	628,590
Costs and expenses			
Costs of materials		334,088	337,066
Staff costs	4	124,249	122,894
Amortisation and depreciation	5	26,661	24,862
Repairs and maintenance		14,124	13,748
Utilities		20,631	21,122
Advertising and promotion		9,636	10,545
Other operating expenses		71,212	60,711
Total costs and expenses		(600,601)	(590,948)
Profit from operating activities	6	35,506	37,642
Finance costs	7	(2,008)	(2,080)
Exceptional items	8	6,403	13,795
Share of profits/(losses) of joint venture		4,734	(8,366)
Profit before tax		44,635	40,991
Income tax expense	9	(9,957)	(13,412)
Profit after tax		34,678	27,579
Attributable to:			
Owners of the parent		34,704	27,485
Non-controlling interests		(26)	94
		34,678	27,579
Earnings per ordinary share:			
– Basic and diluted	10	6.0 cents	4.8 cents

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	2024 $'000	2023 $'000
Profit after tax	34,678	27,579
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial loss on defined benefit plans	(167)	(1,041)
Items that may be reclassified subsequently to profit or loss:		
Currency translation arising on consolidation	4,307	(5,293)
Share of other comprehensive income of joint venture	2,684	(3,303)
Other comprehensive income for the year, net of tax	6,824	(9,637)
Total comprehensive income for the year	41,502	17,942
Total comprehensive income attributable to:		
Owners of the parent	41,592	17,906
Non-controlling interests	(90)	36
	41,502	17,942

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **FINANCIAL POSITION**

As at 31 December 2024

		Group		Company	
	Note	2024 $'000	2023 $'000	2024 $'000	2023 $'000
ASSETS					
Current assets					
Inventories	11	58,228	54,006	–	–
Trade receivables	12	89,609	93,681	–	–
Other receivables	13	11,835	12,058	36,464	41,292
Tax recoverable		7,323	6,919	–	–
Cash and cash equivalents	14	209,403	215,677	156,300	158,075
Assets classified as held for sale	15	3,586	5,736	–	–
		379,984	388,077	192,764	199,367
Non-current assets					
Property, plant and equipment	16	213,140	213,206	3,179	3,269
Right-of-use assets	17	18,383	17,156	112	281
Investment in subsidiaries	18	–	–	103,586	102,532
Advances to subsidiaries	19	–	–	127,885	137,897
Investment in joint venture	20	48,168	46,605	–	–
Intangibles	21	114	152	77	99
Deferred tax assets	22	4,491	3,964	–	–
		284,296	281,083	234,839	244,078
Total assets		664,280	669,160	427,603	443,445

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **FINANCIAL POSITION**

As at 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
LIABILITIES					
Current liabilities					
Trade payables	23	61,089	56,299	54	41
Other payables	24	49,964	55,153	107,720	115,093
Short-term borrowings	25	5,188	17,556	–	–
Long-term borrowings – current portion	26	4,716	6,030	–	–
Lease liabilities – current portion	17	3,682	2,177	93	169
Income tax payable		4,510	4,626	691	585
		129,149	141,841	108,558	115,888
Non-current liabilities					
Other payables	24	8,580	9,235	1,517	2,191
Long-term borrowings	26	1,703	6,419	–	–
Lease liabilities	17	16,677	16,741	29	122
Deferred tax liabilities	22	7,132	6,442	1,239	958
		34,092	38,837	2,785	3,271
Total liabilities		163,241	180,678	111,343	119,159
Net assets		501,039	488,482	316,260	324,286
CAPITAL AND RESERVES					
Share capital	27	277,043	277,043	277,043	277,043
Reserves	28	222,637	209,808	39,217	47,243
Equity attributable to owners of the parent		499,680	486,851	316,260	324,286
Non-controlling interests		1,359	1,631	–	–
Total equity		501,039	488,482	316,260	324,286

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2024

	Note	Attributable to owners of the parent						
		Share capital $'000	Capital reserve $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2024		277,043	(1,511)	243,189	(31,870)	486,851	1,631	488,482
Total comprehensive income for the year								
Net profit/(loss) for the year		–	–	34,704	–	34,704	(26)	34,678
Other comprehensive income for the year:								
– Currency translation arising on consolidation		–	–	–	4,305	4,305	2	4,307
– Actuarial loss on defined benefit plans		–	–	(101)	–	(101)	(66)	(167)
– Share of other comprehensive income of joint venture		–	–	–	2,684	2,684	–	2,684
Other comprehensive income for the year, net of tax		–	–	(101)	6,989	6,888	(64)	6,824
Total comprehensive income for the year		–	–	34,603	6,989	41,592	(90)	41,502
Transactions with owners in their capacity as owners								
Contributions by and distributions to owners								
Dividends	29	–	–	(28,763)	–	(28,763)	(182)	(28,945)
Total transactions with owners in their capacity as owners		–	–	(28,763)	–	(28,763)	(182)	(28,945)
Balance at 31 December 2024		277,043	(1,511)	249,029	(24,881)	499,680	1,359	501,039

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2024

		Attributable to owners of the parent						
	Note	Share capital $'000	Capital reserve $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2023		277,043	(1,511)	245,407	(23,231)	497,708	1,751	499,459
Total comprehensive income for the year								
Net profit for the year		–	–	27,485	–	27,485	94	27,579
Other comprehensive income for the year:								
– Currency translation arising on consolidation		–	–	–	(5,293)	(5,293)	–	(5,293)
– Actuarial loss on defined benefit plans		–	–	(983)	–	(983)	(58)	(1,041)
– Share of other comprehensive income of joint venture		–	–	43	(3,346)	(3,303)	–	(3,303)
Other comprehensive income for the year, net of tax		–	–	(940)	(8,639)	(9,579)	(58)	(9,637)
Total comprehensive income for the year		–	–	26,545	(8,639)	17,906	36	17,942
Transactions with owners in their capacity as owners								
Contributions by and distributions to owners								
Dividends	29	–	–	(28,763)	–	(28,763)	(156)	(28,919)
Total transactions with owners in their capacity as owners		–	–	(28,763)	–	(28,763)	(156)	(28,919)
Balance at 31 December 2023		277,043	(1,511)	243,189	(31,870)	486,851	1,631	488,482

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the financial year ended 31 December 2024

	2024 $'000	2023 $'000
Cash flows from operating activities:		
Profit before tax	44,635	40,991
Adjustments for:		
Amortisation and depreciation	26,661	24,862
(Gain)/loss on disposal of property, plant and equipment	(53)	100
Interest expense	2,008	2,080
Share of (profits)/losses of joint venture	(4,734)	8,366
Impairment loss on assets classified as held for sale	1,907	–
Write-back of impairment loss on property, plant and equipment	(553)	–
Loss on liquidation of investment in associate	–	35
Allowance for receivables charged and bad debts written off, net	695	668
Interest income	(7,347)	(6,091)
Exchange differences	8,780	1,504
Operating profit before working capital changes	71,999	72,515
Decrease/(increase) in trade and other receivables	8,726	(16,078)
(Increase)/decrease in inventories	(8,460)	4,065
(Decrease)/increase in trade and other payables	(1,638)	3,273
Cash from operations	70,627	63,775
Interest paid	(2,070)	(2,079)
Interest received	7,347	6,091
Income tax paid	(10,649)	(10,215)
Net cash from operating activities	65,255	57,572
Cash flows from investing activities:		
Purchase of property, plant and equipment	(19,338)	(39,680)
Proceeds from disposal of property, plant and equipment	304	401
Purchase of intangibles	–	(22)
Dividends received from joint venture	5,881	5,772
Proceeds from liquidation of investment in associate	–	113
Net cash used in investing activities	(13,153)	(33,416)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the financial year ended 31 December 2024

	2024 $'000	2023 $'000
Cash flows from financing activities:		
Dividends paid during the year	(28,763)	(28,763)
Dividends paid to non-controlling interests	(182)	(156)
Proceeds from borrowings	1,188	17,671
Repayment of borrowings	(19,689)	(8,168)
Payment of lease liabilities	(3,689)	(3,544)
Deposit for subscription in share capital of a subsidiary by a non-controlling interest	431	–
Net cash used in financing activities	(50,704)	(22,960)
Net increase in cash and cash equivalents	1,398	1,196
Cash and cash equivalents at beginning of year	215,677	216,792
Effect of exchange rate changes on cash and cash equivalents	(7,672)	(2,311)
Cash and cash equivalents at end of year (Note 14)	209,403	215,677

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

1. GENERAL

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 QAF Limited 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The consolidated financial statements have been prepared on a historical cost basis, except as disclosed in the material accounting policy information below.

The consolidated financial statements are presented in Singapore dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000) as indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and amended standards which are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to SFRS(I)s – Volume 11	1 January 2026
SFRS(I) 18: Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Except for the below, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

SFRS(I) 18: Presentation and Disclosure in Financial Statements

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements. SFRS(I) 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to SFRS(I) 1-7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

SFRS(I) 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. SFRS(I) 18 will apply retrospectively.

The amendments will have impact on disclosure in the financial statements but not on the measurement or recognition of any items in the Group's financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Basis of consolidation and business combinations

(a) ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

– de-recognises the carrying amount of any non-controlling interest;

– de-recognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss;

– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or revenue reserve, as appropriate.

(b) ***Business combinations***

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Basis of consolidation and business combinations (cont'd)

(b) ***Business combinations (cont'd)***

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with SFRS(I) 9 *Financial Instruments* either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.13. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Foreign currencies

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions arising in foreign currencies during the year are translated into functional currencies at rates closely approximating those ruling on the transaction dates. Foreign currency monetary assets and liabilities at the end of the reporting period are translated into functional currency at exchange rates ruling at the end of the reporting period. All exchange differences arising from such translations are included in the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Exchange differences arising from long-term inter-company balances which are effectively part of the net investments are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Foreign currencies (cont'd)

For inclusion in the consolidated financial statements, all assets and liabilities of foreign entities are translated into Singapore dollars at the exchange rates ruling at the end of the reporting period and the results of foreign entities are translated into Singapore dollars at the average exchange rates for the year. Exchange differences due to such currency translations are included in foreign currency translation reserve. On disposal of a foreign entity, such foreign currency translation reserve is recognised in profit or loss.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are included in the profit or loss. When assets are sold or retired, their cost and accumulated depreciation are removed from the statement of financial position and any gain or loss resulting from their disposal is included in the profit or loss.

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

2.7 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The principal annual rates used for this purpose are:

		%
Leasehold land and buildings	–	4 – 50
Office equipment	–	20 – 33 ⅓
Motor vehicles	–	20 – 33 ⅓

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 Leases (cont'd)

Group as a lessee (cont'd)

Right-of-use assets (cont'd)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to section 2.15 *Impairment of non-financial assets*.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the remaining lease payments to be made. The lease payments include fixed payments less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.8 Depreciation

Depreciation is not provided for freehold land due to its unlimited useful life and for construction-in-progress until it is completed and put into use.

Depreciation is calculated so as to write-off the cost of other property, plant and equipment on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

		%
Freehold buildings	–	2 – 2 ½
Leasehold properties	–	1 ⅔ – 6
Leasehold improvements	–	2 – 20
Plant and machinery	–	5 – 33 ⅓
Furniture, fittings and office equipment	–	7 ½ – 40
Motor vehicles	–	10 – 33 ⅓

The useful life and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. They are adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.10 Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its joint venture is accounted for using the equity method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.10 Investment in joint ventures (cont'd)

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The profit or loss reflects the Group's share of the results of operations of the joint venture. Distributions received from joint venture reduce the carrying amount of the investment. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of profits of joint venture in the profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.11 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables, which generally have 30-60 days terms, are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) *Fair value through other comprehensive income (FVOCI)*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) *Fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Financial assets (cont'd)

Subsequent measurement (cont'd)

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2.13 Intangibles

(i) *Goodwill*

Goodwill represents the excess of the fair value of the consideration given over the fair value of the acquirer's interest in the identifiable net assets. Goodwill which is assessed as having no continuing economic value is written-off immediately to the profit or loss.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

(ii) *Trademarks*

Trademarks are stated at cost less accumulated amortisation and impairment loss. The useful lives of trademarks are assessed to be either finite or indefinite. Trademarks with finite lives are amortised on a straight-line basis over the estimated economic useful lives of 20 years and assessed for impairment whenever there is an indication that the trademark may be impaired. The amortisation period and the amortisation method for trademarks with finite useful lives are reviewed at least at each financial year-end. The amortisation expense on trademarks with finite lives is recognised in profit or loss through the "amortisation and depreciation" line item.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.13 Intangibles (cont'd)

(iii) *Other intangible assets*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

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

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

2.14 Inventories

Raw materials, consumables, finished goods, work-in-progress and spare parts are stated at the lower of cost and net realisable value. Cost is primarily determined on a weighted average basis or first-in-first-out basis for certain subsidiaries, and includes all costs in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity.

Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from the existing state to a finished condition. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories to adjust the carrying value of inventories to the lower of cost and net realisable value.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.15 Impairment of non-financial assets

Goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- Represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and

- Is not larger than a segment based on either the Group's primary or the Group's secondary reporting format.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Other assets

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Assets that have an indefinite useful life and are not subject to amortisation or depreciation are tested annually for impairment.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Reversal of impairment losses recognised in prior years is recorded when there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years. The reversal is recorded in the profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.16 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.17 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.17 Financial liabilities (cont'd)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.19 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.20 Assets classified as held for sale

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.21 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods may be sold with a right of return and with retrospective volume discounts based on the aggregate sales over a period of time.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume discounts and adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognises the expected volume discounts payable to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjusts them against cost of sales correspondingly.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Interest income is recognised on effective interest rate method.

Dividend income is recorded gross in profit or loss in the accounting period in which the Group's right to receive payment is established.

Deferred income represents revenue collected but not earned as at end of reporting period. It is recognised as income in profit or loss when the revenue recognition criteria has been met.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.22 Income taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.22 Income taxes (cont'd)

Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Sales tax

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

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.23 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.24 Employee benefits

(i) *Defined contribution plans*

As required by law, the Group's companies in Singapore make contributions to the state pension scheme, the Central Provident Fund ("CPF"). Certain of the Group's companies outside Singapore make contributions to their respective countries' pension scheme. Such contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

(ii) *Defined benefit plan*

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in revenue reserve within equity and are not reclassified to profit or loss in subsequent periods.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.24 Employee benefits (cont'd)

(ii) *Defined benefit plan (cont'd)*

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

(iii) *Employee entitlements*

Liabilities for paid annual leave and sick leave are recognised and measured as the amount unpaid at the end of the reporting period at current pay rates in respect of employees' services up to that date.

A liability for long service leave is recognised, on the basis of an estimation of the present value of the future cash outflows to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates that match, as closely as possible, the estimated future cash outflows.

