

**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE  
– RECEIPT OF IN-PRINCIPLE APPROVAL FROM THE SGX-ST**

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**1. INTRODUCTION**

The board of directors (the "**Board**" or the "**Directors**") of Japfa Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 18 December 2019 (the "**Rights Issue Announcement**") in relation to, *inter alia*, the proposed renounceable non-underwritten rights issue (the "**Rights Issue**") of up to 188,137,749 new ordinary shares in the capital of the Company (the "**Rights Shares**") at an issue price of S\$0.50 for each Rights Share, on the basis of one (1) Rights Share for every ten (10) existing ordinary shares in the capital of the Company, fractional entitlements to be disregarded.

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning as ascribed to them in the Rights Issue Announcement.

**2. RECEIPT OF IN-PRINCIPLE APPROVAL FROM THE SGX-ST**

Further to the Rights Issue Announcement, the Board wishes to announce that the SGX-ST has on 3 January 2020 granted its in-principle approval for the listing of and quotation for up to 188,137,749 Rights Shares on the SGX-ST pursuant to the Rights Issue, subject to the following:

- (a) compliance with the SGX-ST's listing requirements;
- (b) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (c) a written undertaking from the Company that it will announce information as required under Rules 704(30) and 815 of the Listing Manual in respect of any drawdown of its revolving facility under the Syndicated Facilities Agreement<sup>1</sup>, following partial repayment using the Rights Issue proceeds;
- (d) a written undertaking from the Company that it will comply with Rule 877(10) of the Listing Manual with regard to the allotment of any excess Rights Shares; and
- (e) a written confirmation from the financial institution as required under Rule 877(9) of the Listing Manual that the Undertaking Shareholder who has given the Deed of Undertaking has sufficient financial resources to fulfil its obligations under the Deed of Undertaking.

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<sup>1</sup> The facilities agreement dated 30 January 2018 entered into between the Company, DBS Bank Ltd and Coöperatieve Rabobank U.A., Singapore Branch as Mandated Lead Arranger Banks and Credit Suisse AG, Singapore Branch in relation to the grant of an up to US\$280 million underwritten and committed syndicated loan to the Company, as amended by a syndication agreement dated 29 March 2018, and as further amended and restated by the amendment and restatement agreement dated 4 June 2018 entered into between the Company, DBS Bank Ltd and Coöperatieve Rabobank U.A., Singapore Branch as Mandated Lead Arranger Banks, The Hongkong and Shanghai Banking Corporation Limited, ABN AMRO Bank N.V., Singapore Branch and Credit Suisse AG, Singapore Branch, to upsize the US\$280 million underwritten and committed syndicated loan by obtaining an additional term loan facility of up to US\$23 million.

The Company has provided the written undertakings and confirmations referred to in sub-paragraphs (b), (d) and (e) above to the SGX-ST. The Company will provide the written undertaking in sub-paragraph (c) above to the SGX-ST.

In respect of sub-paragraph (e) above, the Undertaking Shareholder, Rangi Management Limited, has provided to the Company a letter of confirmation of financial resources issued by Credit Suisse AG, Singapore Branch and in connection therewith, has notified the Company that Rangi Management Limited has granted a share charge over an additional 365,000,000 ordinary shares<sup>2</sup> in the capital of the Company (representing approximately 19.59% of the Company's total issued share capital (excluding treasury Shares) as at the date of this announcement) in favour of Credit Suisse AG, Singapore Branch.

The in-principle approval granted by the SGX-ST for the admission of, listing of and quotation for the Rights Shares is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

**BY ORDER OF THE BOARD**

JAPFA LTD.

Tan Yong Nang  
Executive Director and Chief Executive Officer  
3 January 2020

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<sup>2</sup> The Company had announced on 20 July 2015 that it had received a notification that Rangi Management Limited had granted a share charge over 480,000,000 Shares in favour of Credit Suisse AG, Singapore Branch.