

## CIRCULAR DATED 6 DECEMBER 2021

**THIS CIRCULAR 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.**

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

If you have sold or transferred all your shares in the Company, you should immediately inform the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular including the Notice of EGM, the proxy form, the question form and the Company's accompanying announcement dated 6 December 2021 may be accessed at the Company's corporate website at the URL <https://www.qaf.com.sg/company-announce/> and the SGXNET website at the URL <https://www.sgx.com/securities/company-announcements>.

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



### **QAF LIMITED**

(Incorporated in the Republic of Singapore on 3 March 1958)

(Company Registration No.: 195800035D)

#### **CIRCULAR TO SHAREHOLDERS**

#### **IN RELATION TO**

**(1) THE DISPOSAL OF THE GROUP'S PRIMARY PRODUCTION BUSINESS**

**(2) THE SPECIAL DIVIDEND**

*Financial Adviser to the Company  
in relation to the relevant listing rules  
of the SGX-ST applicable to the  
Disposal and this Circular*



**CIMB BANK BERHAD (13491-P)**

**SINGAPORE BRANCH**

(Incorporated in Malaysia)

#### **IMPORTANT DATES AND TIMES**

Last date and time for lodgment of proxy form	:	18 December 2021 at 11.00 a.m.
Last date and time to pre-register online to attend the EGM remotely	:	18 December 2021 at 11.00 a.m.
Date and time of EGM	:	21 December 2021 at 11.00 a.m.
Venue of EGM	:	The EGM will be held by electronic means.

This Circular has been made available on SGXNET and the Company's corporate website and may be accessed at the URL <https://www.qaf.com.sg/company-announce/>. **A printed copy of this Circular will NOT be despatched to Shareholders.**

Pursuant to the COVID-19 (Temporary Measures) Act 2020 and COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the EGM will be convened and held by way of electronic means on Tuesday, 21 December 2021 at 11.00 a.m.. **Shareholders will not be permitted to attend the EGM in person.** Instead, alternative arrangements have been or will be put in place to allow Shareholders to participate at the EGM by (a) observing and/or listening to the EGM proceedings via live audio-visual webcast and/or live audio-only stream; (b) submitting questions, if any, in advance of the EGM; and (c) appointing the Chairman of the EGM as proxy to attend and vote on their behalf at the EGM. Please refer to Section 14 of this Circular and the Company's accompanying announcement dated 6 December 2021 which has been uploaded together with this Circular on SGXNET for further information, including the steps to be taken by Shareholders to participate at the EGM. Such announcement may also be accessed at the URL <https://www.qaf.com.sg/company-announce/>.

Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNET.

## TABLE OF CONTENTS

<b>DEFINITIONS .....</b>	<b>2</b>
<b>LETTER TO SHAREHOLDERS .....</b>	<b>5</b>
<b>1. INTRODUCTION .....</b>	<b>5</b>
<b>2. INFORMATION ON THE TARGET GROUP.....</b>	<b>6</b>
<b>3. INFORMATION ON THE PURCHASER .....</b>	<b>7</b>
<b>4. CERTAIN TERMS OF THE SPA .....</b>	<b>7</b>
<b>5. RATIONALE FOR THE DISPOSAL AND SPECIAL DIVIDEND.....</b>	<b>9</b>
<b>6. USE OF PROCEEDS INCLUDING SPECIAL DIVIDEND .....</b>	<b>10</b>
<b>7. CHAPTER 10 OF THE LISTING MANUAL .....</b>	<b>10</b>
<b>8. CERTAIN FINANCIAL EFFECTS OF THE DISPOSAL .....</b>	<b>11</b>
<b>9. THE SPECIAL DIVIDEND.....</b>	<b>13</b>
<b>10. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS .....</b>	<b>14</b>
<b>11. DIRECTORS' RECOMMENDATION .....</b>	<b>15</b>
<b>12. EXTRAORDINARY GENERAL MEETING .....</b>	<b>15</b>
<b>13. NO DESPATCH OF PRINTED COPIES OF CIRCULAR INCLUDING THE NOTICE OF EGM AND PROXY FORM.....</b>	<b>15</b>
<b>14. ACTION TO BE TAKEN BY SHAREHOLDERS .....</b>	<b>16</b>
<b>15. RESPONSIBILITY STATEMENTS .....</b>	<b>16</b>
<b>16. CONSENTS.....</b>	<b>17</b>
<b>17. DOCUMENTS AVAILABLE FOR INSPECTION .....</b>	<b>17</b>
<b>NOTICE OF EGM .....</b>	<b>18</b>
<b>PROXY FORM</b>	

---

## DEFINITIONS

---

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

"1H2021"	:	Half year ended 30 June 2021
"A\$"	:	Australian dollars
"Board"	:	The board of directors of the Company for the time being
"BRL"	:	Brazilian real dollars
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 6 December 2021 in relation to the Disposal and the Special Dividend
"Companies Act"	:	Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
"Company" or "QAF"	:	QAF Limited
"Completion"	:	Completion of the sale and purchase of the Sale Shares
"Completion Date"	:	The date of completion of the sale and purchase of the Sale Shares
"Controlling Shareholder"	:	A person who:  (a) holds directly or indirectly 15% or more of the total voting rights 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
"Deposit"	:	Has the meaning ascribed to it in Section 4.2 of this Circular
"Directors"	:	The directors of the Company for the time being
"Disposal"	:	The disposal by the QAF Group of the Primary Production Business in Australia
"EGM"	:	The extraordinary general meeting of the Company to be held on 21 December 2021
"EPS"	:	Earnings per Share
"FY"	:	Financial year ended or ending 31 December
"Group" or "QAF Group"	:	The Company and its subsidiaries
"Indicative Purchase Price"	:	The indicative aggregate purchase price for the Sale Shares which is estimated at approximately A\$109.9 million as at 30 June 2021
"Latest Practicable Date"	:	30 November 2021, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	:	The listing manual of the SGX-ST, as amended or modified from time to time

