QAF LIMITED

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

INCREASE IN SHAREHOLDING IN SUBSIDIARY

The Company wishes to announce that it has increased its shareholding in its subsidiary, Millif Industries Sdn Bhd ("**Millif**"), from 65% to 100% pursuant to the acquisition from the minority shareholder of Millif. Millif is in the business of manufacturing of bread spread, pastry and confectionary fillings and other related products.

The cash purchase consideration of RM3.5 million, 50% of which has been paid and the balance of which is payable after the Company is registered as the holder of the shares acquired, was arrived at on a willing buyer willing seller basis. As at 30 September 2017, the unaudited book value or net tangible asset value of the shares acquired was approximately RM1.4 million (equivalent to approximately S$465,000 based on the exchange rate of RM1:S$0.322 as at 30 September 2017). The acquisition is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2017.

By Order of the Board

Serene Yeo
Company Secretary

21 December 2017