



JAPFA LTD

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

OFF-MARKET EQUAL ACCESS OFFER

1. INTRODUCTION

- 1.1 The Board of Directors ("**Board**" or "**Directors**") of Japfa Ltd (the "**Company**", and the Company and its subsidiaries, the "**Group**") wishes to announce that the Company is undertaking an off-market purchase of the issued ordinary shares in the capital of the Company (the "**Shares**") by way of an off-market equal access scheme (the "**Equal Access Offer**") in accordance with the Share Purchase Mandate (as defined below), and subject to the terms and conditions to be set out in the formal letter (the "**Offer Letter**") to be issued to the shareholders of the Company (the "**Shareholders**").
- 1.2 The Company is relying on its existing share purchase mandate approved and adopted at the annual general meeting of the Company held on 18 April 2024 (the "**Share Purchase Mandate**"), pursuant to which the Directors have been conferred the authority to exercise all powers of the Company to purchase or otherwise acquire its issued Shares upon and subject to the terms of such Share Purchase Mandate as set out in the appendix to the notice of annual general meeting in relation to the proposed renewal of the Share Purchase Mandate dated 1 April 2024 (the "**Share Purchase Mandate Appendix**"), as well as the constitution of the Company, the Companies Act 1967 of Singapore and the listing manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

2. THE EQUAL ACCESS OFFER

- 2.1 The principal terms of the Equal Access Offer are as follows:

(a) **Offer Price**

The offer price for each Share is S\$0.355 in cash (the "**Offer Price**").

(b) **Maximum Share Purchase Amount**

The Company is offering to purchase up to 183,332,279 Shares (the "**Maximum Share Purchase Amount**"), representing approximately 9% of the total number of 2,037,025,320 Shares in issue (excluding 30,398,000 treasury shares) as at the date of this Announcement (the "**Announcement Date**").

Under the Equal Access Offer, each Shareholder is entitled to sell up to 9% of the total number of Shares held by such Shareholder as reflected in the Register of Members of the Company (the "**Register of Members**") or standing to the credit of the "Free Balance" of such Shareholder's securities account maintained with The Central Depository (Pte) Limited ("**CDP**"), as the case may be, as at 5.30 p.m. on the date on which the Equal Access Offer closes (the "**Closing Date**"), fractional entitlements to be disregarded (the "**Entitled Shares**").

In addition to the entitlement to sell the Entitled Shares, a Shareholder may tender Shares in excess of the Entitled Shares of such Shareholder (the "**Excess Shares**") in acceptance of the Equal Access Offer, if other Shareholders do not accept their full entitlement under the Equal Access Offer.

Participation in the Equal Access Offer is voluntary. An eligible Shareholder may elect not to participate in the Equal Access Offer.

(c) **Determination of Actual Number of Shares to be purchased under the Equal Access Offer**

(i) At the close of the Equal Access Offer, the Company will purchase the Shares validly tendered by accepting Shareholders based on the number of Shares indicated or deemed to be indicated in their respective forms of acceptance for the Equal Access Offer (the "**Acceptance Forms**"), in accordance with and subject to the terms and conditions set out in the Offer Letter and the Acceptance Forms.

(ii) If the total number of valid acceptances under the Equal Access Offer exceed the Maximum Share Purchase Amount (being the maximum number of Shares the Company may purchase under the Equal Access Offer):

(A) any Entitled Shares validly tendered by each accepting Shareholder will be accepted; and

(B) the number of Excess Shares validly tendered by each accepting Shareholder will be scaled down proportionately to ensure that the Company purchases no more than the Maximum Share Purchase Amount.

(iii) Further details on the determination of the actual number of Shares to be purchased under the Equal Access Offer will be set out in the Offer Letter.

(d) **Offer Period**

The Equal Access Offer will be open for acceptance by Shareholders for a period of 28 calendar days from the date of the Offer Letter, or such other period as may be announced from time to time by the Company.

(e) **Rights Attaching to Shares Acquired Pursuant to the Equal Access Offer**

The Shares which are acquired pursuant to the Equal Access Offer will be acquired fully paid and free from all claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever, and together with all rights, benefits, entitlements and advantages attached thereto as at the Announcement Date, including the right to receive and retain all dividends, rights and other distributions (if any) which may be declared, paid or made thereon, on or after the Announcement Date. As such, the Offer Price may be adjusted to take into account dividends, rights and other distributions (if any) which may be declared, paid or made thereon, on or after the Announcement Date. Any such adjustments will be notified to Shareholders via SGXNet announcement(s).

- 2.2 All Shares purchased or acquired by the Company pursuant to the Equal Access Offer shall initially be held by the Company as treasury shares, and subsequently utilised and/or cancelled as the Board shall deem fit in the best interests of the Company, and in compliance with the applicable requirements.

3. RATIONALE FOR THE EQUAL ACCESS OFFER

The Shares are trading below the net asset value of the Group of S\$0.52¹. The Equal Access Offer demonstrates the Company's confidence in its long-term growth potential.