---

## DEFINITIONS

---

<b>"Notice of EGM"</b>	:	The notice of EGM dated 6 December 2021 convening the EGM
<b>"NTA"</b>	:	Net tangible assets, being total assets less the sum of total liabilities, non-controlling interests and intangible assets
<b>"Oxdale Dairy"</b>	:	Oxdale Dairy Enterprise Pty Ltd
<b>"Primary Production Business"</b>	:	The business conducted by the Target Group which includes pig breeding and grower farms, pork processing, pig genetics, feedmilling and distribution and sale of various pork products in both branded and unbranded formats
<b>"Purchase Price"</b>	:	The purchase price for the Sale Shares elaborated upon in Section 4.2 of this Circular
<b>"Purchaser"</b>	:	Primo Foods Pty Ltd which has been nominated by Industry Park Pty Ltd as substitute purchaser under the SPA. Both such entities are subsidiaries of JBA S.A.
<b>"Register of Members"</b>	:	The register of members of the Company
<b>"Rivalea Holdings"</b>	:	Rivalea Holdings Pty Ltd
<b>"Sale Shares"</b>	:	The entire issued share capital of Rivalea Holdings and Oxdale Dairy
<b>"Securities Account"</b>	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<b>"SGXNET"</b>	:	The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
<b>"SGX-ST"</b>	:	Singapore Exchange Securities Trading Limited
<b>"Shareholder Loan"</b>	:	Has the meaning ascribed to it in Section 4.2 of this Circular
<b>"Shareholders"</b>	:	Means: <ul style="list-style-type: none"><li>(a) where the Depository is named in the Register of Members of the Company as the holder of Shares, a Depositor in respect of the number of Shares standing to the credit of his name in the Depository Register; and</li><li>(b) in any other case, a person whose name appears on the Register of Members maintained by the Company pursuant to Section 190 of the Companies Act and/or any other applicable law</li></ul>
<b>"Shares"</b>	:	Ordinary shares in the capital of the Company
<b>"SPA"</b>	:	The sale and purchase agreement dated 8 June 2021 entered into between the Vendors and Industry Park Pty Ltd (which has nominated the Purchaser as substitute purchaser) in respect of the sale and purchase of the Sale Shares, as may be amended, modified and/or supplemented from time to time

---

## DEFINITIONS

---

" <b>Special Dividend</b> "	:	The proposed one-tier tax-exempt special cash dividend of S\$0.02 per Share, further details of which are set out in Section 9 of this Circular
" <b>Substantial Shareholder</b> "	:	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
" <b>S\$</b> " and " <b>cents</b> "	:	Singapore dollars and cents, respectively
" <b>Target Group</b> "	:	Rivalea Holdings, Oxdale Dairy, Rivalea (Australia) Pty Ltd and Diamond Valley Pork Pty Ltd, and each a " <b>Target Group Company</b> "
" <b>Vendors</b> "	:	Hamsdale International Pte Ltd and Oxdale Investments Pte Ltd
" <b>USD</b> "	:	United States dollars
" <b>%</b> " or " <b>per cent.</b> "	:	Percentage or per centum

The terms "**Depositor**", "**Depository**", "**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, as amended or modified from time to time.

The terms "**subsidiaries**" and "**related corporations**" shall have the meanings ascribed to them respectively in the Companies Act.

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.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual, or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Listing Manual, or any statutory or regulatory modification thereof, as the case may be, unless the context otherwise requires.

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

Unless otherwise stated, the S\$ equivalent of the A\$ figures in this Circular has been arrived at based on an exchange rate of A\$1.00:S\$0.974 as at the Latest Practicable Date. Any discrepancies in figures included in this Circular between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Rajah & Tann Singapore LLP has been appointed as the legal adviser to the Company as to Singapore law in relation to this Circular.

---

# LETTER TO SHAREHOLDERS

---

## QAF LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 195800035D)

### Board of Directors

Andree Halim (*Chairman, Non-Independent, Non-Executive Director*)  
Lin Kejian (*Joint Group Managing Director, Executive Director*)  
Goh Kian Hwee (*Joint Group Managing Director, Executive Director*)  
Ong Wui Leng Linda (*Group Finance Director, Executive Director*)  
Choo Kok Kiong (*Non-Independent, Non-Executive Director*)  
Dawn Pamela Lum (*Independent, Non-Executive Director*)  
Triono J. Dawis (*Independent, Non-Executive Director*)  
Lee Kwong Foo Edward (*Independent, Non-Executive Director*)  
Norman Ip (*Independent, Non-Executive Director*)  
Chee Teck Kwong Patrick (*Independent, Non-Executive Director*)  
Rachel Liem Yuan Fang (*Alternate Director to Andree Halim*)

### Registered Office

150 South Bridge Road  
#09-03 Fook Hai Building  
Singapore 058727

6 December 2021

To: The Shareholders of **QAF Limited**

- (1) **THE DISPOSAL OF THE GROUP'S PRIMARY PRODUCTION BUSINESS**
- (2) **THE SPECIAL DIVIDEND**

Dear Shareholders

1. **INTRODUCTION**
- 1.1. **Announcement**

On 8 June 2021, the Company announced that the Group had entered into a sale and purchase agreement to dispose of its Primary Production Business in Australia, pursuant to a competitive sale process. The Primary Production Business had been classified as a disposal group held for sale in the financial statements of QAF Group for FY2020 and no longer falls within the description of an existing core business.

The Group's wholly-owned subsidiaries, Hamsdale International Pte Ltd and Oxdale Investments Pte Ltd (the "**Vendors**"), have agreed to sell the entire issued share capital of Rivalea Holdings and Oxdale Dairy ("**Sale Shares**") to the Purchaser, subject to the terms and conditions of the SPA.

Rivalea Holdings owns two subsidiaries incorporated in Australia, namely, Rivalea (Australia) Pty Ltd (held as to 100%) and Diamond Valley Pork Pty Ltd (held as to 80%).

- 1.2. **The Disposal**

The Disposal constitutes a major transaction under Chapter 10 of the Listing Manual and is subject to the approval of Shareholders. Accordingly, completion of the Disposal is conditional upon the receipt of Shareholders' approval at the EGM. Upon completion of the Disposal, the Target Group will cease to be subsidiaries of the Company.

- 1.3. **Special Dividend**

As previously announced by the Company, the Company intends, after the Completion of the Disposal, to pay a special dividend of S\$0.02 per Share. Accordingly, the Board is recommending a one-tier tax-exempt Special Dividend. The Special Dividend is subject to and contingent upon,

---

## LETTER TO SHAREHOLDERS

---

*inter alia*, Shareholders' approval at the EGM and Completion of the sale and purchase of the Sale Shares.

Further details of the Special Dividend are set out in Section 9 of this Circular.

### 1.4. Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information relating to the Disposal and the Special Dividend and to seek the approval of Shareholders by way of ordinary resolutions for the Disposal and the Special Dividend at the EGM to be held on 21 December 2021.

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

## 2. INFORMATION ON THE TARGET GROUP

The Target Group is a leading integrated pork producer in Australia with pig breeding and grower farms, pork processing plants, pig genetics and feedmills. It has access to nationwide distribution in Australia and sells various pork products in both branded and unbranded format. Pork products of the Target Group are sold across leading supermarkets in Australia and also to leading wholesalers. The bulk of its business is in Australia, with a small portion of the pork products exported to countries such as Japan, Singapore and Hong Kong. The Target Group also sells both branded and unbranded feed to dairy, beef, sheep, pig and poultry producers in Australia.