2.25 Segment information

For management purposes, the Group is organised into operating segments based on their products and services. The management of the Company regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.26 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.27 Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognised in the consolidated financial statements, apart from those involving estimations described below.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.27 Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

(i) Impairment of investment in joint venture

The Group assesses whether there are any indicators of impairment for the investment in joint venture at each reporting date. When there is objective evidence, the Group estimates the recoverable amount of the joint venture and determines if an impairment loss should be recognised.

Estimating the recoverable amount requires management to make an estimate of the expected future cash flows to be generated by the joint venture and determine a suitable discount rate to calculate the present value of those cash flows. Forecasts of future cash flows are based on management's estimate of the expected revenue growth.

During the year, the Group recognised a non-cash impairment of $1,200,000 (2023: $9,503,000) on the Group's investment in joint venture.

The carrying amount of the investment in joint venture as at 31 December 2024 is $48,168,000 (2023: $46,605,000).

(ii) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 12.

The carrying amount of trade receivables as at 31 December 2024 is $89,609,000 (2023: $93,681,000).

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.27 Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

(iii) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets, other than goodwill are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value-in-use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Income taxes

The Group operates in various countries and is subject to different tax jurisdictions. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Company's and the Group's income tax payable as at 31 December 2024 was $691,000 (2023: $585,000) and $4,510,000 (2023: $4,626,000) respectively. The carrying amount of the Group's tax recoverable as at 31 December 2024 was $7,323,000 (2023: $6,919,000). The carrying amount of the Company's deferred tax liabilities as at 31 December 2024 was $1,239,000 (2023: $958,000). The Group's deferred tax assets and deferred tax liabilities as at 31 December 2024 was $4,491,000 (2023: $3,964,000) and $7,132,000 (2023: $6,442,000) respectively.

(v) Assets held for sale

The Group has classified certain plant and equipment and related spare parts as held for sale as a subsidiary has intention to sell these assets. These assets are measured at the lower of their carrying amount or fair value less cost to sell, based on a valuation performed as of 31 December 2024. The Group recognised an impairment of $1,907,000 during the year. The carrying amount of assets classified as held for sale as at 31 December 2024 is $3,586,000 (2023: $5,736,000).

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

3. REVENUE

Revenue for the Group includes the invoiced value of goods sold and services rendered, less returns, discounts and goods and services tax, and excludes sales between Group companies.

	Group	
	2024 $'000	2023 $'000
Sale of goods	614,980	609,288
Rental income from storage and warehousing facilities	4,881	5,129
Royalty income	6,783	6,689
Interest income from:		
– Fixed deposits with financial institutions	7,104	5,892
– Others	243	199
Other income	2,116	1,393
	636,107	628,590

The Group has determined that disaggregation of revenue using operating segments and geographical markets meets the disclosure objective in SFRS(I) 15.114. Information regarding operating segments is disclosed in Note 36.

4. STAFF COSTS

	Group	
	2024 $'000	2023 $'000
Staff costs (including Executive Directors):		
– salaries, wages and other related costs	115,120	114,699
– contributions to defined contribution plans	9,129	8,195
	124,249	122,894

5. AMORTISATION AND DEPRECIATION

		Group	
	Note	2024 $'000	2023 $'000
Depreciation of property, plant and equipment	16	22,690	21,124
Depreciation of right-of-use assets	17	3,936	3,703
Amortisation of intangibles	21	35	35
		26,661	24,862

6. PROFIT FROM OPERATING ACTIVITIES

	Note	Group	
		2024 $'000	2023 $'000
Profit from operating activities is stated after charging/(crediting):			
Audit fees:			
– Auditor of the Company		646	610
– Member firms of the auditor of the Company		240	220
– Other auditor		2	–
Non-audit fees:			
– Auditor of the Company		139	117
– Member firms of the auditor of the Company		35	20
Fees and remuneration for the directors of the Company:			
– fees and remuneration		2,359	4,913
– Contribution to defined contribution plans		12	22
Provision for retirement benefits charged	24(b)	1,190	1,137
Distribution and transportation expense		16,135	14,119
Professional fees		1,854	1,821
Operating lease expense		16,119	15,668
Foreign currency translation loss		8,812	2,411
Allowance for inventories charged and inventories written off, net		179	279
Allowance for trade receivables charged	12	641	588
Allowance for other receivables charged/(written back)	13	19	74
Bad debts written off		35	6
(Gain) /loss on disposal of property, plant and equipment		(53)	100
Impairment loss on assets classified as held for sale		1,907	–
Write-back of impairment loss on property, plant and equipment		(553)	–

7. FINANCE COSTS

	Group	
	2024 $'000	2023 $'000
Interest expense on borrowings	1,118	1,231
Interest expense on lease liabilities	890	849
	2,008	2,080

8. EXCEPTIONAL ITEMS

	Group	
	2024 $'000	**2023 $'000**
Final/interim insurance payments for consequential loss and damage to stock, property, plant and equipment arising from the severe flooding in Peninsular Malaysia	6,481	13,795
Write-back of stock write-off and impairment loss on property, plant and equipment arising from the severe flooding in Peninsular Malaysia	973	–
Expenses incurred in relation to the severe flooding in Peninsular Malaysia	(1,051)	–
	6,403	13,795

9. INCOME TAX EXPENSE

		Group	
	Note	**2024 $'000**	**2023 $'000**
Income tax expense on the profit for the year:			
– current tax		10,416	10,855
– deferred tax		113	759
		10,529	11,614
(Over)/under provision in respect of prior years:			
– current tax		(367)	2,082
– deferred tax		(205)	(284)
		(572)	1,798
Income tax expense recognised in profit or loss		9,957	13,412
Deferred tax related to other comprehensive income:			
– actuarial loss on defined benefit plans	22	(56)	(348)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

9. INCOME TAX EXPENSE (CONT'D)

The income tax expense on the results of the Group differ from the amount of tax determined by applying the Singapore statutory tax rate of 17% (2023: 17%) to the profit before tax due to the following factors:

	Group	
	2024 $'000	2023 $'000
Profit before tax	44,635	40,991
Tax expense at statutory tax rate of 17% (2023: 17%)	7,588	6,968
Adjustments:		
Income not subject to tax	(2,476)	(1,707)
Expenses not deductible for tax purposes	1,943	2,217
Tax reliefs, rebates and incentives	(114)	(136)
Deferred tax assets not recognised	48	195
Effect of different tax rates in foreign jurisdictions	3,716	4,318
(Over)/under provision in respect of prior years, net	(572)	1,798
Others	(176)	(241)
Income tax expense recognised in profit or loss	9,957	13,412

The Group has unutilised tax losses of approximately $1,725,000 (2023: $2,406,000), which subject to the provisions of relevant local tax legislation and agreement with the relevant tax authorities, can be carried forward and utilised to set off against future taxable profits. The potential tax benefit arising from such unutilised tax losses has not been recognised in the financial statements due to the uncertainty of recoverability.

The expiry date of the Group's unutilised tax losses is as follows:

	Group	
	2024 $'000	2023 $'000
5 to 10 years	1,446	1,365
No expiry date	279	1,041
	1,725	2,406

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

10. EARNINGS PER ORDINARY SHARE ("EPS")

The calculation of earnings per ordinary share is based on the following figures:

	Group	
	2024 **$'000**	**2023** **$'000**
Group's earnings used for the calculation of EPS:		
Earnings for the financial year attributable to owners of the Company	34,704	27,485

	2024 **'000**	**2023** **'000**
Number of shares used for the calculation of:		
Basic and diluted EPS		
Weighted average number of ordinary shares in issue	575,268	575,268

Basic and diluted earnings per share are calculated on the Group's earnings for the financial year attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the year.

11. INVENTORIES

	Group	
	2024 **$'000**	**2023** **$'000**
Raw materials	14,191	14,705
Finished goods	23,514	23,583
Spare parts and consumables	12,258	9,626
Goods-in-transit	8,265	6,092
Total inventories at lower of cost and net realisable value	58,228	54,006

The carrying value of inventories includes inventories determined by the following cost methods:

	Group	
	2024 **$'000**	**2023** **$'000**
First-in-first-out	20,095	17,060
Weighted average	38,133	36,946
	58,228	54,006
Inventories are stated after deducting allowance of	1,437	1,798

Inventories recognised as expense during the year approximate the costs of materials disclosed in the consolidated income statement.

12. TRADE RECEIVABLES

	Group	
	2024 **$'000**	**2023** **$'000**
Trade receivables		
– third parties	81,224	84,023
– joint venture	9,410	10,347
	90,634	94,370
Less: Allowance – third parties	(1,025)	(689)
	89,609	93,681

At the end of the reporting period, approximately 2% (2023: 1%) of the Group's trade receivables are secured by deposits received and credit insurances.

An ageing analysis of receivables that are past due but not impaired:

	Group	
	2024 **$'000**	**2023** **$'000**
Less than 3 months	30,489	30,369
3 months to 6 months	1,506	2,188
6 months to 12 months	212	275
More than 12 months	–	72
	32,207	32,904
Receivables that are impaired:		
Gross amount	1,025	689
Less: Allowance	(1,025)	(689)
	–	–

Trade receivables that are determined to be impaired at the end of the reporting period relate to debtors that are in financial difficulties and have defaulted on payments.

Movement in the allowance for trade receivables based on lifetime ECL are as follows:

	Group	
	2024 **$'000**	**2023** **$'000**
At 1 January	689	702
Charge for the year (Note 6)	641	588
Written-off	(302)	(600)
Currency realignment	(3)	(1)
At 31 December	1,025	689

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

13. OTHER RECEIVABLES

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Non-financial assets				
Prepayments	3,352	2,645	130	120
Sales tax receivable	2,004	3,198	40	18
	5,356	5,843	170	138
Financial assets				
Sundry deposits	2,264	1,847	48	48
Staff advances and loans	63	1	60	–
	2,327	1,848	108	48
Sundry debtors	4,236	4,494	1,169	966
Less: Allowance	(84)	(127)	–	–
	4,152	4,367	1,169	966
Amounts due from subsidiaries				
– non-interest bearing	–	–	35,843	44,713
Less: Allowance	–	–	(826)	(4,573)
	–	–	35,017	40,140
	6,479	6,215	36,294	41,154
	11,835	12,058	36,464	41,292

During the year, a portion of the amounts due from subsidiaries of $4,490,561 was converted to investment in its subsidiary, Shinefoods Pte Ltd (Singapore).

Receivables that are impaired:

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Gross amount	84	127	826	4,573
Less: Allowance	(84)	(127)	(826)	(4,573)
	–	–	–	–

Movement in the allowance for other receivables based on 12-month ECL are as follows:

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
At 1 January	127	56	4,573	2,757
Charge/(written back) for the year (Note 6)	19	74	(3,747)	2,345
Written-off	(61)	–	–	(529)
Currency realignment	(1)	(3)	–	–
At 31 December	84	127	826	4,573

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

13. OTHER RECEIVABLES (CONT'D)

Staff loans are unsecured, non-interest bearing and repayable over 6 years from the date the loan is granted.

The non-interest bearing amounts due from subsidiaries are unsecured and are repayable upon demand, and are to be settled in cash.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Cash and bank balances	60,030	50,686	17,558	12,043
Fixed deposits with financial institutions	149,373	164,991	138,742	146,032
	209,403	215,677	156,300	158,075

Fixed deposits are placed for varying periods depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2024 for the Group and Company were 4.54% and 4.72% (2023: 4.20% and 4.38%) per annum respectively.

15. ASSETS CLASSIFIED AS HELD FOR SALE

As at 31 December 2024, certain plant and equipment and related spare parts of a subsidiary involved in the bakery segment located in Singapore, have been classified as held for sale due to the subsidiary's intention to sell these assets.

The classes of assets classified as held for sale as at 31 December 2024 are as follows:

	Group	
	2024 $'000	**2023 $'000**
Plant and equipment	2,972	4,947
Inventories	614	789
	3,586	5,736

During the financial year, an impairment loss of $1,907,000 was recognised to write down the carrying amount of the assets to their net realisable value.

The impairment has been recognised in the income statement under the line item "Other operating expenses".

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold buildings $'000	Leasehold properties $'000
Group			
Cost:			
At 1.1.2023	15,622	9,043	112,028
Currency realignment	(263)	(229)	(1,613)
Additions	–	–	276
Disposals	–	–	(93)
Transfers between categories	–	–	137
Reclassification to assets held for sale	–	–	–
At 31.12.2023 and 1.1.2024	15,359	8,814	110,735
Currency realignment	(72)	(233)	1,540
Additions	–	–	152
Disposals	–	(4)	(270)
Transfers between categories	–	–	–
At 31.12.2024	15,287	8,577	112,157
Accumulated depreciation and impairment loss:			
At 1.1.2023	–	2,017	51,420
Currency realignment	–	(54)	(179)
Charge for the year (Note 5)	–	207	2,244
Disposals	–	–	(9)
Reclassification to assets held for sale	–	–	–
At 31.12.2023 and 1.1.2024	–	2,170	53,476
Currency realignment	–	(54)	226
Charge for the year (Note 5)	–	206	2,315
Disposals	–	(1)	(244)
Transfer between categories	–	–	–
Reversal of impairment loss	–	–	–
At 31.12.2024	–	2,321	55,773
Net carrying amount:			
At 31.12.2024	15,287	6,256	56,384
At 31.12.2023	15,359	6,644	57,259

Leasehold improvements $'000	Plant and machinery $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
40,256	265,829	17,889	22,869	14,047	497,583
(538)	(5,052)	(67)	(21)	(310)	(8,093)
1,837	14,655	1,329	1,173	21,619	40,889
(153)	(1,210)	(164)	(1,392)	–	(3,012)
1,412	32,089	151	–	(33,789)	–
–	(14,318)	–	–	–	(14,318)
42,814	291,993	19,138	22,629	1,567	513,049
137	3,655	36	36	(49)	5,050
1,894	10,635	1,371	2,057	2,927	19,036
(2,027)	(22,253)	(604)	(1,036)	–	(26,194)
536	727	236	(5)	(1,494)	–
43,354	284,757	20,177	23,681	2,951	510,941
26,276	180,701	14,380	19,476	–	294,270
(309)	(3,070)	(46)	(11)	–	(3,669)
2,289	13,733	1,247	1,404	–	21,124
(64)	(1,079)	(164)	(1,195)	–	(2,511)
–	(9,371)	–	–	–	(9,371)
28,192	180,914	15,417	19,674	–	299,843
59	1,506	15	12	–	1,764
2,325	15,353	1,314	1,177	–	22,690
(1,943)	(22,129)	(599)	(1,027)	–	(25,943)
4	(70)	71	(5)	–	–
(525)	(28)	–	–	–	(553)
28,112	175,546	16,218	19,831	–	297,801
15,242	109,211	3,959	3,850	2,951	213,140
14,622	111,079	3,721	2,955	1,567	213,206

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold office and improvements $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Total $'000
Company				
Cost:				
At 1.1.2023	4,974	823	565	6,362
Additions	22	24	–	46
Disposals	–	(54)	(263)	(317)
At 31.12.2023 and 1.1.2024	4,996	793	302	6,091
Additions	60	2	–	62
Disposals	(191)	(23)	(287)	(501)
At 31.12.2024	4,865	772	15	5,652
Accumulated depreciation:				
At 1.1.2023	1,748	678	332	2,758
Charge for the year	117	41	25	183
Disposals	–	(53)	(66)	(119)
At 31.12.2023 and 1.1.2024	1,865	666	291	2,822
Charge for the year	122	26	3	151
Disposals	(191)	(22)	(287)	(500)
At 31.12.2024	1,796	670	7	2,473
Net carrying amount:				
At 31.12.2024	3,069	102	8	3,179
At 31.12.2023	3,131	127	11	3,269

During the year, the Group performed a reassessment of the property, plant and equipment that were damaged by flood and impaired in 2021. As a result, a reversal of impairment of $553,000 was recognised.

