QAF Limited

(Company Registration No : 195800035D)

Half Year Unaudited Financial Statements for the Period Ended 30 June 2026

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)		1st Half Year ended		
	Note	30/06/2026	30/06/2025	+ / (-)
		S$'000	S$'000	%
Revenue		306,709	306,054	0
Costs and expenses				
Costs of materials		162,396	162,496	(0)
Staff costs		62,931	64,721	(3)
Amortisation and depreciation		14,299	13,831	3
Repairs and maintenance		7,575	6,121	24
Utilities		8,657	10,239	(15)
Advertising and promotion		2,548	3,958	(36)
Other operating expenses		33,015	36,518	(10)
Total costs and expenses		291,421	297,884	(2)
Profit from operating activities		15,288	8,170	87
Finance costs		(493)	(701)	(30)
Share of losses of joint venture	1(a)(ii)(b)	(2,161)	(999)	116
Exceptional items	1(a)(ii)(c)	(10,000)	-	n.m.
Profit before tax		2,634	6,470	(59)
Income tax expense	1(e)(E)			
- Current period		(1,114)	(2,564)	(57)
- Overprovision in prior periods		400	286	40
		(714)	(2,278)	(69)
Profit after tax		1,920	4,192	(54)
Attributable to:				
Owners of the parent		1,903	3,917	(51)
Non-controlling interests		17	275	(94)
		1,920	4,192	(54)

n.m. = not meaningful

1(a)(i) Statement of Comprehensive Income

	Group	
	1st Half Year ended	
	30/06/2026	30/06/2025
	S$'000	S$'000
Profit after tax	1,920	4,192
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
- Currency translation arising on consolidation	(2,095)	(4,529)
- Share of other comprehensive income of joint venture	394	(314)
Other comprehensive income for the period, net of tax	(1,701)	(4,843)
Total comprehensive income for the period	219	(651)
Total comprehensive income attributable to:		
Owners of the parent	257	(892)
Non-controlling interests	(38)	241
	219	(651)

Notes to the Income Statement

Please see Section 8 for commentaries on the Income Statement.

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

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

	Group		
	1st Half Year ended		
	30/06/2026	30/06/2025	+ / (-)
	S$'000	S$'000	%
Other income including interest income (included in Revenue)	4,367	4,479	(3)
Interest income (included in Other income disclosed above)	3,531	3,587	(2)
Operating lease expense	(9,447)	(8,731)	8
Distribution and transportation expense	(8,877)	(7,689)	15
Foreign currency translation gain/(loss)	4,275	(2,972)	n.m.
Impairment loss charged on property, plant and equipment	(2,509)	(608)	313
Professional fees	(1,011)	(884)	14
Allowance for receivables charged and bad debts written off, net	(236)	(294)	(20)
Allowance for inventories charged and inventories written off, net	(385)	(399)	(4)
Loss on disposal of property, plant and equipment	(26)	(46)	(43)

1(a)(ii)

(b) Share of losses of joint venture

For the half year ended 30 June 2026, following the periodic assessment of the recoverable amount of the Group's investment in its joint venture, Gardena Bakeries (KL) Sdn Bhd ("GBKL"), the Group recognised a non-cash impairment of $3.9 million ($1.9 million in half year ended 30 June 2025), as part of the Group's share of losses of joint venture.

	Group 1st Half Year ended		
	30/06/2026	30/06/2025	+ / (-)
	S$'000	S$'000	%
Share of operating profit	1,739	901	93
Impairment	(3,900)	(1,900)	105
Share of losses of joint venture	(2,161)	(999)	116

In accordance with Singapore's Financial Reporting Standards, the Group was required to remeasure its remaining 50% investment in GBKL to its fair value as at 31 March 2016. An external valuer was appointed to perform this valuation. As a result, the Group recorded a net fair value uplift on identifiable assets of $28.9 million and a goodwill of $25.0 million arising from this valuation. SFRS(I) requires the Group to assess the recoverable amount of its investment in GBKL periodically. The Group has performed an assessment on the recoverable amount of its investment and determined that a non-cash write-down of approximately $3.9 million as at 30 June 2026 is required. This assessment took into account the overall market outlook, GBKL's estimated future trading performance, currency movements between the Singapore Dollar and Malaysian Ringgit and interest rates. The accumulated impairment recognised in profit or loss to-date amounts to approximately $10.9 million. The Group cannot rule out non-cash write-downs of its investment in future years subject to, amongst other things, trading performance, currency movements and interest rates.

