QAF Limited

(Company Registration No : 195800035D)

Full Year Unaudited Financial Statements for the Year Ended 31 December 2013

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** Full year ended		
		*(Restated)	
	31/12/2013	31/12/2012	+ / (-)
	S$'000	S$'000	%
Revenue	1,024,214	984,172	4
Costs and expenses			
Costs of materials	558,539	523,134	7
Staff costs	228,338	221,819	3
Amortisation and depreciation	38,032	36,413	4
Repairs and maintenance	31,556	31,196	1
Utilities	34,129	33,642	1
Other operating expenses	87,656	84,445	4
Total costs and expenses	978,250	930,649	5
Profit from operating activities	45,964	53,523	(14)
Finance costs	(4,058)	(5,123)	(21)
Share of profits/(losses) of associates	139	(145)	n.m.
Profit before taxation	42,045	48,255	(13)
Taxation			
- Current year	(10,710)	(8,955)	20
- Over/(under) provision in prior years	288	(571)	n.m.
	(10,422)	(9,526)	9
Profit after taxation	31,623	38,729	(18)
Attributable to:			
Owners of the parent	30,186	34,644	(13)
Non-controlling interests	1,437	4,085	(65)
	31,623	38,729	(18)

* Relates to retrospective effect upon adoption of Revised FRS 19 *Employee Benefits* (see Section 5 for further details).

n.m. = not meaningful

(i) Statement of Comprehensive Income

	Group	
	Full year ended	
		*(Restated)
	31/12/2013	31/12/2012
	S$'000	S$'000
Profit after taxation	31,623	38,729
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
- Actuarial gain/(loss) on defined benefit plans	2,633	(11)
Items that may be reclassified subsequently to profit or loss:		
- Currency translation arising on consolidation	(22,013)	(8,510)
- Share of other comprehensive income of associates	(77)	2
	(22,090)	(8,508)
Other comprehensive income for the year, net of tax	(19,457)	(8,519)
Total comprehensive income for the year	12,166	30,210
Total comprehensive income attributable to:		
Owners of the parent	11,486	26,517
Non-controlling interests	680	3,693
	12,166	30,210

* Relates to retrospective effect upon adoption of Revised FRS 19 *Employee Benefits* (see Section 5 for further details).

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		
	Full year ended		+ / (-)
	31/12/2013	31/12/2012	%
	S$'000	S$'000	
Other income including interest income	6,189	7,395	(16)
Allowance for doubtful debts (charged)/written back and bad debts (written off)	(87)	(788)	(89)
Allowance for inventory obsolescence charged	(284)	(83)	242
Foreign exchange loss	(5,408)	(1,508)	259
Gain on disposal of property, plant & equipment and investment properties	273	136	101