Rivalea Holdings, a company incorporated in Australia, has an issued and paid-up share capital of A\$60,000,000 comprising 60,000,000 ordinary shares. Hamsdale International Pte Ltd, a wholly-owned subsidiary of the Company, owns 100% of the issued shares of Rivalea Holdings.

Rivalea Holdings owns two subsidiaries incorporated in Australia, namely, Rivalea (Australia) Pty Ltd (held as to 100%) and Diamond Valley Pork Pty Ltd (held as to 80%). Rivalea (Australia) Pty Ltd and Diamond Valley Pork Pty Ltd are the operational subsidiaries of the Primary Production Business.

Oxdale Dairy, a company incorporated in Australia, has an issued and paid-up share capital of A\$5,000,002 comprising 5,000,002 ordinary shares. Oxdale Investments Pte Ltd, a wholly-owned subsidiary of the Company, owns 100% of the issued shares of Oxdale Dairy. Oxdale Dairy owns the land on which some of the operations of the Primary Production Business are carried out.

Based on the Target Group's financial information as included in the QAF Group's audited consolidated financial statements for FY2020 (excluding remeasurement loss<sup>1</sup>, which is taken up at Group level and not at Target Group level), the Target Group recorded net profit before and after tax of approximately S\$19.8 million and S\$15.0 million, respectively, before remeasurement loss of S\$28.7 million for FY2020 and net tangible asset value and net asset value amounting to approximately S\$164.3 million as at 31 December 2020. For the purpose of computing the relevant bases set out in Rule 1006 of the Listing Manual (see Section 7.1 below), the net asset value attributable to the Target Group is stated after deducting remeasurement loss of S\$30.7 million, and amounts to approximately S\$133.6 million as at 31 December 2020.

Based on the Target Group's financial information as included in the QAF Group's unaudited consolidated financial statements for 1H2021 (excluding remeasurement gain, which is taken up at Group level and not at Target Group level, and associated costs incurred for the Disposal), the Target Group recorded net profit before and after tax of approximately S\$18.2 million and S\$17.0 million, respectively, for 1H2021 and net tangible asset value and net asset value amounting to

---

<sup>1</sup> In accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations, given that the carrying amount of the Primary Production Business will be recovered principally through a sale transaction rather than through continuing use, the Group has classified the Primary Production Business as a disposal group held for sale ("Disposal Group") in the consolidated statement of financial position and measured the Disposal Group at the lower of its carrying amount and fair value less costs to sell as at 31 December 2020. This remeasurement loss reflects the difference between the carrying amount and fair value less costs to sell as at 31 December 2020 and is translated to S\$30.7 million based on year-end exchange rate and S\$28.7 million based on the average exchange rate for 2020.



---

## LETTER TO SHAREHOLDERS

---

approximately S\$174.4 million as at 30 June 2021. In compliance with SFRS(I) 5, the Group is required to cease depreciation on assets held for sale and hence, the 1H2021 profits do not include such depreciation. Excluding the cessation of depreciation of S\$8.0 million, the Target Group's business would have recorded a net profit before and after tax (excluding remeasurement gain, which is taken up at Group level and not at Target Group level, and associated costs incurred for the Disposal) of approximately S\$10.2 million and S\$9.0 million, respectively, for 1H2021.

### 3. INFORMATION ON THE PURCHASER

The Purchaser is part of JBS S.A., a Brazilian company listed on B3 – Brazil Stock Exchange with a market capitalisation of approximately USD15 billion<sup>2</sup> as of 30 November 2021. JBS S.A. is one of the largest animal protein and food companies in the world with operations in North America, South America, Europe, Australia and New Zealand. JBS S.A. has been present in Australia since 2007 and is one of the largest meat and food processors in the country with a portfolio of beef, lamb, pork and value added products. JBS S.A.'s Australia business employs more than 10,000 people and generated revenues of approximately A\$6.4 billion in FY2020.

### 4. CERTAIN TERMS OF THE SPA

#### 4.1. Sale Shares

The Disposal involves the sale of the Sale Shares to the Purchaser free from encumbrances and the settlement of the Shareholder Loan, on and subject to the terms and conditions of the SPA.

#### 4.2. Purchase Price

The purchase price for the Sale Shares ("**Purchase Price**") will be determined based on the agreed enterprise value of the Target Group of A\$175.0 million (approximately S\$170.5 million) and taking into account net external debt, net working capital and related party amounts owing to the Vendor(s) by the Target Group as at a specified time immediately before the Completion Date. The related party amounts consist of shareholder loan(s) ("**Shareholder Loan**") from the Vendor(s), which amount to approximately A\$38.5 million (approximately S\$37.5 million) and net related party payables by the Target Group of approximately A\$0.3 million (approximately S\$0.3 million) as at 30 June 2021. On Completion, the related party amounts will be fully repaid and the guarantees furnished by the Group to secure the Target Group's borrowings (approximately A\$67 million in aggregate) will be released. The guarantees furnished by the Group to a total of three banks are in relation to working capital credit facilities extended to the Target Group. The foregoing terms were arrived at on a willing-buyer and willing-seller basis, pursuant to a competitive bid process.

No independent valuation of the Sale Shares was carried out in connection with the Disposal by the Group. Rather, the Group, through Rabobank Singapore as financial adviser for the Disposal, undertook a competitive international and domestic sale process for the disposal of the Sale Shares. Further, the sale was advertised in a national newspaper in Australia pursuant to Australian regulatory rules. Allens Linklaters is acting as the Australian legal adviser to the Group. Over 70 potential investors were approached. The sale process lasted approximately ten months from August 2020 and included extensive due diligence by shortlisted bidders. The SPA was signed with the JBS S.A. group, which was selected on the basis of its clearly superior cash and non-cash terms. Accordingly, a market-based price discovery process was undertaken, which the Company believes to be an appropriate price discovery mechanism for such a transaction.

As at 30 June 2021, the Indicative Purchase Price is estimated at approximately A\$109.9 million (approximately S\$107.0 million). The final Purchase Price will however only be determined based on the defined financial condition of the Target Group as at the Completion Date, taking into account:

- (a) the aggregate enterprise value of A\$175.0 million (approximately S\$170.5 million);

---

<sup>2</sup> Based on an exchange rate of USD1.00 : BRL5.62 as at 30 November 2021.

---

## LETTER TO SHAREHOLDERS

---

- (b) the aggregate actual net external debt;
- (c) the aggregate actual related party amounts owing by the Vendors to the Target Group or payable to the Vendors by the Target Group (as the case may be); and
- (d) the aggregate actual net working capital, measured against the pre-agreed net working capital amount.

