

GENERAL ANNOUNCEMENT::MINUTES OF ANNUAL GENERAL MEETING HELD ON 25 APRIL 2025

Issuer & Securities

Issuer/ Manager

QAF LIMITED

Securities

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No

Announcement Details

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Submitted By (Co./ Ind. Name)

Soh Chai Lih

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please refer to the attached minutes of the Annual General Meeting of the Company held at William Pickering Ballroom, Level 2, PARKROYAL COLLECTION Pickering, 3 Upper Pickering Street, Singapore 058289 on 25 April 2025.

Attachments

[QAF AGM Minutes 25 April 2025 released.pdf](#)

Total size =324K MB

QAF LIMITED

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

Minutes of the Annual General Meeting of the Company held at William Pickering Ballroom, Level 2, PARKROYAL COLLECTION Pickering, 3 Upper Pickering Street, Singapore 058289 on 25 April 2025 at 11.00 a.m.

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- MEMBERS PRESENT** : As set out in the attendance records maintained by the Company
- DIRECTORS PRESENT** : Ms Dawn Pamela Lum, Director (Chairman of the Meeting) (“**Chairman**”)
Mr Lam Sing Chung, Board Chairman
Mr Philip Yeo Liat Kok, Board Vice-Chairman
Mr Lin Kejian, Joint Group Managing Director
Mr Michael Darren Hewat, Joint Group Managing Director
Mr Norman Ip, Director
Mr Chee Teck Kwong Patrick, Director
Dr Lian Hwee Peng Rebecca, Director
Mr Aw Syee Chia, Director
Mr Loh Wee Lee, Director
- IN ATTENDANCE** : Ms Serene Yeo Li-Wen, Joint Group Legal Counsel & Company Secretary
- Share Registrar, Tricor Barbinder Share Registration Services
Scrutineer, CitadelCorp Pte Ltd
Polling Agent, Boardroom Corporate & Advisory Services Pte Ltd
- BY INVITATION** : Mr Albert Loh, Chief Financial Officer
- QAF Finance and Legal Teams
- Managing Director, Gardenia Foods (S) Pte Ltd
Managing Director & Deputy Managing Director, Ben Foods (S) Pte Ltd
- Mr Philip Ng, Ernst & Young LLP
Ms Sharon Peh, Ernst & Young LLP
Ms Serene Ng, Ernst & Young LLP
Ms Lynn Ho, Ernst & Young LLP
- 1. COMMENCEMENT** : The Chairman welcomed shareholders to the Annual General Meeting (“**AGM**” or “**Meeting**”). The Chairman, an Independent Director, introduced herself and stated that she has been appointed to chair the AGM pursuant to Regulation 74 of the Company’s Constitution.
- The Chairman introduced the Board of Directors, the Company Secretary and the Chief Financial Officer.
- As a quorum was present, the Chairman proceeded to call the Meeting to order.
- Before proceeding with the Meeting, the Chairman reminded all present that recording, sharing or publication of the Meeting in any form, was not permitted.

2. NOTICE OF MEETING : The Notice of AGM and accompanying documents were dispatched to shareholders on 27 March 2025. These documents had been in shareholders' hands for the required period. With the concurrence of the Meeting, the Notice of AGM and the accompanying documents were taken as read.

3. MODE OF VOTING : The Chairman informed shareholders that all items on the AGM agenda are proposed as Ordinary Resolutions. Voting on all the resolutions would be conducted by poll, as required by the Company's Constitution and the SGX Listing Rules.

Save for Ordinary Resolution 6 (Directors' fees for the financial year ended 31 December 2024) where a shareholder or proxy would be invited to propose the resolution, the Chairman would propose all other resolutions for approval by shareholders.

The Chairman proceeded to introduce the Polling Agent, Boardroom Corporate & Advisory Services Pte Ltd, and the Scrutineer, CitadelCorp Pte Ltd.

A representative of the Polling Agent explained the electronic poll voting procedure.

