

First Quarter Unaudited Financial Statements for the Period Ended 31 March 2014

- 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		
	1st Quarter ended		
	*(Restated)		
	<u>31/03/2014</u>	<u>31/03/2013</u>	+ / (-)
	S\$'000	S\$'000	%
Revenue	243,032	250,714	(3)
<u>Costs and expenses</u>			
Costs of materials	127,573	133,722	(5)
Staff costs	55,150	57,373	(4)
Amortisation and depreciation	9,228	9,779	(6)
Repairs and maintenance	7,682	7,597	1
Utilities	8,254	8,149	1
Other operating expenses	17,880	18,652	(4)
Total costs and expenses	<u>225,767</u>	<u>235,272</u>	(4)
Profit from operating activities	17,265	15,442	12
Finance costs	(902)	(1,156)	(22)
Profit before taxation	<u>16,363</u>	<u>14,286</u>	15
Taxation			
- Current period	(2,851)	(2,321)	23
- Over provision in prior periods	-	61	n.m.
	<u>(2,851)</u>	<u>(2,260)</u>	26
Profit after taxation	<u>13,512</u>	<u>12,026</u>	12
<u>Attributable to:</u>			
Owners of the parent	12,749	11,496	11
Non-controlling interests	763	530	44
	<u>13,512</u>	<u>12,026</u>	12

* Relates to retrospective effect upon adoption of FRS 110 *Consolidated Financial Statements* and Revised FRS 27 *Separate Financial Statements* (see Section 5 for further details).

n.m. = not meaningful

(i) **Statement of Comprehensive Income**

	Group	
	1st Quarter ended	
	*(Restated)	
	<u>31/03/2014</u>	<u>31/03/2013</u>
	S\$'000	S\$'000
Profit after taxation	13,512	12,026
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
- Currency translation arising on consolidation	<u>3,875</u>	<u>4,078</u>
Other comprehensive income for the period, net of tax	3,875	4,078
Total comprehensive income for the period	<u>17,387</u>	<u>16,104</u>
<u>Total comprehensive income attributable to:</u>		
Owners of the parent	16,730	15,495
Non-controlling interests	<u>657</u>	<u>609</u>
	<u>17,387</u>	<u>16,104</u>

* Relates to retrospective effect upon adoption of FRS 110 *Consolidated Financial Statements* and Revised FRS 27 *Separate Financial Statements* (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		
	1st Quarter ended		
	+ / (-)		
	*(Restated)		
	<u>31/03/2014</u>	<u>31/03/2013</u>	%
	S\$'000	S\$'000	
Other income including interest income	1,406	1,604	(12)
Allowance for doubtful debts (charged)/written back and bad debts (written off)	(141)	282	n.m.
Allowance for inventory obsolescence charged	(471)	(177)	166
Foreign exchange gain	1,173	798	47
Gain on disposal of property, plant & equipment and assets classified as held for sale	409	72	468

* Relates to retrospective effect upon adoption of FRS 110 *Consolidated Financial Statements* and Revised FRS 27 *Separate Financial Statements* (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:-

Statement of Financial Position

(in Singapore Dollars)