At the end of financial year, property, plant and equipment with net carrying amounts of $Nil (2023: $12,540,000) were pledged to financial institutions to secure credit facilities (Note 25).

17. RIGHT-OF-USE ASSETS

Group as a lessee

The Group has lease contracts for certain office premises, factories, warehousing/trading facilities, office equipment and motor vehicles used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

17. RIGHT-OF-USE ASSETS (CONT'D)

Group as a lessee (cont'd)

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

	Leasehold land and building $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Group				
At 1.1.2023	16,705	265	2,330	19,300
Additions	1,366	24	176	1,566
Charge for the year (Note 5)	(1,703)	(67)	(1,933)	(3,703)
Currency realignment	(7)	–	–	(7)
At 31.12.2023 and 1.1.2024	16,361	222	573	17,156
Additions	1,130	128	3,935	5,193
Disposal	–	(37)	–	(37)
Charge for the year (Note 5)	(1,814)	(79)	(2,043)	(3,936)
Currency realignment	7	–	–	7
At 31.12.2024	15,684	234	2,465	18,383

	Leasehold land and building $'000	Office equipment $'000	Total $'000
Company			
At 1.1.2023	230	59	289
Additions	148	–	148
Charge for the year	(144)	(12)	(156)
At 31.12.2023 and 1.1.2024	234	47	281
Charge for the year	(157)	(12)	(169)
At 31.12.2024	77	35	112

17. RIGHT-OF-USE ASSETS (CONT'D)

Group as a lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movement during the period:

	Group		Company	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
At 1 January	18,918	20,904	291	298
Additions	5,193	1,566	–	148
Accretion of interest	890	849	10	12
Payments	(4,579)	(4,393)	(179)	(167)
Disposals	(39)	–	–	–
Currency realignment	(24)	(8)	–	–
At 31 December	20,359	18,918	122	291
Current	3,682	2,177	93	169
Non-current	16,677	16,741	29	122
At 31 December	20,359	18,918	122	291

The maturity analysis of lease liabilities is disclosed in Note 33(b).

The following are the amounts recognised in profit or loss:

	Group	
	2024 $'000	**2023 $'000**
Depreciation of right-of-use assets	3,936	3,703
Interest expense on lease liabilities	890	849
Expense relating to short-term leases and cancellable leases (included in other operating expenses)	16,119	15,668
Total amount recognised in profit or loss	20,945	20,220

The Group had total cash outflow for leases of $20,698,000 in 2024 (2023: $20,061,000).

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

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For the financial year ended 31 December 2024

18. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 $'000	2023 $'000
Unquoted equity shares, at cost	108,673	104,134
Less: Impairment loss	(6,092)	(1,602)
Deposit for share capital subscription of a subsidiary	1,005	–
	103,586	102,532

During the year, the Company subscribed to 4,490,561 ordinary shares in its subsidiary, Shinefoods Pte Ltd (Singapore), by way of capitalising an amount of $4,490,561 from the Company's owing from the subsidiary.

Details of subsidiaries are set out in Note 37(a).

Movement in the impairment loss are as follows:

	Company	
	2024 $'000	2023 $'000
At 1 January	1,602	2,602
Charge for the year	4,490	–
Written-back	–	(1,000)
At 31 December	6,092	1,602

During the year, the Company recognised an impairment loss of $4,490,000 to carry the investment in a subsidiary at its recoverable amount.

19. ADVANCES TO SUBSIDIARIES

The advances to subsidiaries, which are to be settled in cash, are unsecured and non-interest bearing. These advances have no fixed terms of repayment and no repayments are expected within the next 12 months.

20. INVESTMENT IN JOINT VENTURE

The Group has 50% interest in the ownership and voting rights of Gardenia Bakeries (KL) Sdn Bhd ("GBKL") that is held through a subsidiary. This joint venture is incorporated in Malaysia. The Group jointly controls the venture with the remaining shareholder under a contractual agreement which requires unanimous consent for all major decisions over the relevant activities. Under certain specified circumstances if the objective to list GBKL is not achieved by March 2028 and there is no acquisition by one shareholder of the shares of the other in accordance with the contract, GBKL shall be wound up and the contract shall terminate.

During the year, the Group performed an assessment on the recoverable amount of its investment in joint venture. The recoverable amount of the investment was determined based on cash flow projections approved by management. Key assumptions include the revenue growth rates and discount rate. The pre-tax discount rate is 9.5% (2023: 9.5%). Accordingly, a partial, non-cash impairment of $1.2 million (2023: $9.5 million) has been recognised as part of the Group's share of profits of joint venture.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

20. INVESTMENT IN JOINT VENTURE (CONT'D)

Details of the joint venture are set out in Note 37(b).

Summarised financial information in respect of GBKL based on its financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	2024 $'000	2023 $'000
Inventories	22,345	20,651
Trade and other receivables	35,942	35,507
Tax recoverable	569	4,484
Cash and cash equivalents	12,504	8,951
Current assets	71,360	69,593
Property, plant and equipment	99,812	98,686
Total assets	171,172	168,279
Current liabilities	(95,594)	(93,302)
Deferred tax liabilities	(8,524)	(8,978)
Other non-current liabilities	(14,134)	(19,509)
Total liabilities	(118,252)	(121,789)
Net assets	52,920	46,490
Proportion of the Group's ownership	50%	50%
Group's share of net assets	26,460	23,245
Net fair value uplift on identifiable assets	13,934	14,814
Goodwill on acquisition	23,477	23,049
Less: Accumulated impairment loss	(15,703)	(14,503)
Carrying amount of the investment	48,168	46,605

Summarised statement of comprehensive income

	2024 $'000	2023 $'000
Revenue	412,502	404,945
Interest income	163	186
Amortisation and depreciation	(18,025)	(18,054)
Operating expenses	(377,002)	(381,873)
Interest expense	(1,797)	(2,148)
Profit before tax	15,841	3,056
Income tax expense	(3,974)	(780)
Profit after tax	11,867	2,276
Other comprehensive income	5,368	(6,605)
Total comprehensive income	17,235	(4,329)

Dividends of $5,870,000 were declared and paid by GBKL to the Group during the year (2023: $5,860,000).

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21. INTANGIBLES

	Group				Company		
	Trademark $'000	Intellectual property $'000	Software $'000	Total $'000	Trademark $'000	Software $'000	Total $'000
Cost:							
At 1.1.2023	2,750	131	110	2,991	7,150	110	7,260
Additions	–	–	22	22	–	22	22
Currency realignment	–	(1)	–	(1)	–	–	–
At 31.12.2023 and 1.1.2024	2,750	130	132	3,012	7,150	132	7,282
Currency realignment	–	(8)	–	(8)	–	–	–
At 31.12.2024	2,750	122	132	3,004	7,150	132	7,282
Accumulated amortisation and impairment loss:							
At 1.1.2023	2,750	65	11	2,826	7,150	11	7,161
Amortisation for the year (Note 5)	–	13	22	35	–	22	22
Currency realignment	–	(1)	–	(1)	–	–	–
At 31.12.2023 and 1.1.2024	2,750	77	33	2,860	7,150	33	7,183
Amortisation for the year (Note 5)	–	13	22	35	–	22	22
Currency realignment	–	(5)	–	(5)	–	–	–
At 31.12.2024	2,750	85	55	2,890	7,150	55	7,205
Net carrying amount:							
At 31.12.2024	–	37	77	114	–	77	77
At 31.12.2023	–	53	99	152	–	99	99

Trademark, intellectual property and software with finite lives are amortised on a straight-line basis over their useful lives of 20, 10 and 5 years respectively.

22. DEFERRED TAXATION

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
At 1 January	2,478	2,354	958	754
Recognised in profit or loss	(92)	475	281	204
Recognised in other comprehensive income (Note 9)	(56)	(348)	–	–
Currency realignment	311	(3)	–	–
At 31 December	2,641	2,478	1,239	958

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Represented by:				
– Deferred tax assets	(4,491)	(3,964)	–	–
– Deferred tax liabilities	7,132	6,442	1,239	958
	2,641	2,478	1,239	958

22. DEFERRED TAXATION (CONT'D)

The movement in the Group's deferred tax assets and liabilities during the year are as follows:

	Property, plant and equipment $'000	Employee benefits $'000	Others $'000	Total $'000
Deferred tax assets				
At 1 January 2023	262	2,391	550	3,203
Recognised in profit or loss	(292)	294	429	431
Recognised in other comprehensive income	–	348	–	348
Currency realignment	(2)	(3)	(13)	(18)
At 31 December 2023 and 1 January 2024	(32)	3,030	966	3,964
Recognised in profit or loss	(2)	130	577	705
Recognised in other comprehensive income	–	56	–	56
Currency realignment	(2)	(16)	(216)	(234)
At 31 December 2024	(36)	3,200	1,327	4,491

	Property, plant and equipment $'000	Deferred income $'000	Others $'000	Total $'000
Deferred tax liabilities				
At 1 January 2023	4,878	601	78	5,557
Recognised in profit or loss	1,049	(115)	(28)	906
Currency realignment	(34)	–	13	(21)
At 31 December 2023 and 1 January 2024	5,893	486	63	6,442
Recognised in profit or loss	11	(115)	717	613
Currency realignment	88	–	(11)	77
At 31 December 2024	5,992	371	769	7,132

The movement in the Company's deferred tax liabilities during the year are as follows:

	Deferred income $'000	Unremitted income $'000	Property, plant and equipment $'000	Total $'000
At 1 January 2023	601	108	45	754
Recognised in profit or loss	(115)	320	(1)	204
At 31 December 2023 and 1 January 2024	486	428	44	958
Recognised in profit or loss	(115)	393	3	281
At 31 December 2024	371	821	47	1,239

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For the financial year ended 31 December 2024

22. DEFERRED TAXATION (CONT'D)

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2023: $Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to $34,825,000 (2023: $27,247,000). The deferred tax liability is estimated to be $5,224,000 (2023: $4,087,000).

23. TRADE PAYABLES

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Trade payables:				
– third parties	60,775	56,098	54	41
– joint venture	314	201	–	–
	61,089	56,299	54	41

24. OTHER PAYABLES

(a) ***Other payables***

	Note	Group		Company	
		2024 $'000	2023 $'000	2024 $'000	2023 $'000
Payable within one year:					
Accrued staff related expenses		15,784	16,585	1,929	2,359
Accrued operating expenses		19,904	20,297	383	589
Sundry creditors		11,124	14,921	464	438
Sales tax payable		1,984	2,636	2	2
Amounts due to subsidiaries		–	–	104,268	111,031
Amounts due to joint venture		38	29	–	–
Deferred income		674	685	674	674
Deposit for share capital of a subsidiary by a non-controlling interest		456	–	–	–
		49,964	55,153	107,720	115,093
Payable after one year:					
Provision for retirement benefits	24(b)	7,028	6,984	–	–
Deferred income		1,552	2,251	1,517	2,191
		8,580	9,235	1,517	2,191

The amounts due to subsidiaries are unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

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For the financial year ended 31 December 2024

24. OTHER PAYABLES (CONT'D)

(a) ***Other payables (cont'd)***

The amounts due to joint venture are unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

Deferred income mainly relates to royalty income received in advance due to the renewal of the licensing agreement between the Company and its joint venture in 2016.

Movement in deferred income are as follows:

	Group		Company	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Balance at beginning of year	2,936	3,950	2,865	3,539
Currency realignment	(25)	(34)	–	–
Released to profit or loss	(685)	(980)	(674)	(674)
Balance at end of year	2,226	2,936	2,191	2,865

	Group		Company	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Represented by:				
– payable within one year	674	685	674	674
– payable after one year	1,552	2,251	1,517	2,191
Balance at end of year	2,226	2,936	2,191	2,865

(b) ***Provision for retirement benefits***

Some of the Group's subsidiaries in the Philippines and Malaysia maintain partial funded, non-contributory defined benefit plans covering all regular full-time employees. The benefits are based on the years of service and compensation of the employees. The manner of payment is lump sum, payable on retirement.

	Group	
	2024 $'000	**2023 $'000**
Benefit liability		
Fair value of plan assets	(4,061)	(2,816)
Present value of benefit obligation	11,089	9,800
	7,028	6,984

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

24. OTHER PAYABLES (CONT'D)

(b) *Provision for retirement benefits (cont'd)*

Changes in the fair value of plan assets are as follows:

	Group	
	2024 $'000	2023 $'000
Balance at beginning of year	2,816	1,960
Employer contribution	1,170	838
Interest income	206	140
Actual return on plan assets less interest income	(46)	(53)
Benefits paid	(119)	(67)
Currency realignment	34	(2)
Balance at end of year	4,061	2,816

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Group	
	2024 %	2023 %
Cash and cash equivalents	8	52
Philippines government bonds	83	43
Others	9	5
	100	100

Changes in the present value of defined benefit obligation are as follows:

	Group	
	2024 $'000	2023 $'000
Balance at beginning of year	9,800	7,598
Interest cost	579	540
Past service cost	20	–
Current service cost	591	597
Actuarial losses/(gains) due to:		
Changes in financial assumptions	120	1,128
Changes in demographic assumptions	(159)	(308)
Experience adjustments	216	516
Benefits paid	(131)	(243)
Currency realignment	53	(28)
Balance at end of year	11,089	9,800

24. OTHER PAYABLES (CONT'D)

(b) ***Provision for retirement benefits (cont'd)***

The following table summarises the components of retirement benefits cost recognised in profit or loss:

	Group	
	2024 $'000	**2023 $'000**
Net benefit expense (recognised within staff costs):		
Current service cost	591	597
Past service cost	20	–
Interest cost	373	400
	984	997

The cost of retirement benefit plans and the present value of the benefit obligation are determined using actuarial valuation.