The Purchase Price shall be fully satisfied in cash by the Purchaser. The Purchaser has paid a deposit totalling A\$8.75 million (approximately S\$8.52 million) the ("**Deposit**"), being 5% of the aggregate agreed enterprise value. The Deposit, which is being held in a bank account in Australia operated by Allens Linklaters on instructions of the Vendors and the Purchaser pursuant to the terms and conditions of the SPA, shall be released to the Vendors upon Completion. On Completion, the Purchaser shall pay the Vendors the estimated Purchase Price determined in accordance with the SPA, less the Deposit and procure that each Target Group Company repays in full on Completion all related party payables (including the Shareholder Loan) owing by any Target Group Company to any member of the Group (excluding the Target Group Company).

The Deposit is to be released to the Purchaser under certain circumstances prescribed in the SPA in the event that Completion does not take place.

### 4.3. Conditions Precedent

The Disposal is conditional upon the satisfaction (or waiver in accordance with the SPA) of the following conditions precedent, a summary of which is set out below:

- (a) the Purchaser having obtained the requisite regulatory approval under the Foreign Acquisitions and Takeovers Act 1975 of Australia for its acquisition ("**FIRB Approval**");
- (b) the Purchaser having received no objections from the Australian Competition and Consumer Commission for its acquisition of the Sale Shares ("**ACCC Approval**"); and
- (c) the Company's shareholders having approved the Disposal at an EGM.

As at the date of this Circular, the ACCC Approval condition has been satisfied. With respect to the condition in (a) above, the Company understands that a decision on the FIRB Approval condition is currently expected later in December 2021, and the Company will make further announcement(s) as appropriate in respect of this condition.

### 4.4. Warranties and undertakings

Under the SPA, the Vendors have provided the Purchaser with warranties in respect of, amongst others, the Target Group, its business and operations. Breach of warranties would not entitle the Purchaser to terminate the SPA, but such breach may entitle the Purchaser to damages, subject to the terms of the SPA including certain limitations on liability. The SPA also contains various undertakings that, pending Completion, the Vendors shall take or refrain from taking various actions with respect to the Target Group's business and operations, as well as certain indemnities. The Vendors have also furnished certain non-compete and non-solicitation undertakings to the Purchaser under the SPA. As a risk management measure, the Group has taken warranty and indemnity (W&I) insurance in respect of the SPA, subject to certain exclusions and limitations.

### 4.5. Service Contract(s)

No person is proposed to be appointed as a Director in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and such person.

---

## LETTER TO SHAREHOLDERS

---

**Shareholders and other investors are advised to exercise caution when dealing in the securities of the Company as there is no certainty or assurance as at the date of this Circular that the Disposal will be completed or that the payment of the Special Dividend will materialise in due course. Shareholders and other investors are advised to read this Circular and any announcements by the Company carefully. Shareholders and other investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have doubt about the actions they should take.**

### **5. RATIONALE FOR THE DISPOSAL AND SPECIAL DIVIDEND**

The Directors believe that the Disposal and the Special Dividend are in the interest of the Company, as elaborated below:

#### **5.1. Focus on the Group's Core Business in the Bakery and Distribution & Warehousing Segments**

The Group had previously announced its intention to focus on its Bakery and Distribution and Warehousing segments in the core markets of Singapore, Malaysia and the Philippines, catering to a growing 650 million population of ASEAN countries.

The Group is in the process of completing a new line at the Gardenia Malaysia plant in Bukit Kemuning (approximately S\$26 million). Plans to expand production facilities at North Luzon in the Philippines are also being reviewed (approximately S\$40 million). An additional bread line at the Johor plant (approximately S\$30 million) to supply both Malaysia and Singapore markets, and an upgrade to the bread production lines in Singapore (approximately S\$20 million) are currently being studied. Total expected capital expenditure for these projects is approximately S\$116 million. This is in addition to the significant investments into the Bakery business in Philippines (approximately S\$80 million) and Malaysia (approximately S\$130 million) that had been made in recent years, as the Group seeks to expand its bakery production capabilities. The disposal of the Primary Production Business would enable the Group to focus on and support the growth of the Bakery and Distribution and Warehousing Businesses through funding any equity contribution requirement of these capital expenditures, and enable the Group to invest in new business opportunities related to these businesses.

#### **5.2. Unlocking Shareholders' Value**

Following nearly 20 years of ownership by the Group, the Primary Production Business is now an ideal platform and has reached the necessary scale for a new owner with a strong focus on the animal protein segment to bring it to its next growth phase and take the business to the next level. Commensurate with this, the Group undertook a market-based price discovery process (via the competitive sale process referred to in Section 4.2 above), which the Company believes to be an appropriate price discovery mechanism for such a transaction. With the Disposal, the Group will be focused on its Bakery and Distribution and Warehousing Businesses. The strategic sale of the Primary Production Business was pursued as such business is in the animal protein segment, which is very different from the Bakery and Distribution and Warehousing Businesses and operates in a different geographical region. The Company believes that this strategic sale will better position the Group to leverage on existing synergies within the Bakery and Distribution and Warehousing Businesses to capture opportunities for growth. This direction will continue to strengthen its core brands and drive future growth.

The Primary Production Business had also historically been a cyclical, volatile business dependent on and affected by risk factors such as commodity pork prices, grain costs and weather. With the Disposal, the earnings volatility of the Group is also expected to reduce over the long run. The Group's Bakery and Distribution and Warehousing businesses have generated relatively higher and more stable margins and returns. The Company believes that the sale will provide a clearer basis for market valuation of the Group's remaining core businesses of Bakery and Distribution and Warehousing so as to reduce the possible impact of any conglomerate discount.

---

## LETTER TO SHAREHOLDERS

---

In addition, the Company intends, after the Completion of the Disposal, to use part of the proceeds from the Disposal to pay a Special Dividend of S\$0.02 per Share. Notwithstanding the possible loss on disposal, the Board has recommended the payment of the Special Dividend on the basis that net proceeds from the Disposal is expected to amount to approximately S\$140.0 million based on the financial position of the Target Group as at 30 June 2021, and the Group has over S\$243 million of Group revenue reserves as at 31 December 2020. This is in line with the Company's objective of realising and returning value to Shareholders.

### 6. USE OF PROCEEDS INCLUDING SPECIAL DIVIDEND

Based on the Indicative Purchase Price and including proceeds from the settlement of all related party payables (including the Shareholder Loan), the net proceeds from the Disposal after deducting, amongst others, the estimated expenses of the sale process from FY2021 onwards, is currently expected to amount to approximately S\$140.0 million based on the financial position of the Target Group as at 30 June 2021, subject to the matters set out in Section 8 below.

As previously announced by the Company, the Company intends, after the Completion of the Disposal, to pay a Special Dividend of S\$0.02 per Share. Based on 575,268,440 Shares in the capital of the Company as at the Latest Practicable Date, the Company proposes to set aside a total of approximately S\$11.5 million for the Special Dividend. Subject to the approval of the Shareholders for the payment of the Special Dividend and Completion of the Disposal, the Company will announce the record date for the Special Dividend in due course.