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	**Group**			**Company**	
(in Singapore Dollars)	31/12/2013 S$'000	* (Restated) 31/12/2012 S$'000	* (Restated) 1/1/2012 S$'000	31/12/2013 S$'000	31/12/2012 S$'000
Current assets					
Biological assets	59,676	68,414	62,507	-	-
Inventories	83,010	81,544	84,609	-	-
Trade receivables	89,757	88,838	84,467	-	-
Other receivables	16,068	15,004	13,896	51,895	40,566
Tax recoverable	473	369	384	-	-
Short-term investments	2,386	6,486	456	2,000	1,989
Cash and deposits	79,208	69,755	74,872	19,037	8,220
Assets classified as held for sale	2,487	1,630	1,673	-	-
	333,065	332,040	322,864	72,932	50,775
Non-current assets					
Property, plant & equipment	292,031	323,079	311,544	2,398	2,381
Investment properties	27,131	21,133	18,923	-	-
Subsidiaries	-	-	-	98,718	98,718
Advances to subsidiaries	-	-	-	111,268	132,314
Associates	1,862	1,800	1,942	-	-
Advances to associates	3,389	3,519	3,019	-	-
Pension assets	3,196	-	-	-	-
Long-term investments	10,566	9,034	8,886	9,057	8,034
Intangibles	2,129	2,763	3,058	2,072	2,261
Deferred tax assets	14,103	18,109	17,505	-	-
	354,407	379,437	364,877	223,513	243,708
Total assets	687,472	711,477	687,741	296,445	294,483
Current liabilities					
Trade payables	94,870	92,642	87,040	33	33
Other payables	47,733	50,966	48,012	6,469	7,492
Exchangeable bond	-	10,000	-	-	10,000
Short-term borrowings	74,201	88,620	71,524	4,960	4,791
Long-term loans and finance leases - current portion	4,745	4,845	2,554	-	-
Provision for taxation	3,909	4,168	4,057	1,317	1,573
	225,458	251,241	213,187	12,779	23,889
Non-current liabilities					
Other payables	16,164	16,809	14,795	-	-
Exchangeable bond	-	-	10,000	-	-
Pension liabilities	-	70	2,815	-	-
Long-term loans and finance leases	11,660	16,333	23,080	-	-
Deferred tax liabilities	10,843	10,979	11,727	384	427
	38,667	44,191	62,417	384	427
Total liabilities	264,125	295,432	275,604	13,163	24,316
Net assets	423,347	416,045	412,137	283,282	270,167
Capital and reserves					
Share capital	250,096	230,731	227,156	250,096	230,731
Reserves	146,684	161,643	161,188	33,186	39,436
Equity attributable to owners of the parent	396,780	392,374	388,344	283,282	270,167
Non-controlling interests	26,567	23,671	23,793	-	-
Total equity	423,347	416,045	412,137	283,282	270,167

* Relates to retrospective effect upon adoption of Revised FRS 19 *Employee Benefits* (see Section 5 for further details).

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 31/12/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
25,862	53,084	26,532	76,933

(b) Amount repayable after one year

As at 31/12/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
11,660	-	16,333	-

(c) Details of any collaterals

At the end of the financial year, property, plant & equipment and inventories with total net book values of $44,217,000 (as at 31/12/2012: $54,436,000) 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:-

	Group	
	Full year ended	
		*(Restated)
Statement of Cash Flows	31/12/2013	31/12/2012
(in Singapore Dollars)	S$'000	S$'000
Cash flows from operating activities:		
Profit before taxation	42,045	48,255
Adjustments for:		
Amortisation and depreciation	38,032	36,413
Gain on disposal of property, plant & equipment and investment properties	(273)	(136)
Share of (profits)/losses of associates	(139)	145
Fair value adjustment on investment securities	8	(109)
Fair value changes on biological assets	121	656
Allowance for doubtful debts charged/(written back) and bad debts written off	87	788
Interest expense	4,058	5,123
Dividend and interest income	(1,402)	(1,490)
Exchange differences	4,232	1,009
Operating profit before working capital changes	86,769	90,654
Increase in receivables	(4,261)	(7,685)
Increase in inventories and biological assets	(6,108)	(7,950)
Increase in payables	15,084	8,583
Cash from operations	91,484	83,602
Interest paid, net	(2,758)	(3,795)
Income tax paid	(9,587)	(11,176)
Net cash from operating activities	**79,139**	**68,631**
Cash flows from investing activities:		
Purchase of property, plant & equipment and investment properties	(41,320)	(56,257)
Progress payment for purchase of property, plant & equipment	(2,624)	-
Proceeds from disposal of property, plant & equipment and investment properties	2,105	473
Purchase of investments	(3,498)	(8,866)
Decrease/(increase) in advances to associates	130	(500)
Proceeds from redemption of investments at maturity	6,058	2,789
Dividends received from investments	48	66
Net cash used in investing activities	**(39,101)**	**(62,295)**
Cash flows from financing activities:		
Proceeds from issuance of share capital	718	1,218
Dividends paid during the year	(7,798)	(23,705)
Dividends paid to non-controlling interests	(3,776)	(3,800)
Repayment of long-term borrowings	(3,486)	(5,025)
(Repayment of)/proceeds from short-term borrowings	(6,286)	22,935
Proceeds from long-term loan from a non-controlling interest	-	732
Repayment of exchangeable bond upon maturity	(10,000)	-
Capital contribution by non-controlling interest	2,864	-
Net cash used in financing activities	**(27,764)**	**(7,645)**
Net increase/(decrease) in cash and cash equivalents	12,274	(1,309)
Cash and cash equivalents at beginning of year	69,755	72,014
Effect of exchange rate changes on cash and cash equivalents	(2,821)	(950)
Cash and cash equivalents at end of year (Note A)	79,208	69,755

