QAF Limited

(Company Registration No : 195800035D)

Full Year Unaudited Financial Statements for the Year Ended 31 December 2018

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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	Group					
(in Singapore Dollars)	4th Quarter ended			Full year ended		
		*(Restated)			*(Restated)	
	31/12/2018	31/12/2017	+ / (-)	31/12/2018	31/12/2017	+ / (-)
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	213,394	208,753	2	814,868	825,804	(1)
Costs and expenses						
Costs of materials	117,166	113,215	3	443,123	427,192	4
Staff costs	48,382	50,159	(4)	192,656	199,177	(3)
Amortisation and depreciation	8,747	8,489	3	34,670	32,370	7
Repairs and maintenance	6,390	5,781	11	23,930	22,880	5
Utilities	6,902	5,766	20	27,042	23,570	15
Advertising and promotion	1,181	1,423	(17)	11,235	10,410	8
Other operating expenses	21,202	24,401	(13)	75,281	74,078	2
Total costs and expenses	209,970	209,234	0	807,937	789,677	2
Profit/(loss) from operating activities	3,424	(481)	n.m.	6,931	36,127	(81)
Finance costs	(830)	(907)	(8)	(3,370)	(3,062)	10
Share of profits of joint venture	3,146	2,167	45	9,737	7,583	28
Profit before tax	5,740	779	637	13,298	40,648	(67)
Income tax expense						
- Current year	(1,827)	(602)	203	(5,149)	(10,893)	(53)
- Overprovision in prior years	325	341	(5)	510	491	4
	(1,502)	(261)	475	(4,639)	(10,402)	(55)
Profit after tax	4,238	518	718	8,659	30,246	(71)
Attributable to:						
Owners of the parent	4,127	2,247	84	8,129	32,385	(75)
Non-controlling interests	111	(1,729)	n.m.	530	(2,139)	n.m.
	4,238	518	718	8,659	30,246	(71)

n.m. = not meaningful

* Relates to retrospective effects upon application of Singapore Financial Reporting Framework (International) ("SFRS(I)") and the adoption of SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers* (see Section 5 for further details).

(i) Statement of Comprehensive Income

	Group			
	4th Quarter ended		Full year ended	
		*(Restated)		*(Restated)
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	S$'000	S$'000	S$'000	S$'000
Profit after tax	4,238	518	8,659	30,246
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
- Actuarial gain/(loss) on defined benefit plans	981	(330)	981	(330)
Items that may be reclassified subsequently to profit or loss:				
- Currency translation arising on consolidation	(22)	(805)	(10,607)	(2,245)
- Net fair value loss on investment securities at fair value through other comprehensive income	(251)	-	(251)	-
- Net fair value gain on available-for-sale investment securities	-	64	-	64
- Share of other comprehensive income of joint venture	53	1,511	(57)	1,550
Other comprehensive income for the year, net of tax	761	440	(9,934)	(961)
Total comprehensive income for the year	4,999	958	(1,275)	29,285
Total comprehensive income attributable to:				
Owners of the parent	4,752	2,757	(1,974)	31,485
Non-controlling interests	247	(1,799)	699	(2,200)
	4,999	958	(1,275)	29,285

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					
	4th Quarter ended		+ / (-)	Full year ended		+ / (-)
		*(Restated)			*(Restated)	
	31/12/2018	31/12/2017	%	31/12/2018	31/12/2017	%
	S$'000	S$'000		S$'000	S$'000	
Other income including interest income	837	1,852	(55)	4,083	5,809	(30)
Other Operating Expenses which include the following:						
Operating lease rental expense	(4,376)	(3,754)	17	(16,347)	(13,800)	18
Distribution and transportation expense	(3,096)	(2,576)	20	(10,447)	(9,769)	7
Foreign currency translation loss	(1,256)	(1,382)	(9)	(4,120)	(1,103)	274
Other professional fees	(526)	(5,040)	(90)	(3,068)	(7,587)	(60)
(Loss)/gain on disposal of property, plant & equipment and investment properties	(931)	250	n.m.	(930)	228	n.m.
Allowance for doubtful receivables (charged)/written-back and bad debts written off, net	(427)	94	n.m.	(679)	(805)	(16)
(Impairment loss)/write-back of impairment loss on investment securities	(162)	645	n.m.	(162)	645	n.m.
Allowance for inventories written-back/(charged) and inventories written off, net	217	(521)	n.m.	(208)	(1,515)	(86)
Impairment loss on property, plant & equipment	-	(600)	(100)	-	(600)	(100)

* Relates to retrospective effects upon application of Singapore Financial Reporting Framework (International) ("SFRS(I)") and the adoption of SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers* (see Section 5 for further details).

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	**Group**			**Company**		
		* (Restated)	* (Restated)		* (Restated)	* (Restated)
(in Singapore Dollars)	31/12/2018	31/12/2017	1/1/2017	31/12/2018	31/12/2017	1/1/2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Current assets						
Biological assets	52,121	57,245	60,803	-	-	-
Inventories	67,481	69,361	60,159	-	-	-
Trade receivables	105,037	97,292	96,910	-	-	-
Other receivables	28,538	22,804	33,121	52,772	53,516	75,457
Tax recoverable	1,999	1,518	1,245	-	-	-
Short-term investments	4,676	-	3,968	4,676	-	2,968
Cash and cash equivalents	60,259	136,454	104,903	19,647	54,224	27,070
	320,111	384,674	361,109	77,095	107,740	105,495
Non-current assets						
Property, plant & equipment	356,675	317,448	289,585	3,983	4,147	2,290
Investment properties	6,215	17,872	18,248	-	-	-
Investment in subsidiaries	-	-	-	100,132	100,132	98,973
Advances to subsidiaries	-	-	-	149,383	128,445	123,805
Investment in joint venture	80,483	75,813	76,318	-	-	-
Pension assets	2,338	2,620	2,654	-	-	-
Long-term investments	1,801	6,892	7,226	1,776	6,866	7,198
Intangibles	125	-	-	1,130	1,319	1,507
Deferred tax assets	15,885	16,140	17,267	-	-	-
	463,522	436,785	411,298	256,404	240,909	233,773
Total assets	783,633	821,459	772,407	333,499	348,649	339,268
Current liabilities						
Trade payables	75,510	73,376	65,188	209	85	225
Other payables	66,725	71,596	59,007	3,903	9,886	9,725
Short-term borrowings	52,551	44,154	32,642	-	-	-
Long-term borrowings - current portion	4,868	6,268	2,456	-	-	-
Income tax payable	2,990	4,030	6,099	967	1,131	1,167
	202,644	199,424	165,392	5,079	11,102	11,117
Non-current liabilities						
Other payables	12,988	15,218	15,241	5,744	6,665	7,584
Long-term borrowings	52,550	62,715	51,128	-	-	-
Deferred tax liabilities	10,432	13,541	12,494	1,356	1,545	1,734
	75,970	91,474	78,863	7,100	8,210	9,318
Total liabilities	278,614	290,898	244,255	12,179	19,312	20,435
Net assets	505,019	530,561	528,152	321,320	329,337	318,833
Capital and reserves						
Share capital	277,043	272,009	263,087	277,043	272,009	263,087
Reserves	234,361	264,919	263,980	44,277	57,328	55,746
Equity attributable to owners of the parent	511,404	536,928	527,067	321,320	329,337	318,833
Non-controlling interests	(6,385)	(6,367)	1,085	-	-	-
Total equity	505,019	530,561	528,152	321,320	329,337	318,833

