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

CESSATION OF GROUP'S BAKERY BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC")

The Company had on 24 February 2017 announced that it was conducting a strategic review of, amongst others, the Group's bakery business in the PRC. The Company wishes to announce that the Group has decided to cease its PRC bakery operations ("**Proposed Cessation**") as it continues to be loss making. The PRC bakery operations are undertaken through a 55%-held subsidiary of the Group, with the remaining 45% held by a company in which a Director and controlling shareholder of the Company, Mr Lin Kejian, has an interest. The Proposed Cessation 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.The Board is evaluating other options on the Group's future direction in the PRC including focusing on trading in food-related products.

By Order of the Board

Serene Yeo
Company Secretary

28 December 2017