APPENDIX DATED 5 APRIL 2017

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Appendix is circulated to Shareholders of QAF Limited (the "**Company**") together with the Company's Annual Report. The purpose of this Appendix is to provide information to the Shareholders relating to the Proposed IPT Mandate to be tabled at the Annual General Meeting of the Company to be held on 24 April 2017 at 11.00 a.m. at William Pickering Ballroom, Level 2, PARKROYAL on Pickering, Singapore, 3 Upper Pickering Street, Singapore 058289. The Notice of Annual General Meeting and Proxy Form are enclosed with the Annual Report.

If you have sold or transferred all your shares in the Company, you should immediately forward this Appendix, the Annual Report, the Notice of Annual General Meeting and the Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined herein.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

QAF Limited

(Incorporated in the Republic Of Singapore)
(Company Registration No.: 195800035D)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

IN RELATION TO

THE PROPOSED IPT MANDATE

Independent Financial Adviser in relation to the Proposed IPT Mandate

KPMG

KPMG Corporate Finance Pte Ltd
(Company Registration No.: 198500417D)
(Incorporated in the Republic of Singapore)

DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires:

"2017 AGM"	:	Annual general meeting of the Company to be held on 24 April 2017
"Appendix"	:	This appendix dated 5 April 2017 to the Notice of Annual General Meeting
"associate"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family (that is, the person's spouse, child, adopted-child, step-child, sibling and parent); (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Audit Committee"	:	The audit committee of the Company for the time being
"Board"	:	The board of directors of the Company for the time being
"CDP"	:	The Central Depository (Pte) Limited
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Company" or "QAF"	:	QAF Limited
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
"Directors"	:	The directors of the Company for the time being
"entity at risk"	:	(a) The listed company; (b) A subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(c) An associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company

"FY"	:	Financial year ended or ending 31 December
"Group"	:	The Company and its subsidiaries
"Interested Persons"	:	Has the meaning ascribed to it in Section 2.2 of this Appendix
"Interested Person Transactions"	:	Transactions between an entity at risk within the meaning of Chapter 9 of the Listing Manual and any of the Interested Persons which fall within the scope of the Proposed IPT Mandate
"Latest Practicable Date"	:	23 March 2017, being the latest practicable date prior to the printing of this Appendix
"Listing Manual"	:	The listing manual of the SGX-ST, as amended or modified from time to time
"NTA"	:	Net tangible asset
"Notice of Annual General Meeting"	:	The Notice of Annual General Meeting dated 5 April 2017 convening the 2017 AGM
"Proposed IPT Mandate"	:	The proposed general mandate set out in the Notice of Annual General Meeting to be sought from the Shareholders at the 2017 AGM for the Company and its subsidiaries and associated companies which are considered to be "entities at risk" under Chapter 9 of the Listing Manual, or any of them, to enter into any of the transactions falling within the types of interested person transactions as set out in this Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions
"Salim Group"	:	Mr Anthoni Salim and the group of companies controlled by him or, if the context requires, Mr Anthoni Salim
"Securities Account"	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Persons who are registered as holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the persons named as Depositors in the Depository Register and whose Securities Accounts are credited with Shares
"Shares"	:	Ordinary shares in the capital of the Company
"Substantial Shareholder"	:	A person who has an interest in one or more voting shares in a company and the total votes attached to such share(s) is not less than 5% of the total votes attached to all the voting shares in the company

"S$" or "$" and "cents"	:	Singapore dollars and cents, respectively
"%" or "per cent."	:	Percentage or per centum

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual or any modification thereof and used in this Appendix shall have the meaning assigned to it under the Companies Act, the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Appendix is a reference to Singapore time and date, respectively, unless otherwise stated. Any reference to currency set out in this Appendix is a reference to S$ unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

