

Third Quarter Unaudited Financial Statements for the Period Ended 30 September 2015

- 1(a) **The following statements in the form presented in the group's most recently audited annual financial statements:-**
- (i) **An income statement and statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year:-**

Income Statement

(in Singapore Dollars)

	Group		
	3rd Quarter ended		
	<u>30/09/2015</u>	<u>30/09/2014</u>	+ / (-)
	S\$'000	S\$'000	%
Revenue	243,190	255,960	(5)
<u>Costs and expenses</u>			
Costs of materials	128,294	137,882	(7)
Staff costs	55,487	57,469	(3)
Amortisation and depreciation	8,827	9,128	(3)
Repairs and maintenance	7,343	8,451	(13)
Utilities	7,190	8,769	(18)
Other operating expenses	21,919	23,067	(5)
Total costs and expenses	<u>229,060</u>	<u>244,766</u>	(6)
Profit from operating activities	14,130	11,194	26
Finance costs	(614)	(771)	(20)
Profit before taxation	<u>13,516</u>	<u>10,423</u>	30
Taxation			
- Current period	(2,858)	(2,261)	26
- Over/(under) provision in prior periods	123	(60)	n.m.
	<u>(2,735)</u>	<u>(2,321)</u>	18
Profit after taxation	<u><u>10,781</u></u>	<u><u>8,102</u></u>	33
<u>Attributable to:</u>			
Owners of the parent	10,547	8,114	30
Non-controlling interests	234	(12)	n.m.
	<u>10,781</u>	<u>8,102</u>	33

n.m. = not meaningful

(i) **Statement of Comprehensive Income**

	Group	
	3rd Quarter ended 30/09/2015	30/09/2014
	S\$'000	S\$'000
Profit after taxation	10,781	8,102
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
- Currency translation arising on consolidation	(12,091)	(7,558)
Other comprehensive income for the period, net of tax	(12,091)	(7,558)
Total comprehensive income for the period	(1,310)	544
<u>Total comprehensive income attributable to:</u>		
Owners of the parent	(641)	464
Non-controlling interests	(669)	80
	(1,310)	544

Notes to the Income Statement

Please see Section 8 for commentaries on the Income Statement.

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

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

	Group		
	3rd Quarter ended		+ / (-)
	30/09/2015	30/09/2014	%
	S\$'000	S\$'000	
Other income including interest income	1,614	2,082	(22)
Allowance for doubtful debts charged and bad debts written off, net	(209)	(258)	(19)
Allowance for inventory obsolescence charged	(68)	(216)	(69)
Foreign exchange loss	(1,178)	(1,861)	(37)
Gain on disposal of property, plant & equipment	206	185	11
Gain on disposal of investment securities	110	-	n.m.

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:-

Statement of Financial Position

(in Singapore Dollars)