	Group		Company	
	31/03/2014 S\$'000	* (Restated) 31/12/2013 S\$'000	31/03/2014 S\$'000	31/12/2013 S\$'000
Current assets				
Biological assets	63,892	59,676	-	-
Inventories	74,940	83,010	-	-
Trade receivables	86,035	89,757	-	-
Other receivables	14,035	15,956	45,020	51,895
Tax recoverable	1,036	817	-	-
Short-term investments	1,108	2,386	-	2,000
Cash and cash equivalents	77,162	79,498	30,113	19,037
Assets classified as held for sale	3,866	2,487	-	-
	322,074	333,587	75,133	72,932
Non-current assets				
Property, plant & equipment	298,304	297,327	2,397	2,398
Investment properties	27,062	27,131	-	-
Subsidiaries	-	-	98,718	98,718
Advances to subsidiaries	-	-	113,963	111,268
Pension assets	3,298	3,196	-	-
Long-term investments	14,811	10,593	13,243	9,057
Intangibles	2,094	2,129	2,025	2,072
Deferred tax assets	14,657	14,258	-	-
	360,226	354,634	230,346	223,513
Total assets	682,300	688,221	305,479	296,445
Current liabilities				
Trade payables	75,744	94,870	215	33
Other payables	52,649	54,651	6,884	6,469
Short-term borrowings	70,993	74,201	4,944	4,960
Long-term loans and finance leases - current portion	4,688	4,745	-	-
Provision for taxation	5,102	3,909	1,428	1,317
	209,176	232,376	13,471	12,779
Non-current liabilities				
Other payables	10,495	9,664	-	-
Long-term loans and finance leases	10,509	11,660	-	-
Deferred tax liabilities	10,805	10,843	384	384
	31,809	32,167	384	384
Total liabilities	240,985	264,543	13,855	13,163
Net assets	441,315	423,678	291,624	283,282
Capital and reserves				
Share capital	250,346	250,096	250,346	250,096
Reserves	163,414	146,684	41,278	33,186
Equity attributable to owners of the parent	413,760	396,780	291,624	283,282
Non-controlling interests	27,555	26,898	-	-
Total equity	441,315	423,678	291,624	283,282

* Relates to retrospective effect upon adoption of FRS 110 *Consolidated Financial Statements* and Revised FRS 27 *Separate Financial Statements* (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 31/03/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
24,489	51,192	25,862	53,084

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

As at 31/03/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
10,509	-	11,660	-

(c) **Details of any collaterals**

At the end of the financial period, property, plant & equipment and inventories with total net book values of \$42,454,000 (as at 31/12/2013: \$44,217,000) were pledged to secure certain credit facilities for the Group.

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

Statement of Cash Flows (in Singapore Dollars)	Group	
	1st Quarter ended	
	31/03/2014	* (Restated) 31/03/2013
	S\$'000	S\$'000
Cash flows from operating activities:		
Profit before taxation	16,363	14,286
Adjustments for:		
Amortisation and depreciation	9,228	9,779
Gain on disposal of property, plant & equipment and assets classified as held for sale	(409)	(72)
Fair value adjustment on investment securities	7	-
Fair value changes on biological assets	-	137
Allowance for doubtful debts charged/(written back) and bad debts written off	141	(282)
Interest expense	902	1,156
Interest income	(364)	(281)
Exchange differences	(793)	(738)
Operating profit before working capital changes	25,075	23,985
Decrease in receivables	3,726	3,752
Decrease/(increase) in inventories and biological assets	6,959	(277)
Decrease in payables	(21,864)	(9,572)
Cash from operations	13,896	17,888
Interest paid, net	(517)	(902)
Income tax paid	(1,954)	(2,145)
Net cash from operating activities	11,425	14,841
Cash flows from investing activities:		
Purchase of property, plant & equipment and investment properties	(7,880)	(7,877)
Proceeds from disposal of property, plant & equipment and assets classified as held for sale	3,013	195
Purchase of investments	(4,872)	(526)
Proceeds from redemption of investments at maturity	2,000	2,000
Net cash used in investing activities	(7,739)	(6,208)
Cash flows from financing activities:		
Proceeds from issuance of share capital	250	89
Dividends paid to non-controlling interests	(577)	(1,684)
Repayment of long-term borrowings	(1,250)	(208)
Repayment of short-term borrowings	(5,111)	(10,133)
Net cash used in financing activities	(6,688)	(11,936)
Net decrease in cash and cash equivalents	(3,002)	(3,303)
Cash and cash equivalents at beginning of period	79,498	69,978
Effect of exchange rate changes on cash and cash equivalents	666	499
Cash and cash equivalents at end of period	77,162	67,174