4. MANAGEMENT PRESENTATIONS : The Chairman invited Mr Albert Loh, Chief Financial Officer, to address shareholders and give a presentation on the financial highlights of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2024 ("**FY2024**").

Mr Albert Loh : Mr Loh stated that the Group achieved an EBITDA before exceptional items of S\$59.6 million in FY2024 which was a 25% or \$11.6 million improvement from \$48 million for the financial year ended 31 December 2023 ("**FY2023**"). Three key items affected the change in the Group's EBITDA for FY2024:

- The share of profits from the Group's joint venture company, Gardenia Bakeries (KL) Sdn Bhd ("**GBKL**") contributed \$13 million to the Group's EBITDA improvement. This comprised \$4.8 million improvement in the Group's share of GBKL's operating profits and \$8.3 million lower impairment compared to the financial year 31 December 2023 ("**FY2023**").
- A \$6.4 million higher foreign currency translation loss negatively impacted the Group's EBITDA.
- Lower head office staff costs in FY2024 contributed to a \$2.5 million improvement in the Group's EBITDA.

The Group's consolidated profit before tax ("**PBT**") including exceptional items improved by 9% or \$3.6 million from \$41 million in FY2023 to \$44.6 million in FY2024. The key items which affected the Group's PBT in FY2024 were:

- A \$4.8 million increase in the Group's share of profits from GBKL.
- Reduction in the impairment on the Group's joint venture by \$8.3 million, and insurance-related exceptional items by \$7.4 million in FY2024. The net impact of the lower impairment and lower exceptional items was a \$0.9 million improvement to the Group's PBT.
- A \$6.4 million higher foreign currency translation loss negatively impacted the Group's PBT.
- The remaining \$3.7 million improvement was attributable to lower head office staff costs and higher interest income of \$1.3 million.

Mr Loh handed the proceedings to Joint Group Managing Director, Mr Michael Darren Hewat.

**Mr Michael Darren
Hewat**

: Mr Hewat thanked shareholders for joining the AGM.

Mr Hewat noted the Group achieved a modest revenue growth of 1% to S\$636 million (or in constant currency terms, a growth of 2%) in FY2024.

Revenue was impacted as cost-of-living pressures and challenges continued in the Group's business segments and consumers chose to balance their budgets by selecting more cost-effective products. This was particularly notable in the second half of the year.

The global economic situation improved throughout the year with general reductions in inflation and interest rates across most of the Group's operating regions. However, geopolitical instability has become more uncertain, particularly with the recent introduction of widespread tariffs and broader threats of trade disputes.

The Group continues to take a conservative and lower risk approach to its financial management. A strong balance sheet, supported by higher cash reserves and relatively low debt are consciously maintained. Treasury management has become a priority as fixed interest rates have started to fall.

In terms of strategy, the Group remain focused on new product development, new markets and growth opportunities in the Group's bakery and trading activities.

Mr Hewat thanked shareholders, and the Group's customers and business partners, for their continued support, as well as the Board of Directors and staff for their contributions in FY2024.

RESULTS OF THE POLL – ORDINARY BUSINESS

**5. ADOPTION OF
DIRECTORS'
STATEMENT AND
AUDITED FINANCIAL**

: The Chairman thanked Management for their presentations and proceeded to the first agenda item of the Meeting.

**STATEMENTS FOR THE
FINANCIAL YEAR
ENDED 31 DEC 2024
AND AUDITORS'
REPORT THEREON**

Resolution No. 1

To receive and adopt the Directors' Statement and audited financial statements for FY2024 and auditors' report thereon

The Resolution was proposed by the Chairman and seconded by a shareholder/proxy.

The Chairman proceeded to take questions on this agenda item. A summary of the questions and the Company's responses is set out below:

- (a) A shareholder referred to page 18 of the Annual Report and the statement on local industry being impacted by reduced domestic consumer spending due to factors such as increased cross-border travel. The shareholder enquired about price differences between products sold in Singapore and Johor Bahru, and why products were cheaper in Malaysia.