	Group		Company	
	30/09/2015 S\$'000	31/12/2014 S\$'000	30/09/2015 S\$'000	31/12/2014 S\$'000
<u>Current assets</u>				
Biological assets	54,029	55,878	-	-
Inventories	61,633	78,114	-	-
Trade receivables	88,042	95,303	-	-
Other receivables	19,648	13,915	35,383	57,895
Tax recoverable	1,738	1,312	-	-
Short-term investments	2,751	1,309	2,751	-
Cash and short-term deposits	89,554	92,389	9,341	22,443
	<u>317,395</u>	<u>338,220</u>	<u>47,475</u>	<u>80,338</u>
<u>Non-current assets</u>				
Property, plant & equipment	283,761	291,569	2,531	2,241
Investment properties	25,951	26,278	-	-
Subsidiaries	-	-	98,973	98,973
Advances to subsidiaries	-	-	121,803	102,157
Pension assets	2,394	2,598	-	-
Long-term investments	14,499	17,143	13,470	16,114
Intangibles	199	246	1,743	1,884
Deferred tax assets	14,052	15,060	-	-
	<u>340,856</u>	<u>352,894</u>	<u>238,520</u>	<u>221,369</u>
Total assets	658,251	691,114	285,995	301,707
<u>Current liabilities</u>				
Trade payables	68,893	88,256	19	50
Other payables	69,949	60,426	8,140	7,876
Short-term borrowings	44,019	62,415	-	-
Long-term loans and finance leases - current portion	7,720	5,460	-	-
Provision for taxation	6,495	5,029	594	1,206
	<u>197,076</u>	<u>221,586</u>	<u>8,753</u>	<u>9,132</u>
<u>Non-current liabilities</u>				
Other payables	9,357	9,960	-	-
Long-term loans and finance leases	17,518	10,600	-	-
Deferred tax liabilities	9,271	12,139	353	353
	<u>36,146</u>	<u>32,699</u>	<u>353</u>	<u>353</u>
Total liabilities	233,222	254,285	9,106	9,485
Net assets	<u>425,029</u>	<u>436,829</u>	<u>276,889</u>	<u>292,222</u>
<u>Capital and reserves</u>				
Share capital	262,774	254,520	262,774	254,520
Reserves	142,350	157,848	14,115	37,702
Equity attributable to owners of the parent	<u>405,124</u>	<u>412,368</u>	<u>276,889</u>	<u>292,222</u>
Non-controlling interests	19,905	24,461	-	-
Total equity	<u>425,029</u>	<u>436,829</u>	<u>276,889</u>	<u>292,222</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 30/09/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
12,364	39,375	24,166	43,709

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

As at 30/09/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
3,668	13,850	7,460	3,140

(c) **Details of any collaterals**

At the end of the financial period, property, plant & equipment, inventories and fixed deposits with total net book values of \$17,027,000 (as at 31/12/2014: \$38,975,000) were pledged to secure certain credit facilities for the Group.

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

Statement of Cash Flows (in Singapore Dollars)	Group	
	3rd Quarter ended	
	30/09/2015	30/09/2014
	S\$'000	S\$'000
Cash flows from operating activities:		
Profit before taxation	13,516	10,423
Adjustments for:		
Amortisation and depreciation	8,827	9,128
Gain on disposal of property, plant & equipment	(206)	(185)
Fair value adjustment on investment securities	-	137
Gain on disposal of investment securities	(110)	-
Allowance for doubtful debts charged and bad debts written off, net	209	258
Interest expense	614	771
Interest income	(432)	(321)
Exchange differences	1,778	1,826
Operating profit before working capital changes	24,196	22,037
Decrease/(increase) in receivables	5,607	(2,965)
Decrease in inventories and biological assets	1,152	11,516
Increase/(decrease) in payables	2,940	(2,156)
Cash from operations	33,895	28,432
Interest paid, net	(191)	(461)
Income tax paid	(3,647)	(2,150)
Net cash from operating activities	30,057	25,821
Cash flows from investing activities:		
Purchase of property, plant & equipment and investment properties	(22,121)	(8,567)
Proceeds from disposal of property, plant & equipment	272	776
Purchase of investment securities	(251)	(1,266)
Proceeds from redemption/sale of investment securities	700	503
Net cash used in investing activities	(21,400)	(8,554)
Cash flows from financing activities:		
Proceeds from issuance of share capital	58	6
Dividends paid during the period	(5,613)	(5,523)
Dividends paid to non-controlling interests	(11)	-
Proceeds from/(repayment of) long-term borrowings	8,829	(725)
Repayment of short-term borrowings	(3,779)	(8,618)
Proceeds from long-term loan from a non-controlling interest	900	-
Net cash from/(used in) financing activities	384	(14,860)
Net increase in cash and cash equivalents	9,041	2,407
Cash and cash equivalents at beginning of period	82,446	60,315
Effect of exchange rate changes on cash and cash equivalents	(2,332)	(1,238)
Cash and cash equivalents at end of period (Note A)	89,155	61,484