The principal actuarial assumptions used in determining retirement benefit cost and obligation are shown below:

	Group	
	2024 %	**2023 %**
Discount rate	6.07 – 6.16	6.15 – 6.45
Salary increase rate	5.00 – 8.00	5.00 – 8.00

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

	Increase/ (decrease) in basis points	**Effect on present value of benefit obligation $'000**
2024		
Discount rate	+25	(183)
	-25	212
Salary increase rate	+25	199
	-25	(175)
2023		
Discount rate	+25	(169)
	-25	197
Salary increase rate	+25	184
	-25	(161)

The Group expects to contribute $Nil (2023: $Nil) to the defined benefit plans in 2025.

The average duration of the defined benefit obligation at the end of the reporting period is 8.5 years (2023: 8.3 years).

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25. SHORT-TERM BORROWINGS

	Group	
	2024 $'000	**2023 $'000**
Short-term bank loans:		
– secured	–	12,540
– unsecured	5,188	5,016
	5,188	17,556

The Group's short-term bank loans are interest bearing at rates of 4.61% to 5.26% (2023: 4.29% to 5.99%) per annum. The secured portion of the borrowings was secured by a charge over certain property, plant and equipment of the Group.

26. LONG-TERM BORROWINGS

	Effective interest rate per annum %	**Maturities**	**Group 2024 $'000**	**Group 2023 $'000**
Loans from banks	5.69 – 6.99	2026	6,419	12,449
Less: Current portion			(4,716)	(6,030)
Non-current portion of loans			1,703	6,419

Loans from banks, denominated in Philippine Peso, are unsecured, bear floating interest rates ranging from 5.69% to 6.99% (2023: 3.68% to 6.99%) per annum and are repayable in instalments till 2026.

A reconciliation of liabilities arising from financing activities was as follows:

			Non-cash changes		
	1 Jan 2024 $'000	**Cash flows $'000**	**Acquisition $'000**	**Foreign exchange movement and others $'000**	**31 Dec 2024 $'000**
Short-term borrowings	17,556	(12,621)	–	253	5,188
Loans from banks	12,449	(5,880)	–	(150)	6,419
Lease liabilities	18,918	(3,689)	5,193	(63)	20,359
Total	48,923	(22,190)	5,193	40	31,966

NOTES TO THE **FINANCIAL STATEMENTS**

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26. LONG-TERM BORROWINGS (CONT'D)

A reconciliation of liabilities arising from financing activities was as follows: (cont'd)

			Non-cash changes		
	1 Jan 2023 $'000	Cash flows $'000	Acquisition $'000	Foreign exchange movement and others $'000	31 Dec 2023 $'000
Short-term borrowings	676	17,225	–	(345)	17,556
Loans from banks	20,171	(7,722)	–	–	12,449
Lease liabilities	20,904	(3,544)	1,566	(8)	18,918
Total	41,751	5,959	1,566	(353)	48,923

27. SHARE CAPITAL

	Group and Company			
	2024		2023	
	No. of shares	$'000	No. of shares	$'000
Issued and fully paid:				
At 1 January and 31 December	575,268,440	277,043	575,268,440	277,043

The holders of the above ordinary shares are entitled to receive dividends as and when declared or paid by the Company as the case may be. All the issued and fully paid ordinary shares carry one vote per share without restrictions and have no par value.

28. RESERVES

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Capital reserve	(1,511)	(1,511)	–	–
Revenue reserve	249,029	243,189	39,217	47,243
Foreign currency translation reserve	(24,881)	(31,870)	–	–
	222,637	209,808	39,217	47,243

28. RESERVES (CONT'D)

	Company	
	2024 $'000	**2023 $'000**
Analysis of movement in the reserves of the Company:		
Revenue reserve		
At 1 January	47,243	65,758
Net profit for the year	20,737	10,248
Dividends	(28,763)	(28,763)
At 31 December	39,217	47,243

Capital reserve

Capital reserve represents the consideration in excess of net book value on acquisition of non-controlling interest of subsidiaries.

Foreign currency translation reserve

The foreign currency translation reserve represents currency translation arising from the translation of assets and liabilities of foreign subsidiaries for inclusion in the consolidated financial statements and exchange differences arising from the Group's net investment in a foreign operation.

29. DIVIDENDS

	Group and Company	
	2024 $'000	**2023 $'000**
Interim tax-exempt (one-tier) dividend of 1 cent per share in respect of the financial year ended 31 December 2024	5,753	–
Final tax-exempt (one-tier) dividend of 4 cents per share in respect of the financial year ended 31 December 2023	23,010	–
Interim tax-exempt (one-tier) dividend of 1 cent per share in respect of the financial year ended 31 December 2023	–	5,753
Final tax-exempt (one-tier) dividend of 4 cents per share in respect of the financial year ended 31 December 2022	–	23,010
	28,763	28,763

29. DIVIDENDS (CONT'D)

The directors have recommended that a final tax-exempt (one-tier) dividend of 4 cents per share, amounting to approximately $23,010,000, be paid in respect of the financial year ended 31 December 2024. The dividend will be recorded as liability in the statement of financial position of the Company and Group subject to approval of the shareholders at the Annual General Meeting of the Company.

There is no income tax consequence (2023: $Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

30. COMMITMENTS

(a) Capital commitments not provided for in the financial statements:

	Group	
	2024 $'000	**2023 $'000**
Expenditure contracted in respect of property, plant and equipment	3,723	4,204
Share of joint venture's capital commitments in relation to property, plant and equipment	1,110	320
	4,833	4,524

	2024 $'000	2023 $'000
(b) Operational trade commitments	6,493	7,074

(c) In the ordinary course of its business, the Company, as the holding company, has indicated its intention to certain of its subsidiaries to continue to provide necessary financial support to these subsidiaries.

31. CONTINGENT LIABILITIES (UNSECURED)

	Company	
	2024 $'000	**2023 $'000**
Guarantees issued for bank facilities granted to subsidiaries	8,460	9,010

The amounts of bank facilities utilised by subsidiaries as at end of reporting period is $Nil (2023: $Nil).

No material losses are expected to arise from the above contingencies.

32. RELATED PARTY TRANSACTIONS

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions took place during the financial year on terms agreed by the parties concerned:

	Group		Company	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Management fee income from subsidiaries	–	–	360	360
Royalty income from subsidiaries	–	–	16,232	16,897
Royalty income from joint venture	6,109	6,015	6,109	6,015
Dividend income from subsidiaries	–	–	8,453	458
Purchase of goods from joint venture	2,706	3,345	–	–
Sale of goods to joint venture	61,422	53,444	–	–
Dividend income from joint venture	5,870	5,860	–	–
Purchase of goods from a company in which Mr Lam Sing Chung, Ms Rachel Liem Yuan Fang and her immediate family member have an interest	2,731	3,117	–	–
Sales of goods to a company in which Mr Lam Sing Chung, Ms Rachel Liem Yuan Fang and her immediate family member have an interest (Proceeds of the sales is covered by the personal guarantee by Mr Lam Sing Chung of up to $1,000,000)	3,003	2,828	–	–
Recharging of staff costs to Mr Lam Sing Chung	106	–	106	–
Purchase of goods from a company in which Mr Lin Kejian has an interest	111	89	–	–
Shared services income from a company in which Mr Lin Kejian has an interest	–	60	–	–

(b) Compensation of key management personnel

	Group	
	2024 $'000	**2023 $'000**
Salaries, wages and other related costs	3,278	5,831
Contribution to defined contribution plans	71	77

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

It is, and has been throughout the current and previous financial year, the Group's policy not to hold or issue derivative financial instruments for trading purposes.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) *Credit risk*

Credit risk is the risk that entities and individuals will be unable to meet their obligations to the Group resulting in financial loss to the Group. It is the Group's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales of products and services are made to customers with appropriate credit history and has internal mechanisms to monitor the granting of credit and management of credit exposures. The Group has made allowances, where necessary, for potential losses on credits extended.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days, when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) *Credit risk (cont'd)*

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the debtors to settle the receivables. The Group has identified the gross domestic product (GDP) and the unemployment rate of the countries in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

– The carrying amount of each class of financial assets recognised in the statements of financial position; and

– A nominal amount of $8,460,000 (2023: $9,010,000) relating to corporate guarantees provided by the Company for bank facilities granted to subsidiaries, of which, the amounts utilised by subsidiaries as at the end of the reporting period were $Nil (2023: $Nil).

Information regarding credit enhancements for trade receivables is disclosed in Note 12.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) *Credit risk (cont'd)*

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the industry sector and country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2024		2023	
	$'000	% of total	$'000	% of total
By industry:				
Bakery	58,686	65	61,641	66
Distribution and warehousing	30,923	35	32,040	34
	89,609	100	93,681	100
By country:				
Singapore	34,984	39	41,358	44
Philippines	34,936	39	32,724	35
Malaysia	10,408	12	10,942	12
Australia	7,870	9	7,425	8
Other countries	1,411	1	1,232	1
	89,609	100	93,681	100

(b) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and have an adequate amount of committed credit facilities.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) *Liquidity risk (cont'd)*

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2024				2023			
	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Group								
Financial assets:								
Trade and other receivables	96,088	–	–	96,088	99,896	–	–	99,896
Cash and cash equivalents	210,943	–	–	210,943	216,298	–	–	216,298
Total undiscounted financial assets	307,031	–	–	307,031	316,194	–	–	316,194
Financial liabilities:								
Trade and other payables	108,395	–	–	108,395	108,131	–	–	108,131
Borrowings	10,037	1,730	–	11,767	23,912	6,632	–	30,544
Lease liabilities	4,493	8,593	14,133	27,219	2,958	7,823	15,416	26,197
Total undiscounted financial liabilities	122,925	10,323	14,133	147,381	135,001	14,455	15,416	164,872
Total net undiscounted financial assets/ (liabilities)	184,106	(10,323)	(14,133)	159,650	181,193	(14,455)	(15,416)	151,322

	2024			2023		
	1 year or less $'000	Over 1 year $'000	Total $'000	1 year or less $'000	Over 1 year $'000	Total $'000
Company						
Financial assets:						
Other receivables	36,294	–	36,294	41,154	–	41,154
Cash and cash equivalents	157,831	–	157,831	158,684	–	158,684
Advances to subsidiaries	–	127,885	127,885	–	137,897	137,897
Total undiscounted financial assets	194,125	127,885	322,010	199,838	137,897	337,735
Financial liabilities:						
Trade and other payables	107,098	–	107,098	114,458	–	114,458
Lease liabilities	96	31	127	179	127	306
Total undiscounted financial liabilities	107,194	31	107,225	114,637	127	114,764
Total net undiscounted financial assets	86,931	127,854	214,785	85,201	137,770	222,971

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its loans, borrowings and fixed deposits with financial institutions.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates, with all other variables held constant, of the Group's profit after tax.

Loans and fixed deposits denominated in	Increase/ decrease in basis points	Effect on profit after tax 2024 $'000	2023 $'000
Australian Dollar	+50	519	541
Australian Dollar	-50	(519)	(541)
Malaysian Ringgit	+50	26	1
Malaysian Ringgit	-50	(26)	(1)
Philippine Peso	+50	(25)	(47)
Philippine Peso	-50	25	47

(d) *Foreign currency risk*

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily Singapore Dollar (SGD), Malaysian Ringgit (MYR), Philippine Peso (Peso) and Australian Dollar (AUD). The foreign currencies in which these transactions are denominated are mainly AUD. As at the end of the reporting period, the Group's net exposure to AUD (mainly relating to receivables, payables and cash and cash equivalents) amounted to $133,251,000 (2023: $135,211,000).

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia, the Philippines and Australia. The Group's net investments in Malaysia, the Philippines and Australia are not hedged as currency positions in MYR, Peso and AUD are considered to be long-term in nature.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) *Foreign currency risk (cont'd)*

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the AUD exchange rates (against SGD), with all other variables held constant, of the Group's profit after tax and equity.

	2024		2023	
	Profit after tax $'000	Equity $'000	Profit after tax $'000	Equity $'000
AUD – strengthened 1% (2023: 1%)	1,284	–	1,318	–
– weakened 1% (2023: 1%)	(1,284)	–	(1,318)	–

34. CLASSIFICATION OF FINANCIAL INSTRUMENTS

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Financial assets measured at amortised cost				
Trade receivables	89,609	93,681	–	–
Other receivables	6,479	6,215	36,294	41,154
Cash and cash equivalents	209,403	215,677	156,300	158,075
Advances to subsidiaries	–	–	127,885	137,897
	305,491	315,573	320,479	337,126
Financial liabilities measured at amortised cost				
Trade payables	61,089	56,299	54	41
Other payables	47,306	51,832	107,044	114,417
Short-term borrowings	5,188	17,556	–	–
Long-term borrowings	6,419	12,449	–	–
	120,002	138,136	107,098	114,458

35. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Management has determined that the carrying amounts of cash and cash equivalents, current trade and other receivables, current trade and other payables, current bank loans and non-current floating rate loans based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

36. SEGMENTAL REPORTING

For management purposes, the Group is currently organised into business units based on their products and services, and has four reportable segments as follows:

(i)	Bakery	–	Manufacture and distribution of bread, confectionery and bakery products
(ii)	Distribution and warehousing	–	Trading and distribution of food and beverage products and provision for warehousing logistics for food items
(iii)	Investments and others	–	Investment holding and other activities

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Bakery $'000	Distribution and warehousing $'000	Investments and others $'000	Adjustments and Eliminations $'000	Consolidated $'000
2024					
Revenue and expenses					
Revenue from external customers	448,488	166,375	6,783	–	621,646
Other revenue from external customers	6,707	335	72	–	7,114
Inter-segment revenue	773	1,263	16,592	(18,628)	–
	455,968	167,973	23,447	(18,628)	628,760
Unallocated revenue					7,347
Total revenue					636,107
Segment EBITDA	58,235	8,083	316	–	66,634
Amortisation and depreciation	(22,692)	(3,628)	(341)	–	(26,661)
Segment EBIT	35,543	4,455	(25)	–	39,973
Unallocated revenue					7,347
Unallocated expenses					(11,814)
Profit from operating activities					35,506
Finance costs					(2,008)
Exceptional items					6,403
Share of profits of joint venture	4,734	–	–	–	4,734
Profit before tax					44,635
Income tax expense					(9,957)
Profit after tax					34,678
Timing of transfer of goods or services					
At a point in time	455,137	161,848	113	–	617,098
Over time	526	4,893	13,590	–	19,009
	455,663	166,741	13,703	–	636,107