(c) Exceptional Items

The Group "Exceptional Items" of $10 million relate to costs incurred in relation to the cessation of its Singapore manufacturing facilities to consolidate its bakery production capabilities from Singapore to Malaysia as part of a strategic optimisation of its manufacturing footprint. Other than retrenchment and penalties incurred for early termination of contracts, the Exceptional Items include a non-cash write-down of property, plant and equipment amounting to $2.5 million.

The move is part of the Group's ongoing efforts to enhance operational efficiency and maintain competitiveness amid an increasingly challenging global environment.

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**	
(in Singapore Dollars)		30/06/2026	31/12/2025	30/06/2026	31/12/2025
	Note	S$'000	S$'000	S$'000	S$'000
Current assets					
Inventories		45,717	57,578	-	-
Trade receivables		82,984	92,191	-	-
Other receivables		13,215	12,481	14,607	10,825
Tax recoverable		8,028	7,681	-	-
Cash and cash equivalents		204,755	214,055	160,116	164,198
		354,699	383,986	174,723	175,023
Non-current assets					
Property, plant & equipment	1(e)(F)	190,313	202,313	3,080	3,140
Right-of-use assets		18,011	16,321	57	94
Investment in subsidiaries		-	-	47,682	47,682
Advances to subsidiaries		-	-	108,948	113,918
Investment in joint venture		54,676	59,659	-	-
Intangibles	1(e)(G)	76	97	57	72
Deferred tax assets		7,413	6,252	-	-
		270,489	284,642	159,824	164,906
Total assets		625,188	668,628	334,547	339,929
Current liabilities					
Trade payables		44,183	65,120	48	76
Other payables		45,921	47,097	3,341	3,120
Short-term borrowings		6,518	3,200	-	-
Long-term borrowings - current portion		-	1,562	-	-
Lease liabilities - current portion		3,272	2,338	50	76
Income tax payable		4,780	4,809	685	638
		104,674	124,126	4,124	3,910
Non-current liabilities					
Other payables		8,605	8,714	506	843
Lease liabilities		16,816	16,055	12	24
Deferred tax liabilities		5,582	7,430	1,482	1,539
		31,003	32,199	2,000	2,406
Total liabilities		135,677	156,325	6,124	6,316
Net assets		489,511	512,303	328,423	333,613
Capital and reserves					
Share capital		277,043	277,043	277,043	277,043
Reserves		210,490	233,244	51,380	56,570
Equity attributable to owners of the parent		487,533	510,287	328,423	333,613
Non-controlling interests		1,978	2,016	-	-
Total equity		489,511	512,303	328,423	333,613

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

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

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

As at 30/06/2026		As at 31/12/2025	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
-	9,790	-	7,100

(b) Amount repayable after one year

As at 30/06/2026		As at 31/12/2025	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
-	16,816	-	16,055

(c) Details of any collaterals

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

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

	Group	
	1st Half Year ended	
Statement of Cash Flows	30/06/2026	30/06/2025
(in Singapore Dollars)	S$'000	S$'000
Cash flows from operating activities:		
Profit before tax	2,634	6,470
Adjustments for:		
Amortisation and depreciation	14,299	13,831
Loss on disposal of property, plant and equipment	26	46
Share of losses of joint venture	2,161	999
Impairment loss charged on property, plant and equipment	2,509	608
Allowance for receivables charged and bad debts written off, net	236	294
Interest expense	493	701
Interest income	(3,531)	(3,587)
Exchange differences	(5,175)	1,837
Operating profit before working capital changes	13,652	21,199
Decrease in trade and other receivables	7,121	5,817
Decrease in inventories	11,374	12,237
Decrease in trade and other payables	(19,701)	(16,891)
Cash from operations	12,446	22,362
Interest paid	(515)	(739)
Interest received	3,531	3,587
Income tax paid	(4,808)	(5,419)
Net cash from operating activities	**10,654**	**19,791**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(5,351)	(8,309)
Proceeds from disposal of property, plant and equipment	242	12
Dividends received from joint venture	3,139	-
Net cash used in investing activities	**(1,970)**	**(8,297)**
Cash flows from financing activities:		
Dividends paid during the period	(23,011)	(23,011)
Proceeds from borrowings	4,786	-
Repayment of borrowings	(2,912)	(4,479)
Payment of lease liabilities	(1,885)	(2,030)
Net cash used in financing activities	**(23,022)**	**(29,520)**
Net decrease in cash and cash equivalents	(14,338)	(18,026)
Cash and cash equivalents at beginning of period	214,055	209,403
Effect of exchange rate changes on cash and cash equivalents	5,038	(2,770)
Cash and cash equivalents at end of period	204,755	188,607