The net proceeds will enable the Group to focus on and support the growth of the Bakery and Distribution and Warehousing Business and enable the Group to invest in new business opportunities related to these businesses.

### 7. CHAPTER 10 OF THE LISTING MANUAL

#### 7.1. Relative figures under Rule 1006 of the Listing Manual

The relative figures for the Disposal computed on the bases set out in Rule 1006 of the Listing Manual, including, for the purpose of Rule 1006(c), the proceeds from the settlement of the Shareholder Loan together with the Indicative Purchase Price, are as follows:

Bases in Rule 1006 of the Listing Manual		Relative percentage (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	25.8 <sup>(1)</sup>
(b)	The net profits attributable to the Target Group, compared with the Group's net profits	26.7 <sup>(2)</sup>
(c)	The aggregate value of the Indicative Purchase Price and the Shareholder Loan, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares	27.5 <sup>(3)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities of the Company previously in issue	Not applicable <sup>(4)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's probable and proved reserves	Not applicable <sup>(5)</sup>

---

## LETTER TO SHAREHOLDERS

---

### Notes:

- (1) The relative figure for Rule 1006(a) has been computed based on (a) the Target Group's net asset value of approximately S\$133.6 million as included in the QAF Group's FY2020 audited consolidated financial statements; and (b) the QAF Group's audited net asset value of approximately S\$516.9 million as at 31 December 2020, as taken from the QAF Group's FY2020 audited consolidated financial statements (being the latest announced consolidated financial statements of the QAF Group prior to entering into the SPA).
- (2) The relative figure for Rule 1006(b) has been computed based on (a) the pre-tax profits attributable to the Sale Shares as included in the QAF Group's FY2020 audited consolidated financial statements, of approximately S\$19.8 million; and (b) the QAF Group's FY2020 audited profit (as taken from the QAF Group's FY2020 audited consolidated financial statements, being the latest announced consolidated financial statements of the QAF Group prior to entering into the SPA) including profit before tax for the discontinuing operations that have not been disposed and before income tax and non-controlling interests, of approximately S\$74.2 million, which excludes the remeasurement loss of S\$28.7 million. The QAF Group's profit before tax and non-controlling interests for FY2020 taking into account the remeasurement loss of S\$28.7 million would be S\$45.5 million, and the relative percentage based on such a profit figure would be 43.5%.
- (3) The relative figure for Rule 1006(c) has been computed based on (a) the estimated aggregate of the Indicative Purchase Price and the Shareholder Loan which together amount to approximately S\$151.3 million as at 8 June 2021, being the date of the SPA; and (b) the Company's market capitalisation of approximately S\$549.4 million based on its total number of issued Shares of 575,268,440 and the weighted average price of S\$0.955 per Share on 7 June 2021, being the market day prior to the date of the SPA.
- (4) Rule 1006(d) is not applicable to a disposal of assets for cash consideration.
- (5) Rule 1006(e) is not applicable as the Company is not a mineral, oil and gas company.

As the relative figures set out in Rules 1006(a), (b) and (c) of the Listing Manual exceed 20%, the Disposal is classified as a major transaction under Rule 1014 of the Listing Manual which would require Shareholders' prior approval in general meeting under Rule 1014.

## 8. CERTAIN FINANCIAL EFFECTS OF THE DISPOSAL

The unaudited pro forma financial effects of the Disposal on the Group (including the overall gain or loss on disposal, as the case may be) as set out below are purely for illustrative purposes and are neither indicative nor do they represent the actual financial effects of the Disposal on the NTA per Share and EPS of the Group or any projection of the financial performance or position of the Group after the Completion of the Disposal. The actual financial effects of the Disposal are affected by and will depend on, amongst other factors, fluctuations in foreign exchange rates between the A\$ and S\$, the financial performance of the Target Group up to Completion, the financial position of the Target Group as at Completion, and capital gains tax payable in relation to the Disposal (if any). As such factors are subject to change and may not be within the Group's control, the actual financial effects of the Disposal (including the overall gain or loss on disposal, as the case may be) at Completion may differ materially from the illustrative pro forma financial effects set out below.

### 8.1. Financial and Accounting Impact Attributable to the Disposal

Based on the Indicative Purchase Price and all related party payables (including the Shareholder Loan) to be repaid to the QAF Group, the excess of the proceeds over the net asset value of the Target Group as at 30 June 2021 after taking into account the accumulated remeasurement loss recognised by the QAF Group is estimated at approximately S\$2.4 million.

This gain does not take into account transaction expenses relating to the Disposal, capital gains tax as stated below, and the reclassification of foreign currency translation reserve loss relating to the Target Group of S\$4.6 million as at 30 June 2021. In accordance with SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates*, foreign currency translation reserve loss relating to the Target Group of S\$4.6 million as at 30 June 2021, would have to be reclassified to profit and loss upon Completion. Including the foreign currency translation reserve loss of S\$4.6 million, the Group would have recognised an overall loss on disposal (before transaction expenses or capital gains tax) estimated at S\$2.2 million.

Based on information available to the Company as at the Latest Practicable Date, the Company believes that it is unlikely that there will be any significant capital gains tax payable by the Group



---

## LETTER TO SHAREHOLDERS

---

in relation to the Disposal on the basis that the relevant Target Group companies, which own Australian land, are taxable Australian real property companies. Nevertheless, in the event capital gains tax is payable by the Group, the Company estimates this amount to be not material.

The Group had on 8 June 2021 announced an estimated overall gain on disposal (before transaction expenses or capital gains tax) of approximately S\$10.8 million. This estimated gain was based on the then indicative purchase price at the date of the SPA and the net asset value of the Target Group as well as the foreign currency translation reserve loss attributable to the Target Group as at 30 April 2021.

### 8.2. Bases and Assumptions

The pro forma financial effects set out below have been prepared based on the latest audited consolidated financial statements of the Group for FY2020 and the combined financial statements of the Target Group for FY2020, as well as the following bases and assumptions:

- (a) the financial effects on the consolidated NTA per Share is computed based on the assumption that the Disposal had been completed on 31 December 2020;
- (b) the financial effects on the consolidated EPS is computed based on the assumption that the Disposal had been completed on 1 January 2020;
- (c) the estimated gain on disposal of approximately S\$2.4 million (before transaction expenses and foreign currency translation reserve loss of approximately S\$4.6 million), adjusted to exclude the incremental remeasurement gain of S\$3.9 million recognised for the Target Group by the QAF Group in 1H2021;
- (d) the estimated expenses incurred and to be incurred in respect of the Disposal of approximately S\$ 4.8 million (comprising mainly professional advisers' fees and insurance) from FY2021 onwards; and
- (e) the financial statements of the Target Group are reported in A\$ and have been translated, in respect of profit and loss items using the average exchange rate of A\$0.9523 per S\$ over the 12 months ended 31 December 2020, and in respect of balance sheet items using the closing exchange rate of A\$1.019 per S\$ as at 31 December 2020.

