

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

QAF LIMITED

Securities

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1H2025 Unaudited Results Announcement.

Additional Details

For Financial Period Ended

30/06/2025

Attachments

[QAF 1H 2025 Unaudited Results Announcement 8.8.25.pdf](#)

Total size =293K MB

Half Year Unaudited Financial Statements for the Period Ended 30 June 2025

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

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

<u>Income Statement</u> (in Singapore Dollars)	Note	Group		
		1st Half Year ended		
		30/06/2025	30/06/2024	+ / (-)
		S\$'000	S\$'000	%
Revenue		306,054	309,228	(1)
<u>Costs and expenses</u>				
Costs of materials		162,496	162,728	(0)
Staff costs		64,721	62,342	4
Amortisation and depreciation		13,831	13,530	2
Repairs and maintenance		6,121	6,598	(7)
Utilities		10,239	10,066	2
Advertising and promotion		3,958	3,678	8
Other operating expenses		36,518	31,493	16
Total costs and expenses		297,884	290,435	3
Profit from operating activities		8,170	18,793	(57)
Finance costs		(701)	(1,097)	(36)
Share of losses of joint venture	1(a)(ii)(b)	(999)	(862)	16
Profit before tax		6,470	16,834	(62)
Income tax expense	1(e)(E)			
- Current period		(2,564)	(4,713)	(46)
- Overprovision in prior periods		286	287	(0)
		(2,278)	(4,426)	(49)
Profit after tax		4,192	12,408	(66)
<u>Attributable to:</u>				
Owners of the parent		3,917	12,481	(69)
Non-controlling interests		275	(73)	n.m.
		4,192	12,408	(66)

n.m. = not meaningful

1(a)(i) Statement of Comprehensive Income

	Group	
	1st Half Year ended	
	<u>30/06/2025</u>	<u>30/06/2024</u>
	S\$'000	S\$'000
Profit after tax	4,192	12,408
Other comprehensive income:		
<i><u>Items that may be reclassified subsequently to profit or loss:</u></i>		
- Currency translation arising on consolidation	(4,529)	(3,072)
- Share of other comprehensive income of joint venture	(314)	126
Other comprehensive income for the period, net of tax	(4,843)	(2,946)
Total comprehensive income for the period	<u>(651)</u>	<u>9,462</u>
<u>Total comprehensive income attributable to:</u>		
Owners of the parent	(892)	9,592
Non-controlling interests	241	(130)
	<u>(651)</u>	<u>9,462</u>

Notes to the Income Statement

Please see Section 8 for commentaries on the Income Statement.

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

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

	Group		
	1st Half Year ended		
	<u>30/06/2025</u>	<u>30/06/2024</u>	+ / (-)
	S\$'000	S\$'000	%
Other income including interest income (included in Revenue)	4,479	4,158	8
Interest income (included in Other income disclosed above)	3,587	3,553	1
<u>Other Operating Expenses which include the following:</u>			
Operating lease expense	(8,731)	(7,972)	10
Distribution and transportation expense	(7,689)	(8,046)	(4)
Foreign currency translation loss	(2,972)	(57)	n.m.
Professional fees	(884)	(929)	(5)
Impairment loss on property, plant and equipment	(608)	-	n.m.
Allowance for inventories charged and inventories written off, net	(399)	(384)	4
Allowance for receivables charged and bad debts written off, net	(294)	(236)	25
(Loss)/gain on disposal of property, plant and equipment	(46)	142	n.m.

1(a)(ii)

(b) Share of losses of joint venture

Following the periodic assessment of the recoverable amount of the Group's investment in its joint venture, Gardena Bakeries (KL) Sdn Bhd ("GBKL"), the Group has recognised a non-cash impairment of \$1.9 million in the half year ended 30 June 2025 (\$1.2 million in half year ended 30 June 2024), as part of the Group's share of losses of joint venture.

The Group had reduced its shareholding in GBKL from 70% to 50% in April 2016 to comply with Malaysian regulatory conditions. GBKL accordingly ceased to be a subsidiary of the Group and became a 50/50 joint venture. Under the shareholders' agreement, the parties are to work towards a listing of GBKL by a specified date, currently 31 March 2028, and subject to the terms of the agreement, if such listing cannot be achieved by then and, amongst others, there is no acquisition by one shareholder of the GBKL shares of the other, GBKL shall be wound up and the shareholders' agreement shall terminate. The listing target date may however be extended by mutual agreement and as previously announced in July 2020, the parties had agreed to an extension of such date from April 2026 to the current March 2028 date.