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	Capital reserve $'000	Revenue reserve $'000	Foreign currency translation reserve $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2026	277,043	(1,511)	259,943	(25,188)	2,016	512,303
Total comprehensive income for the period						
Net profit for the period	-	-	1,903	-	17	1,920
Other comprehensive income						
Currency translation arising on consolidation	-	-	-	(2,040)	(55)	(2,095)
Share of other comprehensive income of joint venture	-	-	-	394	-	394
Other comprehensive income for the period, net of tax	-	-	-	(1,646)	(55)	(1,701)
Total comprehensive income for the period	-	-	1,903	(1,646)	(38)	219
Transactions with owners in their capacity as owners						
Contributions by and distributions to owners						
Dividends	-	-	(23,011)	-	-	(23,011)
Total transactions with owners in their capacity as owners	-	-	(23,011)	-	-	(23,011)
Balance at 30 June 2026	277,043	(1,511)	238,835	(26,834)	1,978	489,511
Balance at 1 January 2025	277,043	(1,511)	249,029	(24,881)	1,359	501,039
Total comprehensive income for the period						
Net profit for the period	-	-	3,917	-	275	4,192
Other comprehensive income						
Currency translation arising on consolidation	-	-	-	(4,495)	(34)	(4,529)
Share of other comprehensive income of joint venture	-	-	-	(314)	-	(314)
Other comprehensive income for the period, net of tax	-	-	-	(4,809)	(34)	(4,843)
Total comprehensive income for the period	-	-	3,917	(4,809)	241	(651)
Transactions with owners in their capacity as owners						
Contributions by and distributions to owners						
Capital contribution by non-controlling interest	-	-	-	-	431	431
Dividends	-	-	(23,011)	-	-	(23,011)
Total transactions with owners in their capacity as owners	-	-	(23,011)	-	431	(22,580)
Balance at 30 June 2025	277,043	(1,511)	229,935	(29,690)	2,031	477,808

1(d)(i)

Company	Share capital $'000	Revenue reserve $'000	Total equity $'000
Balance at 1 January 2026	277,043	56,570	333,613
Net profit for the period	-	17,821	17,821
Contributions by and distributions to owners			
Dividends	-	(23,011)	(23,011)
Total transactions with owners in their capacity as owners	-	(23,011)	(23,011)
Balance at 30 June 2026	277,043	51,380	328,423
Balance at 1 January 2025	277,043	39,217	316,260
Net profit for the period	-	14,453	14,453
Contributions by and distributions to owners			
Dividends	-	(23,011)	(23,011)
Total transactions with owners in their capacity as owners	-	(23,011)	(23,011)
Balance at 30 June 2025	277,043	30,659	307,702

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

There has been no change to the issued and paid-up share capital of the Company since 31 December 2025 up to 30 June 2026.

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

	As at 30/06/2026	As at 31/12/2025
Total number of issued shares (excluding treasury shares)	575,268,440	575,268,440

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

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

Not applicable.

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

Not applicable. No subsidiary holdings (as defined in the Listing Manual) were held by the Company as at 30 June 2026.

1(e) **Selected Notes to the Interim Financial Statements**
For the half year ended 30 June 2026

A. CORPORATE INFORMATION

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

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

B. BASIS OF PREPARATION

The condensed interim financial statements for the financial period ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Committee. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

C. USE OF JUDGEMENTS AND ESTIMATES

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

The significant judgements and estimates made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at end of the year ended 31 December 2025.

D. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2026 and 31 December 2025:

	Group	
	30/06/2026 S$'000	31/12/2025 S$'000
Financial assets measured at amortised cost		
Trade receivables	82,984	92,191
Other receivables	8,671	8,453
Cash and cash equivalents	204,755	214,055
	296,410	314,699
Financial liabilities measured at amortised cost		
Trade payables	44,183	65,120
Other payables	43,196	44,677
Short-term borrowings	6,518	3,200
Long-term borrowings	-	1,562
	93,897	114,559

1(e) Selected Notes to the Interim Financial Statements (cont'd)
For the half year ended 30 June 2026 (cont'd)

E. INCOME TAX EXPENSE

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

	1st Half Year ended	
	30/06/2026	30/06/2025
	S$'000	S$'000
Current income tax expense	(3,828)	(4,245)
Deferred tax relating to origination and reversal of temporary differences	3,114	1,967
	(714)	(2,278)

F. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets amounting to $5,153,000 (30 June 2025: $6,604,000) and disposed of assets amounting to $268,000 (30 June 2025: $58,000). Capital commitments not provided for in the financial statements amounted to $4,387,000 as at 30 June 2026.

G. INTANGIBLES

	Group			
	Trademark	**Intellectual property**	**Software**	**Total**
	S$'000	S$'000	S$'000	S$'000
Cost:				
At 1.1.2025	2,750	122	132	3,004
Additions	-	-	20	20
Currency realignment	-	2	-	2
At 31.12.2025 and 1.1.2026	2,750	124	152	3,026
Currency realignment	-	4	-	4
At 30.06.2026	2,750	128	152	3,030
Accumulated amortisation and impairment loss:				
At 1.1.2025	2,750	85	55	2,890
Amortisation for the year	-	12	25	37
Currency realignment	-	2	-	2
At 31.12.2025 and 1.1.2026	2,750	99	80	2,929
Amortisation for the period	-	6	15	21
Currency realignment	-	4	-	4
At 30.06.2026	2,750	109	95	2,954
Net carrying amount:				
At 30.06.2026	-	19	57	76
At 31.12.2025	-	25	72	97

Trademark, intellectual property and software with finite lives are amortised on a straight-line basis over their useful lives of 20, 10 and 5 years respectively.

1(e) Selected Notes to the Interim Financial Statements (cont'd)
For the half year ended 30 June 2026 (cont'd)

H. DIVIDENDS

	1st Half Year ended	
	30/06/2026	30/06/2025
	S$'000	S$'000
Ordinary dividends paid:		
Final tax-exempt (one-tier) dividend of 4 cents per share in respect of the financial year ended 31 December 2025	23,011	-
Final tax-exempt (one-tier) dividend of 4 cents per share in respect of the financial year ended 31 December 2024	-	23,011
	23,011	23,011

I. RELATED PARTY TRANSACTIONS

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

	1st Half Year ended	
	30/06/2026	30/06/2025
	S$'000	S$'000
Royalty income from joint venture	3,181	2,997
Purchase of goods from joint venture	1,869	1,661
Sales of goods to joint venture	33,489	29,335
Dividend income from joint venture	3,220	3,030
Purchase of goods from a company in which Mr Lam Sing Chung, Ms Rachel Liem Yuan Fang and her immediate family member have an interest	1,181	1,322
Sales of goods to a company in which Mr Lam Sing Chung, Ms Rachel Liem Yuan Fang and her immediate family member have an interest (Proceeds of the sales is covered by the personal guarantee by Mr Lam Sing Chung of up to $1 million)	1,649	1,290
Recharging of staff costs to Mr Lam Sing Chung	78	84
Purchase of goods from a company in which Mr Lin Kejian has an interest	82	125

J. FAIR VALUE OF ASSETS AND LIABILITIES

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

K. SUBSEQUENT EVENTS

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

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

The figures have not been audited or reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation as in the Group's audited financial statements for the previous year ended 31 December 2025. However, the Group adopted new or amended Singapore Financial Reporting Standards (International) ("SFRS(I)") that are mandatory for financial years beginning on or after 1 January 2026. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

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

Not applicable.