QAF LIMITED

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

Board of Directors

Didi Dawis *(Chairman and Non-executive, Independent Director)*
Andree Halim *(Vice-Chairman and Non-executive, Non-independent Director)*
Lin Kejian *(Joint Group Managing Director, Executive Director)*
Goh Kian Hwee *(Joint Group Managing Director, Executive Director)*
Tan Teck Huat *(Director of Finance and Executive Director)*
Tan Hang Huat *(Non-executive, Non-independent Director)*
Teng Tien Eng Moses *(Non-executive, Non-independent Director)*
Gianto Gunara *(Non-executive, Non-independent Director)*
Choo Kok Kiong *(Non-executive, Non-independent Director)*
Triono J. Dawis *(Non-executive, Independent Director)*
Lee Kwong Foo Edward *(Non-executive, Independent Director)*
Dawn Pamela Lum *(Non-executive, Independent Director)*
Ong Wui Leng Linda *(Non-executive, Independent Director)*

Registered Office

150 South Bridge Road
#09-04 Fook Hai Building
Singapore 058727

5 April 2017

To: The Shareholders of **QAF Limited**

Dear Shareholders

1. INTRODUCTION

The purpose of this Appendix is to provide Shareholders with information relating to the Proposed IPT Mandate, which is referred to in Ordinary Resolution 10 set out in the notice convening the 2017 AGM to be held on 24 April 2017.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

2. THE PROPOSED IPT MANDATE

2.1 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be entities at risk, with the listed company's interested persons. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

Under Chapter 9 of the Listing Manual, where a listed company or any of its subsidiaries or any of its associated companies which are controlled by the listed group and its interested person(s) (other than a subsidiary or associated company that is listed on the SGX-ST or an approved stock exchange) proposes to enter into transactions with the listed company's interested persons, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval if the value of the transaction is equal to or exceeds certain financial thresholds. In particular:

(a) where the value of such transaction is equal to or exceeds 3% of the latest audited consolidated NTA of the listed company and its subsidiaries and is less than 5% of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement is required;

(b) where the value of such transaction is equal to or exceeds 5% of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement and shareholders' approval is required;

(c) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the latest audited consolidated NTA of the listed company and its subsidiaries, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year; and

(d) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 5% or more of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement must be made and shareholders' approval must be obtained in respect of the latest and all future transactions entered into with that interested person during that financial year.

The rules as to making announcements and seeking shareholders' approval referred to above do not apply to transactions below S$100,000.

Based on the Group's audited consolidated financial statements for FY2016, 3% and 5% of the latest audited consolidated NTA of the Group would be approximately S$15.8 million and S$26.4 million, respectively. This is based on the latest audited consolidated NTA of the Group of approximately S$527.1 million as at 31 December 2016.

Chapter 9 of the Listing Manual permits a listed company, however, to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons. Transactions conducted under a general mandate are not subject to the rules on making announcements and seeking shareholders' approval referred to above.

Under the Listing Manual:

(i) an "entity at risk" means:

(a) the listed company;

(b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;

(ii) an "interested person" means a director, chief executive officer or controlling shareholder of the listed company or an associate of any such director, chief executive officer or controlling shareholder;

(iii) an "associate":

(1) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:

(aa) his immediate family (that is, the person's spouse, child, adopted-child, step-child, sibling and parent);

(bb) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(cc) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

(2) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

(iv) an "approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;

(v) an "interested person transaction" means a transaction between an entity at risk and an interested person; and

(vi) a "transaction" includes:

(1) the provision or receipt of financial assistance;

(2) the acquisition, disposal or leasing of assets;

(3) the provision or receipt of services;

(4) the issuance or subscription of securities;

(5) the granting of or being granted options; and

(6) the establishment of joint ventures or joint investments,

whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

2.2 Background

The Group is principally engaged in the businesses of bakery, primary production and trading and logistics. For its bakery business, the Group manufactures and distributes bread and bakery products in Singapore, Malaysia, China, the Philippines and Australia. Its primary production business comprises a pork production operation in Australia which produces and supplies pork meat within Australia and exports to, amongst others, Singapore and Japan. For its trading and logistics business, the Group undertakes wholesale distribution of a range of third-party and proprietary-brand processed food and beverage products to the foodservice industry, and provides logistics operations including warehousing and distribution.

As at the Latest Practicable Date, Mr Andree Halim, Vice-Chairman and Non-executive, Non-independent Director of the Company, has a shareholding interest of approximately 60.42% in the Company and is a Controlling Shareholder of the Company. Mr Lin Kejian, Joint Group Managing Director and Executive Director of the Company, is the son of Mr Andree Halim and is also a Controlling Shareholder of the Company with a shareholding interest of approximately 48.19% in the Company as at the Latest Practicable Date.