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

36. SEGMENTAL REPORTING (CONT'D)

	Bakery $'000	Distribution and warehousing $'000	Investments and others $'000	Adjustments and Eliminations $'000	Consolidated $'000
2023					
Revenue and expenses					
Revenue from external customers	449,134	160,437	6,690	–	616,261
Other revenue from external customers	5,637	529	72	–	6,238
Inter-segment revenue	701	1,223	17,257	(19,181)	–
	455,472	162,189	24,019	(19,181)	622,499
Unallocated revenue					6,091
Total revenue					628,590
Segment EBITDA	56,441	7,498	5,686	–	69,625
Amortisation and depreciation	(20,945)	(3,555)	(362)	–	(24,862)
Segment EBIT	35,496	3,943	5,324	–	44,763
Unallocated revenue					6,091
Unallocated expenses					(13,212)
Profit from operating activities					37,642
Finance costs					(2,080)
Exceptional items					13,795
Share of losses of joint venture	(8,366)	–	–	–	(8,366)
Profit before tax					40,991
Income tax expense					(13,412)
Profit after tax					27,579
Timing of transfer of goods or services					
At a point in time	454,750	155,859	72	–	610,681
Over time	540	5,124	12,245	–	17,909
	455,290	160,983	12,317	–	628,590

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

36. SEGMENTAL REPORTING (CONT'D)

	Bakery $'000	Distribution and warehousing $'000	Investments and others $'000	Consolidated $'000
2024				
Assets and liabilities				
Segment assets	346,344	96,167	161,787	604,298
Investment in joint venture	48,168	–	–	48,168
Total assets	394,512	96,167	161,787	652,466
Deferred tax assets				4,491
Tax recoverable				7,323
Total assets per consolidated statement of financial position				664,280
Segment liabilities	97,954	36,847	5,191	139,992
Income tax payable				4,510
Deferred tax liabilities				7,132
Bank borrowings				11,607
Total liabilities per consolidated statement of financial position				163,241
Other segment information				
Expenditure for non-current assets	16,950	2,025	61	19,036
Impairment loss charged/(written back), net	1,354	–	–	1,354
Allowance for inventories (written back)/ charged and inventories written off, net	(299)	478	–	179
Allowance for receivables charged and bad debts written off, net	146	549	–	695

36. SEGMENTAL REPORTING (CONT'D)

	Bakery $'000	Distribution and warehousing $'000	Investments and others $'000	Consolidated $'000
2023				
Assets and liabilities				
Segment assets	354,119	94,111	163,442	611,672
Investment in joint venture	46,605	–	–	46,605
Total assets	400,724	94,111	163,442	658,277
Deferred tax assets				3,964
Tax recoverable				6,919
Total assets per consolidated statement of financial position				669,160
Segment liabilities	98,236	34,746	6,623	139,605
Income tax payable				4,626
Deferred tax liabilities				6,442
Bank borrowings				30,005
Total liabilities per consolidated statement of financial position				180,678
Other segment information				
Expenditure for non-current assets	39,040	1,802	69	40,911
Allowance for inventories charged and inventories written off, net	66	213	–	279
Allowance for receivables charged and bad debts written off, net	623	45	–	668

Geographical information

	Revenue		Non-current assets	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Philippines	271,050	282,684	77,591	77,877
Singapore	231,357	225,020	52,280	52,850
Malaysia	74,240	65,953	81,259	79,670
Australia	48,589	45,329	20,507	20,117
Other countries	10,871	9,604	–	–
	636,107	628,590	231,637	230,514

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

37. SUBSIDIARIES AND JOINT VENTURE

(a) ***The subsidiaries as at 31 December 2024 are:***

	Name of company (Country of incorporation)	Principal activities (place of business)	Percentage of equity held by the Group 2024 %	2023 %
	Bakery			
(1)	Gardenia Foods (S) Pte Ltd (Singapore)	Bread manufacturer (Singapore)	100	100
(1)	Farmland Central Bakery (S) Pte Ltd (Singapore)	Purchasing agent of bread, confectionery and bakery products (Singapore)	100	100
(2)	Millif Industries Sdn Bhd (Malaysia)	Manufacture of kaya and related products (Malaysia)	100	100
(2)	Gardenia Bakeries (Philippines) Inc (Philippines)	Manufacture and distribution of bread, confectionery and bakery products (Philippines)	100	100
(2)	Farmland Bakery (M) Sdn Bhd (Malaysia)	Manufacture of bread, confectionery and bakery products (Malaysia)	100	100
(2)	Bakers Maison Australia Pty Ltd (Australia)	Manufacture of confectionery and bakery products (Australia)	100	100
(2)	Bakers Maison (M) Sdn Bhd (Malaysia)	Manufacture of bread, confectionery and bakery products (Malaysia)	100	100
(3)	Yuka Food Industries Sdn Bhd (Malaysia)	Manufacture of snack and confectionery products (Malaysia)	70	–
(2)	Philfoods Fresh-Baked Products Inc (Philippines)	Bread manufacturer (Philippines)	40^	40^
(2)	Phil Foods Properties Inc (Philippines)	Investment holding (Philippines)	40^	40^

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

37. SUBSIDIARIES AND JOINT VENTURE (CONT'D)

(a) ***The subsidiaries as at 31 December 2024 are: (cont'd)***

	Name of company (Country of incorporation)	Principal activities (place of business)	Percentage of equity held by the Group 2024 %	2023 %
	Bakery (cont'd)			
(2)	Nutribaked Food Products Inc (Philippines)	Bread manufacturer (Philippines)	100	100
(2)	Nutrimax Fresh-Baked Inc (Philippines)	Bread manufacturer (Philippines)	100	100
(2)	Vitabread Food Products Inc (Philippines)	Bread manufacturer (Philippines)	100	100
	Distribution and warehousing			
(1)	Ben Foods (S) Pte Ltd (Singapore)	Trading and distribution of food and beverage products (Singapore)	100	100
(1)	NCS Cold Stores (S) Pte Ltd (Singapore)	Operation of warehousing logistics (Singapore)	100	100
(1)	QAF Fruits Cold Store Pte Ltd (Singapore)	Operation of cold storage warehouse (Singapore)	74	74
(1)	Shinefoods Pte Ltd (Singapore)	Agency and distribution of food and beverage products (Singapore)	100	100
(1)	Straits Foods (S) Pte Ltd (Singapore)	Trading of food products (Singapore)	100	100
(1)	Ben Foods Export Private Limited (Singapore)	Wholesale of food products (Singapore)	100	–
(2)	Gardenia (Philippines) Trading and Distribution Corp (Philippines)	Distribution, trading, selling, import and export of food and non-food products on wholesale basis (Philippines)	100	100
#	QAF Australia Trading Pty Ltd (Australia)	Trading and distribution of food and beverage products (Australia)	100	100

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

37. SUBSIDIARIES AND JOINT VENTURE (CONT'D)

(a) ***The subsidiaries as at 31 December 2024 are: (cont'd)***

	Name of company (Country of incorporation)	Principal activities (place of business)	Percentage of equity held by the Group 2024 %	Percentage of equity held by the Group 2023 %
	Investments and others			
(1)	Gardenia International (S) Pte Ltd (Singapore)	Investment holding (Singapore)	100	100
(1)	Gardenia Investments Pte Ltd (Singapore)	Investment holding (Singapore)	100	100
(1)	Hamsdale International Pte Ltd (Singapore)	Investment holding (Singapore)	100	100
(1)	Oxdale International Pte Ltd (Singapore)	Investment holding (Singapore)	100	100
(1)	Oxdale Investments Pte Ltd (Singapore)	Investment holding (Singapore)	100	100
(1)	Bakers Maison Pte Ltd (Singapore)	Investment holding (Singapore)	100	100
(1)	Bonjour Bakery Pte Ltd (Singapore)	Investment holding (Singapore)	100	100
(2)	Bakers Maison Pty Ltd (Australia)	Investment holding (Australia)	100	100
	Dormant corporations			
*	Farmland Trading Singapore Pte Ltd (Singapore)	Dormant	100	100
*	Master Cut Butchery Pte Ltd (Singapore)	Dormant	100	100
*	Gardenia Hong Kong Limited (Hong Kong)	Dormant	100	100
#	Benfood International Trade (Shanghai) Co Ltd (People's Republic of China)	Dormant	100	100
@	Delicia Sdn Bhd (Malaysia)	Dormant	–	100

37. SUBSIDIARIES AND JOINT VENTURE (CONT'D)

(b) ***The joint venture as at 31 December 2024 is:***

	Name of company (Country of incorporation)	Principal activities (place of business)	Percentage of equity held by the Group	
			2024 %	2023 %
(2)	Gardenia Bakeries (KL) Sdn Bhd (Malaysia)	Bread manufacturer (Malaysia)	50	50

Held by Gardenia Bakeries (KL) Sdn Bhd

	Name of company (Country of incorporation)	Principal activities (place of business)	Percentage of equity held by the Group	
			2024 %	2023 %
(2)	Gardenia Sales & Distribution Sdn Bhd (Malaysia)	Marketing and distribution of bakery products (Malaysia)	50	50
(2)	Everyday Bakery & Confectionery Sdn Bhd (Malaysia)	Dormant	50	50

Notes

* Audit not required under the laws in the country of incorporation
@ Liquidated during the year
# Not material to the Group and not required to be disclosed under SGX Listing Rule 717
^ The Group has determined that it has control over these entities as they have the power to direct the relevant activities of these entities

Audited by:

(1) Ernst & Young LLP, Singapore
(2) Audited by member firms of EY Global in the respective countries
(3) Moore Stephens Associates PLT (Johor)

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

37. SUBSIDIARIES AND JOINT VENTURE (CONT'D)

(c) *Interest in subsidiaries with material non-controlling interest (NCI)*

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest %	Profit allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid to NCI $'000
2024:					
QAF Fruits Cold Store Pte Ltd	Singapore	26	162	1,327	182
2023:					
QAF Fruits Cold Store Pte Ltd	Singapore	26	157	1,347	156

(d) *Summarised financial information about subsidiaries with material NCI*

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised balance sheets

	QAF Fruits Cold Store Pte Ltd	
	2024 $'000	**2023 $'000**
Current		
Assets	1,598	1,311
Liabilities	(743)	(669)
Net current assets	855	642
Non-current		
Assets	9,631	9,774
Liabilities	(5,384)	(5,235)
Net non-current assets	4,247	4,539
Net assets	5,102	5,181

37. SUBSIDIARIES AND JOINT VENTURE (CONT'D)

(d) ***Summarised financial information about subsidiaries with material NCI (cont'd)***

Summarised statement of comprehensive income

	QAF Fruits Cold Store Pte Ltd	
	2024 $'000	**2023 $'000**
Revenue	2,963	3,006
Profit before tax	806	751
Income tax expense	(185)	(146)
Profit after tax	621	605
Other comprehensive income	–	–
Total comprehensive income	621	605

Other summarised information

	QAF Fruits Cold Store Pte Ltd	
	2024 $'000	**2023 $'000**
Net cash flows from operating activities	1,287	1,126
Acquisition of significant property, plant and equipment	163	249

38. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing or net debt-to-equity ratio. The net debt-to-equity ratio is calculated as net debt divided by shareholders' funds. Net debt is calculated as bank borrowings and lease liabilities less cash and cash equivalents. Shareholders' fund relates to equity attributable to owners of the parent. There were no changes to the Group's approach to capital management during the year.

38. CAPITAL MANAGEMENT (CONT'D)

	Group	
	2024 $'000	**2023 $'000**
Net cash	(177,437)	(166,754)
Shareholders' funds	499,680	486,851
Net debt-to-equity ratio	(0.36) times	(0.34) times

The Group is also required by certain banks to maintain certain financial ratios, including gross debt-to-equity ratios and current ratios.

39. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors dated 17 March 2025.

MAJOR **PROPERTIES**

The major properties of the Company and/or its principal subsidiaries as at 31 December 2024 are set out below.

Brief description of property/location	Use	Tenure of land
150 South Bridge Road #09-01 to #09-04 and #10-02 Fook Hai Building Singapore	Office Use	99-year lease from 18 January 1972

SHAREHOLDING **STATISTICS**

As at 17 March 2025

Class of Shares	:	Ordinary Shares
Number of Ordinary Shares	:	575,268,440
Number of Ordinary Shareholders	:	6,147
Number of Treasury Shares	:	Nil
Number of Subsidiary Holdings*	:	Nil
Voting Rights	:	One vote per share for poll voting

* As defined by the SGX-ST Listing Manual

Analysis of Shareholders by Size of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	439	7.14	14,220	0.00
100 – 1,000	906	14.74	658,581	0.12
1,001 – 10,000	3,025	49.21	15,080,543	2.62
10,001 – 1,000,000	1,756	28.57	76,707,940	13.33
1,000,001 and above	21	0.34	482,807,156	83.93
	6,147	100.00	575,268,440	100.00

Based on information available to the Company as at 17 March 2025, approximately 29.73% of the total number of issued shares in the capital of the Company is held by the public and Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

Twenty Largest Shareholders

	Name of Shareholder	No. of Shares	%
1	RAFFLES NOMINEES (PTE) LIMITED	399,183,827	69.39
2	CITIBANK NOMINEES SINGAPORE PTE LTD	21,069,540	3.66
3	DBS NOMINEES PTE LTD	18,634,097	3.24
4	TOH TIONG WAH	4,788,055	0.83
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	4,158,350	0.72
6	TAN KONG KING	4,000,000	0.70
7	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	3,885,633	0.68
8	OCBC NOMINEES SINGAPORE PTE LTD	3,784,030	0.66
9	LEE FOOK KHUEN	3,509,157	0.61
10	ABN AMRO CLEARING BANK N.V.	2,493,800	0.43
11	TEH KIU CHEONG @TEONG CHENG @ CHENG CHIU CHANG	2,031,485	0.35
12	PHILLIP SECURITIES PTE LTD	1,989,685	0.35
13	DB NOMINEES (SINGAPORE) PTE LTD	1,877,046	0.33
14	OCBC SECURITIES PRIVATE LTD	1,849,273	0.32
15	TEO SOO BENG	1,617,889	0.28
16	HSBC (SINGAPORE) NOMINEES PTE LTD	1,612,987	0.28
17	TAN PENG KIM	1,560,032	0.27
18	ONG TONG YANG @WONG TONG YANG	1,330,097	0.23
19	IFAST FINANCIAL PTE LTD	1,218,049	0.21
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,132,324	0.20
		481,725,356	83.74

SHAREHOLDING **STATISTICS**

As at 17 March 2025

Substantial Shareholders

Name of Substantial Shareholder	Direct Interest No. of Shares	Direct Interest %[1]	Deemed Interest No. of Shares	Deemed Interest %[1]	Total Interest No. of Shares	Total Interest %[1]
Lam Sing Chung	–	–	178,524,884[2]	31.03	178,524,884	31.03
Lin Kejian	5,391,600	0.94	219,657,011[3]	38.18	225,048,611	39.12
Tian Wan Enterprises Company Limited	100,005,306	17.38	–	–	100,005,306	17.38
Tian Wan Equities Company Limited	116,099,623	20.18	–	–	116,099,623	20.18
Tian Wan Holdings Group Limited	98,757,516	17.17	79,767,368[4]	13.87	178,524,884	31.03
Tian Wan Capital Limited	58,594,391	10.19	–	–	58,594,391	10.19

Notes:

(1) Based on 575,268,440 Shares as at 17 March 2025.