In accordance with Singapore's Financial Reporting Standards, the Group was required to remeasure its remaining 50% investment in GBKL to its fair value as at 31 March 2016. An external valuer was appointed to perform this valuation. As a result, the Group recorded a net fair value uplift on identifiable assets of \$28.9 million and a goodwill of \$25.0 million arising from this valuation. SFRS(I) requires the Group to assess the recoverable amount of its investment in GBKL periodically. The Group has performed an assessment on the recoverable amount of its investment and determined that a non-cash write-down of approximately \$1.9 million as at 30 June 2025 is required. The accumulated impairment recognised in profit or loss to-date amounts to approximately \$17.6 million. The Group cannot rule out non-cash write-downs of its investment in future years subject to, amongst other things, trading performance, a future decision by the joint venture parties concerning the business beyond 31 March 2028, currency movements and interest rates.

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

Statements of Financial Position

(in Singapore Dollars)

Statements of Financial Position		Group		Company	
(in Singapore Dollars)		30/06/2025	31/12/2024	30/06/2025	31/12/2024
	Note	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current assets</u>					
Inventories		45,911	58,228	-	-
Trade receivables		79,349	89,609	-	-
Other receivables		17,354	11,835	40,974	36,464
Tax recoverable		7,971	7,323	-	-
Cash and cash equivalents		188,607	209,403	145,565	156,300
Assets classified as held for sale	1(e)(F)	-	3,586	-	-
		<u>339,192</u>	<u>379,984</u>	<u>186,539</u>	<u>192,764</u>
<u>Non-current assets</u>					
Property, plant & equipment	1(e)(G)	206,311	213,140	3,231	3,179
Right-of-use assets		17,337	18,383	161	112
Investment in subsidiaries		-	-	103,586	103,586
Advances to subsidiaries		-	-	125,646	127,885
Investment in joint venture		43,833	48,168	-	-
Intangibles	1(e)(H)	96	114	66	77
Deferred tax assets		5,818	4,491	-	-
		<u>273,395</u>	<u>284,296</u>	<u>232,690</u>	<u>234,839</u>
Total assets		612,587	664,280	419,229	427,603
<u>Current liabilities</u>					
Trade payables		45,101	61,089	206	54
Other payables		44,342	49,964	108,005	107,720
Short-term borrowings		3,600	5,188	-	-
Long-term borrowings - current portion		3,261	4,716	-	-
Lease liabilities - current portion		3,338	3,682	105	93
Income tax payable		3,952	4,510	695	691
		<u>103,594</u>	<u>129,149</u>	<u>109,011</u>	<u>108,558</u>
<u>Non-current liabilities</u>					
Other payables		8,569	8,580	1,180	1,517
Long-term borrowings		-	1,703	-	-
Lease liabilities		15,952	16,677	63	29
Deferred tax liabilities		6,664	7,132	1,273	1,239
		<u>31,185</u>	<u>34,092</u>	<u>2,516</u>	<u>2,785</u>
Total liabilities		134,779	163,241	111,527	111,343
Net assets		<u>477,808</u>	<u>501,039</u>	<u>307,702</u>	<u>316,260</u>
<u>Capital and reserves</u>					
Share capital		277,043	277,043	277,043	277,043
Reserves		198,734	222,637	30,659	39,217
Equity attributable to owners of the parent		<u>475,777</u>	<u>499,680</u>	<u>307,702</u>	<u>316,260</u>
Non-controlling interests		2,031	1,359	-	-
Total equity		<u>477,808</u>	<u>501,039</u>	<u>307,702</u>	<u>316,260</u>

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

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

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

As at 30/06/2025		As at 31/12/2024	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	10,199	-	13,586

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

As at 30/06/2025		As at 31/12/2024	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	15,952	-	18,380

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

No collaterals were pledged to secure credit facilities for the Group.

