



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

**ADOPTION OF PERFORMANCE SHARE PLAN FOR
AUSTASIA INVESTMENT HOLDINGS PTE. LTD. (“AIH”)**

Pursuant to Rule 704(29) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”), the Board of Directors of Japfa Ltd (“**Company**” or “**Japfa**”) wishes to disclose the principal terms of the AustAsia Investment Holdings Pte Ltd Performance Share Plan (the “**Plan**”) adopted by AustAsia Investment Holdings Pte Ltd (“**AIH**” and together with its subsidiaries, the “**AustAsia Group**”), a subsidiary of Japfa, on 3 July 2020.

The purpose of the Plan is to, *inter alia*, foster an ownership culture within the AustAsia Group which aligns the interests of executives and employees of the AustAsia Group with the interests of its shareholders and to motivate participants in the Plan to achieve key financial and operational goals of AIH and/or its respective business units.

A summary of the principal terms of the Plan is set out in the Appendix to this Announcement.

GRANT OF SHARE AWARDS UNDER AIH PERFORMANCE SHARE PLAN

Pursuant to Rule 704(29) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Japfa Ltd (the “**Company**”) wishes to announce the following details of the grant of share awards under the AIH Performance Share Plan:

(a)	Date of grant	3 July 2020
(b)	Number of shares which are the subject of the Awards	9,500,000 ordinary shares ¹
(c)	Market price of shares on the date of grant	S\$4.22 ²
(d)	Number of shares which are the subject of the Awards granted to eligible participants are as follows:	
	(i) Employees of the Company and its subsidiaries	342,000 ordinary shares
	(ii) Directors of the Company	Mr Tan Yong Nang, a Director and Chief Executive Officer of the Company and the Executive Chairman of AustAsia Group has been granted Awards in respect of 4,220,000 ordinary shares.

	(iii) Participants who have been issued 5% or more of the total shares available under the Plan	Mr Edgar Dowse Collins, the Managing Director of AustAsia Group has been granted Awards in respect of 3,520,000 ordinary shares. Mr Yang Ku, Chief Operating Officer, Farm Operations of AustAsia Group, has been granted Awards in respect of 1,418,000 ordinary shares.
	(iv) Controlling Shareholders (and their associates) of the Company	Nil
(e)	Vesting Date (if applicable)	30 April 2022 ³

¹ The shares which are the subject of the Awards are a notional amount and will only vest on the achievement of pre-determined conditions within specified periods and may vary in final quantum from 0% to 108%. Settlement will be in cash unless AIH has achieved an IPO by the date of settlement.

² based on the per share price at which AIH shares were transacted today with Meiji Co., Ltd (an un-related party). Please refer to announcement by the Company of the said transaction released today, for more details of the said transaction.

³ based on estimated earliest date for vesting.

By Order of the Board
Japfa Ltd

Tan Yong Yang
Executive Director and Chief Executive Officer

3 July 2020

APPENDIX
PRINCIPAL TERMS OF THE AIH PERFORMANCE SHARE PLAN

- (a) Eligibility to participate in the Plan: Contingent awards ("**Awards**") of shares in AIH ("**Shares**") may be granted to any employee of the AustAsia Group (including any executive director of entities in the AustAsia Group) subject to such employees meeting the relevant criteria set out in the Plan or by the committee of AIH appointed from time to time to oversee and administer the Plan (the "**Committee**").

Controlling shareholders¹ (and their associates¹) of Japfa who satisfy the above criteria may participate in the Plan, provided that their participation and actual or maximum number of Shares and terms of any Awards to be granted to them under the Plan have been duly approved by independent shareholders of Japfa.

The Plan is subject to a maximum limit of 40 participants, from time to time

- (b) Limitation on the size of the Plan: The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date shall not exceed 5% of the total number of issued Shares (excluding shares held by AIH in treasury) on the day preceding the date of the Award.

Further, the aggregate number of Shares which may be issued or transferred pursuant to Awards granted to controlling shareholders (and their associates) of Japfa under the Plan on any date shall not exceed 25% of the total number of Shares available under the Plan. The number of Shares which may be issued or transferred pursuant to Awards to each such participant shall not exceed 10% of the Shares available under the Plan.

- (c) Administration of the Plan: The Plan is administered by the Committee, which shall have authority, in its discretion to, inter alia, in relation to an Award, where applicable: (i) the participant; (ii) the date on which the Award should be granted; (iii) the conditions to the Award ("**Performance Condition**"); (iv) the period during which the Performance Condition is to be satisfied ("**Performance Period**"); (v) the number of Shares which are the subject of the Award; (vi) the schedule for release of Awards; and (vii) any other condition which the Committee may determine in relation to that Award. AIH shall be entitled, in its sole discretion, prior to an Award being released, encash such Awards to the extent the Performance Conditions have been met or otherwise waived by the Committee.

- (d) Term of the Plan: The Plan shall continue in effect for a term of five (5) years, provided always that the Plan may continue beyond the above stipulated period with the approval of the shareholders of AIH.

- (e) Rights as shareholders: Until the participant is registered on the register of members of AIH, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares subject to an Award. Shares when issued or transferred pursuant to an Award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

¹ As defined in the SGX-ST listing rules

(f) Adjustment upon changes in capitalization, merger, or certain other transactions:

(i) *Variation in capital:* If a variation in the issued ordinary share capital of AIH (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- a. the class and/or number of Shares which are the subject of an Award have not yet been vested; and/or
- b. the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the participant receives a benefit that a shareholder of AIH does not receive. The Committee may, notwithstanding any occurrence of any variation in capital, determine that no adjustment shall be made.

(ii) *Circumstance not requiring Adjustment:* Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by AIH during the period when a share purchase mandate granted by shareholders of AIH (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

(g) Modifications to the Plan: Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

- (i) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of participants who, if their Awards were released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be vested upon release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
- (ii) certain specified terms of the Plan in relation to, *inter alia*, eligibility of participants, limitation on the size of the Plan and adjustment events, shall not be altered to the advantage of participants except with the prior approval of AIH's shareholders in general meeting; and
- (iii) no modification or alteration shall be made (a) which would cause non-compliance with the listing rules applicable to Japfa, or (b) without the prior approval of the relevant regulatory authorities as may be necessary.

(h) Disclosures in Annual Report: Japfa will provide the necessary disclosures in relation to the Plan, as required pursuant to Rule 852 of the Listing Manual, in its annual report.