* Relates to retrospective effect upon adoption of FRS 110 *Consolidated Financial Statements* and Revised FRS 27 *Separate Financial Statements* (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:-

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 2014							
- as previously reported	250,096	2,215	17,941	147,474	(20,946)	26,567	423,347
- effects of adopting FRS 110 & Revised FRS 27	-	-	-	-	-	331	331
- as restated	250,096	2,215	17,941	147,474	(20,946)	26,898	423,678
Total comprehensive income for the period							
Net profit for the period	-	-	-	12,749	-	763	13,512
<u>Other comprehensive income</u>							
<i>Currency translation arising on consolidation</i>	-	-	-	-	3,981	(106)	3,875
Total comprehensive income for the period	-	-	-	12,749	3,981	657	17,387
Transactions with owners in their capacity as owners							
<u>Contributions by and distributions to owners</u>							
Issuance of ordinary shares from exercise of options	250	-	-	-	-	-	250
Total transactions with owners in their capacity as owners	250	-	-	-	-	-	250
Balance at 31 March 2014	250,346	2,215	17,941	160,223	(16,965)	27,555	441,315
Balance at 1 January 2013							
- as previously reported	230,731	2,263	17,941	141,049	390	23,671	416,045
- effects of adopting FRS 110 & Revised FRS 27	-	-	-	-	-	120	120
- as restated	230,731	2,263	17,941	141,049	390	23,791	416,165
Total comprehensive income for the period							
Net profit for the period	-	-	-	11,496	-	530	12,026
<u>Other comprehensive income</u>							
<i>Currency translation arising on consolidation</i>	-	-	-	-	3,999	79	4,078
Total comprehensive income for the period	-	-	-	11,496	3,999	609	16,104
Transactions with owners in their capacity as owners							
<u>Contributions by and distributions to owners</u>							
Issuance of ordinary shares from exercise of options	89	-	-	-	-	-	89
Total transactions with owners in their capacity as owners	89	-	-	-	-	-	89
Balance at 31 March 2013	230,820	2,263	17,941	152,545	4,389	24,400	432,358

1(d)(i)

Company	Share capital \$'000	Capital reserve \$'000	Revenue reserve \$'000	Total equity \$'000
Balance at 1 January 2014	250,096	1,705	31,481	283,282
<i>Net profit for the period, representing total comprehensive income for the period</i>	-	-	8,092	8,092
Contributions by and distributions to owners				
Issuance of ordinary shares from exercise of options	250	-	-	250
<i>Total transactions with owners in their capacity as owners</i>	250	-	-	250
Balance at 31 March 2014	250,346	1,705	39,573	291,624
Balance at 1 January 2013	230,731	1,705	37,731	270,167
<i>Net profit for the period, representing total comprehensive income for the period</i>	-	-	7,122	7,122
Contributions by and distributions to owners				
Issuance of ordinary shares from exercise of options	89	-	-	89
<i>Total transactions with owners in their capacity as owners</i>	89	-	-	89
Balance at 31 March 2013	230,820	1,705	44,853	277,378

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

For the period ended 31 March 2014, the issued and paid-up share capital of the Company was increased from 546,494,994 shares to 546,964,994 shares due to the allotment and issue of 470,000 ordinary shares pursuant to the exercise by option holders.

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

	<u>As at</u> 31/03/2014	<u>As at</u> 31/03/2013
Outstanding options	3,505,000	5,175,000

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

	<u>As at</u> 31/03/2014	<u>As at</u> 31/12/2013
Total number of issued shares (excluding treasury shares)	546,964,994	546,494,994

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

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

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

The figures have not been audited or reviewed.

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

N.A.

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

The Group has applied the same accounting policies and methods of computation as in the Group's audited financial statements for the previous year ended 31 December 2013. 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 2014. 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 FRS 110 *Consolidated Financial Statements* and Revised FRS 27 *Separate Financial Statements*.