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

Statement of Cash Flows (in Singapore Dollars)	Group	
	1st Half Year ended	
	30/06/2025 S\$'000	30/06/2024 S\$'000
Cash flows from operating activities:		
Profit before tax	6,470	16,834
Adjustments for:		
Amortisation and depreciation	13,831	13,530
Loss/(gain) on disposal of property, plant and equipment	46	(142)
Share of losses of joint venture	999	862
Impairment loss on property, plant and equipment	608	-
Allowance for receivables charged and bad debts written off, net	294	236
Interest expense	701	1,097
Interest income	(3,587)	(3,553)
Exchange differences	1,837	603
Operating profit before working capital changes	21,199	29,467
Decrease in trade and other receivables	5,817	4,779
Decrease in inventories	12,237	6,553
Decrease in trade and other payables	(16,891)	(18,119)
Cash from operations	22,362	22,680
Interest paid	(739)	(1,121)
Interest received	3,587	3,553
Income tax paid	(5,419)	(5,341)
Net cash from operating activities	19,791	19,771
Cash flows from investing activities:		
Purchase of property, plant and equipment	(8,309)	(9,585)
Proceeds from disposal of property, plant and equipment	12	173
Net cash used in investing activities	(8,297)	(9,412)
Cash flows from financing activities:		
Dividends paid during the period	(23,011)	(23,011)
Repayment of borrowings	(4,479)	(9,758)
Payment of lease liabilities	(2,030)	(1,836)
Net cash used in financing activities	(29,520)	(34,605)
Net decrease in cash and cash equivalents	(18,026)	(24,246)
Cash and cash equivalents at beginning of period	209,403	215,677
Effect of exchange rate changes on cash and cash equivalents	(2,770)	(933)
Cash and cash equivalents at end of period	188,607	190,498

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

Statement of Changes in Equity

(In Singapore Dollars)

Group

	Share capital \$'000	Capital reserve \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 January 2025	277,043	(1,511)	249,029	(24,881)	1,359	501,039
Total comprehensive income for the period						
Net profit for the period	-	-	3,917	-	275	4,192
<u>Other comprehensive income</u>						
Currency translation arising on consolidation	-	-	-	(4,495)	(34)	(4,529)
Share of other comprehensive income of joint venture	-	-	-	(314)	-	(314)
Other comprehensive income for the period, net of tax	-	-	-	(4,809)	(34)	(4,843)
Total comprehensive income for the period	-	-	3,917	(4,809)	241	(651)
Transactions with owners in their capacity as owners						
<u>Contributions by and distributions to owners</u>						
Capital contribution by non-controlling interest	-	-	-	-	431	431
Dividends	-	-	(23,011)	-	-	(23,011)
Total transactions with owners in their capacity as owners	-	-	(23,011)	-	431	(22,580)
Balance at 30 June 2025	<u>277,043</u>	<u>(1,511)</u>	<u>229,935</u>	<u>(29,690)</u>	<u>2,031</u>	<u>477,808</u>
Balance at 1 January 2024	277,043	(1,511)	243,189	(31,870)	1,631	488,482
Total comprehensive income for the period						
Net profit for the period	-	-	12,481	-	(73)	12,408
<u>Other comprehensive income</u>						
Currency translation arising on consolidation	-	-	-	(3,015)	(57)	(3,072)
Share of other comprehensive income of joint venture	-	-	-	126	-	126
Other comprehensive income for the period, net of tax	-	-	-	(2,889)	(57)	(2,946)
Total comprehensive income for the period	-	-	12,481	(2,889)	(130)	9,462
Transactions with owners in their capacity as owners						
<u>Contributions by and distributions to owners</u>						
Dividends	-	-	(23,011)	-	-	(23,011)
Total transactions with owners in their capacity as owners	-	-	(23,011)	-	-	(23,011)
Balance at 30 June 2024	<u>277,043</u>	<u>(1,511)</u>	<u>232,659</u>	<u>(34,759)</u>	<u>1,501</u>	<u>474,933</u>

1(d)(i)

Company	Share capital \$'000	Revenue reserve \$'000	Total equity \$'000
Balance at 1 January 2025	277,043	39,217	316,260
<i>Net profit for the period</i>	-	14,453	14,453
<u>Contributions by and distributions to owners</u>			
Dividends	-	(23,011)	(23,011)
Total transactions with owners in their capacity as owners	-	(23,011)	(23,011)
Balance at 30 June 2025	<u>277,043</u>	<u>30,659</u>	<u>307,702</u>
Balance at 1 January 2024	277,043	47,243	324,286
<i>Net profit for the period</i>	-	14,552	14,552
<u>Contributions by and distributions to owners</u>			
Dividends	-	(23,011)	(23,011)
Total transactions with owners in their capacity as owners	-	(23,011)	(23,011)
Balance at 30 June 2024	<u>277,043</u>	<u>38,784</u>	<u>315,827</u>

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

There has been no change to the issued and paid-up share capital of the Company since 31 December 2024 up to 30 June 2025.