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

	1st Half Year ended	
	30/06/2026	30/06/2025
Basic and Diluted EPS	0.3 cents	0.7 cents
Number of shares used for the calculation of Basic and Diluted EPS:		
Weighted average number of ordinary shares in issue	575,268,440	575,268,440

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

	As at 30/06/2026	As at 31/12/2025
Group	84.7 cents	88.7 cents
QAF Limited	57.1 cents	58.0 cents
Number of shares used for the calculation of Net asset value:	575,268,440	575,268,440

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

<u>INCOME STATEMENT</u>

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

	1H 2026	1H 2025	+ / (-)
	$'million	$'million	%
Segment Revenue ^			
Bakery	*218.0*	*220.6*	*(1)*
Royalty income from joint venture	*3.5*	*3.3*	*6*
Bakery and joint venture contribution	221.5	223.9	(1)
Distribution & Warehousing	82.7	79.5	4
Others # (including head office financials)	2.5	2.7	(7)
	306.7	306.1	0
Segment EBITDA before exceptional items			
Bakery	*21.4*	*19.3*	*11*
Royalty income from joint venture	*3.5*	*3.3*	*6*
Share of losses of joint venture	*(2.2)*	*(1.0)*	*116*
Bakery and joint venture contribution	22.7	21.6	5
Distribution & Warehousing	1.2	3.2	(63)
Others * (including head office financials)	-	(7.4)	(100)
	23.9	17.4	37

	1H 2026	1H 2025
	%	%
Segment EBITDA Margin before exceptional items		
Bakery **	10	9
Distribution & Warehousing	1	4
Group **	8	6

^ *Gardenia Bakeries (KL) Sdn Bhd ("GBKL") revenue is not consolidated as it is accounted for as a joint venture. GBKL's revenue increased by 6% or $12.5 million from $201.5 million in 1H 2025 to $214.0 million in 1H 2026. In constant currency terms, GBKL revenue for 1H 2026 is comparable to that of 1H 2025.*

Excludes royalty income from the joint venture, GBKL.

* *Excludes share of losses and royalty income from the joint venture, GBKL. Includes foreign currency translation gain recorded at head office of $4.3 million in 1H 2026 and loss of $3.0 million in 1H 2025.*

** *Share of losses and royalty income from the joint venture, GBKL, included in the computation of Group EBITDA margin are excluded in the computation of Bakery EBITDA margin.*

Group revenue increased marginally to $306.7 million for the first half year ended 30 June 2026 ("1H 2026") from $306.1 million for the first half year ended 30 June 2025 ("1H 2025"). In constant currency terms, Group revenue increased by 2% in 1H 2026 compared to 1H 2025.

Staff costs decreased by 3% in 1H 2026 compared to 1H 2025 mainly due to cost-moderation efforts.

Amortisation and depreciation increased by 3% or $0.5 million from $13.8 million in 1H 2025 to $14.3 million in 1H 2026. Repairs and maintenance increased by 24% or $1.5 million from $6.1 million in 1H 2025 to $7.6 million in 1H 2026. The increases are in line with the increased production activities by the Bakery segment.

Utilities expense decreased by 15% or $1.5 million to $8.7 million in 1H 2026 due to longer contractual positions for electricity across the majority of regions where the Group operates.

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

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

Advertising and promotion expense decreased by 36% or $1.4 million to $2.5 million in 1H 2026 due to rationalisation of marketing expenses by the Bakery segment.

Other operating expenses decreased by 10% or $3.5 million from $36.5 million in 1H 2025 to $33.0 million in 1H 2026. These other operating expenses include:

- Foreign currency translation gain of $4.3 million in 1H 2026 as compared with loss of $3.0 million in 1H 2025. The major component of the foreign currency translation gain/loss arose from the translation effects from AUD to SGD of the Group's substantial holdings in AUD-denominated cash and cash equivalents.
- Operating lease expense increased by 8% from $8.7 million in 1H 2025 to $9.4 million in 1H 2026 mainly due to the higher cost of vehicle rentals for the Philippine operations.
- Distribution and transportation expense increased by 15% from $7.7 million in 1H 2025 to $8.9 million in 1H 2026 mainly due to higher charges and fuel levies imposed by the third-party distributors for the Australia bakery operations and general fuel cost increases associated with the Middle East conflict for operating the Group's delivery fleet.

Group finance costs (interest expense) decreased by $0.2 million from $0.7 million in 1H 2025 to $0.5 million in 1H 2026 due to lower borrowings.