### 8.3. NTA per Share

<b>As at 31 December 2020</b>	<b>Before the Disposal</b>	<b>After the Disposal</b>
NTA (S\$'000)	516,152	517,666
NTA per Share (cents)	89.72	89.99

### 8.4. EPS

<b>For FY2020</b>	<b>Before the Disposal</b>	<b>After the Disposal</b>
Net profit attributable to the Shareholders of the Company (S\$'000)	27,736	10,302
Weighted average number of Shares ('000)	575,268	575,268
EPS (cents)	4.82	1.79

---

## LETTER TO SHAREHOLDERS

---

### 9. THE SPECIAL DIVIDEND

#### 9.1. Details of the Special Dividend

Subject to Shareholders' approval of the Special Dividend and after the Completion of the Disposal, the Company proposes to distribute a one-tier tax-exempt special cash dividend of S\$0.02 for each Share held by the Shareholders as at the record date for the Special Dividend. Based on 575,268,440 issued Shares in the capital of the Company as at the Latest Practicable Date, the Company proposes to set aside a total of approximately S\$11.5 million for the Special Dividend.

#### 9.2. Conditions to the Special Dividend

Payment of the Special Dividend shall be conditional upon, *inter alia*, the satisfaction of the following conditions:

- (a) Shareholders' approval being obtained for the Disposal and the Special Dividend at the EGM to be convened;
- (b) Completion having occurred; and
- (c) the satisfaction of any regulatory approvals and/or statutory requirements which may be applicable in connection with the Special Dividend.

#### 9.3. Payment Date

The Company will announce the record date and the payment date for the Special Dividend in due course. Shareholders should note that the declaration of the Special Dividend is conditional upon the satisfaction of the conditions set out in Section 9.2 above.

The Company will make further announcements on the Special Dividend as and when appropriate.

#### 9.4. Administrative Procedures for the Special Dividend

##### (a) Record Date

Persons registered in the Register of Members, and Depositors whose Securities Accounts are credited with Shares as at the record date for the Special Dividend, will be entitled to receive a one-tier tax-exempt special cash dividend of S\$0.02 per Share for each Share registered in their name or standing to the credit of their respective Securities Accounts as at such record date.

##### (b) Scrip-based Shareholders

Shareholders who hold Shares registered in their own names in the Register of Members and who wish to deposit their Shares with CDP prior to the record date for the Special Dividend must deliver their existing share certificates in respect of their Shares, together with the duly executed instruments of transfer in favour of CDP, at least twelve (12) Market Days prior to the record date for the Special Dividend in order for their Securities Accounts maintained with CDP to be credited with the relevant Shares prior to such record date.

##### (c) Shareholders (being Depositors) whose Shares are deposited with CDP

In the case of Shareholders who are Depositors, entitlements pursuant to the Special Dividend will be determined on the basis of the number of Shares standing to the credit of their respective Securities Accounts as at the record date of the Special Dividend.

## LETTER TO SHAREHOLDERS

(d) **Payment**

Payment of the Special Dividend will be made in the following manner:

(i) Shareholders holding Scrip Shares

Shareholders whose Shares are registered in the Register of Members as at the record date of the Special Dividend will have the cheques for payment of their respective entitlements under the Special Dividend despatched to them by the Share Registrar by ordinary post at their own risk on the payment date to be announced in due course. The Company shall not be responsible or liable for any loss in transmission.

(ii) Shareholders holding Scripless Shares

Shareholders who are Depositors and who have Shares standing to the credit of their Securities Accounts as at the record date of the Special Dividend will have their respective entitlements under the Special Dividend (i) (if such Depositor has applied for the Direct Crediting Service) credited directly into their designated bank accounts, or (ii) (if such Depositor has not applied for the Direct Crediting Service) reflected under the Cash Transaction section in the monthly statements of their Securities Accounts. Alternatively, such Depositors will have payment of their respective entitlements under the Special Dividend made in such other manner as they may have agreed with CDP for the payment of dividends or other distributions on the payment date to be announced in due course. Neither the Company nor CDP shall be responsible or liable for any loss in transmission.

**If any Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

### 10. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

10.1. 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 <sup>(1)</sup>	No. of Shares	Percentage of Shareholding <sup>(1)</sup>
<b><u>Directors</u></b>				
Andree Halim	-	-	394,629,813 <sup>(2)</sup>	68.60%
Lin Kejian	47,600	0.01%	277,369,871 <sup>(3)</sup>	48.22%
Goh Kian Hwee	-	-	-	-
Ong Wui Leng Linda	-	-	-	-
Choo Kok Kiong	-	-	-	-
Dawn Pamela Lum	-	-	-	-
Triono J. Dawis	-	-	-	-
Lee Kwong Foo Edward	-	-	-	-
Norman Ip	-	-	-	-
Chee Teck Kwong Patrick	-	-	-	-
Rachel Liem Yuan Fang	432,900	0.08%	-	-
<b><u>Substantial Shareholders (other than Directors)</u></b>				
Tian Wan Enterprises Company Limited	128,480,224	22.33%	-	-
Tian Wan Equities Company Limited	145,337,565	25.26%	-	-
Tian Wan Holdings Group Limited	41,044,656	7.13%	79,767,368 <sup>(4)</sup>	13.87%
Tian Wan Capital Limited	58,594,391	10.19%	-	-



---

## LETTER TO SHAREHOLDERS

---

### Notes:

- (1) Based on 575,268,440 Shares as at the Latest Practicable Date.
- (2) 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.
- (3) 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.
- (4) 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.

### 10.2. Interest in the Disposal

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

## 11. DIRECTORS' RECOMMENDATION

### 11.1. The Disposal and Special Dividend

Having reviewed, *inter alia*, the rationale for the Disposal and the Special Dividend, the Directors are of the view that the Disposal and the Special Dividend are in the interests of the Company, and they recommend that Shareholders vote in favour of the Ordinary Resolutions relating to the Disposal and Special Dividend at the EGM.

### 11.2. Undertaking to vote by Controlling Shareholders

Mr Andree Halim and Mr Lin Kejian, who are Controlling Shareholders of the Company and whose aggregate shareholding interests amount to approximately 69.2% of the total number of issued Shares in the Company as at the Latest Practicable Date, have undertaken to the Company, *inter alia*, (a) to ensure that up till the date of the EGM, the relevant private companies which beneficially own the Shares (the "**Relevant Companies**") will maintain their respective beneficial ownership of such Shares and (b) to ensure that such Relevant Companies vote in favour of the resolutions at the EGM for purposes of approving the Disposal.

## 12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 18 to 20 of this Circular, will be convened and held by way of electronic means on 21 December 2021 at 11.00 a.m., for the purpose of considering and, if thought fit, passing with or without any modification(s), the Ordinary Resolutions set out in the Notice of EGM.