* Relates to retrospective effect upon adoption of Revised FRS 19 *Employee Benefits* (see Section 5 for further details).

1(c) Note A : Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents at the end of the financial year comprised of cash and deposits.

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 January 2013							
- as previously reported	230,731	2,263	17,941	141,260	384	23,777	416,356
- effect of change in accounting policy - FRS 19	-	-	-	(211)	6	(106)	(311)
- as restated	230,731	2,263	17,941	141,049	390	23,671	416,045
Total comprehensive income for the year							
Net profit for the year	-	-	-	30,186	-	1,437	31,623
Other comprehensive income							
Currency translation arising on consolidation	-	-	-	-	(21,256)	(757)	(22,013)
Transfer between reserves	-	(48)	-	48	-	-	-
Actuarial gain on defined benefit plans	-	-	-	2,633	-	-	2,633
Share of other comprehensive income of associates	-	-	-	3	(80)	-	(77)
Other comprehensive income for the year, net of tax	-	(48)	-	2,684	(21,336)	(757)	(19,457)
Total comprehensive income for the year	-	(48)	-	32,870	(21,336)	680	12,166
Transactions with owners in their capacity as owners							
Contributions by and distributions to owners							
Issuance of ordinary shares from exercise of options	718	-	-	-	-	-	718
Issuance of ordinary shares in lieu of cash dividends	18,647	-	-	-	-	-	18,647
Capital contribution by non-controlling interest	-	-	-	-	-	3,596	3,596
Dividends	-	-	-	(26,445)	-	(1,380)	(27,825)
Total transactions with owners in their capacity as owners	19,365	-	-	(26,445)	-	2,216	(4,864)
Balance at 31 December 2013	250,096	2,215	17,941	147,474	(20,946)	26,567	423,347

1(d)(i)

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 January 2012							
- as previously reported	227,156	2,312	17,941	132,269	8,506	23,988	412,172
- effect of change in accounting policy - FRS 19	-	-	-	160	-	(195)	(35)
- as restated	227,156	2,312	17,941	132,429	8,506	23,793	412,137
Total comprehensive income for the year							
Net profit for the year	-	-	-	34,644	-	4,085	38,729
Other comprehensive income							
Currency translation arising on consolidation	-	-	-	-	(8,118)	(392)	(8,510)
Transfer between reserves	-	(49)	-	49	-	-	-
Actuarial loss on defined benefit plans	-	-	-	(11)	-	-	(11)
Share of other comprehensive income of associates	-	-	-	-	2	-	2
Other comprehensive income for the year, net of tax	-	(49)	-	38	(8,116)	(392)	(8,519)
Total comprehensive income for the year	-	(49)	-	34,682	(8,116)	3,693	30,210
Transactions with owners in their capacity as owners							
Contributions by and distributions to owners							
Issuance of ordinary shares from exercise of options	1,218	-	-	-	-	-	1,218
Issuance of ordinary shares in lieu of cash dividends	2,357	-	-	-	-	-	2,357
Dividends	-	-	-	(26,062)	-	(3,815)	(29,877)
Total transactions with owners in their capacity as owners	3,575	-	-	(26,062)	-	(3,815)	(26,302)
Balance at 31 December 2012	230,731	2,263	17,941	141,049	390	23,671	416,045

