

## QAF LIMITED

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

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### GARDENIA BAKERIES (K.L.) SDN BHD

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The board of directors (the “**Board**”) of QAF Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company and Gardenia Bakeries (K.L.) Sdn Bhd (“**Gardenia KL**”), a 50:50 joint venture between the Company and Padiberas Nasional Berhad (“**BERNAS**”), have agreed to renew the licensing agreement (“**Licensing Agreement**”) relating to the grant by the Company to Gardenia KL of a licence to use the “Gardenia” trademarks on bread and other bakery products manufactured by Gardenia KL in West Malaysia. Following negotiations with BERNAS, the Licensing Agreement has been renewed for a further five years from 1 April 2016 to 31 March 2021 and the licensing fee payable by Gardenia KL to the Company has been reduced from 5.25% to 1.5% of the gross sales of each approved bakery owned and operated by Gardenia KL, subject to maximum gross sales of RM800 million for each financial year. The gross sales of the approved bakeries owned and operated by Gardenia KL for the financial year ended 31 December 2015 was approximately RM770 million. Assuming the new Licensing Agreement had been effected at the beginning of the financial year ended 31 December 2015 (“**FY2015**”), (i) on the basis of the Group’s then 70% shareholding in Gardenia KL, it would have reduced the Group’s earnings per share (“**EPS**”) by approximately 7.5%, with no material impact on the Group’s net tangible assets in FY2015, and (ii) on the basis that the Group’s shareholding in Gardenia KL was then 50%, it would have reduced the Group’s EPS by approximately 10.9% and reduced the Group’s profit before tax by approximately 10.9%. Moving forward, the reduction in the licensing fee payable by Gardenia KL to the Company will be partly compensated by the Company’s share of higher contribution from Gardenia KL which is now a 50%-owned joint venture of the Company, as a result of Gardenia KL paying a reduced licensing fee. Nothing herein is indicative of the actual financial effects of the revised arrangement on the Group or of the future actual financial performance of the Group.

By Order of the Board

Lee Woan Ling  
Company Secretary

8 June 2016