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

	<u>As at 30/06/2025</u>	<u>As at 31/12/2024</u>
Total number of issued shares (excluding treasury shares)	575,268,440	575,268,440

No treasury shares were held by the Company during the period under review.

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

Not applicable.

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

Not applicable. No subsidiary holdings (as defined in the Listing Manual) were held by the Company as at 30 June 2025.

1(e) Selected Notes to the Interim Financial Statements
For the half year ended 30 June 2025

A. CORPORATE INFORMATION

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

The principal activities of the Company are those of an investment holding and management company. The principal activities of the Group consist of the manufacture and distribution of bread, bakery and confectionery products; provision for warehousing logistics for food items; trading and distribution of food and beverages.

B. BASIS OF PREPARATION

The condensed interim financial statements for the financial period ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Committee. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

C. USE OF JUDGEMENTS AND ESTIMATES

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

The significant judgements and estimates made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at end of the year ended 31 December 2024.

D. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2025 and 31 December 2024:

	Group	
	30/06/2025	31/12/2024
	S\$'000	S\$'000
<i>Financial assets measured at amortised cost</i>		
Trade receivables	79,349	89,609
Other receivables	11,444	6,479
Cash and cash equivalents	188,607	209,403
	<u>279,400</u>	<u>305,491</u>
<i>Financial liabilities measured at amortised cost</i>		
Trade payables	45,101	61,089
Other payables	41,879	47,306
Short-term borrowings	3,600	5,188
Long-term borrowings	3,261	6,419
	<u>93,841</u>	<u>120,002</u>

1(e) Selected Notes to the Interim Financial Statements (cont'd)
For the half year ended 30 June 2025 (cont'd)

E. INCOME TAX EXPENSE

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

	1st Half Year ended	
	<u>30/06/2025</u>	<u>30/06/2024</u>
	S\$'000	S\$'000
Current income tax expense	(4,245)	(4,502)
Deferred tax relating to origination and reversal of temporary differences	1,967	76
	<u>(2,278)</u>	<u>(4,426)</u>

F. 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, had been classified as held for sale, due to the subsidiary's intention to sell these assets. As at 30 June 2025, these assets are reclassified back to Property, plant and equipment and Inventories, as the assets no longer meet the criteria to be classified as held for sale.

G. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets amounting to \$6,604,000 (30 June 2024: \$8,351,000) and disposed of assets amounting to \$58,000 (30 June 2024: \$31,000). Capital commitments not provided for in the financial statements amounted to \$5,107,000 as at 30 June 2025.

H. INTANGIBLES

	Group			
	Trademark	Intellectual property	Software	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Cost:				
At 1.1.2024	2,750	130	132	3,012
Currency realignment	-	(8)	-	(8)
At 31.12.2024 and 1.1.2025	2,750	122	132	3,004
Currency realignment	-	(2)	-	(2)
At 30.06.2025	2,750	120	132	3,002
Accumulated amortisation and impairment loss:				
At 1.1.2024	2,750	77	33	2,860
Amortisation for the year	-	13	22	35
Currency realignment	-	(5)	-	(5)
At 31.12.2024 and 1.1.2025	2,750	85	55	2,890
Amortisation for the period	-	6	11	17
Currency realignment	-	(1)	-	(1)
At 30.06.2025	2,750	90	66	2,906
Net carrying amount:				
At 30.06.2025	-	30	66	96
At 31.12.2024	-	37	77	114

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.