Company	Share capital $'000	Capital reserve $'000	Revenue reserve $'000	Total equity $'000
Balance at 1 January 2013	230,731	1,705	37,731	270,167
Net profit for the year, representing total comprehensive income for the year	-	-	20,195	20,195
Contributions by and distributions to owners				
Issuance of ordinary shares from exercise of options	718	-	-	718
Issuance of ordinary shares in lieu of cash dividends	18,647	-	-	18,647
Dividends	-	-	(26,445)	(26,445)
Total transactions with owners in their capacity as owners	19,365	-	(26,445)	(7,080)
Balance at 31 December 2013	250,096	1,705	31,481	283,282

1(d)(i)

Company	Share capital $'000	Capital reserve $'000	Revenue reserve $'000	Total equity $'000
Balance at 1 January 2012	227,156	1,705	44,599	273,460
Net profit for the year, representing total comprehensive income for the year	-	-	19,194	19,194
Contributions by and distributions to owners				
Issuance of ordinary shares from exercise of options	1,218	-	-	1,218
Issuance of ordinary shares in lieu of cash dividends	2,357	-	-	2,357
Dividends	-	-	(26,062)	(26,062)
Total transactions with owners in their capacity as owners	3,575	-	(26,062)	(22,487)
Balance at 31 December 2012	230,731	1,705	37,731	270,167

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

For the year ended 31 December 2013, the issued and paid-up share capital of the Company was increased from 524,227,411 shares to 546,494,994 shares due to the allotment and issue of 20,927,583 ordinary shares arising from the application of QAF Scrip Dividend Scheme in respect of the final dividend for the financial year ended 31 December 2012, as well as the allotment and issue of 1,340,000 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:

	As at 31/12/2013	As at 31/12/2012
Outstanding options	3,975,000	5,340,000

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

	As at 31/12/2013	As at 31/12/2012
Total number of issued shares (excluding treasury shares)	546,494,994	524,227,411

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 year 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 2012. However, the Group adopted new and revised Financial Reporting Standards ("FRS") and interpretations that are mandatory for financial years beginning on or after 1 January 2013. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for Revised FRS 19 *Employee Benefits*.

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.

The revised FRS 19 removes the corridor mechanism for defined benefit plans and no longer allows actuarial gains and losses to be recognised in profit or loss. The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than employee entitlement. The revised FRS 19 is to be applied retrospectively.

Upon adoption of the revised FRS 19, the effects on the financial statements are as follows:

	As at 31 December 2012 $'000	As at 31 December 2011 $'000
(Decrease)/increase in:		
Consolidated statement of financial position		
Deferred tax assets	(18)	(264)
Other payables – current	(116)	(123)
Other payables – non-current	527	111
Deferred tax liabilities	(118)	(217)
Revenue reserve	(211)	160
Foreign currency translation reserve	6	–
Non-controlling interests	(106)	(195)
Total equity	(311)	(35)

	2012 $'000
Consolidated income statement	
Decrease in staff costs	351
Increase in taxation	(86)
Increase in profit for the year	265
Increase in profit for the year attributable to:	
Owners of the parent	179
Non-controlling interests	86
	265
Consolidated statement of comprehensive income	
Decrease in actuarial gain on defined benefit obligation	(550)
Decrease in other comprehensive income for the year, net of tax attributable to owners of the parent	(550)

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

	Full year ended 31/12/2013	Full year ended 31/12/2012
Basic EPS	5.6 cents	6.6 cents
Diluted EPS	5.6 cents	6.6 cents
Number of shares used for the calculation of:		
i) Basic EPS Weighted average number of ordinary shares in issue	535,885,715	521,971,582
ii) Diluted EPS Weighted average number of ordinary shares in issue	537,481,139	523,240,180

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 31/12/2013	*(Restated) As at 31/12/2012
Group	72.6 cents	74.8 cents
QAF Limited	51.8 cents	51.5 cents
Number of shares used for the calculation of Net asset value:	546,494,994	524,227,411

* Relates to retrospective effect upon adoption of Revised FRS 19 *Employee Benefits* (see Section 5 for further details).