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

* Relates to retrospective effects upon application of Singapore Financial Reporting Framework (International) ("SFRS(I)") and the adoption of SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers* (see Section 5 for further details).

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 31/12/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
23,298	34,121	23,498	26,924

(b) Amount repayable after one year

As at 31/12/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
10,914	41,636	13,170	49,545

(c) Details of any collaterals

At the end of the financial year, property, plant & equipment and inventories with total net book values of $37,421,000 (as at 31/12/2017: $39,695,000) 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)
<u>**Statement of Cash Flows**</u>	31/12/2018	31/12/2017
(in Singapore Dollars)	S$'000	S$'000
<u>Cash flows from operating activities:</u>		
Profit before tax	13,298	40,648
Adjustments for:		
Amortisation and depreciation	34,670	32,370
Loss/(gain) on disposal of property, plant & equipment and investment properties	930	(228)
Share of profits of joint venture	(9,737)	(7,583)
Fair value adjustment on investment securities	-	(6)
Impairment loss/(write-back of impairment loss) on investment securities	162	(645)
Impairment loss on property, plant & equipment	-	600
Fair value changes on biological assets	1,694	2,279
Allowance for doubtful receivables charged and bad debts written off, net	679	805
Interest expense	3,370	3,062
Interest income	(1,306)	(1,643)
Exchange differences	4,692	275
Operating profit before working capital changes	48,452	69,934
Increase in trade and other receivables	(17,275)	(1,343)
Increase in inventories and biological assets	(2,045)	(8,438)
Increase in trade and other payables	3,935	13,949
Cash from operations	33,067	74,102
Interest paid, net	(1,864)	(1,421)
Income tax paid	(10,271)	(10,765)
Net cash from operating activities	**20,932**	**61,916**
<u>Cash flows from investing activities:</u>		
Purchase of property, plant & equipment and investment properties	(74,384)	(60,660)
Proceeds from disposal of property, plant & equipment and investment properties	450	993
Purchase of intangibles	(150)	-
Dividends received from joint venture	5,018	11,409
Proceeds from redemption of investment securities	-	5,000
Receipt of final tranche from sale of interest in a subsidiary company in prior year	-	6,314
Net cash used in investing activities	**(69,066)**	**(36,944)**
<u>Cash flows from financing activities:</u>		
Dividends paid during the year	(23,441)	(19,206)
Dividends paid to non-controlling interests	(2,166)	-
Proceeds from borrowings	34,540	29,077
Repayment of borrowings	(32,516)	(1,938)
Repayment of finance lease liabilities	(557)	(582)
Proceeds from long-term loans from non-controlling interests	450	686
Payment of remaining consideration for acquisition of non-controlling interest share in a subsidiary company	(590)	-
Acquisition of non-controlling interest share in a subsidiary company	-	(580)
Net cash (used in)/from financing activities	**(24,280)**	**7,457**
Net (decrease)/increase in cash and cash equivalents	(72,414)	32,429
Cash and cash equivalents at beginning of year	136,454	104,903
Effect of exchange rate changes on cash and cash equivalents	(3,781)	(878)
Cash and cash equivalents at end of year	60,259	136,454

* Relates to retrospective effects upon application of Singapore Financial Reporting Framework (International) ("SFRS(I)") and the adoption of SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers* (see Section 5 for further details).

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:-

<u>Statement of Changes in Equity</u>
(In Singapore Dollars)

Group	Share capital $'000	Revaluation reserve $'000	Capital reserve $'000	Fair value reserve $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2018								
- as previously reported	272,009	244	(2,410)	64	303,479	(36,458)	(6,367)	530,561
- effects of adopting SFRS(I) 1	-	-	-	-	(36,139)	36,139	-	-
- effects of adopting SFRS(I) 9	-	-	-	333	(333)	-	-	-
- as restated	272,009	244	(2,410)	397	267,007	(319)	(6,367)	530,561
Net profit for the year	-	-	-	-	8,129	-	530	8,659
<u>Other comprehensive income</u>								
Currency translation arising on consolidation	-	-	-	-	-	(10,672)	65	(10,607)
Net fair value loss on investment securities at fair value through other comprehensive income	-	-	-	(251)	-	-	-	(251)
Actuarial gain on defined benefit plans	-	-	-	-	877	-	104	981
Share of other comprehensive income of joint venture	-	-	-	-	-	(57)	-	(57)
Other comprehensive income for the year, net of tax	-	-	-	(251)	877	(10,729)	169	(9,934)
Total comprehensive income for the year	-	-	-	(251)	9,006	(10,729)	699	(1,275)
Transactions with owners in their capacity as owners								
<u>Contributions by and distributions to owners</u>								
Issuance of ordinary shares in lieu of cash dividends	5,034	-	-	-	-	-	-	5,034
Transfer to other payables	-	-	-	-	-	-	(158)	(158)
Dividends	-	-	-	-	(28,584)	-	(559)	(29,143)
Total transactions with owners in their capacity as owners	5,034	-	-	-	(28,584)	-	(717)	(24,267)
Balance at 31 December 2018	277,043	244	(2,410)	146	247,429	(11,048)	(6,385)	505,019

