

QAF LIMITED

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

UPDATE ANNOUNCEMENT – INSURANCE CLAIMS IN RELATION TO FLOODING AT THE GROUP’S MALAYSIAN BAKERY FACTORY

QAF Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to its previous announcements, including announcements of 20 July 2022, 27 October 2022, 17 January 2023, 24 February 2023 and 3 July 2023 and its FY2022 annual report, which provided information on the Group’s insurance claims under the applicable insurance policies for losses arising from the severe flooding in Peninsular Malaysia in December 2021 which affected one of the Malaysian factories.

The Group (for the avoidance of doubt, excluding its joint venture Gardenia Bakeries (KL) Sdn Bhd) has received a final payment under its consequential loss insurance policy amounting to RM21 million (equivalent to approximately S\$6.3 million). This payment will be recognised as an exceptional gain in the Group’s financial results for 2H2023 and FY2023. It is estimated that tax liability arising from this payment will be RM5 million (equivalent to approximately S\$1.5 million). Including the interim payment of RM12 million (equivalent to approximately S\$3.6 million) received by the Group in October 2022, the Group and its insurer had reached a final settlement sum of approximately RM33 million (equivalent to approximately S\$9.9 million) for its consequential loss claims.

Including this latest payment, the total amount received to-date under the Group’s applicable insurance policies (for consequential loss as well as damage to stock, property, plant and equipment) is approximately RM109 million (equivalent to approximately S\$33.6 million), with estimated tax liabilities of RM24 million (equivalent to approximately S\$7.3 million).

It is highlighted that the replacement or reinstatement of the damaged production lines is ongoing and further insurance claim(s) relating thereto may be submitted to the insurer. There is no assurance that any such insurance claims made will materialise and/or that insurance payments received, if any, will be equivalent to the amounts claimed. The figures referred to above are based on current estimates and may be subject to variation. In addition, the Group’s tax position as set out above arising from the receipt of the insurance payments is a current estimate and subject to finalisation with the tax authority.

Where there are any forward-looking statements as to future matters including projections in this announcement, please note that actual future outcomes may differ materially from those expressed or implied in such forward-looking statements (if any) as a result of, *inter alia*, known and unknown risks, uncertainties, bases and assumptions including matters beyond the Group’s control. Forward-looking statements are typically identified by words such as “may”, “could”, “believes”, “estimates”, “expects”, “anticipates”, “intends”, “considers” and other similar words. Undue reliance should not be placed on any such forward-looking statements, which are based on current views on, amongst others, future events, trends and developments. There can be no assurance that such statements will be realised or prove to be correct. Shareholders are advised to exercise caution when dealing in the shares of the Company and to seek the advice of their stockbrokers, bank managers, solicitors or other professional advisers when dealing in the shares of the Company.

By Order of the Board

Serene Yeo
Company Secretary

20 November 2023