

QAF LIMITED

Company Registration No. 195800035D
(Incorporated in the Republic of Singapore)
("the Company")

REGISTRATION/SUBSCRIPTION TO THE CAPITAL OF A NEW SUBSIDIARY

QAF Limited ("**the Company**") wishes to inform that its partially-owned subsidiary, Gaoyuan Pte Ltd ("**Gaoyuan**"), has recently subscribed to the share capital of a newly registered corporation in the People's Republic of China, namely Gardenia Trading (Fujian) Co., Ltd ("**Gardenia Trading**").

Gaoyuan is a 55% owned subsidiary of the QAF Group and the balance 45% is beneficially owned by Mr Lin Kejian (a director and substantial shareholder of the Company) pursuant to a joint-venture established and as announced by the Company on 11 July 2012 (the "**JV Announcement**"). The purpose of the joint-venture is to extend the Group's Gardenia operations into China and as per the JV Announcement, Gardenia Food (Fujian) Co., Ltd ("**Gardenia Fujian**") was incorporated by Gaoyuan in 2012 accordingly to set up the manufacturing facility.

Gardenia Trading is now incorporated for the main purpose of undertaking the distribution and retailing of Gardenia bread products when Gardenia Fujian commences production. The capital subscribed and paid up by Gaoyuan into **Gardenia Trading** is RMB 3 million as of to-date, with balance RMB 3 million to be paid up within 2 years of the incorporation date. All subscription funds into **Gardenia Trading** shall be from the total joint-venture fund of S\$16 million committed by the respective shareholders of Gaoyuan as previously announced in the JV Announcement.

By Order of the Board

Lee Woan Ling
Company Secretary

23 January 2014