The Group may from time to time enter into transactions with Mr Andree Halim, Mr Lin Kejian and/or their respective associates ("**Interested Persons**") in the ordinary course of business. Such transactions include the purchase of products and raw materials from, as well as the sale of products to, certain parties which are Interested Persons. In FY2016, the Group sold unsold

and returned bread to the Salim Group. The Salim Group[1] is an Interested Person as Mr Anthoni Salim is the brother of Mr Andree Halim. The aggregate value of such transactions in FY2016 amounted to approximately S$1.0 million. The Group also purchased flour and wheat-related raw materials from the Salim Group in FY2016 and the aggregate value of such transactions in FY2016 amounted to approximately S$6.6 million. The aggregate value of the aforementioned transactions entered into by the Group with the Salim Group in FY2016 was approximately 1.4% of the audited consolidated NTA of the Group for FY2016 (being less than 3% of the audited consolidated NTA of the Group for FY2016).

2.3 Rationale for and Benefits of the Proposed IPT Mandate

The Group envisages that the Interested Person Transactions will occur with some degree of frequency and could arise at any time and from time to time. Such transactions are recurring transactions and are part of the day-to-day operations of the Group.

The Proposed IPT Mandate, if approved by the Shareholders, will enable the Group, in the ordinary course of business, to undertake such transactions in a more expeditious manner. It will also enhance the Group's ability to pursue business opportunities which may be time-sensitive and frequent in nature and will allow the Group to conduct its business efficiently by eliminating the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential Interested Person Transactions arise. The Proposed IPT Mandate will reduce the expenses involved with the convening of general meetings on an *ad hoc* basis and allow manpower resources and time to be channeled towards attaining other corporate objectives.

2.4 Classes of Interested Persons

The Proposed IPT Mandate will apply to the Interested Persons in relation to the types of transactions set out in Section 2.5 below. The associates of the Interested Persons who will have dealings under the Proposed IPT Mandate include the Salim Group, such as KMP Food Industries Pte Ltd, which is controlled by Mr Anthoni Salim, who is Mr Andree Halim's brother.

2.5 Types of Transactions under the Proposed IPT Mandate

The types of transactions contemplated under the Proposed IPT Mandate are as follows:

(a) the purchase of products and raw materials; and

(b) the sale of products.

The types of products and/or raw materials under the Proposed IPT Mandate will be those which are transacted by the Group in the ordinary course of its business with the Interested Persons in connection with the latter's ordinary course of business. Such transactions include for example, the sale by the Group of unsold and returned bread to the Salim Group as animal feed, and the purchase of flour and wheat-related raw materials such as wheat bran and wheat germ from the Salim Group.

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1 The Salim Group is an Indonesian conglomerate with interests in various businesses, including interests in First Pacific Company Limited ("First Pacific"), an investment management and holding company with principal business interests relating to telecommunications, consumer food products, infrastructure and natural resources, which is listed on the Hong Kong Stock Exchange; PT Indofood Sukses Makmur Tbk ("PT ISM"), which is in food manufacturing including production and processing of raw materials and listed on the Indonesia Stock Exchange; Indofood Agri Resources Ltd. ("IndoAgri"), a diversified and integrated agribusiness group which is listed on the SGX-ST and Gallant Venture Ltd., an Indonesia-focused group with core businesses in the automotive business, property development, industrial parks, utilities and resort operations which is listed on the SGX-ST. PT ISM and IndoAgri are subsidiaries of First Pacific.

2.6 Review Procedures under the Proposed IPT Mandate

In view of the requirements that the Interested Person Transactions be undertaken on normal commercial terms and not be prejudicial to the interests of the Company and its minority Shareholders, the Group will maintain a register of Interested Person Transactions and the following review procedures will be implemented by the Company:

2.6.1 Review Procedures

(a) When purchasing products and/or raw materials from an Interested Person, quotations from at least two (2) other unrelated third party vendors for similar quantities and/or quality will be obtained (whenever possible or available) for comparison to ascertain whether the price and terms offered by the Interested Person are fair and reasonable and competitive compared to those offered by such other unrelated third party vendors. In determining whether the price and terms offered by the Interested Person are fair and reasonable, pertinent factors, including but not limited to quality, track record, specification compliance, delivery time, experience and expertise, and where applicable, terms offered to third parties, preferential rates, discounts or rebates accorded for bulk purchases, may also be taken into consideration.