1(e) Selected Notes to the Interim Financial Statements (cont'd)
For the half year ended 30 June 2025 (cont'd)

I. DIVIDENDS

	1st Half Year ended	
	<u>30/06/2025</u>	<u>30/06/2024</u>
	S\$'000	S\$'000
Ordinary dividends paid:		
Final tax-exempt (one-tier) dividend of 4 cents per share in respect of the financial year ended 31 December 2024	23,011	-
Final tax-exempt (one-tier) dividend of 4 cents per share in respect of the financial year ended 31 December 2023	-	23,011
	<u>23,011</u>	<u>23,011</u>

J. RELATED PARTY TRANSACTIONS

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

	<u>30/06/2025</u>	<u>30/06/2024</u>
	S\$'000	S\$'000
Royalty income from joint venture	2,997	2,860
Purchase of goods from joint venture	1,661	1,478
Sales of goods to joint venture	29,335	29,100
Dividend income from joint venture	3,030	2,850
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	1,322	1,215
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 million)	1,290	1,462
Recharging of staff costs to Mr Lam Sing Chung	84	41
Purchase of goods from a company in which Mr Lin Kejian has an interest	125	28

K. FAIR VALUE OF ASSETS AND LIABILITIES

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

L. SUBSEQUENT EVENTS

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

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

The figures have not been audited or reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation as in the Group's audited financial statements for the previous year ended 31 December 2024. However, the Group adopted new or amended Singapore Financial Reporting Standards (International) ("SFRS(I)") that are mandatory for financial years beginning on or after 1 January 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

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

Not applicable.

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

	1st Half Year ended	
	<u>30/06/2025</u>	<u>30/06/2024</u>
Basic and Diluted EPS	0.7 cents	2.2 cents
<u>Number of shares used for the calculation of Basic and Diluted EPS:</u>		
Weighted average number of ordinary shares in issue	575,268,440	575,268,440

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

	As at <u>30/06/2025</u>	As at <u>31/12/2024</u>
Group	82.7 cents	86.9 cents
QAF Limited	53.5 cents	55.0 cents
Number of shares used for the calculation of Net asset value:	575,268,440	575,268,440

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

INCOME STATEMENT

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

	1H 2025	1H 2024	+ / (-)
	\$'million	\$'million	%
<u>Segment Revenue</u> ^			
Bakery	220.6	221.1	(0)
Royalty income from joint venture	3.3	3.2	3
Bakery and joint venture contribution	223.9	224.3	(0)
Distribution & Warehousing	79.5	82.3	(3)
Others # (including head office financials)	2.7	2.6	4
	306.1	309.2	(1)

Segment EBITDA

Bakery	19.3	27.1	(29)
Royalty income from joint venture	3.3	3.2	3
Share of losses of joint venture	(1.0)	(0.9)	11
Bakery and joint venture contribution	21.6	29.4	(27)
Distribution & Warehousing	3.2	3.8	(16)
Others * (including head office financials)	(7.4)	(5.3)	40
	17.4	27.9	(38)

	1H 2025	1H 2024
	%	%
<u>Segment EBITDA Margin</u>		
Bakery	9	12
Distribution & Warehousing	4	5
Group	6	9

^ Gardenia Bakeries (KL) Sdn Bhd ("GBKL") revenue is not consolidated as it is accounted for as a joint venture. GBKL's revenue increased by 4% or \$8.4 million from \$193.1 million in 1H 2024 to \$201.5 million in 1H 2025. In constant currency terms, GBKL revenue decreased by 2% for 1H 2025.

Excludes royalty income from the joint venture, GBKL.

* Excludes share of losses and royalty income from the joint venture, GBKL. Includes foreign currency translation loss recorded at head office of \$3.0 million in 1H 2025 and \$0.1 million in 1H 2024.

Group revenue decreased marginally to \$306.1 million for the first half year ended 30 June 2025 ("1H 2025") from \$309.2 million for the first half year ended 30 June 2024 ("1H 2024"). In constant currency terms, Group revenue is flat.

The Group's costs of materials decreased marginally in 1H 2025, in line with the reduced sales.

Staff costs increased in 1H 2025 by 4% compared to 1H 2024 mainly due to increased production activities by the Group's bakery operations in Philippines, as well as effects of implementation of minimum wage rate in beginning 2025 for the Group's bakery operations in Malaysia.

Repairs and maintenance decreased by 7% from \$6.6 million in 1H 2024 to \$6.1 million in 1H 2025 as fewer infrastructure and facilities maintenance was necessary in the Bakery segment.

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

INCOME STATEMENT (cont'd)

Advertising and promotion expense increased by 8% or \$0.3 million to \$4.0 million in 1H 2025 due to higher marketing expenses incurred by the Bakery segment to promote sales growth.