The share of operating profits of the joint venture, before the Group's impairment provision on its investment, was $1.7 million for 1H 2026, up from $0.9 million for 1H 2025. The increase was due to lower raw material costs and moderated operating overheads. In 1H 2026, the Group recognised a non-cash impairment of $3.9 million on the Group's investment in its joint venture, compared to $1.9 million recognised in 1H 2025. Accordingly, after the impairment provision on its investment, the Group recorded a higher share of losses of joint venture of $2.2 million in 1H 2026 compared to $1.0 million in 1H 2025 (see section 1(a)(ii)(b) on page 3).

Exceptional items for 1H 2026 relate to costs incurred in relation to the cessation of its Singapore manufacturing facilities in order to consolidate its bakery production capabilities from Singapore to Malaysia as part of a strategic optimisation of its manufacturing footprint. Included in exceptional items are retrenchment and retirement benefits of $5.0 million, penalties for early contract terminations of $1.8 million, as well as impairment loss on property, plant and equipment of $2.5 million.

Group earnings before interest, tax, depreciation and amortisation ("EBITDA") before exceptional items increased by 37% from $17.4 million for 1H 2025 to $23.9 million for 1H 2026.

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

	1H 2026	**1H 2025**	**+ / (-)**
	$'million	**$'million**	**%**
Group profit before tax ("PBT")	2.6	6.5	(59)
Group PBT excluding exceptional items and GBKL impairment	16.5	8.4	96
PBT ***Margin*** excluding exceptional items and GBKL impairment (%)	*5.4%*	*2.7%*	
Group income tax expense	(0.7)	(2.3)	(69)
Group profit after tax ("PAT")	1.9	4.2	(54)
PAT ***Margin*** (%)	*0.6%*	*1.4%*	
Group profit attributable to owners of the parent ("PATMI")	1.9	3.9	(51)

Group PBT excluding exceptional items and GBKL impairment increased by 96% from $8.4 million for 1H 2025 to $16.5 million for 1H 2026, largely due to foreign currency translation gain in 1H 2026 compared to foreign currency translation loss in 1H 2025, lower Utilities expense and Advertising and promotion expense. This was partly offset by higher operating costs, particularly higher repairs and maintenance, distribution and transportation expense, and operating lease expense.

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

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

Group income tax expense decreased by 69% or $1.6 million to $0.7 million for 1H 2026 as compared with $2.3 million for 1H 2025, mainly due to lower taxable profits.

Group PAT decreased by $2.3 million or 54% to $1.9 million in 1H 2026 as compared with $4.2 million for 1H 2025. Group PATMI decreased by $2.0 million or 51% to $1.9 million in 1H 2026 as compared with $3.9 million for 1H 2025.

<u>STATEMENT OF FINANCIAL POSITION</u>

Inventories declined by 21% from $57.6 million as at end of financial year 2025 ("FY 2025") to $45.7 million as at end of 1H 2026 due to seasonal reductions in the Distribution & Warehousing business segment, following the annual sell-down during the festive season in the first quarter of 2026.

Trade receivables decreased by 10% or $9.2 million from $92.2 million as at end of FY 2025 to $83.0 million as at end of 1H 2026 mainly due to an overall improvement in debtors collections.

Right-of-use assets decreased by 10% or $1.7 million from $16.3 million at end of FY 2025 to $18.0 million as at end of 1H 2026, due to additions during the period, partly offset by depreciation of $1.9 million.

Investment in joint venture decreased by 8% or $5.0 million from $59.7 million as at end of FY 2025 to $54.7 million as at end of 1H 2026 due to dividends received, and the Group's share of losses of $2.2 million from its investment in the Malaysian joint venture, which include a non-cash impairment of $3.9 million (see section 1(a)(ii)(b) on page 3).

Deferred tax assets increased by $1.1 million from $6.3 million at end of FY 2025 to $7.4 million as at end of 1H 2026, due to recognition of potential tax benefit arising from unutilised tax losses by certain entities within the Group.

Trade payables decreased by 32% from $65.1 million at end of FY 2025 to $44.2 million as at end of 1H 2026, due mainly to reduced purchases and settlement of older balances.