1(d)(i)

Group	Share capital $'000	Revaluation reserve $'000	Capital reserve $'000	Fair value reserve $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2017								
- as previously reported	263,087	244	-	-	300,421	(36,685)	1,085	528,152
- effects of adopting SFRS(I) 1	-	-	-	-	(36,685)	36,685	-	-
- as restated	263,087	244	-	-	263,736	-	1,085	528,152
Net profit/(loss) for the year	-	-	-	-	32,385	-	(2,139)	30,246
Other comprehensive income								
Currency translation arising on consolidation	-	-	-	-	-	(2,159)	(86)	(2,245)
Net fair value gain on available-for-sale investment securities	-	-	-	64	-	-	-	64
Actuarial (loss)/gain on defined benefit plans	-	-	-	-	(355)	-	25	(330)
Share of other comprehensive income of joint venture	-	-	-	-	(290)	1,840	-	1,550
Other comprehensive income for the year, net of tax	-	-	-	64	(645)	(319)	(61)	(961)
Total comprehensive income for the year	-	-	-	64	31,740	(319)	(2,200)	29,285
Transactions with owners in their capacity as owners								
Contributions by and distributions to owners								
Issuance of ordinary shares in lieu of cash dividends	8,922	-	-	-	-	-	-	8,922
Transfer to reserves	-	-	(1,795)	-	-	-	1,795	-
Transfer to other payables	-	-	-	-		-	(4,867)	(4,867)
Dividends	-	-	-	-	(28,136)	-	(1,636)	(29,772)
Total contributions by and distributions to owners	8,922	-	(1,795)	-	(28,136)	-	(4,708)	(25,717)
Change in ownership interest in subsidiary								
Acquisition of non-controlling interests without a change in control	-	-	(615)	-	-	-	(544)	(1,159)
Total change in ownership interest in subsidiary	-	-	(615)	-	-	-	(544)	(1,159)
Total transactions with owners in their capacity as owners	8,922	-	(2,410)	-	(28,136)	-	(5,252)	(26,876)
Balance at 31 December 2017	272,009	244	(2,410)	64	267,340	(319)	(6,367)	530,561

1(d)(i)

Company	Share capital $'000	Fair value reserve $'000	Revenue reserve $'000	Total equity $'000
Balance at 1 January 2018				
- as previously reported	272,009	64	57,264	329,337
- effects of adopting SFRS(I) 9	-	333	(333)	-
- as restated	272,009	397	56,931	329,337
Net profit for the year	-	-	15,675	15,675
Other comprehensive income				
Net fair value loss on investment securities at fair value through other comprehensive income	-	(251)	-	(251)
Total comprehensive income for the year	-	(251)	15,675	15,424
Contributions by and distributions to owners				
Issuance of ordinary shares in lieu of cash dividends	5,034	-	-	5,034
Dividends	-	-	(28,475)	(28,475)
Total transactions with owners in their capacity as owners	5,034	-	(28,475)	(23,441)
Balance at 31 December 2018	277,043	146	44,131	321,320
Balance at 1 January 2017	263,087	-	55,746	318,833
Net profit for the year	-	-	29,646	29,646
Other comprehensive income				
Net fair value gain on available-for-sale investment securities	-	64	-	64
Total comprehensive income for the year	-	64	29,646	29,710
Contributions by and distributions to owners				
Issuance of ordinary shares in lieu of cash dividends	8,922	-	-	8,922
Dividends		-	(28,128)	(28,128)
Total transactions with owners in their capacity as owners	8,922	-	(28,128)	(19,206)
Balance at 31 December 2017	272,009	64	57,264	329,337

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

Since 30 September 2018 up to 31 December 2018, the issued share capital of the Company increased from 570,631,752 shares to 575,268,440 shares due to the issue of 4,636,688 ordinary shares pursuant to the application of QAF Limited Scrip Dividend Scheme in respect of the interim dividend for the financial year ended 31 December 2018.

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

	As at 31/12/2018	As at 31/12/2017
Total number of issued shares (excluding treasury shares)	575,268,440	569,216,421

No treasury shares are held by the Company during the year 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.

There was no sale, transfer, cancellation and/or use of treasury shares of Company during the year under review.

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.

The Company does not have any subsidiary holdings as at 31 December 2018 and 31 December 2017.

There was no sale, transfer, cancellation and/or use of subsidiary holdings 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.

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) ("SFRS(I)"), a new financial reporting framework identical to International Financial Reporting Standards. Accordingly, the Group has adopted SFRS(I) on 1 January 2018.

On transition to SFRS(I), the Group elected the option to deem cumulative translation differences for foreign operations to be zero on 1 January 2017, and accordingly, the gain or loss that will be recognised on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 January 2017. The Group reclassified an amount of $36,685,000 of foreign currency translation reserve to the opening revenue reserve as at 1 January 2017.

Other than the effects of the matter as described above and the impact on adoption of the SFRS(I) 9 and SFRS(I) 15 that are effective on 1 January 2018, the adoption of SFRS(I) is assessed to have no material impact on the financial statements in the year of initial application.

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.

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group adopted the new standard on the required effective date without restating prior periods' information and recognised any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening revenue reserve.

SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group has applied the changes in accounting policies retrospectively to each reporting year presented, using the full retrospective approach. As such, the comparative 2017 figures in this report is not comparable to previously announced 2017 figures

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 31/12/2018	(Restated) 31/12/2017
Basic and Diluted EPS	1.4 cents	5.7 cents
Number of shares used for the calculation of Basic and Diluted EPS:		
Weighted average number of ordinary shares in issue	570,938,000	564,590,000

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 31/12/2018	As at 31/12/2017
Group	88.9 cents	94.3 cents
QAF Limited	55.9 cents	57.9 cents
Number of shares used for the calculation of Net asset value:	575,268,440	569,216,421

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

4Q 2018 vs 4Q 2017

Group revenue increased by 2% or $4.6 million to $213.4 million for fourth quarter ended 31 December 2018 ("4Q 2018") from $208.8 million for fourth quarter ended 31 December 2017 ("4Q 2017"). In constant currency terms, Group revenue increased by 3% in 4Q 2018 over 4Q 2017.

The Group's Bakery segment achieved an overall increase in sales and profitability. Gardenia Philippines ("GBPI") achieved higher sales through successful launches of new products, increased market penetration and increased production capacity from completion of additional bakery production lines and facilities. Bakers Maison Malaysia ("BMM") achieved higher bread sales in 4Q 2018 to the Group's joint venture, Gardenia Bakeries (KL) ("GBKL"). GBKL's sales, which are not included in the Group's revenue, increased by 8% or $6 million to $82 million in 4Q 2018.

In the Primary Production segment, Rivalea Holdings ("Rivalea"), the Group's integrated producer of meat located in Australia, continued to face lower average selling prices partially offset by higher sales volume. Operating costs increased with higher feed and energy costs. While meat processing and stockfeed milling divisions performed satisfactorily, Rivalea's meat sales division continued to face difficult operating conditions.

Revenue for the Distribution & Warehousing segment fell due to lower domestic trading sales and lower warehouse rental income. The operating performance of this segment was affected by the ammonia leak as operating losses, including provisions, of $1.4 million were incurred in connection with the leak and upgrading of the Group's warehouse at Fishery Port Road.

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

INCOME STATEMENT (cont'd)

4Q 2018 vs 4Q 2017 (cont'd)

The Group's cost of materials increased by $4.0 million to $117.2 million in 4Q 2018 in line with higher sales volume and material costs in the Bakery and Primary Production segments. Amortisation and depreciation increased by 3% or $0.3 million to $8.7 million in 4Q 2018, due to the completion of additional bakery production lines and facilities. Repairs and maintenance increased by 11% to $6.4 million in 4Q 2018 due mainly to refurbishment of aged facilities.

The Group's utilities increased by 20% or $1.1 million to $6.9 million in 4Q 2018 due mainly to an increase in Rivalea's electricity and gas prices. Advertising and promotion expenses decreased by 17% or $0.2 million to $1.2 million in 4Q 2018 due to the write-back of certain provisions no longer required.

The Group's other operating expenses decreased by 13% or $3.2 million to $21.2 million in 4Q 2018 as compared to $24.4 million in 4Q 2017 mainly due to the absence of one-off professional fees.

Group finance costs (interest expense) decreased by 8% or $0.1 million to $0.8 million in 4Q 2018 from $0.9 million in 4Q 2017 due to lower Group's borrowings over the same period last year.

The Group's share of profits of joint venture increased by 45% or $0.9 million to $3.1 million in 4Q 2018 from $2.2 million in 4Q 2017, due to higher sales.

Group earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 56% or $5.4 million to $15.1 million for 4Q 2018 from $9.7 million for 4Q 2017 due to an increase in contribution from Bakery segment of $5.5 million and Primary Production segment of $1.7 million, partly offset by a decrease in Distribution & Warehousing segment of $1.7 million. Bakery segment performed better in 4Q 2018 as compared to 3Q 2018. The performance of the Primary Production and Distribution & Warehousing segments remained weak in 4Q 2018.

Group profit before tax ("PBT") increased by 637% or $4.9 million from $0.8 million for 4Q 2017 to $5.7 million for 4Q 2018. The increase was mainly attributable to higher contribution from the Bakery segment and the absence of one-off professional fees, offset by Rivalea's performance and operating losses, including provisions in connection with the ammonia leak of $1.4 million and upgrading of the Group's warehouse at Fishery Port Road.

Group profit after tax ("PAT") increased by 718% or $3.7 million to $4.2 million for 4Q 2018 as compared to $0.5 million for 4Q 2017. Group income tax expense increased by 475% or $1.2 million to $1.5 million for 4Q 2018 as compared to $0.3 million for 4Q 2017. This is due partially to Rivalea deciding not to recognise deferred tax assets arising from its FY 2018's tax losses in light of the challenging trading conditions for the Primary Production segment.

Group profit attributable to owners of the parent ("PATMI") is $4.1 million for 4Q 2018 as compared to $2.2 million for 4Q 2017.

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

<u>INCOME STATEMENT (cont'd)</u>

<u>FY 2018 vs FY 2017</u>

Group revenue decreased by 1% to $814.9 million for financial year ended 31 December 2018 ("FY 2018") from $825.8 million for financial year ended 31 December 2017 ("FY 2017"). In constant currency terms, Group revenue increased by 2% in FY 2018 over FY 2017.

The Group's overall performance in FY 2018 has been substantially affected by a weaker performance from Rivalea. The Group has owned the Primary Production business since 2001, going through numerous cycles brought by circumstances which are challenging to mitigate. Chief of these exogenous factors are the general market price for commodity meat and variable cost of livestock feed brought about by severe weather events. Owing to one of the worst droughts in eastern Australian history, grain prices had risen to the highest in the past ten years. Based on the Group's historical financial data, the Primary Production business is cyclical in nature, with cycles of three to five years, with peak performances in 2006, 2009 and 2016. Since the peak in 2016, its performance is currently undergoing a down cycle which began in 2017. As the Primary Production segment contributed about 43% of the Group's FY2018 revenue, the cyclical nature of Rivalea's business has in turn affected the Group's performance.

The Group's Bakery segment achieved an overall increase in sales of about 4% in FY 2018 over FY 2017. In constant currency terms, Bakery revenue increased by 6% in FY 2018 over FY 2017. GBPI achieved higher sales through successful launches of new products, increased market penetration and increased production capacity from the completion of additional bakery production lines and facilities. BMM achieved higher bread sales and Bakers Maison Australia ("BMA") also achieved higher revenue through better market reach. GBKL's sales, which are not included in the Group's revenue, increased by 9% or $26 million to $311 million in FY2018.