## 13. NO DESPATCH OF PRINTED COPIES OF CIRCULAR INCLUDING THE NOTICE OF EGM AND PROXY FORM

**No printed copies of this Circular including the Notice of EGM, the proxy form, the question form and the Company's accompanying announcement dated 6 December 2021 will be despatched to Shareholders.** Copies of this Circular including the Notice of EGM, the proxy form, the question form and the Company's accompanying announcement dated 6 December 2021 have been uploaded to the Company's corporate website at the URL <https://www.qaf.com.sg/company-announce/> and will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. A Shareholder will need an Internet browser and PDF reader to view these documents on the Company's website and on SGXNET.

---

## LETTER TO SHAREHOLDERS

---

### 14. ACTION TO BE TAKEN BY SHAREHOLDERS

#### 14.1. No Attendance at EGM

The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Shareholders will not be permitted to attend the EGM in person.**

#### 14.2. Alternative Arrangements

Shareholders may participate at the EGM by:

- (a) observing and/or listening to the EGM proceedings via live audio-visual webcast and/or live audio-only stream;
- (b) submitting questions, if any, in advance of the EGM; and
- (c) appointing the Chairman of the EGM as proxy to attend and vote on their behalf at the EGM.

The steps for pre-registration, submission of questions and voting at the EGM are set out in the Company's accompanying announcement dated 6 December 2021. The announcement may be accessed at the Company's corporate website at the URL <https://www.qaf.com.sg/company-announce/> and the SGXNET website at the URL <https://www.sgx.com/securities/company-announcements>.

### 15. RESPONSIBILITY STATEMENTS

#### 15.1. Directors

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Disposal, the Special Dividend and the Group in relation to the Disposal and Special Dividend, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

#### 15.2. Financial Adviser in relation to relevant listing rules of the SGX-ST applicable to the Disposal and this Circular

CIMB Bank Berhad, Singapore Branch is the financial adviser to the Company in relation to relevant listing rules of the SGX-ST applicable to the Disposal and this Circular. To the best of its knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Disposal and the Group in relation to the Disposal, and CIMB Bank Berhad, Singapore Branch is not aware of any facts, the omission of which would make any statement in this Circular misleading.

---

## LETTER TO SHAREHOLDERS

---

### 16. CONSENTS

CIMB Bank Berhad, Singapore Branch has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Rabobank Singapore has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

### 17. 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, #09-03 Fook Hai Building, Singapore 058727, during office hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the constitution of the Company;
- (b) the annual report of the Company for FY2020;
- (c) the SPA; and
- (d) the written consents of CIMB Bank Berhad, Singapore Branch and Rabobank Singapore referred to in Section 16 of this Circular.

Yours faithfully

For and on behalf of the Board of Directors

**QAF Limited**

Lin Kejian and Goh Kian Hwee  
*Joint Group Managing Directors*

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

### QAF LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 195800035D)

*Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular dated 6 December 2021 issued by QAF Limited ("Circular").*

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting ("EGM") of **QAF LIMITED** (the "**Company**") will be convened and held by way of electronic means on 21 December 2021 at 11.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolutions.

#### **ORDINARY RESOLUTION 1 – THE DISPOSAL OF THE GROUP'S PRIMARY PRODUCTION BUSINESS**

That:

- (a) approval and authority be and is hereby given to the Directors to carry out and implement the Disposal and any other transactions contemplated in connection therewith on such terms and conditions as the Directors may in their absolute discretion deem fit;
- (b) the Directors and each of them be and are hereby authorised to perform, complete and do all such acts and things (including without limitation, approving, amending, modifying, supplementing and executing all such documents and agreements and making all such amendments thereto as may be required) as they and/or he may consider necessary, desirable or expedient or in the interests of the Company for the purposes of or in connection with and to give effect to the Disposal and/or this Resolution (including any amendments to the SPA and execution of any other agreements or documents and procurement of third party consents); and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by a Director in connection with the Disposal and/or this Resolution be and are hereby approved, confirmed and ratified.

#### **ORDINARY RESOLUTION 2 – THE SPECIAL DIVIDEND**

That subject to and contingent upon the passing of Ordinary Resolution 1:

- (a) approval be and is hereby given for a one-tier tax-exempt special cash dividend of S\$0.02 for each Share held by Shareholders to be declared and distributed to Shareholders in cash on such date as the Directors in their discretion shall determine;
- (b) the Directors and each of them be and are hereby authorised to perform, complete and do all such acts and things (including without limitation, approving, amending, modifying, supplementing and executing all such documents and ancillary agreements and making all such amendments thereto as may be required) as they and/or he may consider necessary, desirable or expedient or in the interests of the Company for the purposes of or in connection with and to give effect to the Special Dividend and/or this Resolution; and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by a Director in connection with the Special Dividend and/or this Resolution be and are hereby approved, confirmed and ratified.

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

BY ORDER OF THE BOARD

**Serene Yeo Li-Wen**  
Company Secretary

6 December 2021

**NOTES:**

1. This EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Printed copies of this Notice of EGM, the proxy form, the question form and the Company's accompanying announcement dated 6 December 2021 ("Documents") will not be sent to shareholders.** The Documents are being sent to shareholders solely by electronic means via publication on 6 December 2021 on the Company's website at the URL <https://www.qaf.com.sg/company-announce/> and the SGXNET website at the URL <https://www.sgx.com/securities/company-announcements>.
2. **Shareholders will not be permitted to attend the EGM in person.** Alternative arrangements relating to (i) attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via "live" audio-visual webcast and "live" audio-only stream); (ii) submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions before or at the EGM; and (iii) voting by appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM, are set out in the relevant Documents.
3. **A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.**
4. The Chairman of the EGM, acting as a proxy, need not be a member of the Company.
5. Persons who hold Shares of the Company through relevant intermediary(ies) (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), including CPF or SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 10 December 2021**.
6. Proxy forms must be submitted as follows:
  - (a) if sent by post, be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or
  - (b) if sent by email, be received by the Company's Share Registrar at [sg.is.QAFproxy@sg.tricorglobal.com](mailto:sg.is.QAFproxy@sg.tricorglobal.com),

in either case **no later than seventy-two (72) hours before the time appointed for holding the EGM, that is, no later than 11.00 a.m. on 18 December 2021.**

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

7. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable by the Company from the instructions of the appointor specified on the instrument of proxy (including any related attachment) or as may otherwise be provided under the Company's Constitution. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time appointed for the EGM.
8. The electronic copy of the Circular may be accessed as follows:
  - (a) visit the Company's website at [www.qaf.com.sg](http://www.qaf.com.sg); and
  - (b) under "Investor Relations", click on "Company Announcements", and next to "6 December 2021", click on "Extraordinary / Special General Meeting".

