

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

**ANNOUNCEMENT IN CONNECTION WITH THE COMPANY'S AGM TO BE HELD ON
26 APRIL 2024**

The Board of Directors of QAF Limited ("**QAF**" or the "**Company**") refers to the Notice of Annual General Meeting ("**AGM**") dated 28 March 2024 with respect to the Company's AGM to be held on 26 April 2024 at 11.00 a.m., in wholly physical format.

As stated in the Company's Notice of AGM dated 28 March 2024, shareholders may in advance of the AGM, by 11.00 a.m. on 12 April 2024, submit questions related to the resolutions to be tabled for approval at the AGM. The Company has not, pursuant to the foregoing, received questions from shareholders.

The Company has received questions from Securities Investor Association (Singapore) ("**SIAS**"). The Company's responses are set out in the Annex to this announcement.

By Order of the Board

Serene Yeo

Company Secretary
23 April 2024

ANNEX

The Company has set out its responses by way of subject matter/ themes.

No.	Topic	Company's Response
1.	Group Revenue and Pricing Strategies	<p>As QAF operates across different markets, there is no single approach that suits all consumers. Market-specific business decisions were made that reflect the different business environment and consumer dynamics in each region.</p> <p>As stated in the Joint Group Managing Directors' report, the Group will focus on stable revenue growth by increasing our distribution routes and channels, developing new products, and making strategic pricing and product mix adjustments to strengthen our competitive position. The Group will also continue to pursue the expansion of our trading activities, with a concentration on long shelf-life products, and any opportunities to grow into new regions.</p> <p>On the cost front, the Group will continuously review its operations, seek to improve efficiency, optimize manufacturing capacity and implement cost management improvements.</p>
2.	Gardenia Bakeries (KL) Sdn Bhd ("GBKL") Joint Venture	<p>As previously disclosed, the joint venture parties are to work towards a listing by 31 March 2028, or may mutually agree to extend such listing target date. The Company will make the necessary announcements at the appropriate time of any progress towards IPO (in the event that work on listing commences) or if the listing target date is extended. The joint venture partners do not currently have plans to sell the GBKL business.</p>
3.	Group Cash Reserves	<p>The Group's current cash reserves have been mainly driven by the proceeds from the sale of the Primary Production business in 2022.</p> <p>Management and the Board remain concerned by the global economic uncertainties associated with geopolitical events and sluggish growth predictions. It is therefore prudent for the Group to maintain a strong balance sheet with higher cash reserves and lower debt to mitigate against any unforeseen financial events.</p> <p>Due to the sale of the Primary Production business, the Group's cash reserves are primarily in AUD-denominated deposits.</p> <p>The FX losses to date have been unrealised and there is no immediate need for the Group requiring these funds to be utilised elsewhere. Therefore, it is considered prudent to leave the funds in Australia, earning higher FD rates compared to</p>

		<p>Singapore. Management holds a long-term view with regards to the Australian economy.</p> <p>While our approach remains cautious in these uncertain economic conditions, the Group remains open to utilizing these funds if there are future investment opportunities.</p>
4.	Currency translation exposure from net investments in foreign operations	<p>As a Group that operates across multiple geographical regions, there are inherent FX translation risks. The Group has accepted FX translation risk as part of overall business risks when investing in these operations. As all of QAF's investments are considered long-term, it is expected that translation balances will fluctuate over time.</p> <p>In relation to the Foreign Currency Translation Reserve, it is important to note that it is a function of accounting treatment and does not impact the underlying valuation of individual investments and its operating units.</p>
5.	Directors' Fees, pertaining to Mr Philip Yeo Liat Kok, independent Vice-Chairman of the Board of Directors	<ul style="list-style-type: none"> • As explained in the Company's FY2023 Annual Report at pages 90 to 91, of the \$300,000, \$65,833 was for Mr Philip Yeo's roles on the Board and various Committees of which he was a member in 2023 (pro-rated). The \$300,000 was also explained as having taken into account the following: <ul style="list-style-type: none"> (a) his extensive credentials, stature and wide spectrum of experience and network which are global in nature, as SIAS has mentioned; (b) his FY2023 contributions; and (c) his appointment and role as independent Vice-Chairman. <p>The Company disclosed that, for example, in FY2023, Mr Yeo had actively introduced leads which may have the potential to complement and enhance the Group's businesses.</p> <p>Also as stated in the Company's Annual Report (pages 90 to 91), in addition, the Remuneration Committee took into account the fact that no director's fee is paid by the Company for the role of Board Chairman. Further, our Board Chairman is a non-independent Director. Mr Yeo is in substance a Lead Independent Director, which was a role relinquished by Ms Dawn Pamela Lum.</p> <p>The Company has disclosed in our Annual Report for several years, including in this</p>

		<p>FY2023 Annual Report, that in the Board’s evaluation of directors, it takes into account both quantitative and qualitative criteria of a long-term perspective, and criteria considered include any business opportunities introduced by Directors (page 87 under “Board Performance”). In line with such criteria, such factors and leads were taken into account in assessing Mr Yeo’s proposed fee for FY2023.</p> <p>The proposed FY2023 fee for Mr Yeo of \$300,000 is not a sign-on bonus or payment for consulting.</p> <ul style="list-style-type: none"> • The Company stated in our Annual Report that the proposed FY2023 fee for Mr Yeo is \$300,000 and this would be applicable only for FY2023. The Remuneration Committee undertakes an annual review of our Directors’ fees. Mr Yeo’s proposed fee for future years would accordingly be subject to annual review.
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