In the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors providing or selling a similar type of product or raw material or if the unrelated third party vendor(s) is not able to meet the Group's specifications or in cases of urgency), an Executive Director (other than an Interested Person) or the Audit Committee (as the case may be depending on the approval threshold as set out in Section 2.6.2 below) will determine whether the price and terms offered by the Interested Person are fair and reasonable. In determining the transaction price payable to the Interested Person for such products and/or raw materials, pertinent factors, including but not limited to quality, track record, specification compliance, delivery time, experience and expertise, reliability and/or efficiency of the seller, strategic considerations, and where applicable, terms offered to third parties, preferential rates, discounts or rebates accorded for bulk purchases, may also be taken into consideration.

(b) When selling products to an Interested Person, the pricing or fees for the products are to be carried out at the prevailing market rates or prices of the products, on terms no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates, discounts and/or rebates accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms.

In the event that prevailing market rates or prices are not available (for instance due to the nature of the product to be sold or if there are no other customers for similar products or if the unrelated third party customer(s) is not able to meet the Group's specifications or in cases of urgency), the transaction prices will, where applicable, (a) be in accordance with the Group's usual business practices and pricing policies, consistent with the usual margin of the Group for the same or substantially similar type(s) of transaction with unrelated third parties, or (b) in certain cases (for example, waste disposal or technical expertise) be determined by reference to factors including but not limited to track record, specification compliance, quantity, volume, duration of contract, strategic considerations, reliability and/or efficiency of the purchaser, extent of cost recovery, industry norms and where applicable, preferential rates, discounts or rebates accorded for bulk purchases, may also be taken into consideration.

2.6.2 Approval Thresholds

The following approval thresholds shall be adopted in respect of the Interested Person Transactions:

	Value of Interested Person Transaction(s)	**Approving Authorities** *(each having no interest, direct or indirect, in the Interested Person Transaction)*
1.	An Interested Person Transaction the value of which is equal to or exceeds S$100,000, but less than 3% of the latest audited consolidated NTA of the Group from time to time[(1)]	Executive Director or such senior executive of the Group as may be designated by the Audit Committee from time to time If an Executive Director or relevant senior executive of the Group is himself interested in an Interested Person Transaction, the Interested Person Transaction will be reviewed and approved by another Executive Director or senior executive (each having no interest, direct or indirect, in the Interested Person Transaction)
2.	(i) Where the value of an Interested Person Transaction, when aggregated with the value of all previous Interested Person Transactions of the same kind in the same financial year, is equal to or exceeds 3% of the latest audited consolidated NTA of the Group from time to time[(1)], such Interested Person Transaction and all future Interested Person Transactions of the same kind during the financial year in question, Provided That any Interested Person Transaction below S$100,000 in value does not require approval and shall be disregarded for aggregation purposes	Audit Committee
	(ii) An Interested Person Transaction the value of which is equal to or exceeds 3% of the latest audited consolidated NTA of the Group from time to time[(1)]	Audit Committee

Note:

(1) Based on the Group's audited consolidated financial statements for FY2016, 3% of the latest audited consolidated NTA of the Group would be approximately S$15.8 million.

The approving authorities may request for additional information pertaining to the transaction under review as they deem fit.

2.6.3 Interested Audit Committee Member to Abstain

In the event that a member of the Audit Committee (where applicable) is interested (directly or indirectly) in any Interested Person Transaction, he will abstain from reviewing that particular transaction. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.

2.6.4 Periodic Review by Audit Committee

The Audit Committee will review all Interested Person Transactions (including transactions with Interested Persons the values of which are below S$100,000) on a quarterly basis to ascertain whether the established review procedures for the Interested Person Transactions have been complied with and the relevant approvals have been obtained.