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

Group revenue increased by 4% to $1.0 billion for the financial year ended 31 December 2013 ('FY 2013') from $984.2 million for the financial year ended 31 December 2012 ('FY 2012'). All the business segments in the Group, namely Bakery, Primary Production and Trading & Logistics achieved increases in sales. All of the Group's Bakery operations in Singapore, Malaysia, the Philippines and Australia achieved increases in sales through the launch of new products, increased production capacities and increased market shares. The Group's fully integrated producer of meat located in Australia, Rivalea (Australia) Pty Ltd ('Rivalea') achieved increases in sales from a higher general sales volume. The Group's trading and wholesale arm, Ben Foods (S) Pte Ltd, also achieved higher sales through increased sales in its food service and export businesses.

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

INCOME STATEMENT (cont'd)

The Group made a provision for an unrealised foreign exchange loss of $5.4 million pertaining to the depreciation of the Group's Australian dollar denominated assets against the Singapore dollar in FY 2013 as compared to that of FY 2012. While this was the main cause for the decrease in the Group Profit Before Taxation ('PBT') in FY 2013, Rivalea also faced weaker than expected overall selling prices in the earlier part of 2013 and this, along with higher animal feed and other production costs, led to a squeeze on margins. Selling prices, however, have shown encouraging signs of improvement in late 2013. The Group's Bakery operations maintained its level of profitability despite facing higher ingredient and raw material costs in FY 2013 as compared to FY 2012. On an overall basis, Group PBT for FY 2013 decreased by $6.2 million to $42.0 million mainly due to the provision for the unrealised foreign exchange loss of $5.4 million, as mentioned above.

Costs of Materials increased by 7% to $558.5 million in FY 2013 as compared to $523.1 million in FY 2012. The increase is mainly attributable to the higher cost of animal feed and grain faced by Rivalea as well as the higher cost of ingredients faced by the Group's Bakery operations. Amortisation and Depreciation expense increased by 4% to $38.0 million in FY 2013 due to new and additional production lines in the Bakery operations.

Other Income including Interest Income decreased by 16% to $6.2 million in FY 2013 mainly due to the absence of a one-off insurance claim received in FY 2012.

Group Finance Costs (interest expense) decreased by 21% to $4.1 million in FY 2013 compared to $5.1 million in FY 2012 due to lower interest rates.

Group Profit After Taxation ('PAT') decreased by 18% to $31.6 million for FY 2013 as compared to a Group PAT of $38.7 million for FY 2012. Group PAT decreased by a larger percentage compared to the decrease in Group PBT as the Group's provision for the abovementioned foreign exchange loss is not deductible for tax purposes.

Group Profit Attributable to Owners of the Parent decreased by 13% to $30.2 million in FY 2013 as compared to $34.6 million in FY 2012.

STATEMENT OF FINANCIAL POSITION

Biological assets declined by 13% to $59.7 million as at the end of FY 2013 from $68.4 million as at the end of the financial year ended 31 December 2012. The decrease is mainly caused by the translation of Rivalea's Australian dollar denominated biological assets into Singapore dollars as the Australian dollar had depreciated against the Singapore dollar at the end of FY 2013 as compared to the end of FY 2012. There was also a decrease in numbers in Rivalea's animal inventory at year end.

Short-Term and Long-Term Investments relates mainly to the Group's and the Company's investments in certain corporate bonds and market-linked notes. These investments were made so as to achieve better returns for the Group. Total Investments decreased by 17% to $13.0 million as at the end of FY 2013. The reduction is largely due to the redemption of certain investments upon maturity.

The Exchangeable Bond of $10 million was fully repaid as the bond had expired without further extension.

Short-Term Borrowings and total Long-Term Loans declined by 16% and 23% to $74.2 million and $16.4 million, respectively, as at the end of FY 2013. These reductions are largely due to the repayment of loans.

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

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

BAKERY

	2013	2012	Increase/(decrease)	
	$'million	$'million	$'million	%
Segment revenue	497.8	477.0	20.8	4
Segment results	51.6	51.4	0.2	0

The Bakery segment achieved a 4% overall increase in revenue to $497.8 million for FY 2013 as compared to $477.0 million for FY 2012. The increase is due to the launch of new products, increased production capacities and increased market shares.