Total short-term and long-term borrowings increased by 37% from $4.8 million as at end of FY 2025 to $6.5 million as at end of 1H 2026. Including lease liabilities, the Group's gross gearing ratio was 0.05 times as at 30 June 2026 and 31 December 2025.

At the end of 1H 2026, the Group's cash and cash equivalents of $204.8 million was substantially higher than its debt of $26.6 million, resulting in a net cash position of $178.2 million, compared to $190.9 million as at end of FY 2025.

<u>STATEMENT OF CASH FLOWS</u>

Cash and cash equivalents for the Group decreased by $9.3 million from $214.1 million as at end of FY 2025 to $204.8 million as at end of 1H 2026. Net cash from operating activities of $10.7 million and $3.1 million of dividend received from the joint venture were offset by dividend payment of $23.0 million and capital expenditure of $5.4 million.

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

No deviation. In line with the Company's announcement dated 29 July 2026, the Group has reported a 51% decline in its profit attributable to owners of the Company, compared to the same period last year. The details of this decline have been elaborated in section 8 above..

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

The ongoing geopolitical developments remain highly uncertain. The Group remains cautious that their severity and persistence will have a ranging impact on global economies, business confidence, consumer spending and operating costs.

Against this backdrop, operating costs pressures are expected to persist, with higher energy costs across some regions and supply chain risks. Foreign currency exchange rate movements also remain unpredictable and may impact the Group's reported results. This includes translation effects of the Group's holdings in AUD-denominated cash and cash equivalents, which contributed positively in 1H 2026 as compared to 1H 2025.

In addition, consumer sentiments remain dampened and sensitive to inflationary pressures and the broader economic uncertainty across the region.

The Group will continue its efforts to mitigate margin pressures through pricing and product mix adjustments, operational efficiency improvements and optimisation efforts. At the same time, the Group will seek to capitalize on new opportunities, including product launches and growth in our regions and channels.

As announced earlier in the year, the Group is progressing with the relocation of its bakery production from Singapore to Malaysia. In 1H 2026, the Group recognised $10 million of exceptional items relating to this exercise, comprising a $2.5 million non-cash asset write-down and estimated incidental costs. The estimated costs remain subject to refinement and will be updated as implementation and commercial activities progress. In addition, additional investments and transition costs are still expected in the near term as the shift is part of a broader consolidation strategy to optimise the Group's manufacturing footprint in the long term.

In 1H2026, the Group recognised a non-cash write-down of $3.9 million on its investment in GBKL. Subject to the overall market outlook, estimated future trading performance, currency movements between the Singapore Dollar and Malaysian Ringgit and interest rates, which remain relatively uncertain, the Group cannot rule out non-cash write-downs or reversals of its investment in future.

Nonetheless, the Group's balance sheet remains strong to support the business and any new opportunities ahead.

11. Dividends

(a) Current financial period reported on

Any dividend declared Yes

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

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

(b) Previous corresponding period

Any dividend declared Yes

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

(c) Date payable To be announced later

(d) Book closing date To be announced later

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

Not applicable.

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

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than $100,000) (S$'000)
Salim Group - Purchase of raw materials including flour	See Note [1]	7,079
Salim Group - Purchase of finished products (electricity and vegetables)	See Note [1]	780
Austral Dairy Group Sdn. Bhd. - Sale of products (cheese)	Entity in which Mr Lam Sing Chung, Ms Rachel Liem Yuan Fang and her immediate family member have an interest	1,649
Austral Dairy Group Sdn. Bhd. - Purchase of finished products (processed cheese)	Entity in which Mr Lam Sing Chung, Ms Rachel Liem Yuan Fang and her immediate family member have an interest	1,181
	TOTAL	10,689

Note:

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

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

Segment Information

(In Singapore Dollars)