Other operating expenses, which included operating lease expense, distribution and transportation expense, impairment loss on property, plant and equipment and foreign currency translation loss, increased by 16% or \$5.0 million from \$31.5 million in 1H 2024 to \$36.5 million in 1H 2025. The Group recorded foreign currency translation loss of \$3.0 million in 1H 2025 as compared with \$0.1 million in 1H 2024 (see section 1(a)(ii) on page 2). The major component of the foreign currency translation loss arose from the translation effects from AUD to SGD of the Group's substantial holdings in AUD-denominated cash and cash equivalents. An impairment loss of \$0.6 million was recognised in 1H 2025 to write down the carrying value of property, plant and equipment to its net realisable value. Operating lease expense increased by 10% from \$8.0 million in 1H 2024 to \$8.7 million in 1H 2025, as more commercial vehicles were added to expand our bakery distribution network.

Group finance costs (interest expense) decreased 36% or \$0.4 million from \$1.1 million in 1H 2024 to \$0.7 million in 1H 2025 due to lower borrowings.

The Group recognised a non-cash impairment of \$1.9 million on the Group's investment in its joint venture in 1H 2025, compared to \$1.2 million in 1H 2024 (see section 1(a)(ii)(b) on page 3). The share of operating profits of joint venture, before the Group's impairment provision on its investment, was \$0.9 million for 1H 2025, up from \$0.3 million for 1H 2024. The increase was due to lower raw material costs and moderated operating overheads. Accordingly, after impairment provision on its investment, the Group recorded a share of losses of joint venture of \$1.0 million in 1H 2025 as compared to a loss of \$0.9 million in 1H 2024.

Group earnings before interest, tax, depreciation and amortisation ("EBITDA") decreased by 38% from \$27.9 million for 1H 2024 to \$17.4 million for 1H 2025.

In relation to the profits before and after tax for the Group, please refer to the table below which sets out a summary:

	1H 2025	1H 2024	+ / (-)
	\$'million	\$'million	%
Group profit before tax ("PBT")	6.5	16.8	(62)
Group PBT excluding GBKL impairment	8.4	18.0	(53)
PBT Margin excluding GBKL impairment (%)	2.7%	5.8%	
Group income tax expense	(2.3)	(4.4)	(49)
Group profit after tax ("PAT")	4.2	12.4	(66)
PAT Margin (%)	1.4%	4.0%	
Group profit attributable to owners of the parent ("PATMI")	3.9	12.5	(69)

Group PBT excluding GBKL impairment decreased by 53% from \$18.0 million for 1H 2024 to \$8.4 million for 1H 2025. The decrease was due to higher foreign currency translation losses, as well as higher operating costs, which included increased operating lease expense and impairment loss on certain property, plant and equipment in the Bakery segment.

Group income tax expense decreased by 49% or \$2.1 million to \$2.3 million for 1H 2025 as compared with \$4.4 million for 1H 2024, in line with the lower profits.

Group PAT decreased by \$8.2 million or 66% to \$4.2 million in 1H 2025 as compared with \$12.4 million for 1H 2024. Group PATMI decreased by \$8.6 million or 69% to \$3.9 million in 1H 2025 as compared with \$12.5 million for 1H 2024.

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

STATEMENT OF FINANCIAL POSITION

Inventories declined by 21% from \$58.2 million as at end of financial year 2024 ("FY 2024") to \$45.9 million as at end of 1H 2025 due mainly to seasonal reductions in the Distribution & Warehousing business segment, following the annual sell down during the festive season in the first quarter 2025.

Trade receivables decreased by 11% or \$10.3 million from \$89.6 million as at end of FY 2024 to \$79.3 million as at end of 1H 2025 mainly due to an improvement in debtors collections.

Other receivables increased by 47% from \$11.8 million at end of FY 2024 to \$17.4 million as at end of 1H 2025. This was largely due to the prepayment of property taxes and insurance premia, as well as royalty and dividend incomes from the GBKL joint venture that were accrued in 1H 2025 but only received subsequently.

Assets classified as held for sale as at FY 2024 pertains to Plant and Equipment and its related spare parts of a subsidiary that were earmarked to be sold. As the assets no longer meet the criteria to be classified as held for sale, they are reclassified back to Property, Plant and Equipment and Inventories as at 1H 2025.

Deferred tax assets increased by \$1.3 million from \$4.5 million at end of FY 2024 to \$5.8 million as at end of 1H 2025, due to recognition of potential tax benefit arising from unutilised tax losses by certain entities within the Group.