The Audit Committee will also review the established review procedures of the Interested Person Transactions and determine if such review procedures continue to be adequate in ensuring that the Interested Person Transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. If the Audit Committee is of the view that the review procedures have become inappropriate or insufficient to meet such objectives, the Company will seek a fresh mandate from its Shareholders based on new review procedures for the Interested Person Transactions.

2.7 Excluded Transactions

The Proposed IPT Mandate will not cover any transaction with an Interested Person that is below S$100,000 in value, as Chapter 9 of the Listing Manual provides that any such transaction is to be disregarded.

Transactions between the Group and the Interested Persons which do not fall within the ambit of the Proposed IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual, or other applicable provisions of the Listing Manual, if any.

2.8 Validity Period of the Proposed IPT Mandate

The Proposed IPT Mandate is subject to Shareholders' approval at the 2017 AGM. If approved by Shareholders at the 2017 AGM, the Proposed IPT Mandate will take effect from the passing of the ordinary resolution relating thereto at the 2017 AGM, and will (unless revoked or varied by the Company in general meeting) continue in force until the next annual general meeting of the Company.

Approval from Shareholders will be sought for the Proposed IPT Mandate at the 2017 AGM and the renewal thereof at each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit Committee of its continued application to transactions with the Interested Persons.

2.9 Disclosure

Disclosure will be made in the Company's annual report of the aggregate value of the transactions conducted with Interested Persons pursuant to the Proposed IPT Mandate during the relevant financial year, and in the annual reports for the subsequent financial years that the Proposed IPT Mandate continues in force, in accordance with the requirements and form set out in Chapter 9 of the Listing Manual.

2.10 Directors' and Substantial Shareholders' Interests

As at the Latest Practicable Date, the direct and deemed interests of the Directors and Substantial Shareholders in the Shares of the Company, based on information recorded in the register of Director's shareholdings and the register of Substantial Shareholders maintained by the Company, are as follows:

	Direct Interests		Deemed Interests	
	No. of Shares	Percentage of Shareholding[1]	No. of Shares	Percentage of Shareholding[1]
Directors				
Didi Dawis	–	–	47,877,758[2]	8.52%
Andree Halim	–	–	339,463,981[3]	60.42%
Lin Kejian	–	–	270,762,727[4]	48.19%
Goh Kian Hwee	–	–	–	–
Tan Teck Huat	–	–	–	–
Tan Hang Huat	5,252	0%	–	–
Teng Tien Eng Moses	1,207	0%	–	–
Gianto Gunara	–	–	–	–
Choo Kok Kiong	–	–	–	–
Triono J. Dawis	–	–	–	–
Lee Kwong Foo Edward	–	–	–	–
Dawn Pamela Lum	–	–	–	–
Ong Wui Leng Linda	–	–	–	–
Substantial Shareholders (other than Directors)				
Tian Wan Enterprises Company Limited	125,779,812	22.39%	–	–
Tian Wan Equities Company Limited	95,411,385	16.98%	–	–
Tian Wan Holdings Group Limited	40,181,975	7.15%	78,090,809[5]	13.90%
Tian Wan Capital Limited	57,362,848	10.21%	–	–
Denonshire Group Limited	47,877,758[6]	8.52%	–	–
Tower Ridge Limited	–	–	47,877,758[6]	8.52%

Notes:

(1) Based on 561,854,968 Shares as at the Latest Practicable Date.

(2) Mr Didi Dawis is deemed to have an interest in the Shares owned by Denonshire Group Limited.

(3) Mr Andree Halim is deemed to have an interest in the Shares owned by Tian Wan Enterprises Company Limited, Tian Wan Equities Company Limited, Tian Wan Holdings Group Limited, Tian Wan Capital Limited and J&H International Limited.

(4) Mr Lin Kejian is deemed to have an interest in the Shares owned by Tian Wan Enterprises Company Limited, Tian Wan Equities Company Limited and ISI Investments Company Limited and in the Shares in which Tower Ridge Limited has an interest.

(5) Tian Wan Holdings Group Limited is deemed to have an interest in the Shares owned by Tian Wan Capital Limited and J&H International Limited.