	Bakery $'000	Distribution & warehousing $'000	Investments & others $'000	Adjustments & eliminations $'000	Consolidated $'000
Revenue and expenses 1H 2026					
Revenue from external customers	214,813	81,920	3,518	-	300,251
Other revenue from external customers	2,788	136	3	-	2,927
Inter-segment revenue	360	636	7,798	(8,794)	-
	217,961	82,692	11,319	(8,794)	303,178
Unallocated revenue					3,531
Total revenue					306,709
Segment EBITDA	21,408	1,142	3,659	-	26,209
Amortisation and depreciation	(12,325)	(1,828)	(146)	-	(14,299)
Segment EBIT	9,083	(686)	3,513	-	11,910
Unallocated revenue					3,531
Unallocated expenses					(153)
Profit from operating activities					15,288
Finance costs					(493)
Exceptional items	(10,000)	-	-	-	(10,000)
Share of losses of joint venture	(2,161)	-	-	-	(2,161)
Profit before tax					2,634
Income tax expense					(714)
Profit after tax					1,920
Timing of transfer of goods or services					
At a point in time	217,589	79,889	8	-	297,486
Over time	242	2,174	6,807	-	9,223
	217,831	82,063	6,815	-	306,709
Revenue and expenses 1H 2025					
Revenue from external customers	217,878	78,611	3,334	-	299,823
Other revenue from external customers	2,448	181	15	-	2,644
Inter-segment revenue	286	694	8,229	(9,209)	-
	220,612	79,486	11,578	(9,209)	302,467
Unallocated revenue					3,587
Total revenue					306,054
Segment EBITDA	19,301	3,170	1,879	-	24,350
Amortisation and depreciation	(11,826)	(1,830)	(175)	-	(13,831)
Segment EBIT	7,475	1,340	1,704	-	10,519
Unallocated revenue					3,587
Unallocated expenses					(5,936)
Profit from operating activities					8,170
Finance costs					(701)
Share of losses of joint venture	(999)	-	-	-	(999)
Profit before tax					6,470
Income tax expense					(2,278)
Profit after tax					4,192
Timing of transfer of goods or services					
At a point in time	220,317	76,296	16	-	296,629
Over time	204	2,506	6,715	-	9,425
	220,521	78,802	6,731	-	306,054

14. Segment Information (cont'd)

(In Singapore Dollars)

	Bakery $'000	Distribution & warehousing $'000	Investments & others $'000	Consolidated $'000
Assets and liabilities 30 June 2026				
Segment assets	306,927	81,073	167,071	555,071
Investment in joint venture	54,676	-	-	54,676
Total assets	361,603	81,073	167,071	609,747
Deferred tax assets				7,413
Tax recoverable				8,028
Total assets per consolidated statement of financial position				625,188
Segment liabilities	88,899	26,456	3,442	118,797
Income tax payable				4,780
Deferred tax liabilities				5,582
Bank borrowings				6,518
Total liabilities per consolidated statement of financial position				135,677
Assets and liabilities 31 December 2025				
Segment assets	329,432	95,956	169,648	595,036
Investment in joint venture	59,659	-	-	59,659
Total assets	389,091	95,956	169,648	654,695
Deferred tax assets				6,252
Tax recoverable				7,681
Total assets per consolidated statement of financial position				668,628
Segment liabilities	97,222	37,900	4,202	139,324
Income tax payable				4,809
Deferred tax liabilities				7,430
Bank borrowings				4,762
Total liabilities per consolidated statement of financial position				156,325
Other segment information 1H 2026				
Expenditure for non-current assets	4,666	454	33	5,153
Impairment loss charged	2,509	-	-	2,509
Allowance for inventories charged and inventories written off, net	39	346	-	385
Allowance for receivables charged and bad debts written off, net	48	188	-	236
Other segment information 1H 2025				
Expenditure for non-current assets	5,929	540	135	6,604
Impairment loss charged	608	-	-	608
Allowance for inventories charged and inventories written off, net	231	168	-	399
Allowance for receivables charged and bad debts written off, net	22	272	-	294

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

	Revenue		Non-current assets	
	1H 2026	1H 2025	30/06/2026	31/12/2025
	$'000	$'000	$'000	$'000
Philippines	124,474	131,639	66,803	72,635
Singapore	114,352	112,754	43,582	46,368
Malaysia	40,629	34,897	78,701	80,328
Australia	23,858	22,919	19,314	19,400
Other countries	3,396	3,845	-	-
	306,709	306,054	208,400	218,731

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

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

To the best of its knowledge, nothing has come to the attention of the Board of Directors which may render the Unaudited Financial Statements for the six months ended 30 June 2026 herein to be false or misleading in any material respect.

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

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

BY ORDER OF THE BOARD

Soh Chai Lih
Company Secretary
7 August 2026