(2) Mr Lam Sing Chung is deemed to have an interest in the Shares owned by Tian Wan Holdings Group Limited, Tian Wan Capital Limited and J&H International Limited.

(3) Mr Lin Kejian is deemed to have an interest in the Shares owned by Tian Wan Enterprises Company Limited, Tian Wan Equities Company Limited and ISI Investments Company Limited.

(4) Tian Wan Holdings Group Limited is deemed to have an interest in the Shares owned by Tian Wan Capital Limited and J&H International Limited.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Appendix 7.4.1, SGX-ST Listing Manual read with Rule 720(6))

Name	Mr Norman Ip	Mr Chee Teck Kwong Patrick	Mr Loh Wee Lee
Job Title	Non-executive, Independent Director Audit & Risk Committee (Chairman)	Non-executive, Independent Director Audit & Risk Committee (Member)	Non-executive, Independent Director
Age	72	70	41
Country of Principal residence	Singapore	Singapore	Hong Kong, Special Administrative Region of the People's Republic of China
Date of Appointment	1 May 2021	1 May 2021	1 June 2024
Date of Last Re-Appointment (if applicable)	22 April 2022	22 April 2022	Not applicable
Board's comments on re-election (including rationale, selection criteria, and the search and nomination process)	Upon the recommendation of the Nominating Committee, the Board of Directors recommends the re-appointment of these directors, taking into account, amongst others, the following: • Mr Norman Ip: his qualifications as a chartered accountant with over 40 years of commercial experience in finance and investment, real estate, mining, hospitality and general management, and his experience in senior management/directorship roles in listed companies in various industries in Asia and Australasia. • Mr Chee Teck Kwong Patrick: his experience as a director of SGX-listed companies, including as chairman and member of various board committees such as audit, risk, nominating and remuneration committees. • Mr Loh Wee Lee: his experience in relation to digital technologies and e-commerce businesses, and his professional qualifications. For information on the evaluation undertaken by the Nominating Committee, please refer to Principle 4: Board Membership and Principle 5: Board Performance on pages 97 to 99 of the Corporate Governance Report.		

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

(Appendix 7.4.1, SGX-ST Listing Manual read with Rule 720(6))

Name	Mr Norman Ip	Mr Chee Teck Kwong Patrick	Mr Loh Wee Lee
For Audit Committee Directors only: Whether the board considers the Director to be independent. The issuer must also provide such additional disclosure as may be appropriate in the circumstances to enable its shareholders to assess the independence or otherwise of the appointed director.	The Board considers Mr Norman Ip to be independent. For more information on the considerations on the independent status of Directors, please refer to Principle 2: Board Composition and Guidance on page 94 of the Corporate Governance Report.	The Board considers Mr Chee Teck Kwong Patrick to be independent. For more information on the considerations on the independent status of Directors, please refer to Principle 2: Board Composition and Guidance on page 94 of the Corporate Governance Report.	Not applicable
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive
Professional Qualifications	• Bachelor of Science (Economics), London School of Economics and Political Science • Fellow of the Institute of Chartered Accountants in England and Wales • Fellow of the Institute of Singapore Chartered Accountants	• LLB (Honours) degree, University of Singapore • Advocate and Solicitor, Supreme Court of Singapore • Solicitor in the Senior Courts of England and Wales	• Bachelor of Arts, Cornell University, USA • Master of Arts, Harvard University, USA

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

(Appendix 7.4.1, SGX-ST Listing Manual read with Rule 720(6))

Name	Mr Norman Ip	Mr Chee Teck Kwong Patrick	Mr Loh Wee Lee
Working experience and occupation(s) during the last 10 years	• Non-executive, Non-independent Director, Great Eastern Holdings Limited (2010 – 2022) o Chairman (2014) o Acting Group Chief Executive Officer (2014 – 2015) • Member/Deputy Chairman, Building and Construction Authority (Appointed to the Board in 2009, Deputy Chairman from 2016 – 2021) • Member, Securities Industry Council (2016 – present)	• Senior Consultant, KhattarWong LLP (2007 – 2017) • Senior Consultant, Withers KhattarWong LLP (2017 – 2024) • Senior Consultant, Tito Isaac & Co LLP (2025 – Present)	• Group Chief Digital Officer, DFI Retail Group Holdings Limited (2023 – Present) • CEO, Lazada Singapore Pte Ltd (2021 – 2023) • Chief of Staff and Head of Group CEO Office, Lazada Group SA and PT Ecart Webportal Indonesia (2020 – 2021) • Head of Innovation, Executive Vice President, Lazada Group SA (2018 – 2020) • General Manager, Aethon Inc (United States entity), an operating unit of ST Engineering Land Systems Ltd (2017 – 2018) • Deputy Head, Singapore Commercial Business, ST Engineering Land Systems Ltd (2016 – 2017) • Senior Manager, Private Bank, Standard Chartered Private Bank (2015 – 2016) • Group Head of Strategy Department, Sembcorp Industries Ltd (2013 – 2015)

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

(Appendix 7.4.1, SGX-ST Listing Manual read with Rule 720(6))

Name	Mr Norman Ip	Mr Chee Teck Kwong Patrick	Mr Loh Wee Lee
Shareholding interest in the Company and its subsidiaries	Nil	Nil	Nil
Relationship (including immediate family relationships) with an existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	None	None	None
Conflict of interest (including any competing business)	None	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company?	Yes	Yes	Yes

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

(Appendix 7.4.1, SGX-ST Listing Manual read with Rule 720(6))

Name	Mr Norman Ip	Mr Chee Teck Kwong Patrick	Mr Loh Wee Lee
Other Principal Commitments including directorships:	*The term "**principal commitments**" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.*		
For the past 5 years	• Senior Advisor, United Engineers Limited (2017 – 2020) • Member/Deputy Chairman, Building and Construction Authority (2009 – 2021) • Director, Great Eastern Holdings Limited (2010 – 2022) • Director, Great Eastern General Insurance Limited (2010 – 2023) • Director, The Great Eastern Life Assurance Company Limited (2010 – 2023)	• Independent Director, Hai Leck Holdings Limited (2008 – 2020) • Independent Director, China International Holdings Limited (2008 – 2024) • Lead Independent Director, OneApex Limited (2018 – 2024)	Nil

ADDITIONAL INFORMATION ON
DIRECTORS SEEKING RE-ELECTION

(Appendix 7.4.1, SGX-ST Listing Manual read with Rule 720(6))

Name	Mr Norman Ip	Mr Chee Teck Kwong Patrick	Mr Loh Wee Lee
Present	• Chairman, Great Eastern Capital (Malaysia) Sdn Bhd • Chairman, Great Eastern General Insurance (Malaysia) Berhad • Chairman, Great Eastern Life Assurance (Malaysia) Bhd • Chairman, I Great Capital Holdings Sdn Bhd • Chairman, Overseas Assurance Corporation (Holdings) Bhd • Chairman, Great Eastern Takaful Bhd • Member, Securities Industry Council	• Independent Director, Noel Gifts International Ltd (2021 – present) • Lead Independent Director, Sheng Siong Group Ltd (2021 – present) • Lead Independent Director, MeGroup Ltd (2018 – present)	Nil
Responses to questions (a) to (k) under Appendix 7.4.1 of the SGX Listing Manual	Negative Confirmation	Negative Confirmation	Negative Confirmation

Note:

Information in this section is as of 17 March 2025.

NOTICE OF **ANNUAL GENERAL MEETING**

QAF LIMITED

Company Registration No. 195800035D
(Incorporated in the Republic of Singapore)
(the "**Company**")

NOTICE OF ANNUAL GENERAL MEETING TO BE HELD ON 25 APRIL 2025

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at William Pickering Ballroom, Level 2, PARKROYAL COLLECTION Pickering, 3 Upper Pickering Street, Singapore 058289 on Friday, 25 April 2025 at 11.00 a.m. (Singapore time) to transact the following business:

Ordinary Business

1. To receive and adopt the Directors' Statement and audited financial statements for the financial year ended 31 December 2024 and auditors' report thereon. **(Resolution 1)**

2. To declare a final tax-exempt (one-tier) dividend of S$0.04 per ordinary share in respect of the financial year ended 31 December 2024. **(Resolution 2)**

3. To re-elect Mr Norman Ip retiring under Regulation 102 of the Company's Constitution. **(Resolution 3)**

4. To re-elect Mr Chee Teck Kwong Patrick retiring under Regulation 102 of the Company's Constitution. **(Resolution 4)**

5. To re-elect Mr Loh Wee Lee under Regulation 112 of the Company's Constitution. **(Resolution 5)**

6. To note the retirement of Ms Dawn Pamela Lum at the conclusion of the Annual General Meeting pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST.

7. To approve Directors' fees of up to S$423,333 for the financial year ended 31 December 2024 (FY2023: S$656,690). **(Resolution 6)**

8. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

Special Business

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modification:

General mandate to issue shares

9. That authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively "**instruments**") that might or would require shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force,

Provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a *pro rata* basis, then the shares to be issued (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent (20%) of the total number of issued shares of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of the total number of issued shares of the Company excluding treasury shares and subsidiary holdings shall be based on the total number of issued shares in the capital of the Company excluding treasury shares and subsidiary holdings at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares,

Provided further that adjustments in accordance with sub-paragraphs (2)(i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution; and

NOTICE OF **ANNUAL GENERAL MEETING**

(3) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 8)**

Authority to issue shares under the QAF Limited Scrip Dividend Scheme

10. That the Directors of the Company be and are hereby authorised to allot and issue from time to time such number of new ordinary shares in the Company as may be required to be allotted and issued under the QAF Limited Scrip Dividend Scheme, on such terms and conditions as may be determined by the Directors and to do all acts and things which they may in their absolute discretion deem necessary or desirable to carry the same into effect. **(Resolution 9)**

Renewal of Interested Person Transactions Mandate

11. That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST ("**Chapter 9**"), for the Company and its subsidiaries and associated companies which are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions as set out in the Appendix dated 27 March 2025 to the Annual Report (the "**Appendix**"), provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions as set out in the Appendix (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier; and

(c) the Directors of the Company be and are hereby authorised to do all acts and things as they may in their discretion deem necessary, desirable or expedient in the interests of the Company to give effect to the renewal of the IPT Mandate and/or this Ordinary Resolution. **(Resolution 10)**

By Order of the Board

Serene Yeo Li-Wen
Company Secretary

Singapore, 27 March 2025

NOTICE OF **ANNUAL GENERAL MEETING**

Explanatory Notes to Resolutions:

(i) Ordinary Resolutions 3 and 4 are to re-elect Mr Norman Ip and Mr Chee Teck Kwong Patrick, respectively, who are retiring by rotation pursuant to the Constitution of the Company.

Certain information on these Directors is found in the sections of the Annual Report entitled "Board of Directors" and "Additional Information on Directors Seeking Re-Election".

(ii) Ordinary Resolution 5 is to re-elect Mr Loh Wee Lee pursuant to Regulation 112 of the Company's Constitution.

Certain information on this Director is found in the sections of the Annual Report entitled "Board of Directors" and "Additional Information on Directors Seeking Re-Election".

(iii) Ordinary Resolution 6. Please refer to the sections of the Annual Report entitled "Corporate Governance Report – Remuneration Matters – *Principle 7, Provision 7.2*" and "Corporate Governance Report – Remuneration Matters – *Principle 8, Provisions 8.1 and 8.3*" for information on the proposed fees for non-executive Directors for FY2024.

(iv) **Special Business**: Ordinary Resolution 8, if passed, will empower the Directors to, *inter alia*, issue shares and/or make or grant instruments, and issue shares in pursuance of such instruments. The aggregate number of shares that may be issued (including shares issued in pursuance of instruments) will be subject to a limit of 50% of the total number of issued shares of the Company excluding treasury shares and subsidiary holdings (if any), with a sub-limit of 20% for issues other than on a *pro rata* basis to shareholders of the Company. The 50% limit and the 20% sub-limit shall be calculated based on the total number of issued shares of the Company excluding treasury shares and subsidiary holdings (if any) at the time Ordinary Resolution 8 is passed, after adjusting for, *inter alia*, new shares arising from the conversion or exercise of any convertible securities and any subsequent bonus issue, consolidation or subdivision of shares. The authority will continue until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier (unless such authority is revoked at a general meeting).

(v) **Special Business**: Ordinary Resolution 9, if passed, will authorise the Directors to issue shares in the capital of the Company pursuant to the QAF Limited Scrip Dividend Scheme (as approved by shareholders in 2006 and as modified from time to time pursuant to such Scheme) to shareholders who, in respect of a qualifying dividend, elect to receive scrip in lieu of part or all of the cash amount of that qualifying dividend. The authority will continue until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier (unless such authority is revoked at a general meeting). Authority sought under Ordinary Resolution 9 is in addition to the general authority to issue shares sought under Ordinary Resolution 8.

(vi) **Special Business**: Ordinary Resolution 10 relates to the renewal of the IPT Mandate, which was last renewed at the Annual General Meeting of the Company on 26 April 2024, authorising the Company and its subsidiaries and associated companies (if any) which are considered to be "entities at risk" under Chapter 9 of the Listing Manual of the SGX-ST to enter into interested person transactions, information of which is set out in the Appendix to the Annual Report.

Meeting Notes:

1. The Annual General Meeting ("**AGM**", which expression shall include any adjournment thereof where applicable) is being convened, and will be held, in a wholly physical format. Please bring along your NRIC/passport so as to enable the Company to verify your identity. **There will be no option for shareholders to attend, speak and vote at the AGM via virtual meeting technology.**

2. Printed copies of this Notice of Annual General Meeting, and the Proxy Form and Request Form, will be sent to shareholders by post. This Notice is also published on the Company's corporate website at the URL https://www.qaf.com.sg/company-announce/ and the SGXNET website at the URL https://www.sgx.com/securities/company-announcements.

Voting by proxy

3. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.

NOTICE OF **ANNUAL GENERAL MEETING**

(b) A member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. In relation to a relevant intermediary who wishes to appoint more than two (2) proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed. If the relevant information is not specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF/SRS investors as its proxies shall comply with this Note.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

4. Persons who hold shares of the Company through relevant intermediary(ies) (as defined in paragraph 3 above) including CPF and SRS investors (collectively "**Investors**") who wish to attend, speak and vote at the AGM may do so if they are duly appointed as proxies by their respective relevant intermediary(ies), CPF Agent Banks or SRS Operators, and **should contact their respective relevant intermediary(ies)**, CPF Agent Banks or SRS Operators as soon as possible if they have any queries regarding such appointment as proxies.

5. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

6. The instrument appointing a proxy or proxies must be submitted in the following manner:

   (a) if sent by post, be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza Tower 1, Singapore 048619; or

   (b) if sent by email, be received at sg.is.QAFproxy@vistra.com,

   in each case, **no later than 11.00 a.m. on 22 April 2025 (being 72 hours before the time appointed for the AGM)**. Completion and return of the instrument appointing a proxy shall not preclude a member from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument of proxy, to the AGM.

7. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time appointed for the AGM.

Submission of questions in advance of the AGM

8. Members may submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the meeting, in advance of the AGM in the following manner:

   (a) if sent by post, be received by the Company at 150 South Bridge Road, #09-03 Fook Hai Building, Singapore 058727; or

   (b) if sent by email, be received by the Company at AGM2025qns@qaf.com.sg.

   The Company will require the following details when questions are submitted: (i) full name of individual/corporate member and, in the case of a corporate member, full name of its corporate representative; (ii) email address; (iii) NRIC/passport number of individual member/corporate representative; and (iv) the manner in which shares in the Company are held (e.g. via CDP, CPF or SRS).

   All questions submitted must be received by the Company by **11.00 a.m. on 10 April 2025** (the "**Cut-Off Time**").

   The Company intends to publish its responses to substantial and relevant questions from members (received by such deadline and in accordance with the relevant requirements herein) on its corporate website and on SGXNET by **19 April 2025**. The Company will respond to any subsequent clarifications sought or follow-up questions received after the Cut-Off Time in respect of substantial and relevant matters, prior to or at the AGM. Where there are substantially similar questions, the Company may consolidate such questions; consequently, not all questions will be individually addressed.

NOTICE OF **ANNUAL GENERAL MEETING**

Access to documents

9. The electronic copy of the Company's Annual Report may be accessed as follows:

   (a) visit the Company's website at www.qaf.com.sg; and

   (b) under "**Investor Relations**", click on "**Annual Reports**" and then click on "**Read**" under "**2024 Annual Report**".

   You will need an internet browser and PDF reader to view these documents.

10. This Notice of AGM is to be read in conjunction with the Company's Annual Report for FY2024 and proxy form. All references to dates and times are to dates and times in Singapore.

Personal Data Privacy & Other Matters:

By attending, speaking or voting at the AGM, submitting questions in advance of the AGM and/or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at, the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data, as contained in any communication from or on behalf of the member in relation to the AGM (including but not limited to questions sent in advance of the AGM and proxy forms), by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, questions submitted and the answers thereto for disclosure and publication before, at or after (as the case may be) the AGM and/or on SGXNET and the Company's website (including publication of names of the shareholders/proxies/representatives asking questions) and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules including code of corporate governance, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that all information submitted is true and accurate, and where the member discloses the personal data of the member's proxy(ies), representative(s) and/or any other party to the Company (or its agents or service providers), the member has obtained the prior consent of such party(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of their personal data for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

IMPORTANT NOTICE

This Annual Report has been prepared without regard to the objectives, financial situation and/or needs of any specific persons. For the avoidance of doubt, it does not constitute or form any part of any offer, recommendation, invitation, inducement or solicitation to enter into any transaction including to buy, subscribe for or dispose of any securities in the Company. Where there are any forward-looking statements as to future matters including projections, if any, on the Group's anticipated future performance, please note that actual future performance, outcomes and results may differ materially from those expressed or implied in such forward-looking statements (if any) as a result of, *inter alia*, known and unknown risks, uncertainties, bases and assumptions including matters beyond the Group's control. Forward-looking statements are typically identified by words such as "will", "may", "could", "shall", "should", "believes", "estimates", "anticipates", "expects", "predicts", "targets", "projects", "contemplates", "plans", "intends", "potential", "goal", "objective", "seeks", "considers" and other similar words or expressions. Undue reliance should not be placed on any such forward-looking statements, which are based on current views on, amongst others, future events, trends and developments. There can be no assurance that such statements will be realised or prove to be correct. **Save as may be required by any applicable Singapore law, the Company assumes no obligation to update or revise or publicise any statements, whether because of new information, circumstances, future events or otherwise. If the Company updates one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements. The inclusion of any statement in this Annual Report does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material. Where in doubt on any of the above matters, please seek independent professional advice.**

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QAF Limited

Company Registration No: 195800035D

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#09-03 Fook Hai Building
Singapore 058727
Tel: (65) 6538 2866
Fax: (65) 6538 6866
Email: info@qaf.com.sg
Website: www.qaf.com.sg

APPENDIX TO ANNUAL REPORT 2024 DATED 27 MARCH 2025

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Appendix is circulated to Shareholders of QAF Limited (the "**Company**") together with the Company's Annual Report for FY2024 and may be accessed at the Company's corporate website at the URL https://www.qaf.com.sg/company-announce/ and the SGXNET website at the URL https://www.sgx.com/securities/company-announcements. The purpose of this Appendix is to provide information to the Shareholders relating to the proposed renewal of the IPT Mandate to be tabled at the Annual General Meeting of the Company to be held, in a wholly physical format, at William Pickering Ballroom, Level 2, PARKROYAL COLLECTION Pickering, 3 Upper Pickering Street, Singapore 058289, on 25 April 2025 at 11.00 a.m.. **There will be no option for members to attend, speak and vote via virtual meeting technology.**

If shares in the Company held through The Central Depository (Pte) Limited ("**CDP**") have been sold or transferred, the Shareholder or investor (as the case may be) need not forward the Notice of Annual General Meeting and the Proxy Form to the purchaser or transferee, as arrangements will be made by CDP for these documents to be sent to the purchaser or transferee. If shares in the Company represented by physical share certificate(s) have been sold or transferred, the Shareholder should immediately forward the Notice of Annual General Meeting and the Proxy Form to the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee.

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined herein.

QAF Limited

QAF LIMITED

(Incorporated in the Republic of Singapore on 3 March 1958)
(Company Registration No. 195800035D)

APPENDIX TO THE ANNUAL REPORT

IN RELATION TO

THE PROPOSED RENEWAL OF THE IPT MANDATE

DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires:

"2024 AGM"	:	Annual general meeting of the Company held on 26 April 2024
"2025 AGM"	:	Annual general meeting of the Company to be held on 25 April 2025
"Annual Report"	:	Annual report of the Company for FY2024
"Appendix"	:	This appendix dated 27 March 2025 to the Annual Report
"approved exchange"	:	A stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual
"associate"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family (that is, the person's spouse, child, adopted-child, step-child, sibling and parent); (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Audit & Risk Committee"	:	The audit and risk committee of the Company for the time being
"Board"	:	The board of Directors of the Company for the time being
"Companies Act"	:	The Companies Act 1967 of Singapore as amended or modified from time to time
"Company"	:	QAF Limited

"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company
"Directors"	:	The directors of the Company for the time being
"entity at risk"	:	(a) The listed company; (b) A subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or (c) An associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company
"FY"	:	Financial year ended or ending 31 December
"Group"	:	The Company and its subsidiaries
"immediate family"	:	In relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent
"Interested Persons"	:	Has the meaning ascribed to it in Section 2.3 of this Appendix
"IPT" or "Interested Person Transactions"	:	Transactions between an entity at risk within the meaning of Chapter 9 of the Listing Manual and any of the Interested Persons which fall within the scope of the IPT Mandate
"IPT Mandate" or "Interested Person Transactions Mandate"	:	The general mandate pursuant to Chapter 9 of the Listing Manual for the Company and its subsidiaries and associated companies which are considered to be "entities at risk" under Chapter 9 of the Listing Manual, or any of them, to enter into any of the transactions falling within the types of interested person transactions as set out in this Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions
"Latest Practicable Date"	:	17 March 2025, being the latest practicable date prior to the issue of this Appendix
"Listing Manual"	:	The listing manual of the SGX-ST, as amended or modified from time to time
"Notice of Annual General Meeting"	:	The Notice of Annual General Meeting of the Company dated 27 March 2025 convening the 2025 AGM

"NTA"	:	Net tangible assets
"Salim Group"	:	Mr Anthoni Salim and the group of companies controlled by him or, if the context requires, Mr Anthoni Salim
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Means: (a) where the Depository is named in the register of members of the Company as the holder of Shares, a Depositor in respect of the number of Shares standing to the credit of his name in the Depository Register; and (b) in any other case, a person whose name appears on the register of members maintained by the Company pursuant to Section 190 of the Companies Act and/or any other applicable law
"Shares"	:	Ordinary shares in the capital of the Company
"Substantial Shareholder"	:	A person who has an interest in one or more voting shares in a company and the total votes attached to such share(s) is not less than 5% of the total votes attached to all the voting shares in the company
"S$" or "$" and "cents"	:	Singapore dollars and cents, respectively
"%" or "per cent"	:	Percentage or per centum

The terms "Depositor", "Depository" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual or any modification thereof and used in this Appendix shall have the meaning assigned to it under the Companies Act, the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Appendix is a reference to Singapore time and date, respectively, unless otherwise stated. Any reference to currency set out in this Appendix is a reference to S$ unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Rajah & Tann Singapore LLP has been appointed as the Singapore legal adviser to the Company in relation to the proposed renewal of the IPT Mandate.

QAF LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 195800035D)

Board of Directors

Lam Sing Chung *(Chairman, Non-Independent, Non-Executive Director)*
Philip Yeo Liat Kok *(Vice-Chairman, Independent, Non-Executive Director)*
Lin Kejian *(Joint Group Managing Director, Executive Director)*
Michael Darren Hewat *(Joint Group Managing Director, Executive Director)*
Dawn Pamela Lum *(Independent, Non-Executive Director)*
Norman Ip *(Independent, Non-Executive Director)*
Chee Teck Kwong Patrick *(Independent, Non-Executive Director)*
Lian Hwee Peng Rebecca (*Independent, Non-Executive Director)*
Aw Syee Chia *(Independent, Non-Executive Director)*
Loh Wee Lee *(Independent, Non-Executive Director)*
Rachel Liem Yuan Fang *(Alternate Director to Lam Sing Chung)*

Registered Office

150 South Bridge Road
#09-03 Fook Hai Building
Singapore 058727

27 March 2025

To: The Shareholders of **QAF Limited**

Dear Shareholders

1. INTRODUCTION

The purpose of this Appendix is to provide Shareholders with information relating to the proposed renewal of the IPT Mandate, which is referred to in Ordinary Resolution 10 set out in the notice convening the 2025 AGM to be held on 25 April 2025.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1 Existing IPT Mandate

At the 2024 AGM, the Shareholders had approved the renewal of the IPT Mandate to authorise the entry by the Company and its entities at risk (as defined in Rule 904(2) of the Listing Manual) into any of the transactions falling within certain types of interested person transactions as set out in the IPT Mandate. Particulars of the IPT Mandate were set out in the appendix circulated to Shareholders together with the annual report of the Company for FY2023.

The IPT Mandate was expressed to take effect until the conclusion of the then next annual general meeting of the Company, namely, the 2025 AGM which is scheduled to be held on 25 April 2025. Accordingly, Shareholders' approval is being sought for the renewal of the IPT Mandate at the 2025 AGM.

2.2 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be entities at risk, with the listed company's interested persons. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

Under Chapter 9 of the Listing Manual, where a listed company or any of its subsidiaries or any of its associated companies which are controlled by the listed group and its interested person(s) (other than a subsidiary or associated company that is listed on the SGX-ST or an approved exchange) proposes to enter into transactions with the listed company's interested persons, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval if the value of the transaction is equal to or exceeds certain financial thresholds. In particular:

(a) where the value of such transaction is equal to or exceeds 3% of the latest audited consolidated NTA of the listed company and its subsidiaries and is less than 5% of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement is required;

(b) where the value of such transaction is equal to or exceeds 5% of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement and shareholders' approval is required;

(c) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the latest audited consolidated NTA of the listed company and its subsidiaries, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year; and

(d) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 5% or more of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement must be made and shareholders' approval must be obtained in respect of the latest and all future transactions entered into with that interested person during that financial year.

In the event the latest audited consolidated NTA of the listed company and its subsidiaries is negative, the listed company is required to consult the SGX-ST on the appropriate benchmark to calculate the relevant thresholds, which may be based on its market capitalisation.

Based on the provisions of the Listing Manual, the rules as to making announcements and seeking shareholders' approval referred to above do not apply to transactions below S$100,000. However, while transactions below S$100,000 are not normally aggregated under the relevant provisions of the Listing Manual, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction.

For Shareholders' information, the audited consolidated NTA of the Group as at 31 December 2024 amounted to approximately S$499.57 million. 3% and 5% of such audited consolidated NTA of the Group amounts to approximately S$14.99 million and S$24.98 million, respectively.

Chapter 9 of the Listing Manual permits a listed company, however, to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons. Transactions conducted under a general mandate are not subject to the rules on making announcements and seeking shareholders' approval referred to above.

Under the Listing Manual:

(i) an "entity at risk" means:

  (a) the listed company;

  (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

  (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;

(ii) an "interested person" means a director, chief executive officer or controlling shareholder of the listed company or an associate of any such director, chief executive officer or controlling shareholder. The SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into, (a) a transaction with an entity at risk, and (b) an agreement or arrangement with an interested person in connection with that transaction;

(iii) an "associate":

  (1) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:

    (aa) his immediate family (that is, the person's spouse, child, adopted-child, step-child, sibling and parent);

    (bb) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

    (cc) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

  (2) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

(iv) an "approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;

(v) an "interested person transaction" means a transaction between an entity at risk and an interested person; and

(vi) a “transaction” includes:

(1) the provision or receipt of financial assistance;

(2) the acquisition, disposal or leasing of assets;

(3) the provision or receipt of goods or services;

(4) the issuance or subscription of securities;

(5) the granting of or being granted options; and

(6) the establishment of joint ventures or joint investments,

whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

2.3 Background

The Group is principally engaged in the businesses of bakery and distribution and warehousing. For its bakery business, the Group, including its joint venture(s), manufactures and distributes bread and bakery products in Singapore, Malaysia, the Philippines and Australia. For its distribution and warehousing business, the Group undertakes wholesale distribution of a range of third-party and proprietary-branded processed food and beverage products, and provides logistics operations including distribution and warehousing.

As at the Latest Practicable Date, Mr Lam Sing Chung, Chairman of the Board, has a shareholding interest of approximately 31.03% in the Company and is a Controlling Shareholder of the Company. Mr Lin Kejian, Joint Group Managing Director of the Company, is the son of Mr Lam Sing Chung and is also a Controlling Shareholder of the Company with a shareholding interest of approximately 39.12% in the Company as at the Latest Practicable Date.