Operating results increased marginally to $51.6 million for FY 2013 as compared to $51.4 million for FY 2012. This was achieved despite the operations facing higher ingredient, raw material and other operating costs in FY 2013 as compared to FY 2012.

PRIMARY PRODUCTION

	2013	2012	Increase/(decrease)	
	$'million	$'million	$'million	%
Segment revenue	423.7	406.8	16.9	4
Segment results	2.3	6.8	(4.5)	(66)

The Group's Primary Production segment comprises Rivalea, a fully integrated meat production business in Australia which is involved in stockfeed milling, livestock farming and production, slaughterhouse operations, meat cutting and deboning, distribution and meat trading.

Sales increased by 4% to $423.7 million for FY 2013. The increase is mainly attributable to the higher general sales volume.

Operating profits reduced by 66% to $2.3 million in FY 2013 as compared to $6.8 million in FY 2012 as the company faced weaker than expected selling prices in the earlier part of 2013, as well as higher animal feed and other production costs. The company also suffered losses in its general meat trading operations. Selling prices, however, have shown encouraging signs of improvement in late 2013.

TRADING & LOGISTICS

	2013	2012	Increase/(decrease)	
	$'million	$'million	$'million	%
Segment revenue	97.1	94.8	2.3	2
Segment results	2.5	4.0	(1.5)	(38)

Sales revenue from the Group's Trading & Logistics segment increased by 2% to $97.1 million in FY 2013 from $94.8 million in FY 2012. The increase is mainly attributable to increased sales by the Group's wholesale and trading company, Ben Foods (S) Pte Ltd, in its food service and export businesses.

Operating profits for the Trading & Logistics segment reduced by 38% to $2.5 million in FY 2013 as compared to $4.0 million in FY 2012 mainly due to the absence of a one-off insurance claim received in FY 2012.

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.

The Group expects less volatility in raw material and other operating costs in the financial year ending 31 December 2014 ('FYE 2014'). As a result, the Group expects to achieve an encouraging level of profitability in FYE 2014.

11. Dividends

(a) Current financial period reported on

Any dividends declared? Yes

	Interim (paid)	Proposed Final Dividend
Dividend type	Cash	Cash or scrip
Dividend rate	1 cent per ordinary share	4 cents per ordinary share
Tax rate	Exempt 1 tier	Exempt 1 tier

QAF Limited Scrip Dividend Scheme under which shareholders may elect to receive dividends in the form of scrip in lieu of cash will be applicable to the Proposed Final Dividend for FY 2013.

(b) Corresponding period of immediate financial year

Any dividends declared? Yes

	Interim	Final Dividend
Dividend type	Cash	Cash or scrip
Dividend rate	1 cent per ordinary share	4 cents per ordinary share
Tax rate	Exempt 1 tier	Exempt 1 tier

(c) Date payable To be announced later

(d) Book closing date To be announced later

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

N.A.

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

The Group does not have an IPT general mandate for the current financial year 2013.

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	Primary production $'000	Trading & Logistics $'000	Investments & others $'000	Eliminations $'000	Consolidated $'000
Revenue and expenses 2013						
Revenue from external customers	493,788	418,620	96,730	4,740	-	1,013,878
Other revenue from external customers	3,979	3,887	274	842	-	8,982
Inter-segment revenue	-	1,195	96	25,221	(26,512)	-
	497,767	423,702	97,100	30,803	(26,512)	1,022,860
Unallocated revenue						1,354
Total revenue						1,024,214
Segment results	51,628	2,283	2,525	918	-	57,354
Unallocated revenue						1,354
Unallocated expenses						(12,744)
Profit from operating activities						45,964
Finance costs						(4,058)
Share of profits of associates	139	-	-	-	-	139
Profit before taxation						42,045
Taxation						(10,422)
Profit after taxation						31,623
Revenue and expenses 2012						
Revenue from external customers	473,613	403,059	92,448	4,554	-	973,674
Other revenue from external customers	3,365	3,357	2,217	135	-	9,074
Inter-segment revenue	-	417	94	24,246	(24,757)	-
	476,978	406,833	94,759	28,935	(24,757)	982,748
Unallocated revenue						1,424
Total revenue						984,172
Segment results	51,366	6,823	4,013	(58)	-	62,144
Unallocated revenue						1,424
Unallocated expenses						(10,045)
Profit from operating activities						53,523
Finance costs						(5,123)
Share of losses of associates	(145)	-	-	-	-	(145)
Profit before taxation						48,255
Taxation						(9,526)
Profit after taxation						38,729