The Equal Access Offer will also provide Shareholders with an opportunity to realise a portion of their investments in the Shares at a premium over recent market prices of the Shares without incurring transaction costs. Specifically, the Offer Price represents the following premia to the benchmark prices of the Shares set out below:

	Benchmark Price⁽¹⁾⁽²⁾ (S\$)	Premium of Offer Price to the Benchmark Price⁽³⁾
(a) Last transacted price as quoted on the SGX-ST on 19 August 2024, being the latest date on which the shares were traded prior to the release of Announcement	0.335	6.0%
(b) Volume-weighted average price ("VWAP") for the three (3)-month period up to 19 August 2024	0.327	8.6%
(c) VWAP for the six (6)-month period up to 19 August 2024	0.302	17.5%
(d) VWAP for the nine (9)-month period up to 19 August 2024	0.290	22.4%
(e) VWAP for the twelve (12)-month period up to 19 August 2024	0.278	27.7%

Notes:

- (1) The figures are based on data extracted from Bloomberg L.P.
(2) The figures are rounded to the nearest three (3) decimal places.
(3) The figures are rounded to the nearest one (1) decimal place.

¹ As disclosed in the unaudited condensed interim financial statements of the Group for the six months ended 30 June 2024 published by the Company on 31 July 2024.

4. PAYMENT OF THE OFFER PRICE

Assuming the Company purchases the Maximum Share Purchase Amount pursuant to the Equal Access Offer, the aggregate Offer Price paid by the Company in satisfaction of the Equal Access Offer shall be S\$65,082,959.

Under the Share Purchase Mandate, the Company had indicated its intention to use internal resources or external borrowings, or a combination of both, to finance its purchase or acquisition of Shares pursuant to the Share Purchase Mandate. Accordingly, the Company intends to use internal resources and/or external borrowings to finance the Equal Access Offer. The Directors are of the view that the Equal Access Offer would not result in a material adverse effect on the working capital requirements and gearing levels of the Company.

5. APPLICATION OF THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS

- 5.1 As set out in the Share Purchase Mandate Appendix, Appendix 2 of the Code contains the Share Buy-Back Guidance Note ("**Appendix 2**"). In general terms, the effect of Rule 14 of the Code and Appendix 2 is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.
- 5.2 Under Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months.
- 5.3 Based on the interests of the Directors and the substantial shareholders of the Company as at the Announcement Date, the Directors are not aware of any persons who would become obliged to make a mandatory general offer under the Code as a result of the Equal Access Offer.
- 5.4 As at the Announcement Date, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Code would ensue as a result of the Equal Access Offer.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.

6. LISTING STATUS OF THE SHARES

- 6.1 Rule 723 of the Listing Manual requires an issuer to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The "public" are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as associates of such persons.
- 6.2 Based on the information available to the Company as at the Announcement Date, approximately 18.7% of the issued share capital of the Company (excluding treasury shares) are held in the hands of the public.
- 6.3 Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by the public which would permit the Company to undertake the purchases or acquisition of its Shares pursuant to the Equal Access Offer up to the Maximum Share Purchase Amount without affecting the listing status of the Shares on the SGX-ST, and the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

7. DESPATCH OF OFFER LETTER

Further terms of the Equal Access Offer, including the procedures for acceptance, will be provided in the Offer Letter. The Offer Letter, together with the relevant Acceptance Forms, will be despatched to Shareholders in due course. The mode of despatch of the Offer Letter will be notified to Shareholders.

8. OVERSEAS SHAREHOLDERS

- 8.1 The Offer Letter and the relevant form(s) of acceptance and transfer accompanying the Offer Letter, will contain the full terms and conditions of the Equal Access Offer, including details of how the Equal Access Offer may be accepted.
- 8.2 The availability of the Equal Access Offer to Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or, as the case may be, in the records of CDP (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions. **For the avoidance of doubt, the Equal Access Offer will be open to all Shareholders, including those to whom the Offer Letter and the relevant Acceptance Forms may not be sent.**
- 8.3 Where there are potential restrictions on sending the Offer Letter and the relevant Acceptance Forms accompanying the Offer Letter to any overseas jurisdictions, the Company reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of the Offer Letter and the relevant Acceptance Forms during normal business hours from the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632. Alternatively, an affected Overseas Shareholder may, subject to compliance with applicable laws, write to the Company's share registrar at the above-stated address to request for the Offer Letter and the relevant Acceptance Forms to be sent to an address in Singapore by ordinary post at his/her/its own risk.

If any Overseas Shareholder is in any doubt about his/her/its position, he/she/it should consult his/her/its professional adviser in the relevant jurisdiction.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Equal Access Offer, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement 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 Announcement in its proper form and context.

10. CAUTIONARY STATEMENT

Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, banker managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Japfa Ltd
Tan Yong Nang
Executive Director and Chief Executive Officer

Date: 19 August 2024