Revenue for the Primary Production segment decreased by 6% or $21.4 million as Rivalea continued to face lower average selling prices partially offset by higher sales volume. Operating costs increased with higher feed and energy costs and insurance premia. These have led to difficult operating conditions for Rivalea, with EBITDA for FY 2018 falling significantly as compared to FY 2017, although it remained positive.

Rivalea's performance was the main reason for the drop in the Group's revenue and earnings. On the other hand, the Bakery segment has generated steadier performance to balance Rivalea's weak results.

Revenue for the Distribution & Warehousing segment decreased as domestic sales were adversely affected by the ammonia leak that occurred in the Group's warehouse at Fishery Port Road in January 2018, but this was partly mitigated by higher export sales.

The Group's cost of materials increased by 4% or $15.9 million to $443.1 million in FY 2018 in line with higher sales volume and material costs in the Bakery and Primary Production segments. Amortisation and depreciation increased by 7% or $2.3 million to $34.7 million in FY 2018 due to the completion of additional bakery production lines and facilities. Repairs and maintenance increased by 5% or $1.0 million to $23.9 million in FY 2018 due mainly to refurbishment of ageing facilities. Utilities increased by 15% or $3.5 million to $27.0 million in FY 2018 due mainly to an increase in Rivalea's electricity and gas prices.

Advertising and promotion expenses increased by 8% or $0.8 million to $11.2 million in FY 2018 due to the launch of new bakery and meat products and efforts made to counter competition.

Included in other operating expenses are operating lease rental expense, distribution and transportation expense and foreign currency translation loss. Other operating expenses increased by 2% or $1.2 million to $75.3 million in FY 2018 as compared to $74.1 million in FY 2017. The Group recorded foreign currency translation loss of $4.1 million in FY 2018 as compared to $1.1 million in FY 2017, mainly due to the depreciation of the Australian dollar. As at 31 December 2018, the Group has AUD denominated intercompany shareholder loans of A$55 million owing by Rivalea and BMA. In addition, GBPI incurred higher truck rental expense with the launch of new products and increased distribution routes in FY 2018.

Group finance costs (interest expense) increased by 10% or $0.3 million to $3.4 million in FY 2018 from $3.1 million in FY 2017 due to higher Group's borrowings.

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

INCOME STATEMENT (cont'd)

FY 2018 vs FY 2017 (cont'd)

The Group's share of profits of joint venture increased by 28% or $2.1 million to $9.7 million in FY 2018 from $7.6 million in FY 2017 due to higher sales and recognition of tax incentives by GBKL from its new bakery plant that was completed in 2018.

Group EBITDA decreased by 33% or $24.4 million to $50.0 million for FY 2018 from $74.4 million for FY 2017 due to a decrease in Primary Production segment of $22.6 million and Distribution & Warehousing segment of $4.7 million, partly offset by an increase in Bakery segment of $5.5 million.

Group PBT decreased by 67% from $40.6 million for FY 2017 to $13.3 million for FY 2018. The decline was mainly attributable to Rivalea and, to a smaller extent, losses of $4.2 million in connection with the ammonia leak in the Group's warehouse at Fishery Port Road, upgrading of older bakery and Singapore warehouse facilities, and foreign currency translation loss of $4.1 million recorded in FY 2018. Excluding the reversal of provision for cessation costs $1.3 million no longer required for Gardenia Food (Fujian) ("Gardenia Fujian"), foreign currency translation loss of $4.1 million, losses of $4.2 million in connection with the ammonia leak and the upgrading of older bakery and Singapore warehouse facilities and fair value loss on biological assets of $1.7 million, underlying earnings would be $22.5 million representing a 56% year-on-year decline from FY 2017 of $51.0 million.

Group PAT decreased by 71% to $8.7 million for FY 2018 as compared to $30.2 million for FY 2017. Group income tax expense decreased by 55% to $4.6 million for FY 2018 as compared to $10.4 million for FY 2017 in line with the reduced profitability in the Group's operations.

Group PATMI decreased by 75% to $8.1 million for FY 2018 as compared to $32.3 million for FY 2017.

STATEMENT OF FINANCIAL POSITION

Other receivables increased by 25% to $28.5 million as at end of FY 2018 mainly due to higher GST receivables in line with the increase in capital expenditure.

Short-term and long-term investments relate to the Company's investments in bonds. Certain long-term investments of $4.7 million have been reclassified to short-term as the maturity period is now less than 1 year.

Cash and cash equivalents decreased by 56% or $76 million to $60 million mainly due to capital expenditure and payment of dividends.

Total property, plant and equipment and investment properties increased by 8% or $27.6 million to $362.9 million as at the end of FY 2018 from $335.3 million as at the end of FY 2017, mainly due to investments made to upgrade and expand the Group's production facilities and equipment.

Investment properties decreased by 65% or $11.7 million to $6.2 million as at end of FY 2018 due to the transfer of a commercial property that was previously held as investment property to owner-occupied property and reflected as property, plant and equipment as the Group has increased its usage.

Total short-term and long-term borrowings decreased by 3% to $110.0 million as at end of FY 2018 due to the repayment of loans. Net gearing ratio as at 31 December 2018 was 0.1 times as compared to a net cash position as at 31 December 2017.

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

<u>The performance review of the Group's business segments is as follows:</u>

BAKERY

	2018	2017	Increase/(decrease)	
	$'million	$'million	$'million	%
Segment revenue	348.5	335.9	12.6	4
Segment EBITDA	48.7	43.2	5.5	13
EBITDA margin (%)	14	13		
Share of profits and royalty income * from joint venture	14.6	12.4	2.2	18
Segment EBITDA and joint venture contribution	63.3	55.6	7.7	14

* *Royalty fee income from joint venture is classified under Investment & others segment EBITDA but is included in this section for illustration purposes.*

Bakery segment revenue increased by 4% to $348.5 million for FY 2018 from $335.9 million for FY 2017. GBPI achieved higher sales through the successful launches of new products, increased market penetration and increased production capacity from the completion of additional bakery production lines and facilities. BMM achieved higher bread sales and BMA also achieved higher revenue through better market reach. In constant currency terms, Bakery revenue increased by 6% in FY 2018 over FY 2017. GBKL's sales, which are not included in the Group's revenue, increased by 9% or $26 million to $311 million in FY 2018. Its corresponding EBITDA, including royalty, increased by 2% to $36 million with a margin of 12%.