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.**

FRS 110 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 110 will require management to exercise significant judgment to determine which entities are controlled, and therefore are required to be consolidated by the Group, compared with the requirements that were in FRS 27. The changes in accounting policies have been applied retrospectively. The effects of adoption on the financial statements are as follows:

	As at 31/12/2013 \$'000
(Decrease)/increase in:	
<i>Consolidated statement of financial position</i>	
Other receivables	(112)
Tax recoverable	344
Cash and cash equivalents	290
Property, plant & equipment	5,296
Associates	(1,862)
Advances to associates	(3,389)
Long-term investments	27
Deferred tax assets	155
Other payables - current	144
Other payables - non-current	274
Non-controlling interests	331
	1st Quarter ended 31/03/2013 \$'000
<i>Consolidated income statement</i>	
Decrease in revenue	(51)
Increase in staff costs	(275)
Increase in amortisation and depreciation	(77)
Increase in repairs and maintenance	(51)
Increase in utilities	(121)
Decrease in other operating expenses	615
Decrease in share of profits of associates	(16)
Increase in profit for the period	<u>24</u>
Increase in profit for the period attributable to:	
Non-controlling interests	<u>24</u>
<i>Consolidated statement of comprehensive income</i>	
Increase in currency translation arising on consolidation	<u>22</u>
Increase in other comprehensive income for the period, net of tax attributable to non-controlling interests	<u>22</u>

The effect of this restatement is not significant and consequently a restated Group Balance Sheet at the start of the previous reporting period has not been presented.

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

	1st Quarter ended	
	<u>31/03/2014</u>	<u>31/03/2013</u>
Basic EPS	2.3 cents	2.2 cents
Diluted EPS	2.3 cents	2.2 cents

Number of shares used for the calculation of:

i) Basic EPS		
Weighted average number of ordinary shares in issue	546,599,000	524,287,000
ii) Diluted EPS		
Weighted average number of ordinary shares in issue	547,789,000	526,178,000

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

	As at <u>31/03/2014</u>	As at <u>31/12/2013</u>
Group	75.6 cents	72.6 cents
QAF Limited	53.3 cents	51.8 cents
Number of shares used for the calculation of Net asset value:	546,964,994	546,494,994

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 decreased marginally by 3% to \$243.0 million for the first quarter ended 31 March 2014 (‘1Q 2014’) from \$250.7 million for the first quarter ended 31 March 2013 (‘1Q 2013’). The slight decline in Group revenue is attributable to the translation effect of a higher Singapore dollar exchange rate versus the domestic currencies in certain countries that the Group operates in. In particular, the lower average exchange rate of the Australian dollar against the Singapore dollar in 1Q 2014 as compared to 1Q 2013 resulted in Rivalea (Australia) Pty Ltd (‘Rivalea’), the Group’s fully integrated meat producer which is located in Australia, seeing lower sales in terms of Singapore dollars even though the company achieved higher sales in Australian dollar terms. Similarly to some extent, the Group’s bakery operations in Malaysia achieved higher sales in terms of Malaysian Ringgit but saw lower sales when the latter is translated into Singapore dollars due to the lower average exchange rate of the Malaysian Ringgit against the Singapore dollar in 1Q 2014.

Without the translation effect as mentioned above, all of the Group’s business segments, namely Bakery, Primary Production and Trading & Logistics achieved increases in sales. In particular, all of the Group’s bakery operations in Singapore, Malaysia, the Philippines and Australia achieved increases in sales through the launch of new products and increased market shares. Rivalea also achieved higher sales due to higher average selling prices resulting from a better product mix as well as a higher sales volume. The Group’s trading and wholesale arm, Ben Foods (S) Pte Ltd and the Group’s cold storage operations also achieved higher sales and rental income, respectively.

