JAPFA LTD
(Company Registration Number: 200819599W)
(Incorporated in Singapore on 8 October 2008)

Proposed investment in the capital of PT Japfa Comfeed Indonesia Tbk by an investment fund managed or advised by KKR

Background

Japfa Ltd (the "**Company**")'s Indonesia-listed subsidiary, PT Japfa Comfeed Indonesia Tbk ("**PT Japfa Tbk**"), had on 25 May 2016 provided its shareholders with a notice of its plan to convene an extraordinary general meeting of its shareholders on 1 July 2016 ("**EGMS**"). The EGMS will be convened for shareholders of PT Japfa Tbk to vote on, and approve a two-year mandate to increase PT Japfa Tbk's existing issued share capital by up to 10% at a floor price of IDR935.60 per share, without pre-emptive rights being offered to existing shareholders ("**New Issue Mandate**").

Subscription by KKR for shares in PT Japfa Tbk

PT Japfa Tbk has on 8 June 2016, entered into a subscription agreement (the "**Subscription Agreement**") with KKR Jade Investments Pte. Ltd. ("**KKR Jade**"). Under the Subscription Agreement, KKR Jade will subscribe for 750,000,000 new shares in PT Japfa Tbk at IDR935.60 per share (the "**Subscription**") under the New Issue Mandate, which represents approximately 6.57% of the enlarged issued share capital of PT Japfa Tbk after completion of the Subscription. After completion of the Subscription, PT Japfa Tbk will be able to issue a further 316,052,291 new shares under the New Issue Mandate.

Please also refer to the announcement made by PT Japfa Tbk on the Indonesian Stock Exchange on 8 June 2016, a copy of which has also been released on SGXNET.

Purchase by KKR of shares in PT Japfa Tbk

In connection with the Subscription and as part of the KKR Investment Package (as defined below), the Company has on 8 June 2016 entered into a sale and purchase agreement with KKR Jade (the "**Sale and Purchase Agreement**") to sell 441,664,650 shares (the "**Sale Shares**") of its existing 6,261,031,335 shares in PT Japfa Tbk (representing approximately 3.87% of the enlarged issued share capital of PT Japfa Tbk after completion of the Subscription) to KKR (the "**Share Sale**") at the price of IDR850.00 per share. The aggregate consideration for the Share Sale is approximately IDR375.4 billion (approximately US$28.3 million)[1].

The Share Sale is subject to certain closing conditions, and is expected to complete simultaneously with the Subscription after fulfilment of the closing conditions.

As part of KKR's investment into PT Japfa Tbk, the Company and KKR Jade have also on 8 June 2016 entered into a deed of undertaking, effective upon the completion of the Subscription

[1] Based on the closing USD:IDR exchange rate of USD1.00:IDR13,263 on 7 June 2016

Agreement and the Sale and Purchase Agreement (the "**Deed of Undertaking**"). The Deed of Undertaking governs, *inter alia*, the Company's exercise of its voting rights as shareholder of PT Japfa Tbk for certain matters relating to PT Japfa Tbk (namely, (1) for the appointment of a nominee of KKR to the board of directors of PT Japfa Tbk, and (2) reserved matters in respect of PT Japfa Tbk and its subsidiaries, with KKR's prior written consent). The Deed of Undertaking will be valid for so long as funds managed or advised by KKR collectively hold more than a 5.0% interest in PT Japfa Tbk.

Immediately after the completion of the Subscription and the Share Sale (together, the "**KKR Investment Package**"), the Company will have a shareholding interest of 51.0% in PT Japfa Tbk and KKR Jade will have a shareholding interest of 10.44% in PT Japfa Tbk.

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. The Company believes that PT Japfa Tbk will benefit from KKR's knowledge and experience in the agriculture and food sector, and its long-term investment theses of promoting and enhancing the availability of safe and healthy food. The KKR Investment Package will also improve the leverage of both PT Japfa Tbk and the Company.

Based on the Company's balance sheet as at 31 March 2016, the net asset value and net tangible asset value attributable to the Sale Shares are US$18.1 million and US$17.8 million, respectively. As at 7 June 2016[2], the open market value attributable to the Sale Shares is US$31.8 million[1].

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect in the subject transaction save through their holdings of securities issued by the Company and PT Japfa Tbk.

A copy of the Subscription Agreement, the Sale and Purchase Agreement and the Deed of Undertaking will be made available for inspection during normal business hours at the Company's registered office at 391B Orchard Road #18-08, Ngee Ann City, Tower B, Singapore 238873 for a period of three (3) months from the date of this announcement.

By Order of the Board
Japfa Ltd

Kevin Monteiro
Executive Director and Chief Financial Officer

Date: 8 June 2016

Credit Suisse (Singapore) Limited and DBS Bank Ltd. were the joint global coordinators, joint issue managers, joint bookrunners and underwriters ("Joint Global Coordinators, Joint Issue Managers, Joint Bookrunners and Underwriters") for the Company's Initial Public Offering in August 2014. The Joint Global Coordinators, Joint Issue Managers, Joint Bookrunners and Underwriters assume no responsibility for the contents of this announcement.

[2] Based on the closing price of PT Japfa Tbk shares traded on the IDX on 7 June 2016