14. Segment Information (cont'd)

(In Singapore Dollars)

	Bakery $'000	Primary production $'000	Trading & Logistics $'000	Investments & others $'000	Consolidated $'000
Assets and liabilities 31 December 2013					
Segment assets	280,913	260,688	65,113	60,931	667,645
Associates	5,251	-	-	-	5,251
Total assets	286,164	260,688	65,113	60,931	672,896
Deferred tax assets					14,103
Tax recoverable					473
Total assets per consolidated statement of financial position					687,472
Segment liabilities	84,522	60,476	13,094	2,181	160,273
Provision for taxation					3,909
Deferred tax liabilities					10,843
Bank borrowings					89,100
Total liabilities per consolidated statement of financial position					264,125
Assets and liabilities 31 December 2012					
Segment assets	292,733	287,129	62,562	45,256	687,680
Associates	5,319	-	-	-	5,319
Total assets	298,052	287,129	62,562	45,256	692,999
Deferred tax assets					18,109
Tax recoverable					369
Total assets per consolidated statement of financial position					711,477
Segment liabilities	84,029	65,135	11,088	2,759	163,011
Provision for taxation					4,168
Deferred tax liabilities					10,979
Exchangeable bond					10,000
Bank borrowings					107,274
Total liabilities per consolidated statement of financial position					295,432
Other segment information 2013					
Expenditure for non-current assets	27,681	8,130	1,767	587	38,165
Amortisation and depreciation	25,754	9,675	1,750	853	38,032
Allowance for inventory obsolescence charged	162	14	108	-	284
Allowance for doubtful debts charged/ (written-back) and bad debts written off	42	532	(29)	(458)	87
Other segment information 2012					
Expenditure for non-current assets	34,783	12,078	4,017	8,173	59,051
Amortisation and depreciation	23,897	10,143	1,588	785	36,413
Allowance for inventory obsolescence charged	9	3	71	-	83
Allowance for doubtful debts charged/ (written-back) and bad debts written off	884	50	(146)	-	788

14. Segment Information (cont'd)

(In Singapore Dollars)

	Revenue		*Non-current assets*	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Singapore	165,170	164,802	46,816	33,505
Malaysia	296,461	286,214	114,201	128,164
Australia	438,621	414,626	139,686	162,261
Philippines	114,620	108,035	20,333	23,045
Other countries	9,342	10,495	255	-
	1,024,214	984,172	321,291	346,975

15. In the review of performance, the factors leasing to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

16. A breakdown of sales as follows:

	Group		
	2013	2012	+ / (-)
	$'000	$'000	%
Revenue reported for first half year	509,976	484,470	5
Profit after tax before deducting non-controlling interests for the first half year	15,481	21,328	(27)
Revenue reported for second half year	514,238	499,702	3
Profit after tax before deducting non-controlling interests for the second half year	16,142	17,401	(7)

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

	Full Year 2013 $'000	Full Year 2012 $'000
Ordinary dividend	27,318	26,229
Preference dividend	-	-
Total	27,318	26,229

18. Persons occupying managerial positions who are related to the directors, chief executive officer or substantial shareholder

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lin Kejian	35	Son of Mr Andree Halim (who is the Vice Chairman and a Substantial Shareholder of the Company)	Appointed as executive director (Operations director) on 1 October 2010. Assisting the Group Managing Director in overseeing certain operations of the Company.	No change

BY ORDER OF THE BOARD

Ms Lee Woan Ling
Company Secretary
21 February 2014