Bakery EBITDA increased 13% or $5.5 million, from $43.2 million for FY 2017 to $48.7 million for FY 2018, mainly due to Gardenia Fujian's lower operating losses of $2.7 million and a one-off reversal of provision for cessation costs of $1.3 million no longer required. This was partly offset by higher material prices and operating costs (including one-off costs of $0.6 million incurred in connection with the upgrading of older facilities at the Singapore bakery plants).

Share of profits and royalty fee income from joint venture increased 18% or $2.2 million from $12.4 million for FY 2017 to $14.6 million in FY 2018 due to higher sales and the recognition of tax incentives by GBKL from its new bakery plant that was completed in 2018.

PRIMARY PRODUCTION

	2018	2017	Increase/(decrease)	
	$'million	$'million	$'million	%
Segment revenue	353.8	375.0	(21.2)	(6)
Segment EBITDA	1.2	23.8	(22.6)	(95)
EBITDA margin (%)	0	6		

The Primary Production segment is divided into three core businesses, namely meat production and sales (meat sales division), meat processing and stock feed milling divisions. Revenue for the Primary Production segment decreased by 6% or $21.2 million as Rivalea continued to face lower average selling prices arising from a severe oversupply situation, partially offset by higher sales volume. The lacklustre performance of Rivalea's main meat sales division which contributed 62% of Primary Production revenue, coupled with increased operating costs including higher feed, insurance premia and energy costs, led to difficult operating conditions for Rivalea. As a result, EBITDA fell 95% to $1.2 million for FY 2018 as compared to $23.8 million for FY 2017. Since the peak performance in 2016, this segment was in the second year of the down cycle.

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

<u>The performance review of the Group's business segments is as follows:</u>

DISTRIBUTION & WAREHOUSING

	2018	2017	Increase/(decrease)	
	$'million	$'million	$'million	%
Segment revenue	106.5	108.6	(2.1)	(2)
Segment EBITDA	2.6	7.3	(4.7)	(64)
EBITDA margin (%)	2	7		

Distribution & Warehousing revenue decreased by 2% or $2.1 million to $106.5 million for FY 2018 from $108.6 million for FY 2017. Domestic sales were adversely affected by the ammonia leak that occurred in the Group's warehouse at Fishery Port Road in January 2018. The decrease was mitigated by increased export sales by the Group's wholesale and trading company, Ben Foods.

EBITDA for the Distribution & Warehousing segment decreased by 64% or $4.7 million, from $7.3 million for FY 2017 to $2.6 million for FY 2018 due to operating losses of $4.2 million, including provisions and write-off of the residual book values of the old refrigeration system and roof arising from the ammonia leak incident, and higher material cost, especially in dairy prices due to the severe drought in Australia.

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

N.A.

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 continues to focus on achieving a balance between long-term growth and value creation and short-term performance so as to position the Group for more sustainable growth. In pursuit of this strategy, the Group has invested heavily in its downstream bakery business to expand production capacity and upgraded older bakery and warehousing facilities. Going forward, the Group will continue to pursue this strategy albeit on a smaller scale.

From FY 2016, the Group's Bakery segment (including GBKL) has invested approximately $200 million in expansionary capital expenditure, including building new plants in Malaysia and Philippines which have increased the Group's production capacity to support future growth and upgrading of older bakery facilities. This will address the production capacity constraints that the Malaysia and Philippines bakery units faced in 2018 and enable the Group's Bakery segment to enjoy greater economies of scale.

In the Philippines, the Group has invested Peso 3 billion (approximately $77 million) in 2017 and 2018 for the construction of two new plants in Pampanga (North Luzon) and Mindanao, which have increased Philippines's production capacity by up to 35%. Both plants commenced operations in 4Q 2018. The Group is prepared to consider further investments in the Philippines to satisfy projected market demands and further cement its market leader position in the competitive bakery industry.

In Malaysia, Farmland has invested RM175 million in 2016 and 2017 (approximately $56 million) on a state-of-the-art bakery plant in Johor. GBKL has invested RM 184 million (approximately $61 million) from 2016 to 2018 for the construction of a new plant in Bukit Kemuning, Klang, which was completed in 3Q 2018 to diversify into a new and different food segment and to broaden its earnings base. The launch of its 6-piece fluffy buns was received favourably by consumers. A new noodle line, making "Numee" will start operations by the first half of 2019.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry (cont'd)

With the substantial completion of the Group's bakery expansion in 2018, the Group has a total of 16 bakery plants. This enables the Group to increase its production facilities to meet market demands in these countries and enjoy better economies of scale. Staff costs, utilities, amortisation and depreciation are expected to increase correspondingly. Capital expenditure for further expansion will be dependent on market conditions and the competitive environment but is expected to be lower compared with 2017 and 2018. Maintenance expenditure is expected to increase, particularly for older facilities of the Group. As a concerted response to heightened competition in the bakery business, the Group is expected to continue to incur higher advertising and promotion, distribution and transportation expenses, particularly in the Philippines and Singapore. The Group intends to meet competitive challenges by introducing new products and variants of existing products, and by expanding its distribution channels. In addition, the Group intends to pursue synergy potential that exist between its distribution arm and the distribution channels of its bakery arm. Steps will be taken to defend, if not to increase, market share in our key markets as part of the Group's strategy to pursue long-term sustainable growth and value creation.

Worldwide, major consumer companies are starting to raise prices as escalating costs of materials and energy spread through global supply chains. In line with this global trend, the Bakery segment is expected to face continued cost pressures due to higher material costs, particularly flour, and fuel prices, and higher imported material costs in the Philippines as a result of the weakening Peso. Faced with escalating cost pressures in their local environments, the Bakery units continue to implement cost management programs, with selected price reviews of products taking place to partially mitigate the cost impact which is felt globally.