(6) Tower Ridge Limited has an interest in the Shares owned by Denonshire Group Limited pursuant to an option granted to Tower Ridge Limited to purchase 47,877,758 Shares owned by Denonshire Group Limited.

2.11 Opinion of the Independent Financial Adviser

KPMG Corporate Finance Pte Ltd (the "**IFA**") has been appointed as an independent financial adviser to provide an opinion letter as to whether the review procedures set out in Section 2.6 of this Appendix for determining transaction prices under the Proposed IPT Mandate, if taken as a whole and if applied consistently, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. A copy of the IFA's letter to the Independent Directors dated 28 March 2017 (the "**IFA Letter**") is set out in Annex A to this Appendix.

Based on the analysis undertaken, the IFA is of the opinion that the review procedures for determining the transaction prices of the Interested Person Transactions as set out in Section 2.6 of this Appendix, when taken as a whole and if applied consistently, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.12 Statement by the Audit Committee

The Audit Committee of the Company having considered, *inter alia*, the terms of the Proposed IPT Mandate and the IFA Letter, is of the view that the review procedures for determining the transaction prices of the Interested Person Transactions as set out in Section 2.6 of this Appendix, when taken as a whole and if applied consistently, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. DIRECTORS' RECOMMENDATION

The Directors of the Company (save for Mr Andree Halim and Mr Lin Kejian), having considered, among other things, the rationale of the Proposed IPT Mandate, the review procedures, the role of the Audit Committee and the IFA Letter, are of the opinion that the Proposed IPT Mandate is in the interests of the Company. Accordingly, the Directors (save for Mr Andree Halim and Mr Lin Kejian) recommend that Shareholders **vote in favour** of the ordinary resolution relating to the Proposed IPT Mandate at the 2017 AGM.

As different Shareholders might have different investment objectives, Shareholders should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers if they require specific advice in relation to the Proposed IPT Mandate.

4. ABSTENTION FROM VOTING

As Rule 919 of the Listing Manual requires that interested persons must not vote on a shareholders' resolution approving any mandate in respect of any interested person transactions, Mr Andree Halim and Mr Lin Kejian (being Interested Persons) will abstain from, and shall procure their respective associates to abstain from, voting on the ordinary resolution relating to the Proposed IPT Mandate to be tabled at the 2017 AGM. Mr Andree Halim, Mr Lin Kejian and their respective associates will also not act as proxies in relation to the ordinary resolution relating to the Proposed IPT Mandate unless voting instructions have been given by the relevant Shareholder.

5. CONSENT OF THE INDEPENDENT FINANCIAL ADVISER

KPMG Corporate Finance Pte Ltd, the independent financial adviser in respect of the Proposed IPT Mandate, has given and has not withdrawn its written consent to the issue of this Appendix with the inclusion of its name and the IFA Letter dated 28 March 2017, and all references thereto in the form and context in which they respectively appear in this Appendix and to act in such capacity in relation to this Appendix.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed IPT Mandate and the Group in relation to the Proposed IPT Mandate and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 150 South Bridge Road, #09-04 Fook Hai Building, Singapore 058727, during normal business hours from the date of this Appendix up to and including the date of the 2017 AGM:

(a) the Constitution of the Company (previously called the memorandum of association and articles of association of the Company);

(b) the annual report of the Company for FY2016;

(c) the audited financial statements of the Company for FY2016;

(d) the IFA Letter set out in Annex A of this Appendix; and

(e) the written consent of the IFA referred to in Section 5 of this Appendix.

Yours faithfully,
For and on behalf of the Board of Directors of
QAF Limited

Goh Kian Hwee
Joint Group Managing Director

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Private and confidential
The Independent Directors
QAF Limited
150 South Bridge Road
#09-04
Fook Hai Building
Singapore 058727

28 March 2017

Dear Sirs

The Proposed Adoption of the Interested Person Transactions Mandate

*For the purposes of this IFA Letter (as defined below), capitalised terms not otherwise defined herein shall have the same meaning as given in the appendix dated 5 April 2017 (the "**Appendix**") circulated to Shareholders of QAF Limited.*

1. INTRODUCTION

QAF Limited (the "**Company**") is proposing to obtain a general mandate ("**Proposed IPT Mandate**") from Shareholders for the Company and its subsidiaries and associated companies which are considered to be "entities at risk" within the meaning of Rule 904(2) of the Listing Manual (together, the "**EAR Group**"), or any of them, to enter into any of the transactions falling within the types of interested person transactions as set out in the Appendix ("**Interested Person Transactions**").