Mr Hewat explained that the cost of production in Malaysia was generally cheaper, and cited lower cost in labour, energy and raw materials as examples. The lower cost thus allows comparable products to be offered at lower prices in Malaysia compared to Singapore. The products sold in Malaysia are also cheaper compared to the pricing in Singapore due to the strength of the Singapore Dollar against the Ringgit.

- (b) The shareholder asked about the viability of continuing production in Singapore, given the increasing trend of people travelling to Johor Bahru to shop.

Mr Hewat explained that the issue is closely tied to challenges arising from rising costs in Singapore and competitive pressures. He noted that this is something businesses in Singapore face and a key consideration in deciding future manufacturing locations. At this point, the Group is still manufacturing in Singapore and intends to do so for the foreseeable future.

- (c) The same shareholder referred to Note 14 on Cash and Cash Equivalents on page 161 of the Annual Report, and enquired whether the average effective interest rates of 4.54% and 4.72% stated referred to Singapore Dollar fixed deposit (FD) rates.

Mr Albert Loh clarified that the average FD rates disclosed included Australian rates as the reporting was done on a Group basis.

The shareholder asked for the Singapore FD rates to which Mr Hewat replied that the Australian FD rates were generally approximately 2% higher, with Singapore FD rates at approximately 2% and Australia FD rates at approximately 4%.

- (d) A shareholder commented that the Annual Report does not contain photographs of the Directors. He

then went on to note that (i) based on the presentation slides shown earlier, the Group incurred substantial foreign exchange ("**Forex**") losses which offset a portion of the gains from the Group's bakery segment, and (ii) the Group does not appear to have any currency hedges based on what is disclosed in the Annual Report. He queried whether the Group will continue to incur large Forex losses going forward and whether the Group will implement any currency hedging strategy to mitigate such losses.

- (i) Mr Hewat clarified that the Forex losses were unrealized and had not materialized into actual cash losses. He explained that the deposits in Australia were proceeds from the sale of the primary production business in early 2022. The decision to leave those funds in Australia was made based on the strength of the Australian economy though this had been affected by global events particularly, the Chinese economy as China is a significant trading partner.
- (ii) Mr Hewat added that the Group currently takes a conservative view and are holding on to the cash deposits which can be deployed in future when required. While the Group is taking some unrealized Forex losses, it is also benefitting from a positive interest rate differential of 2% on those same funds.
- (iii) Mr Hewat further explained that, in terms of hedging, the Group had made a long-term business decision not to hedge those currency risks. There is a financial risk to hedging as well as taking hedges would require a long-term commitment, and there is no market consensus on the long-term direction of currency movements. Hedging may also be costly due to the high premiums.
- (e) The shareholder acknowledged the response and noted that QAF shares appeared to be a stable investment, suitable for a buy-and-hold strategy. The shareholder expressed concern about the potential impact of rapid and significant currency fluctuations, particularly if the Company continues its policy of not hedging currency risks, but also acknowledged the associated costs of hedging and that this is a decision to be made by the QAF Board and management.

Mr Hewat thanked the shareholder for highlighting his concerns. He noted that such concerns were valid given the current geopolitical climate, which amplifies these issues. Mr Hewat emphasized that the Group focuses on what can be done to best navigate the situation, though there may not be a perfect solution.

- (f) A shareholder referred to page 3 of the Annual Report and noted that 78% of the Group's revenue came from Singapore and the Philippines. The shareholder noted that the Group has excess cash

and inquired whether there are any plans to expand the Group's business in Malaysia and Australia.

Mr Hewat explained that the current environment is not ideal for immediate investments due to potential risks. However, if interest rates were to decrease in the medium term, the Group's investment philosophy might change and the Group will reevaluate its strategies to improve investment returns.

Regarding expansion, Mr Hewat clarified that there are no immediate plans for significant factory investments in any of the markets, aside from minor replacement projects. However, there may be some opportunities in the longer term in countries such as the Philippines, where there is potential for greater growth in the trading segment of the business.