In 2019, the meat sales division is expected to remain challenging this year as the down cycle, which started in FY 2017, is expected to continue into the third year. Rivalea is seeing signs of stabilisation in general market supply, with some improvement in selling prices. However, Rivalea does not expect performance for its commodity meat sales division in 2019 to improve significantly due to higher feed and energy costs. One of the worst droughts in Eastern Australia, where Rivalea's operations are situated, has exacerbated the challenging market trading conditions. The drought has reduced grain output significantly in Eastern Australia and benchmark prices have risen to their highest since 2007/08 amidst concerns over a supply shortfall. The higher grain prices are expected to adversely impact Rivalea's FY 2019 results. The industry is facing significant increases in insurance premia across the board. The other smaller divisions namely meat processing under Diamond Valley Pork and stockfeed milling are expected to perform satisfactorily.

For the Primary Production segment, a strategic five-year plan is being conducted by Rivalea and Group management to focus on its key strengths and weaknesses, evaluate how best to mitigate volatility in this cyclical business and look at growth opportunities.

In the meantime, Rivalea has embarked on a strategy of increasing the sales of its branded and value-added downstream products to achieve less volatility in selling prices and margins. The percentage of branded products has now grown to more than 22% of its total revenue for FY 2018 as compared to approximately 15% for FY 2017. The strategy to move towards introducing more branded and value-added products will entail an increase in investment in value-added processing facilities, and in advertising and promotion expenses, an investment to grow its brand equity. A breakthrough was achieved in 2018 when Riverview Farm brand of deli roast was distributed nationwide in Australia. Rivalea will build upon this maiden achievement and research on new products.

Rivalea is increasing its exports of meat products to overseas markets. However, Australian pork producers, including Rivalea, are still not permitted to export pork to the PRC market as import protocols between Australia and the People's Republic of China ("PRC") have not been implemented under the China-Australia Free Trade Agreement 2015. Rivalea is embarking on a programme to reduce overheads and other operational costs. Rivalea has expanded its biogas production capabilities with the installation of a second electricity generator in late 2018 to further defray energy costs. A third electricity generator has been ordered, with planned commissioning in 2Q 2019.

Australia continues to maintain its status as free from African swine fever ("ASF"), however the Group continues to monitor the ASF situation closely. There are a number of measures in place which seek to prevent an exotic disease outbreak in Australia, including Australia's strict national biosecurity laws and isolation. Rivalea has strict farm biosecurity policies and procedures (refer to announcement made on 19 September 2018 for more details).

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry (cont'd)

As the Group's investment in Rivalea is denominated in Australian dollars, the Group will be subject to foreign exchange exposure.

In the Distribution & Warehousing segment, the domestic distribution business was adversely affected by the ammonia leak that occurred in the Group's warehouse. The Group has reinstated the refrigeration system. As part of that reinstatement, the Group took the opportunity to replace its asbestos roof and other ageing panelling. The aggregate expenditure in respect of the reinstatement of the Group's warehouse at Fishery Port Road was approximately $7.3 million in FY 2018. The Group is still in discussions with its insurer to recover costs associated with the ammonia leak.

On the mergers and acquisitions front, the Group evaluated several opportunities in 2017 and 2018. Owing to the global bullish capital markets and economy, valuations were high and unrealistic. With a slowing global economy, the Group will continue to be on a look out for opportunistic acquisitions. Meanwhile, the Group will continue to focus on organic growth, particularly in core markets.

The Group generates sustainable cashflow, especially in the Bakery segment. It will undertake strategic planning for the Group's businesses and in the case of Primary Production segment, this will take into account the cyclical nature of the business. It will continue to upgrade its ageing facilities, plan and build ahead of anticipated capacity constraints. It will continue to actively extend its footprint in ASEAN, a market with over 600 million consumers.

In Myanmar, the Group is expanding its Distribution and Warehousing business with new products, including chocolate spreads and croissants. In addition, the Group is studying the feasibility of distributing longer shelf life bakery products in ASEAN.

Given its strong balance sheet and cash reserves of approximately $60 million as at 31 December 2018, taking into account its cash generating capability (Group EBITDA of $50 million for FY 2018 and $74 million for FY 2017) and performance over several years, the Group is in the position to embark on a steady growth path and upgrading initiatives through its internal resources and bank borrowings and to support dividend payments. Following the completion of the major expansion of the bakery production capacity in Malaysia and the Philippines, the Group expects the increased production capacity to contribute to the cashflow of the Group in 2019 and onwards.

In Singapore, the Company owns 5 strata office units comprising 5.5% of the total share value of the development at Fook Hai Building, 150 South Bridge Road. It has a total floor area of approximately 8,000 sq ft and a remaining leasehold of 51 years. These office units have a combined net book value of $3.6 million as at 31 December 2018. In early 2019, a collective sale committee was appointed to pursue an en-bloc sale of the property. The process will take some time and there is no certainty of a sale outcome at this time. This is still at an early stage and 80% approval has to be secured to proceed. The Board will decide on the sale at the appropriate time when the reserve price is determined.

In the year ahead, the Group continues to be exposed to:

- Volatility in regional currencies, including Australian dollar, following increases in global interest rates and global trade uncertainties;
- Higher raw material costs arising from extreme weather conditions, in particular higher feed costs arising from the severe drought in Eastern Australia further exacerbating the challenging market trading conditions in the Primary Production segment;
- Escalating costs especially higher energy and fuel costs, raw material (including flour) prices, insurance premia, environmental compliance cost and maintenance expenditure; and
- Increasing competition.

Barring unforeseen circumstances, the Group expects better performance in FY 2019 for the Bakery and Warehousing & Distribution segments. However, the Primary Production segment is expected to remain challenging as higher commodity meat prices are expected to be offset by higher feed cost following the severe drought in 2018. Barring unforeseen circumstances, on an overall basis, the Group expects to achieve better performance in FY 2019 compared to FY 2018.

11. Dividends

(a) *Current financial period reported on*

Any dividend declared? Yes

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

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

(b) *Previous corresponding period*

Any dividend declared? Yes

	Interim	Final Dividend
Dividend type	Cash/Scrip	Cash/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 and the reason(s) for the decision.