Details of the Proposed IPT Mandate are set out in section 2 of the Appendix.

This letter (the "**IFA Letter**") has been prepared for the use of the directors of the Company who are considered independent for the purposes of the Proposed IPT Mandate (the "**Independent Directors**") as at the date of the Appendix.

To comply with the requirements of Chapter 9 of the Listing Manual, KPMG Corporate Finance Pte Ltd ("**KPMG Corporate Finance**") has been appointed as the Independent Financial Adviser ("**IFA**") to provide an opinion to the Independent Directors on whether the Proposed IPT Mandate, and the corresponding review procedures (including procedures for determining transaction prices), if taken as a whole and if applied consistently, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

KPMG Corporate Finance Pte Ltd (Registration No: 198500417D), a Singapore incorporated company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Document Classification: KPMG Confidential

2. TERMS OF REFERENCE

The objective of this IFA letter is to provide an independent opinion to the Independent Directors, for the purposes of Chapter 9 of the Listing Manual, on whether the Proposed IPT Mandate, and the corresponding review procedures, if taken as a whole and if applied consistently, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The views of KPMG Corporate Finance as set forth in this IFA letter are based upon market, economic, industry, monetary, and other conditions in effect on, and the information made available to us as at the Latest Practicable Date, being 23 March 2017. Accordingly, this opinion does not take into account any event or condition occurring after this date. We assume no responsibility to update, revise or re-affirm our opinion, factors or assumptions in light of any subsequent developments after the Latest Practicable Date.

It is not within our terms of reference to, and we do not (by this IFA letter or otherwise), evaluate or comment on the merits and/or associated risks, whether commercial, financial or otherwise of any Interested Person Transactions entered into or about to be entered into, and as such, we do not express an opinion thereon. All such evaluations or comments are and remain the sole responsibility of the directors of the Company (the "**Directors**"), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion.

We have not been involved in the deliberations leading up to the decision by the Directors to obtain the Proposed IPT Mandate, nor were we involved in developing methods or procedures to be adopted by the Company and whether they are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

In the course of our evaluation of the methods and review procedures adopted for the Interested Person Transactions in connection with the Proposed IPT Mandate, we have relied on information provided to us by the Directors and the management of the Company (the "**Management**"), as well as information contained in the Appendix. We have not independently verified such information furnished by the Management or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Management and Directors have confirmed to us that, to the best of their knowledge and belief, the information provided to us (whether written or verbal) as well as the information contained in the Appendix constitutes a full and true disclosure, in all material respects, of all material facts relating to the Proposed IPT Mandate and there is no material information the omission of which would make any of the information contained herein or in the Appendix inaccurate, incomplete or misleading in any material respect.

We have made reasonable enquiries and exercised our judgement in assessing such information and have found no reason to doubt the accuracy or reliability of such information. We have relied upon the assurance of the Directors (including those who may have delegated detailed supervision of the Appendix) that they have taken all reasonable care to ensure that the facts stated or any opinions expressed in the Appendix are fair and accurate in all material respects and that no material facts have been omitted which might cause the Appendix to be misleading in any material respect.

We do not warrant the implementation of the methods or procedures in relation to the Interested Person Transactions, as covered by the Proposed IPT Mandate. The implementation of such review procedures is the responsibility of the Directors.

Our terms of reference in relation to the Proposed IPT Mandate do not require us to conduct, and we have not conducted any review of the business, operations or financial condition of the Company, including but not limited to, the historical or current interested person transactions carried out by the Company. Accordingly, we do not express any opinion on such matters.

We are not required nor authorised to obtain, and we have not obtained, any quotations or transaction prices from third parties for products similar to those which are to be covered by the Proposed IPT Mandate, and are therefore not able to, and did not, compare the Interested Person Transactions with similar transactions with third parties. In particular, the Proposed IPT Mandate contemplates the Interested Person Transactions that may be entered into on behalf of the Company only in the future and we have not been requested to opine on any specific transactions proposed that may form the basis of comparison with quotations or transaction prices offered by third parties.