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

You will need an internet browser and PDF reader to view these documents.

9. This Notice of EGM is to be read in conjunction with the Circular, the proxy form and the Company's announcement dated 6 December 2021 uploaded on SGXNET accompanying this Notice of EGM.

### **Personal Data Privacy & Other Matters:**

By attending (via appointment of the Chairman of the EGM as proxy) the EGM (including any adjournment thereof), submitting an instrument appointing the Chairman of the EGM as proxy, registering for the EGM and/or submitting questions, a member of the Company:

- (i) agrees and consents that the Company, its agents and/or its service provider(s) may collect, use and disclose the personal data, as contained in any communication from or on behalf of the member in relation to the EGM (including but not limited to questions sent in advance of the EGM, pre-registration forms and proxy forms), for purposes of processing, administering, verifying and/or analysis of his/her/its request, proxies and representatives appointed and registration for the webcast/audio feed of the EGM and managing and conducting the EGM, including preparation and compilation of minutes and questions submitted and the answers thereto for disclosure and publication before, at or after (as the case may be) the EGM and/ or on SGXNET and the Company's website (including publication of names of the shareholders/proxies/representatives asking questions), attendance lists and other documents relating to the EGM, and/or in order for the Company, its agents and/or service provider(s) to comply with any applicable laws, regulations, listing rules including code of corporate governance, takeover rules and guidelines;
- (ii) warrants that all information submitted is true and accurate and, where the member has disclosed the personal data of his/her/its proxy(ies), representative(s) and/or any other party to the Company, its agents or service provider(s), he/she/it has obtained the prior consent of such parties for the collection, use and disclosure of their personal data for the purposes described in (i) above;
- (iii) agrees that he/she/it will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his/her/its breach of warranty; and
- (iv) agrees and understands that (a) only authenticated shareholders may observe the EGM, that the sharing of login credentials and any recording or publication of the EGM proceedings in whatever form are prohibited; and (b) viewing the webcast requires significant amount of data; the Company and its service provider(s) shall not be liable for any issues in accessing the webcast/ audio feed due to any connectivity issues or other factors outside their control and, notwithstanding any technical disruptions or failure during the webcast and/or audio feed, voting and all other EGM proceedings will be carried out and such disruptions or failure will not invalidate the EGM proceedings.

## PROXY FORM – EXTRAORDINARY GENERAL MEETING

### QAF LIMITED

(Co. Registration No. 195800035D)

This Proxy Form has been made available on SGXNET and the Company's website at <https://www.qaf.com.sg/company-announce/>.

A printed copy of this Proxy Form will not be dispatched to members.

#### IMPORTANT

1. All members who wish to vote at the EGM must submit his/her/its proxy form by 11.00 a.m. on 18 December 2021. Please refer to the Notes to this proxy form, overleaf, for more information on the EGM and submission of proxy forms.
2. Taking into consideration the Covid-19 pandemic situation and restriction orders in Singapore, members will **not** be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend and vote on his/her/its behalf at the EGM, if such member wishes to exercise his/her/its rights at the EGM.
3. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all purposes if used or purported to be used by them. CPF/SRS investors who wish to appoint the Chairman of the EGM as proxy should contact their respective Agent Banks/SRS Operators by 5.00 p.m. on 10 December 2021 to submit their votes.
4. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy and other terms set out in the section entitled "**Personal Data Privacy & Other Matters**" of the Notice of EGM dated 6 December 2021.

\*I/We \_\_\_\_\_ (Name), NRIC/Passport No./Co. Registration No. \_\_\_\_\_ of \_\_\_\_\_ (Address)

being a member/members of QAF Limited (the "**Company**"), hereby appoint the Chairman of the Extraordinary General Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company ("**EGM**") of the Company to be held by way of electronic means on 21 December 2021 at 11.00 a.m. (Singapore time) and at any adjournment thereof.

I/We direct my/our proxy to vote for or against or to abstain from voting on the Resolutions to be proposed at the EGM as hereunder indicated. If no specific direction as to voting is given in respect of a resolution, the appointment of the Chairman of the EGM as my/our proxy shall be treated as invalid.

Resolution No.	Ordinary Resolutions	No. of Votes For*	No. of Votes Against*	No. of Votes Abstain*
1.	To approve the Disposal			
2.	To approve the Special Dividend			

\*Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or "Abstain" from voting on the relevant resolution, please tick (✓) in the relevant box provided above in respect of that resolution. Alternatively, if you wish to exercise your votes in a combination of "For", "Against" and "Abstain" on the relevant resolution, please indicate the number of shares in the relevant boxes provided above.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s)/Corporation's Common Seal



---

## PROXY FORM – EXTRAORDINARY GENERAL MEETING

---

### NOTES:

1. **Members will not be permitted to attend the EGM in person.** A member (whether individual or corporate) shall appoint the Chairman of the EGM as his/her/its proxy to attend and vote on his/her/its behalf at the EGM, if such member wishes to exercise his/her/its voting rights at the EGM. In appointing the Chairman of the EGM as proxy, a member (whether individual or corporate) must give specific instructions for each resolution as to voting, or abstentions from voting, in the instrument of proxy. If no specific direction as to voting is given in respect of a resolution, the appointment of the Chairman of the EGM as his/her/its proxy for that resolution will be **treated as invalid**.
2. Please insert the total number of shares in the Company which you hold. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by you.
3. Persons who hold shares of the Company through relevant intermediary(ies) (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), including CPF or SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 10 December 2021.
4. The Chairman of the EGM, acting as a proxy, need not be a member of the Company.
5. This instrument of proxy must be submitted as follows:
  - (a) if sent by post, be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or
  - (b) if sent by email, be received by the Company's Share Registrar at [sg.is.QAFproxy@sg.tricorglobal.com](mailto:sg.is.QAFproxy@sg.tricorglobal.com),

in either case no later than seventy-two (72) hours before the time appointed for the holding of the EGM, that is, no later than 11.00 a.m. on 18 December 2021.

**In view of the current COVID-19 situation and the related safe management measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

6. This instrument of proxy must, in the case of an individual, be signed by the appointor or his attorney duly authorised in writing. In the case of a corporation, this instrument of proxy must be executed under its common seal or executed as a deed in accordance with the Companies Act, Chapter 50 or signed on its behalf by its attorney or duly authorised officer.
7. Where this instrument of proxy is signed on behalf of the appointor by an attorney, the power of attorney or other authority (or a duly certified copy thereof) must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.
8. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50.
9. The Company shall be entitled to reject an instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument of proxy (including any related attachment) or as may otherwise be provided under the Company's Constitution. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any instrument of proxy lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.
10. This Proxy Form is to be read in conjunction with the Notice of EGM of the Company dated 6 December 2021 and the Company's announcement dated 6 December 2021.
11. All references to dates and times in this Proxy Form are to Singapore dates and times.