The Group may from time to time enter into transactions with Mr Lam Sing Chung, Mr Lin Kejian and/or their respective associates (“**Interested Persons**”) in the ordinary course of business. Such transactions include the purchase of products and raw materials from, as well as the sale of products to, certain parties which are Interested Persons.

The transactions entered into in FY2024 with Interested Persons pursuant to the IPT Mandate are set out on page 115 of the Annual Report in the section entitled “FY2024 Interested Person Transactions”. Please refer to the aforesaid section for more information. For example, the Group purchased raw materials such as flour from the Salim Group[1]. The Salim Group is an Interested Person as Mr Anthoni Salim is the brother of Mr Lam Sing Chung. The aggregate value of the flour purchased amounted to approximately S$13.66 million, being less than 3% (that is, approximately 2.81%) of the then latest audited

1 Based on public information, the Salim Group is an Indonesian conglomerate with interests in various businesses, including interests in First Pacific Company Limited (“**First Pacific**”), an investment management and holding company with principal business interests relating to telecommunications, consumer food products, infrastructure and natural resources, which is listed on the Hong Kong Stock Exchange; PT Indofood Sukses Makmur Tbk (“**PT ISM**”), which is in food manufacturing including production and processing of raw materials and listed on the Indonesia Stock Exchange; Indofood Agri Resources Ltd. (“**IndoAgri**”), a diversified and vertically integrated agribusiness group which is listed on the SGX-ST; and Gallant Venture Ltd., an Indonesia-focused group with core businesses in property development, industrial parks, utilities and resort operations which is listed on the SGX-ST. PT ISM and IndoAgri are subsidiaries of First Pacific.

consolidated NTA of the Group. In addition, the Group sold cheese in bulk to, and purchased processed cheese from, Austral Dairy Group Sdn Bhd ("**Austral**"). Austral is an Interested Person as it is an entity in which Mr Lam Sing Chung, Ms Rachel Liem Yuan Fang and her immediate family member have an interest. The aggregate value of the cheese sold and purchased amounted to approximately S$3 million and S$2.73 million respectively, each being less than 3% (that is approximately 0.62% and 0.56%, respectively) of the then latest audited consolidated NTA of the Group. In addition to processed cheese, the Group purchased other finished products such as vegetables, milk and electricity from the Interested Persons. The aggregate value of finished products purchased amounted to approximately S$5.97 million, being less than 3% (that is approximately 1.23%) of the then latest audited consolidated NTA of the Group.

2.4 Rationale for and Benefits of the Renewal of the IPT Mandate

The Group envisages that the Interested Person Transactions will occur with some degree of frequency and could arise at any time and from time to time. Such transactions are recurring transactions and are part of the day-to-day operations of the Group.

The renewal of the IPT Mandate, if approved by the Shareholders, will enable the Group, in the ordinary course of business, to undertake such transactions in a more expeditious manner. It will also enhance the Group's ability to pursue business opportunities which may be time-sensitive and frequent in nature and will allow the Group to conduct its business efficiently by eliminating the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential Interested Person Transactions arise. The IPT Mandate will reduce the expenses involved with the convening of general meetings on an *ad hoc* basis and allow manpower resources and time to be channeled towards attaining other corporate objectives.

2.5 Classes of Interested Persons

The IPT Mandate will apply to the Interested Persons in relation to the types of transactions set out in Section 2.6 below. The associates of the Interested Persons who will have dealings under the IPT Mandate include the Salim Group, which is controlled by Mr Anthoni Salim, who is Mr Lam Sing Chung's brother.

2.6 Types of Transactions under the IPT Mandate

The types of transactions contemplated under the IPT Mandate are as follows:

(a) the purchase of products and raw materials; and

(b) the sale of products.

The types of products and/or raw materials covered under the IPT Mandate will be those which are transacted by the Group in its ordinary course of business with the Interested Persons in connection with the latter's ordinary course of business. Such transactions include for example, the purchase of flour and may also include wheat-related raw materials, such as wheat bran and wheat germ, from the Salim Group, and finished products such as vegetables and electricity[2] from the Salim Group and processed cheese from Austral.

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2 As announced by the Company on 23 December 2024, electricity falls within the definition of 'products' under the IPT Mandate and the Company had in such announcement provided information on past electricity purchases by its Gardenia Singapore subsidiary from the Salim Group. For electricity purchases from the Salim Group for FY2024, please refer to page 115 of the Annual Report in the section entitled "FY2024 Interested Person Transactions".

2.7 Review Procedures under the IPT Mandate

The Group maintains a register of Interested Person Transactions and the following review procedures are implemented by the Company:

2.7.1 Review Procedures

(a) When purchasing products and/or raw materials from an Interested Person, quotations from at least two (2) other unrelated third party vendors for similar quantities and/or quality will be obtained (whenever possible or available) for comparison to ascertain whether the price and terms offered by the Interested Person are fair and reasonable and competitive compared to those offered by such other unrelated third party vendors. In determining whether the price and terms offered by the Interested Person are fair and reasonable, pertinent factors, including but not limited to quality, track record, specification compliance, delivery time, experience and expertise, and where applicable, terms offered to third parties, preferential rates, discounts or rebates accorded for bulk purchases, may also be taken into consideration.

In the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors providing or selling a similar type of product or raw material or if the unrelated third party vendor(s) is not able to meet the Group's specifications or in cases of urgency), an Executive Director (other than an Interested Person) or the Audit & Risk Committee (as the case may be depending on the approval threshold as set out in Section 2.7.2 below) will determine whether the price and terms offered by the Interested Person are fair and reasonable. In determining the transaction price payable to the Interested Person for such products and/or raw materials, pertinent factors, including but not limited to quality, track record, specification compliance, delivery time, experience and expertise, reliability and/or efficiency of the seller, strategic considerations, and where applicable, terms offered to third parties, preferential rates, discounts or rebates accorded for bulk purchases, may also be taken into consideration.

(b) When selling products to an Interested Person, the pricing or fees for the products are to be carried out at the prevailing market rates or prices of the products, on terms no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates, discounts and/or rebates accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms.

In the event that prevailing market rates or prices are not available (for instance due to the nature of the product to be sold or if there are no other customers for similar products or if the unrelated third party customer(s) is not able to meet the Group's specifications or in cases of urgency), the transaction prices will, where applicable, (i) be in accordance with the Group's usual business practices and pricing policies, consistent with the usual margin of the Group for the same or substantially similar type(s) of transaction with unrelated third parties, or (ii) in certain cases (for example, waste disposal or technical expertise) be determined by reference to factors including but not limited to track record, specification compliance, quantity, volume, duration of contract, strategic considerations, reliability and/or efficiency of the purchaser, extent of cost recovery, industry norms and where applicable, preferential rates, discounts or rebates accorded for bulk purchases, may also be taken into consideration.

2.7.2 Approval Thresholds

The following approval thresholds shall be adopted in respect of the Interested Person Transactions:

	Value of Interested Person Transaction(s)	Approving Authorities *(each having no interest, direct or indirect, in the Interested Person Transaction)*
1.	An Interested Person Transaction the value of which is equal to or exceeds S$100,000,[1] but less than 3% of the latest audited consolidated NTA of the Group from time to time[2]	Executive Director or such senior executive of the Group as may be designated by the Audit & Risk Committee from time to time If an Executive Director or relevant senior executive of the Group is himself interested in an Interested Person Transaction, the Interested Person Transaction will be reviewed and approved by another Executive Director or senior executive (each having no interest, direct or indirect, in the Interested Person Transaction)
2.	(i) Where the value of an Interested Person Transaction, when aggregated with the value of all previous Interested Person Transactions of the same kind in the same financial year, is equal to or exceeds 3% of the latest audited consolidated NTA of the Group from time to time[2], such Interested Person Transaction and all future Interested Person Transactions of the same kind during the financial year in question, Provided That any Interested Person Transaction below S$100,000 in value does not require approval and shall be disregarded for aggregation purposes	Audit & Risk Committee
	(ii) An Interested Person Transaction the value of which is equal to or exceeds 3% of the latest audited consolidated NTA of the Group from time to time[2]	Audit & Risk Committee

Notes:

(1) Based on the existing provisions of the Listing Manual.

(2) Based on the audited consolidated financial statements of the Group for FY2024, 3% of the latest audited consolidated NTA of the Group would be approximately S$14.99 million.

The approving authorities may request for additional information pertaining to the transaction under review as they deem fit.

2.7.3 Interested Audit & Risk Committee Member to Abstain

In the event that a member of the Audit & Risk Committee (where applicable) is interested (directly or indirectly) in any Interested Person Transaction, he or she will abstain from reviewing that particular transaction. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit & Risk Committee.

2.7.4 Periodic Review by Audit & Risk Committee

The Audit & Risk Committee will review all Interested Person Transactions (including transactions with Interested Persons the values of which are below S$100,000) on a quarterly basis to ascertain whether the established review procedures for the Interested Person Transactions have been complied with and the relevant approvals have been obtained.

The Audit & Risk Committee will also review the established review procedures of the Interested Person Transactions and determine if such review procedures continue to be adequate in ensuring that the Interested Person Transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. If the Audit & Risk Committee is of the view that the review procedures have become inappropriate or insufficient to meet such objectives, the Company will seek a fresh mandate from its Shareholders based on new review procedures for the Interested Person Transactions.

2.8 Excluded Transactions

The IPT Mandate will not cover any transaction with an Interested Person that is below S$100,000 in value, as the provisions of Chapter 9 of the Listing Manual provide that any such transaction is to be disregarded although the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction.

Transactions between the Group and the Interested Persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual, or other applicable provisions of the Listing Manual, if any.

2.9 Validity Period of the Renewed IPT Mandate

If approved by Shareholders at the 2025 AGM, the renewed IPT Mandate will take effect from the passing of the ordinary resolution relating thereto at the 2025 AGM (Ordinary Resolution 10 in the Notice of Annual General Meeting), and will (unless revoked or varied by the Company in general meeting) continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

Approval from Shareholders will be sought for the renewal of the IPT Mandate at the 2025 AGM and at each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit & Risk Committee of its continued application to transactions with the Interested Persons.

2.10 Disclosure

Disclosure will be made in the Company's Annual Report of the aggregate value of the transactions conducted with Interested Persons pursuant to the IPT Mandate during the relevant financial year, and in the annual reports for the subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements and form set out in Chapter 9 of the Listing Manual.

2.11 Directors' and Substantial Shareholders' Interests

As at the Latest Practicable Date, the direct and deemed interests of the Directors and Substantial Shareholders in the Shares of the Company, based on information recorded in the register of Director's shareholdings and the register of Substantial Shareholders maintained by the Company and/or information received by the Company from the Director(s), are as follows:

	Direct Interests		Deemed Interests	
	No. of Shares	**Percentage of Shareholding**[1]	**No. of Shares**	**Percentage of Shareholding**[1]
Directors				
Lam Sing Chung	–	–	178,524,884[2]	31.03%
Philip Yeo Liat Kok	–	–	–	–
Lin Kejian	5,391,600	0.94%	219,657,011[3]	38.18%
Michael Darren Hewat	32,894	0.01%	–	–
Dawn Pamela Lum	–	–	–	–
Norman Ip	–	–	–	–
Chee Teck Kwong Patrick	–	–	–	–
Lian Hwee Peng Rebecca	–	–	–	–
Aw Syee Chia	–	–	–	–
Loh Wee Lee	–	–	–	–
Rachel Liem Yuan Fang	432,900	0.08%	–	–
Substantial Shareholders (other than Directors)				
Tian Wan Enterprises Company Limited	100,005,306	17.38%	–	–
Tian Wan Equities Company Limited	116,099,623	20.18%	–	–
Tian Wan Holdings Group Limited	98,757,516	17.17%	79,767,368[4]	13.87%
Tian Wan Capital Limited	58,594,391	10.19%	–	–

Notes:

(1) Based on 575,268,440 Shares as at the Latest Practicable Date. Percentages have been rounded to two decimal places.

(2) Mr Lam Sing Chung is deemed to have an interest in the Shares owned by Tian Wan Holdings Group Limited, Tian Wan Capital Limited and J&H International Limited.

(3) Mr Lin Kejian is deemed to have an interest in the Shares owned by Tian Wan Enterprises Company Limited, Tian Wan Equities Company Limited and ISI Investments Company Limited.

(4) Tian Wan Holdings Group Limited is deemed to have an interest in the Shares owned by Tian Wan Capital Limited and J&H International Limited.

2.12 Statement by the Audit & Risk Committee

The Audit & Risk Committee of the Company having considered, *inter alia*, the terms of the IPT Mandate, confirms that the review procedures for determining the transaction prices of the Interested Person Transactions as set out in Section 2.7 of this Appendix have not changed since the last shareholder approval for the IPT Mandate at the 2024 AGM. The Audit & Risk Committee is also of the view that such review procedures for determining the transaction prices of the Interested Person Transactions, when taken as a whole and if applied consistently, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. However, should the Audit & Risk Committee subsequently no longer be of this opinion, the Company will revert to the Shareholders for a fresh mandate based on new review procedures for transactions with the Interested Persons.

3. DIRECTORS' RECOMMENDATION

The Directors of the Company (save for the Directors referred to below), having considered, amongst other things, the rationale for and benefits of the renewal of the IPT Mandate, the review procedures and the role of the Audit & Risk Committee, are of the opinion that the proposed renewal of the IPT Mandate is in the interests of the Company. Accordingly, the Directors (save for the Directors referred to below) recommend that Shareholders **vote in favour** of the ordinary resolution in respect of the proposed renewal of the IPT Mandate at the 2025 AGM.

Mr Lam Sing Chung and Mr Lin Kejian (being the Interested Persons) abstain from making any recommendation.

As different Shareholders might have different investment objectives, Shareholders should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers if they require specific advice in relation to the proposed renewal of the IPT Mandate.

4. ABSTENTION FROM VOTING

Rule 919 of the Listing Manual requires that interested persons must not vote on a shareholders' resolution approving any mandate in respect of any interested person transactions. Mr Lam Sing Chung and Mr Lin Kejian (being Interested Persons) will abstain, and shall procure that their respective associates abstain, from voting on the ordinary resolution relating to the proposed renewal of the IPT Mandate to be tabled at the 2025 AGM (Ordinary Resolution 10 in the Notice of Annual General Meeting), and the Company will disregard any votes cast by Mr Lam Sing Chung and Mr Lin Kejian (and their respective associates) in respect of their holdings of Shares on Ordinary Resolution 10.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the IPT Mandate and the Group in relation to the proposed renewal of the IPT Mandate and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 150 South Bridge Road, #09-03 Fook Hai Building, Singapore 058727, during normal business hours from the date of this Appendix up to and including the date of the 2025 AGM:

(a) the Constitution of the Company; and

(b) the Annual Report of the Company for FY2024.

Yours faithfully,
For and on behalf of the Board of Directors of
QAF Limited

Michael Darren Hewat
Joint Group Managing Director