Mr Hewat explained that the factories in Malaysia are currently not operating at full capacity, eliminating any immediate need for expansion in that market. He acknowledged that Australia is a sizable and profitable market, and that the Group is a small player in the specialized artisan bread segment. However, while the business in Australia is performing well, there are no plans for expansion or significant business developments in that region at this point in time.

There being no further questions, the Chairman put the Resolution to a vote.

The results of the poll were:

Votes cast FOR	:	99.99%
Votes cast AGAINST	:	0.01%

The Chairman declared Resolution No. 1 carried.

6. DECLARATION OF DIVIDEND

Resolution No. 2

To declare a final tax-exempt (one-tier) dividend of S\$0.04 per ordinary share in respect of FY2024

The Resolution was proposed by the Chairman and seconded by a shareholder/proxy.

There being no questions, the Chairman put the Resolution to a vote.

The results of the poll were:

Votes cast FOR	:	100.00%
Votes cast AGAINST	:	0.00%

The Chairman declared Resolution No. 2 carried.

7. RE-ELECTION OF DIRECTOR – MR NORMAN IP

Resolution No. 3

To re-elect Mr Norman Ip retiring under Regulation 102 of the Company's Constitution

Mr Ip is an Independent Director and the Chairman of the Audit & Risk Committee.

The Resolution was proposed by the Chairman of the Meeting and seconded by a shareholder/proxy.

There being no questions, the Chairman put the Resolution to a vote.

The results of the poll were:

Votes cast FOR	:	99.98%
Votes cast AGAINST	:	0.02%

The Chairman declared Resolution No. 3 carried.

**8. RE-ELECTION OF
DIRECTOR – MR CHEE
TECK KWONG PATRICK**

**Resolution No. 4
To re-elect Mr Chee Teck Kwong Patrick retiring under
Regulation 102 of the Company's Constitution**

Mr Chee is an Independent Director and a member of the Audit & Risk Committee.

The Resolution was proposed by the Chairman of the Meeting and seconded by a shareholder/proxy.

There being no questions, the Chairman put the Resolution to a vote.

The results of the poll were:

Votes cast FOR	:	99.97%
Votes cast AGAINST	:	0.03%

Resolution No. 4 was declared carried.

**9. RE-ELECTION OF
DIRECTOR – MR LOH
WEE LEE**

**Resolution No. 5
To re-elect Mr Loh Wee Lee under Regulation 112 of
the Company's Constitution.**

Mr Loh is an Independent Director.

The Resolution was proposed by the Chairman and seconded by a shareholder/proxy.

There being no questions, the Chairman put the Resolution to a vote.

The results of the poll were:

Votes cast FOR	:	99.98%
Votes cast AGAINST	:	0.02%

The Chairman declared Resolution No. 5 carried.

**10. RETIREMENT OF MS
DAWN PAMELA LUM**

**Agenda Item 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**

Mr Hewat took over the proceedings for this agenda item which relates to the retirement of Ms Dawn Pamela Lum, the Chairman of the Meeting.

Mr Hewat noted that Ms Lum will be stepping down from her Board and Board Committee positions at the conclusion of the Meeting, and thanked Ms Lum for her contribution and dedicated service.

Mr Hewat then handed the proceedings back to the Chairman of the Meeting.

11. **APPROVAL OF DIRECTORS' FEES** : **Resolution No. 6**
To approve Directors' fees of up to S\$423,333 for FY2024

The Resolution was proposed by a shareholder/proxy and seconded by another shareholder/proxy.

There being no questions, the Chairman put the Resolution to a vote.

The results of the poll were:

Votes cast FOR	:	99.93%
Votes cast AGAINST	:	0.07%

The Chairman declared Resolution No. 6 carried.

12. **RE-APPOINTMENT OF ERNST & YOUNG LLP AS AUDITORS** : **Resolution No. 7**
To re-appoint Ernst & Young LLP as Auditors of the Company and to authorize the Directors to fix their remuneration

The Resolution was proposed by the Chairman and seconded by a shareholder/proxy.

There being no questions, the Chairman put the Resolution to a vote.