Our opinion is delivered for the use and benefit of the Independent Directors for their deliberation on the Proposed IPT Mandate, and the recommendations made by the Independent Directors shall remain the sole responsibility of the Independent Directors. In rendering our opinion, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder. As different Shareholders might have different investment objectives, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to the Proposed IPT Mandate to consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

The Company has been advised by its own professional advisers in the preparation of the Appendix (other than this IFA letter). We have no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Appendix (other than this IFA letter). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of the Appendix (other than this IFA letter).

Our opinion in relation to the Proposed IPT Mandate should be considered in the context of the entirety of this IFA letter and the Appendix.

3. PROPOSED IPT MANDATE

(a) Information on Proposed IPT Mandate

Salient information on the Proposed IPT Mandate include:

(i) the rationale for and benefits of the Proposed IPT Mandate;
(ii) the classes of interested persons as described in the Appendix ("**Interested Persons**");
(iii) the types of transactions under the proposed IPT mandate; and
(iv) the review procedures for determining transaction prices under the Proposed IPT Mandate,

the details of which can be found in section 2 of the Appendix.

(b) Validity Period of the Proposed IPT Mandate

If approved by Shareholders at the Company's annual general meeting ("**AGM**"), the Proposed IPT Mandate will take effect from the date of the AGM, and shall apply in respect of the Interested Person Transactions entered or to be entered into from the date of the AGM until the next annual general meeting of the Company, or the date by which the next annual general meeting is required to be held, whichever is the earlier, unless revoked or varied by the Company in a general meeting.

Thereafter, the Company will seek the approval of Shareholders for a renewal of the Proposed IPT Mandate at each subsequent annual general meeting.

(c) Disclosure

In accordance with the requirements of Chapter 9 of the Listing Manual, disclosure is required to be made in the Company's annual report ("**Annual Report**") of the aggregate value of all transactions conducted with Interested Persons pursuant to the Proposed IPT Mandate during the current financial year, and in the Annual Reports for subsequent financial years that the Proposed IPT Mandate continues in force. The Company is also required to announce the aggregate value of all Interested Person Transactions conducted with Interested Persons pursuant to the Proposed IPT Mandate for the financial periods that it is required to report on, pursuant to Rule 705 of the Listing Manual, within the time stipulated for the announcement of such report.

(d) Other Transactions with Interested Persons

The Independent Directors should note that any transaction with interested persons which does not fall within the ambit of the Proposed IPT Mandate as set out in the Appendix shall be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

Such transactions will, unless specifically excluded from the ambit of Chapter 9 of the Listing Manual, require an immediate announcement where:

(i) the transaction is of a value equal to, or more than, 3% of the Group's latest audited consolidated net tangible assets; or
(ii) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 3% of the Group's latest audited consolidated net tangible assets.

Shareholders' approval (in addition to an immediate announcement) is required where:

(i) the transaction is of a value equal to, or more than, 5% of the Group's latest audited consolidated net tangible assets; or
(ii) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5% of the Group's latest audited consolidated net tangible assets.

4. CONCLUSION

In arriving at our opinion on whether the Proposed IPT Mandate and the corresponding review procedures as set out in the Appendix, when taken as a whole and if applied consistently, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, we have considered the following:

(i) the rationale for and benefits of the Proposed IPT Mandate;
(ii) the classes of Interested Persons;
(iii) the types of transactions under the Proposed IPT Mandate; and
(iv) the review procedures for determining transaction prices under the Proposed IPT Mandate.

Based on the analysis undertaken and subject to the qualifications and assumptions made herein, KPMG Corporate Finance is of the opinion that the Proposed IPT Mandate and the corresponding review procedures as set out in the Appendix, when taken as a whole and if applied consistently, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We have prepared this IFA letter for the use of the Independent Directors of the Company in connection with and for the purpose of their consideration of the Proposed IPT Mandate and for inclusion in the Appendix.

The opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

Vishal Sharma
Executive Director