1(c) Note A : Cash and cash equivalents

	Group	
	30/09/2015	30/09/2014
	\$'000	\$'000
Cash and short-term deposits	89,554	61,930
Less: Fixed deposits pledged as security for credit facilities granted to a subsidiary	(399)	(446)
	89,155	61,484

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

Statement of Changes in Equity

(In Singapore Dollars)

Group	Share capital \$'000	Revaluation reserve \$'000	Capital reserve \$'000	Revenue reserve \$'000	Foreign currency translation reserve \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 July 2015	262,716	2,167	17,941	168,101	(39,605)	25,045	436,365
Total comprehensive income for the period							
Net profit for the period	-	-	-	10,547	-	234	10,781
<u>Other comprehensive income</u>							
<i>Currency translation arising on consolidation</i>	-	-	-	-	(11,188)	(903)	(12,091)
Total comprehensive income for the period	-	-	-	10,547	(11,188)	(669)	(1,310)
Transactions with owners in their capacity as owners							
<u>Contributions by and distributions to owners</u>							
Issuance of ordinary shares from exercise of options	58	-	-	-	-	-	58
Dividends - Cash	-	-	-	(5,613)	-	(4,471)	(10,084)
Total transactions with owners in their capacity as owners	58	-	-	(5,613)	-	(4,471)	(10,026)
Balance at 30 September 2015	262,774	2,167	17,941	173,035	(50,793)	19,905	425,029
Balance at 1 July 2014	254,514	2,215	17,941	147,657	(14,706)	28,160	435,781
Total comprehensive income for the period							
Net profit for the period	-	-	-	8,114	-	(12)	8,102
<u>Other comprehensive income</u>							
<i>Currency translation arising on consolidation</i>	-	-	-	-	(7,650)	92	(7,558)
Total comprehensive income for the period	-	-	-	8,114	(7,650)	80	544
Transactions with owners in their capacity as owners							
<u>Contributions by and distributions to owners</u>							
Issuance of ordinary shares from exercise of options	6	-	-	-	-	-	6
Dividends - Cash	-	-	-	(5,523)	-	-	(5,523)
Total transactions with owners in their capacity as owners	6	-	-	(5,523)	-	-	(5,517)
Balance at 30 September 2014	254,520	2,215	17,941	150,248	(22,356)	28,240	430,808

1(d)(i)

Company	Share capital \$'000	Capital reserve \$'000	Revenue reserve \$'000	Total equity \$'000
Balance at 1 July 2015	262,716	1,705	17,302	281,723
<i>Net profit for the period, representing total comprehensive income for the period</i>	-	-	721	721
Contributions by and distributions to owners				
Issuance of ordinary shares from exercise of options	58	-	-	58
Dividends - Cash	-	-	(5,613)	(5,613)
<i>Total transactions with owners in their capacity as owners</i>	58	-	(5,613)	(5,555)
Balance at 30 September 2015	<u>262,774</u>	<u>1,705</u>	<u>12,410</u>	<u>276,889</u>
Balance at 1 July 2014	254,514	1,705	22,755	278,974
<i>Net profit for the period, representing total comprehensive income for the period</i>	-	-	(2,074)	(2,074)
Contributions by and distributions to owners				
Issuance of ordinary shares from exercise of options	6	-	-	6
Dividends - Cash	-	-	(5,523)	(5,523)
<i>Total transactions with owners in their capacity as owners</i>	6	-	(5,523)	(5,517)
Balance at 30 September 2014	<u>254,520</u>	<u>1,705</u>	<u>15,158</u>	<u>271,383</u>

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

For the period ended 30 September 2015, the issued and paid-up share capital of the Company was increased from 561,189,968 shares to 561,299,968 shares due to the allotment and issue of 110,000 ordinary shares pursuant to the exercise by option holders.