The results of the poll were:

Votes cast FOR	:	99.95%
Votes cast AGAINST	:	0.05%

The Chairman declared Resolution No. 7 carried.

RESULTS OF THE POLL – SPECIAL BUSINESS

13. **GENERAL MANDATE TO ISSUE SHARES** : **Resolution No. 8**
Grant of Authority to the Directors to issue shares in the Company pursuant to the Companies Act.

The Chairman took the Resolution as read with the concurrence of the Meeting. The Resolution was proposed by the Chairman and seconded by a shareholder/proxy.

There being no questions, the Chairman put the Resolution to a vote.

The results of the poll were:

Votes cast FOR	:	98.50%
Votes cast AGAINST	:	1.50%

The Chairman declared Resolution No. 8 carried.

**14. AUTHORITY TO ISSUE
SHARES UNDER THE
QAF LIMITED SCRIP
DIVIDEND SCHEME**

Resolution No. 9

Grant of Authority to the Directors to issue shares in the Company pursuant to the Companies Act for the QAF Scrip Dividend Scheme.

The Chairman took the Resolution as read with the concurrence of the Meeting. The Resolution was proposed by the Chairman and seconded by a shareholder/proxy.

- (a) A shareholder noted that she did not receive any election letter to select scrip dividend.

Ms Serene Yeo clarified that the final dividend of S\$0.04 per share that has been recommended in respect of FY2024 would be distributed entirely in cash, and no scrip option is being offered. As a result, no election letter is required.

- (b) The shareholder sought further clarification as to why the resolution was required if scrip dividend was not being offered.

Ms Yeo clarified that the purpose of resolution 9 was to provide the Board with the flexibility to offer scrip dividends in respect of for example, an interim dividend, if any, declared later this year.

The shareholder queried if this resolution was included for such contingency purpose, to which Ms Yeo replied in the affirmative.

The Chairman added that the resolution would authorize the Directors to issue scrip dividends between now and the next Annual General Meeting in the event the Board decides to propose scrip dividend during that period, instead of having to convene an Extraordinary General Meeting.

- (c) The shareholder commented that she believes that another company of which she is a shareholder seemed to have handled the issue of the letter of election differently.

Ms Yeo stated that the Company is unable to comment without knowing the specific details and companies concerned but the Company could look into this should the shareholder provide further details, and thanked the shareholder for her questions.

There being no further questions, the Chairman put the resolution to a vote.

The results of the poll were:

Votes cast FOR	:	99.83%
Votes cast AGAINST	:	0.17%

The Chairman declared Resolution No. 9 carried.

**15. PROPOSED RENEWAL
OF THE IPT MANDATE :**

**Resolution No. 10
Renewal of the IPT Mandate**

The Chairman stated that Resolution No. 10 is for the renewal of the Interested Person Transactions General Mandate under Chapter 9 of the SGX-ST Listing Manual. The mandate is for the Group to transact with the relevant interested persons, in relation to certain recurrent transactions, or those necessary for the Group's day-to-day operations.

Information on this subject has been furnished in the Appendix to the Annual Report.

The Chairman took the Resolution as read with the concurrence of the Meeting. The Resolution was proposed by the Chairman and seconded by a shareholder/proxy.

There being no questions, the Chairman put the Resolution to a vote.

The Chairman noted that Mr Lam Sing Chung and Mr Lin Kejian and their respective associates have abstained from voting on this Resolution, as required.

The results of the poll were:

Votes cast FOR	:	95.94%
Votes cast AGAINST	:	4.06%

The Chairman declared Resolution No. 10 carried.

17. POLLING RESULTS :

All the resolutions put to vote by poll were duly passed as certified by the Scrutineer.

18. CLOSURE OF MEETING :

On behalf of the Board, the Chairman thanked shareholders for their attendance and declared the Meeting closed. The Meeting closed at or about 11.45 a.m.

**CONFIRMED AS A TRUE RECORD OF
THE PROCEEDINGS HELD**

Dawn Pamela Lum
Chairman of the Meeting