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.

Name of Interested Person	Aggregate value of all interested person transactions conducted in FY 2018 under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (S$'000)
Salim Group [1] - Sale of unsold and returned bread	983
Salim Group - Purchase of raw materials, including flour	14,038
TOTAL	15,021

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

14. 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.

15. 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	Distribution & Warehousing $'000	Investments & others $'000	Eliminations $'000	Consolidated $'000
Revenue and expenses 2018						
Revenue from external customers	345,226	351,676	106,207	4,938	-	808,047
Other revenue from external customers	3,281	2,084	131	19	-	5,515
Inter-segment revenue	11	-	113	13,904	(14,028)	-
	348,518	353,760	106,451	18,861	(14,028)	813,562
Unallocated revenue						1,306
Total revenue						814,868
Segment EBITDA	48,671	1,197	2,634	5,113	-	57,615
Amortisation and depreciation	(22,569)	(9,382)	(2,483)	(236)	-	(34,670)
Segment EBIT	26,102	(8,185)	151	4,877	-	22,945
Unallocated revenue						1,306
Unallocated expenses						(17,320)
Profit from operating activities						6,931
Finance costs						(3,370)
Share of profits of joint venture	9,737	-	-	-	-	9,737
Profit before tax						13,298
Income tax expense						(4,639)
Profit after tax						8,659
Revenue and expenses 2017						
Revenue from external customers	332,412	371,661	108,393	4,757	-	817,223
Other revenue from external customers	3,412	3,355	148	23	-	6,938
Inter-segment revenue	50	-	55	13,386	(13,491)	-
	335,874	375,016	108,596	18,166	(13,491)	824,161
Unallocated revenue						1,643
Total revenue						825,804
Segment EBITDA	43,165	23,847	7,319	4,420	-	78,751
Amortisation and depreciation	(20,071)	(9,746)	(2,310)	(243)	-	(32,370)
Segment EBIT	23,094	14,101	5,009	4,177	-	46,381
Unallocated revenue						1,643
Unallocated expenses						(11,897)
Profit from operating activities						36,127
Finance costs						(3,062)
Share of profits of joint venture	7,583	-	-	-	-	7,583
Profit before tax						40,648
Income tax expense						(10,402)
Profit after tax						30,246

15. Segment Information (cont'd)

(In Singapore Dollars)

	Bakery $'000	Primary production $'000	Distribution & Warehousing $'000	Investments & others $'000	Consolidated $'000
Assets and liabilities 31 December 2018					
Segment assets	341,751	240,236	67,215	36,064	685,266
Joint venture	80,483	-	-	-	80,483
Total assets	422,234	240,236	67,215	36,064	765,749
Deferred tax assets					15,885
Tax recoverable					1,999
Total assets per consolidated statement of financial position					783,633
Segment liabilities	86,856	52,927	16,673	9,874	166,330
Income tax payable					2,990
Deferred tax liabilities					10,432
Bank borrowings					98,862
Total liabilities per consolidated statement of financial position					278,614
Assets and liabilities 31 December 2017					
Segment assets	311,672	277,041	68,142	71,133	727,988
Joint venture	75,813	-	-	-	75,813
Total assets	387,485	277,041	68,142	71,133	803,801
Deferred tax assets					16,140
Tax recoverable					1,518
Total assets per consolidated statement of financial position					821,459
Segment liabilities	76,201	65,672	17,502	11,942	171,317
Income tax payable					4,030
Deferred tax liabilities					13,541
Bank borrowings					102,010
Total liabilities per consolidated statement of financial position					290,898
Other segment information 2018					
Expenditure for non-current assets	58,641	10,919	6,295	73	75,928
Impairment loss	-	-	-	162	162
Allowance for inventories (written-back)/ charged and inventories written off, net	(326)	-	534	-	208
Allowance for doubtful receivables charged and bad debts written off, net	657	22	-	-	679
Other segment information 2017					
Expenditure for non-current assets	50,360	8,419	2,796	2,406	63,981
Impairment loss/(write-back of impairment loss)	-	600	-	(645)	(45)
Allowance for inventories charged and inventories written off, net	920	-	595	-	1,515
Allowance for doubtful receivables charged/(written-back) and bad debts written off, net	981	7	(183)	-	805

15. **Segment Information (cont'd)**
(In Singapore Dollars)

	Revenue		***Non-current assets***	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Australia	372,187	394,436	136,804	147,755
Philippines	183,753	171,278	100,524	59,006
Singapore	168,015	172,538	48,680	46,241
Malaysia	77,076	70,245	77,007	82,318
Other countries	13,837	17,307	-	-
	814,868	825,804	363,015	335,320

Non-current assets information presented above consist of property, plant and equipment, investment properties and intangibles as presented in the consolidated statement of financial position.

16. **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 Section 8.

17. **A breakdown of sales as follows:**

	Group		
	2018	2017	+ / (-)
	$'000	$'000	%
Revenue reported for first half year	395,887	410,574	(4)
Profit after tax before deducting non-controlling interests for the first half year	4,131	22,052	(81)
Revenue reported for second half year	418,981	415,230	1
Profit after tax before deducting non-controlling interests for the second half year	4,528	8,194	(45)

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

	Full Year 2018	Full Year 2017
	$'000	$'000
Ordinary dividend	28,717	28,423

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

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, set out below are details of each person occupying a managerial position in the Company and/or its principal subsidiaries who is a relative of a Director or chief executive officer or substantial shareholder of the Company:

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lin Kejian	40	Son of Mr Andree Halim (Vice Chairman and a controlling shareholder of the Company)	Mr Lin was appointed as Joint Group Managing Director with effect from 1 January 2017. As Joint Group Managing Director, Mr Lin together with the other Joint Group Managing Director, is responsible for the leadership and overall management of the affairs of QAF and overall oversight of the QAF group of companies and is tasked to set strategic objectives and implement strategies to achieve the long-term growth and value creation of the QAF Group.	N.A.

BY ORDER OF THE BOARD

Ms Serene Yeo
Company Secretary
26 February 2019