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

INCOME STATEMENT (cont'd)

Costs of Materials decreased by 5% to \$127.6 million in 1Q 2014 as compared to \$133.7 million in 1Q 2013 mainly due to Rivalea's lower raw material costs in terms of Singapore dollars due to the higher Singapore dollar exchange rate as mentioned above. The Bakery business segment also enjoyed lower ingredient cost.

Repairs and Maintenance increased by 1% to \$7.7 million in 1Q 2014 and this is attributable to higher repair and maintenance expenses associated with the Group's expanded bakery production facilities. Utilities also increased by 1% to \$8.3 million in 1Q 2014 due to higher utility rates. Other Operating Expenses decreased by 4% to \$17.9 million in 1Q 2014, mainly attributable to the higher foreign exchange gain of \$1.2 million in 1Q 2014 as compared to \$0.8 million in 1Q 2013 as well as the effect of the translation of some expenses into Singapore dollars.

Group Finance Costs (interest expense) decreased by 22% to \$0.9 million in 1Q 2014 as compared to \$1.2 million in 1Q 2013 due to lower borrowings.

Group Profit Before Taxation ('PBT') for 1Q 2014 increased by 15% to \$16.4 million from \$14.3 million for 1Q 2013. All of the Group's business segments achieved increased profitability. In particular, the Group's bakery operations in Singapore, Malaysia, the Philippines and Australia achieved increased profitability through higher sales, successful product launches, increased efficiencies and economies of scale. Rivalea also achieved higher profits due to a better product mix which resulted in higher overall prices. The Trading & Logistics segment also saw higher profits as a result of higher rental income from its cold storage operations.

Group Profit After Taxation ('PAT') increased by 12% to \$13.5 million for 1Q 2014 as compared to a Group PAT of \$12.0 million for 1Q 2013. Group Taxation increased by 26% to \$2.9 million in 1Q 2014 as compared to \$2.3 million in 1Q 2013, in line with the increased profitability in the Group's operations.

Group Profit Attributable to Owners of the Parent increased by 11% to \$12.7 million in 1Q 2014 as compared to \$11.5 million in 1Q 2013.

STATEMENT OF FINANCIAL POSITION

Inventories declined by 10% to \$74.9 million as at the end of 1Q 2014 from \$83.0 million as at the end of the financial year ended 31 December 2013 ('FYE 2013') due mainly to reduction of inventory holdings in the Primary Production and Trading & Logistics business segments as inventories were sold.

Other Receivables decreased by 12% to \$14.0 million as at the end of 1Q 2014 as compared to \$16.0 million as at the end of FYE 2013. This is mainly attributable to the reclassification of down-payments made by the Group in FYE 2013 for its purchases of new bakery production facilities and equipment to Property, Plant and Equipment upon the completion of the installation in 1Q 2014.

Short-Term and Long-Term Investments relates mainly to the Group's and the Group's investments in certain bonds and market-linked notes. These investments were made so as to achieve better returns for the Group. Total Investments increased by 23% to \$15.9 million as at the end of 1Q 2014.

Trade Payables decreased by 20% to \$75.7 million as at the end of 1Q 2014. The reduction is largely due to the payment of balances owed to creditors.

Short-Term Borrowings and total Long-Term Loans declined by 4% and 7% to \$71.0 million and \$15.2 million, respectively as at end of 1Q 2014. These reductions are largely due to the repayment of loans.

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.

In line with the favourable market positions of the Group's major businesses and the momentum achieved to-date due to the successful implementation of business strategies, the Group is optimistic that it will achieve higher profits in the second quarter ending 30 June 2014 as compared to the second quarter ended 30 June 2013. The Group also expects an encouraging level of profitability for the financial year ending 31 December 2014.

11. Dividends

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

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

No dividend has been declared/recommendeded for quarter ended 31/03/2014.

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 2014.

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

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors which may render the unaudited financials of the Group and the Company for the 1st Quarter ended 31 March 2014 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Ms Lee Woan Ling
Company Secretary
25 April 2014