Unofficial English Translation

Explanation Regarding the Impact of COVID-19 Pandemic Period of June 2020

Explanation ID
624

Profile

Code/Name of Listed Company
JPFA - PT Japfa Comfeed Indonesia Tbk. [A369]

Questions

In order to obtain the latest information regarding the operational conditions and financial performance of the Company, Stock Exchange considers it necessary to request an explanation of the following matters:

What is the current condition of the Company's business continuity?
a. Disturbed by Covid-19 (A1)

Does the Covid-19 Pandemic have an impact on **the closure and/or the limitation** of the operational of the Company and/or its Subsidiaries?
Yes, it impacts on operational limitation only (c)

How long will the estimated of closure/shutdown of operational be?
Between 1-3 months (b)

In order to explain further the details of the types of activities that have experienced closure and/or limitation on the operational activities of the Company and/or its Subsidiaries (for example: business segments that are stopped, business units that are stopped, locations of business activities that are stopped, etc.) *Example: At company A there is an operational shutdown at the packing section located in city X.*
Operational restrictions are only carried out at the Head Office, because there are a large number of employees working from home (WFH), while operational activities at the unit are normal because the activities of PT Japfa are included as the industries that are allowed to continue.

How much is **the contribution of income** from operational activities that have stopped and/or experienced operational restrictions on total revenue (consolidation) in 2019
< 25% (a)

Regarding the employees which affected by Pandemic Covid-19, shall be explained: Total employees (permanent and temporary) Per 31 December 2019
27.972

Regarding the employees which affected by Pandemic Covid-19, shall be explained: Total employees (permanent and temporary) Current
28.121

Total employees terminated
0

Number of employees affected by other statuses (example: salary deduction, adjustment of shift/day/working hour,etc.)
0

In order to further explain the nature of the impact with other statuses on the employee:
None.

How big is the estimated change in total income (consolidated) for the latest period in 2020 (can use proforma) compared to the same period in 2019?
decrease in total income < 25% (a)

How big is the estimated change in net profit (loss) (consolidated) for the latest period in 2020 (can use proforma) compared to the same period in 2019?
decrease in net profit < 25% (a)

The estimated total net income and profit (loss) used by the Company is based on:
Period ending March 31, 2020 compared to March 31, 2019 (a)

Does the Covid-19 Pandemic affect **the fulfillment of the Company's current short-term financial obligations** and/or Subsidiaries (Business Debt, Bank Debt/Financial Institutions, Coupons and/or Bond Principal, MTN etc.)?
No impact (d)

Does Pandemic Covid-19 have an impact on **Legal issues** that are material in nature of the Company and/or its Subsidiaries such as bankruptcy/PKPU
No (A2)

Does Pandemic Covid-19 have an impact on **Legal issues** that are material in nature of the Company and/or its Subsidiaries such as the cancellation of material contracts
No (A2)

Does the Covid-19 Pandemic have an impact on **Legal issues** that are material in nature of the Company and/or its Subsidiaries such as subpoena or legal claims due to default
No (A2)

Does Pandemic Covid-19 have an impact on **Legal issues** that are material in nature of the Company and/or its Subsidiaries in addition to the 3 (three) impacts above
No (A2)

What is the Company's strategy/effort in maintaining business continuity in the midst of the Covid-19 Pandemic?
1. Reviewing operational costs and production efficiency. ***2. Reviewing capital expenditure/expenditure plans, and setting new priorities and delaying, canceling, or reducing capital expenditure/spending, adjusting to the market and financial conditions of the Company.*** ***3. Conducting studies on market conditions and adjust capacity, production and sales plans.***