Trade payables decreased by 26% from \$61.1 million at end of FY 2024 to \$45.1 million as at end of 1H 2025, and other payables (current) decreased by 11% from \$50.0 million at end of FY 2024 to \$44.3 million as at end of 1H 2025. Both decreases were due mainly to reduced purchases and settlement of older balances.

Total short-term and long-term borrowings decreased by 41% from \$11.6 million as at end of FY 2024 to \$6.9 million as at end of 1H 2025 mainly due to the repayment of loans. Including lease liabilities, the Group's gross gearing ratio was 0.05 times as at 30 June 2025 compared to 0.06 times as at 31 December 2024.

At the end of 1H 2025, the Group's cash and cash equivalents of \$188.6 million was higher than its debt of \$26.2 million, resulting in a net cash position of \$162.4 million, a decrease from \$177.4 million as at end of FY 2024.

STATEMENT OF CASH FLOWS

Cash and cash equivalents for the Group decreased by \$20.8 million from \$209.4 million as at end of FY 2024 to \$188.6 million as at end of 1H 2025. Cash from operating activities of \$19.8 million was offset by dividend payment of \$23.0 million, capital expenditure of \$8.3 million and reductions in borrowings and lease liabilities of \$6.5 million.

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

No deviation. In line with the Company's announcement dated 3 July 2025, the Group has reported a material reduction in the Group's profit attributable to owners of the Company of 69% for 1H 2025, compared to the same period last year. The details of this reduction have been elaborated in section 8 above.

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

Despite inflation stabilising, most regions continue to operate in a high-cost environment that has weighed on consumers' purchasing power. Economic growth has also continued to remain modest. Together with deepening downside risks from prolonged uncertainties regarding trade tariff policy and any consequent responses in this current geopolitical landscape, consumer confidence has been dampened.

Given these headwinds, the Group is experiencing softer consumer sentiments. With strategic actions taken to support topline performance, revenues have been relatively comparable to last year. Overall raw material costs have generally stabilised and remained broadly in line with revenue. However, the Group has experienced higher operating expenses, particularly in labour. With the current weakness in consumer demand, these cost pressures will continue to weigh on our bottom-line results. In addition, foreign currency exchange rate movements remain volatile and will continue to affect both reported results and business operations in overseas markets.

The current economic environment is expected to persist in the near term. The Group will sustain its efforts to mitigate margin pressures and pursue growth, including product mix adjustments, new product launches, and improved operational efficiencies.

Nonetheless, the Group remains committed to our long-term goals of strengthening our competitive position while expanding our trading activities. The Group's balance sheet remains strong and is expected to support the business during these challenging times.

11. Dividends

(a) **Current financial period reported on**

Any dividend declared Yes

	Interim
Dividend type	Cash
Dividend rate	1 cent per ordinary share
Tax rate	Exempt 1 tier

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

(b) **Previous corresponding period**

Any dividend declared Yes

	Interim
Dividend type	Cash
Dividend rate	1 cent per ordinary share
Tax rate	Exempt 1 tier

(c) **Date payable** To be announced later

(d) **Book closing date** To be announced later

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

Not applicable.

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

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than \$100,000) (S\$'000)
Salim Group - Purchase of raw materials including flour	See Note ⁽¹⁾	8,496
Salim Group - Purchase of finished products (electricity and vegetables)	See Note ⁽¹⁾	1,255
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	1,290
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	1,322
The French Farm Company - Purchase of finished products (milk)	Entity in which Mr Lin Kejian has an interest	125
	TOTAL	12,488

Note:

⁽¹⁾ Salim Group refers to Mr Anthoni Salim and the group of companies controlled by him or, if the context so requires, Mr Anthoni Salim. Mr Anthoni Salim is an immediate family member of Mr Lam Sing Chung.