The number of shares that may be issued on conversion of all outstanding options were as follows:

	<u>As at</u> 30/09/2015	<u>As at</u> 30/09/2014
Outstanding options	725,000	2,985,000

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

	<u>As at</u> 30/09/2015	<u>As at</u> 31/12/2014
Total number of issued shares (excluding treasury shares)	561,299,968	552,304,086

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

There are no treasury shares held by the Company during the period under review.

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

The figures have not been audited or reviewed.

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

N.A.

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

The Group has applied the same accounting policies and methods of computation as in the Group's audited financial statements for the previous year ended 31 December 2014. However, the Group adopted revised Financial Reporting Standards ("FRS") and interpretations that are mandatory for financial years beginning on or after 1 January 2015. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

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

N.A.

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

	3rd Quarter ended	
	<u>30/09/2015</u>	<u>30/09/2014</u>
Basic EPS	1.9 cents	1.5 cents
Diluted EPS	1.9 cents	1.5 cents

Number of shares used for the calculation of:

i) Basic EPS		
Weighted average number of ordinary shares in issue	556,351,000	548,922,000
ii) Diluted EPS		
Weighted average number of ordinary shares in issue	556,696,000	550,015,000

7. **Net asset value for the company and group per ordinary share based on issued share capital of the company at the end of the period reported on:**

	As at <u>30/09/2015</u>	As at <u>31/12/2014</u>
Group	72.2 cents	74.7 cents
QAF Limited	49.3 cents	52.9 cents
Number of shares used for the calculation of Net asset value:	561,299,968	552,304,086

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

3Q 2015 vs 3Q 2014

Group revenue decreased by 5% to \$243.2 million for the third quarter ended 30 September 2015 ('3Q 2015') from \$256.0 million for the third quarter ended 30 September 2014 ('3Q 2014'). The decrease in Group revenue is mainly attributable to the translation effect of a higher Singapore dollar exchange rate versus the domestic currencies of certain countries that the Group operates in. In particular, the lower average exchange rate of the Australian dollar against the Singapore dollar in 3Q 2015 as compared to 3Q 2014 resulted in Rivalea (Australia) Pty Ltd ('Rivalea'), the Group's fully integrated producer of meat located in Australia, seeing lower sales in terms of Singapore dollars. Similarly, the Group's Bakery operations in Malaysia achieved higher sales in terms of Malaysian Ringgit but saw lower sales when the latter is translated into Singapore dollars due to the lower average exchange rate of the Malaysian Ringgit against the Singapore dollar in 3Q 2015.

Without the translation effect as mentioned above, the Group's Bakery and Primary Production business segments achieved increases in sales. In particular, all of the Group's Bakery operations in Singapore, Malaysia, the Philippines and Australia achieved increases in sales through the launch of new products and increased market shares. Rivalea also achieved increases in sales from higher average selling prices. On the other hand, the revenue contribution from the Trading & Logistics business segment is marginally lower due to a lower volume of trading activities in 3Q 2015.

Costs of Materials, Staff Costs, Amortisation and Depreciation and Repairs and Maintenance decreased by 7%, 3%, 3% and 13% to \$128.3 million, \$55.5 million, \$8.8 million and \$7.3 million, respectively, in 3Q 2015. These are mainly attributable to the lower costs and expenses in Rivalea and the Malaysian Bakery operations due to the translation effect of the higher Singapore dollar exchange rate as mentioned above. In addition, the Bakery business segment also enjoyed lower ingredient costs.

Utilities decreased by 18% to \$7.2 million in 3Q 2015 and this is attributable to reduced utility rates as well as reduced utilisation in certain operating subsidiaries in 3Q 2015.

Other Operating Expenses decreased by 5% to \$21.9 million in 3Q 2015. This is mainly attributable to the lower foreign exchange loss of \$1.2 million in 3Q 2015 as compared to a foreign exchange loss of \$1.9 million in 3Q 2014. This lower unrealised foreign exchange loss pertains mainly to the depreciation of the Group's Australian dollar and Malaysian Ringgit denominated assets against the Singapore dollar in 3Q 2015 as compared to that of 3Q 2014.