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

Segment Information

(In Singapore Dollars)

	Bakery \$'000	Distribution & warehousing \$'000	Investments & others \$'000	Adjustments & eliminations \$'000	Consolidated \$'000
<u>Revenue and expenses 1H 2025</u>					
Revenue from external customers	217,878	78,611	3,334	-	299,823
Other revenue from external customers	2,448	181	15	-	2,644
Inter-segment revenue	286	694	8,229	(9,209)	-
	<u>220,612</u>	<u>79,486</u>	<u>11,578</u>	<u>(9,209)</u>	<u>302,467</u>
Unallocated revenue					3,587
Total revenue					<u>306,054</u>
Segment EBITDA	19,301	3,170	1,879	-	24,350
Amortisation and depreciation	(11,826)	(1,830)	(175)	-	(13,831)
Segment EBIT	<u>7,475</u>	<u>1,340</u>	<u>1,704</u>	-	<u>10,519</u>
Unallocated revenue					3,587
Unallocated expenses					(5,936)
Profit from operating activities					<u>8,170</u>
Finance costs					(701)
Share of losses of joint venture	(999)	-	-	-	(999)
Profit before tax					<u>6,470</u>
Income tax expense					(2,278)
Profit after tax					<u><u>4,192</u></u>
<u>Timing of transfer of goods or services</u>					
At a point in time	220,317	76,296	16	-	296,629
Over time	204	2,506	6,715	-	9,425
	<u>220,521</u>	<u>78,802</u>	<u>6,731</u>	-	<u>306,054</u>
<u>Revenue and expenses 1H 2024</u>					
Revenue from external customers	217,985	81,471	3,198	-	302,654
Other revenue from external customers	2,815	176	30	-	3,021
Inter-segment revenue	346	658	8,401	(9,405)	-
	<u>221,146</u>	<u>82,305</u>	<u>11,629</u>	<u>(9,405)</u>	<u>305,675</u>
Unallocated revenue					3,553
Total revenue					<u>309,228</u>
Segment EBITDA	27,086	3,752	3,173	-	34,011
Amortisation and depreciation	(11,577)	(1,782)	(171)	-	(13,530)
Segment EBIT	<u>15,509</u>	<u>1,970</u>	<u>3,002</u>	-	<u>20,481</u>
Unallocated revenue					3,553
Unallocated expenses					(5,241)
Profit from operating activities					<u>18,793</u>
Finance costs					(1,097)
Share of losses of joint venture	(862)	-	-	-	(862)
Profit before tax					<u>16,834</u>
Income tax expense					(4,426)
Profit after tax					<u><u>12,408</u></u>
<u>Timing of transfer of goods or services</u>					
At a point in time	220,768	79,209	54	-	300,031
Over time	250	2,444	6,503	-	9,197
	<u>221,018</u>	<u>81,653</u>	<u>6,557</u>	-	<u>309,228</u>

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

	Bakery \$'000	Distribution & warehousing \$'000	Investments & others \$'000	Consolidated \$'000
<u>Assets and liabilities 30 June 2025</u>				
Segment assets	317,551	81,797	155,617	554,965
Investment in joint venture	43,833	-	-	43,833
Total assets	361,384	81,797	155,617	598,798
Deferred tax assets				5,818
Tax recoverable				7,971
Total assets per consolidated statement of financial position				612,587
Segment liabilities	89,086	23,820	4,396	117,302
Income tax payable				3,952
Deferred tax liabilities				6,664
Bank borrowings				6,861
Total liabilities per consolidated statement of financial position				134,779
<u>Assets and liabilities 31 December 2024</u>				
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
<u>Other segment information 1H 2025</u>				
Expenditure for non-current assets	5,929	540	135	6,604
Impairment loss charged	608	-	-	608
Allowance for inventories charged and inventories written off, net	231	168	-	399
Allowance for receivables charged and bad debts written off, net	22	272	-	294
<u>Other segment information 1H 2024</u>				
Expenditure for non-current assets	7,294	1,057	-	8,351
Allowance for inventories charged and inventories written off, net	115	269	-	384
Allowance for receivables charged and bad debts written off, net	187	49	-	236

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

	Revenue		Non-current assets	
	1H 2025	1H 2024	30/06/2025	31/12/2024
	\$'000	\$'000	\$'000	\$'000
Philippines	131,639	130,719	74,695	77,591
Singapore	112,754	115,869	51,331	52,280
Malaysia	34,897	34,828	78,280	81,259
Australia	22,919	23,240	19,438	20,507
Other countries	3,845	4,572	-	-
	<u>306,054</u>	<u>309,228</u>	<u>223,744</u>	<u>231,637</u>

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.

15. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of its knowledge, nothing has come to the attention of the Board of Directors which may render the Unaudited Financial Statements for the six months ended 30 June 2025 herein to be false or misleading in any material respect.

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

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

BY ORDER OF THE BOARD

Soh Chai Lih
Company Secretary
8 August 2025