Group Finance Costs (interest expense) decreased by 20% to \$0.6 million in 3Q 2015 as compared to \$0.8 million in 3Q 2014 due to lower borrowings.

Group Profit Before Taxation ('PBT') increased significantly by 30% from \$10.4 million for 3Q 2014 to \$13.5 million for 3Q 2015. All of the Group's business segments achieved increased profitability. In particular, the increase in profitability was mainly attributable to all of the Group's Bakery operations in Singapore, Malaysia, the Philippines and Australia which achieved increased profitability due to increased sales, increased efficiencies and higher overall selling prices. The Group's producer of meat in Australia, Rivalea, also achieved higher profits due to a better product mix which resulted in higher overall prices. Ben Foods (S) Pte Ltd, a distributor of food products in the Group's Trading & Logistics business segment, also achieved increased profitability due to its exports of higher margin products.

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

INCOME STATEMENT (cont'd)

3Q 2015 vs 3Q 2014 (cont'd)

Group Profit After Taxation ('PAT') increased by 33% to \$10.8 million for 3Q 2015 as compared to a Group PAT of \$8.1 million for 3Q 2014. Group Taxation increased by 18% to \$2.7 million in 3Q 2015 as compared to \$2.3 million in 3Q 2014, in line with the increased profitability in the Group's operations.

Group Profit Attributable to Owners of the Parent increased by a significant 30% to \$10.5 million in 3Q 2015 as compared to \$8.1 million in 3Q 2014.

STATEMENT OF FINANCIAL POSITION

Inventories declined by 21% to \$61.6 million as at the end of 3Q 2015 from \$78.1 million as at the end of the financial year ended 31 December 2014 ('FYE 2014') due mainly to reduction of inventory holdings in the Primary Production and Trading & Logistics business segments, as these inventories were sold.

Other Receivables increased by 41% to \$19.6 million as at the end of 3Q 2015 as compared to \$13.9 million as at the end of FYE 2014. This is mainly attributable to down-payments made by the Group for its purchases of new bakery production equipment.

Short-Term and Long-Term Investments relates mainly to the Company's and the Group's investments in certain bonds and market-linked notes. These investments were made so as to achieve better returns for the Group. Total Investments decreased by 7% to \$17.3 million as at the end of 3Q 2015, largely due to the redemption/sale of certain investments.

Trade Payables decreased by 22% to \$68.9 million as at the end of 3Q 2015. The reduction is largely due to the payment of balances owed to creditors.

Other Payables, Current, increased by 16% to \$69.9 million as at the end of 3Q 2015. The increase is largely due to the general increase in sales.

Short-Term Borrowings declined by 29% to \$44.0 million as at the end of 3Q 2015. The reduction is largely due to the repayment of loans.

Total Long-Term Borrowings increased by 57% to \$25.2 million as at the end of 3Q 2015. The increase in Long-Term Borrowings resulted from the increase in funding for the Group's new additional production facilities.

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

The Group's revenue and profits are in line with prior announcements.

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.

Barring any unforeseen circumstances, the Group expects to achieve satisfactory profitability for the full financial year ending 31 December 2015.

11. Dividends

- | | |
|-------------------------------------------------------------|------|
| (a) Current financial period reported on | |
| Any dividend declared? | No |
| (b) Corresponding period of immediate financial year | |
| Any dividend declared? | No |
| (c) Date payable | N.A. |
| (d) Book closing date | N.A. |

12. If no dividend has been declared or recommended, a statement to the effect.

No dividend has been declared/recommendeded for the quarter ended 30 September 2015.

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.

The Group does not have an IPT general mandate for the current financial year 2015.

14. Negative Assurance Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors which may render the unaudited financials of the Group and the Company for the 3rd Quarter ended 30 September 2015 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Ms Lee Woan Ling
Company Secretary
13 November 2015