THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Japfa Ltd., you should immediately forward this Appendix, the Annual Report, the Notice of Annual General Meeting and the enclosed Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

This Appendix has been made available on SGXNET and the Company's website and may be accessed at the URL https://japfa.com/investors/general-report/agm-egm. A printed copy of this Appendix will NOT be despatched to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the 2020 AGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the 2020 AGM by way of (a) watching the 2020 AGM proceedings via "live" webcast or listening to the 2020 AGM proceedings via "live" audio feed, (b) submitting questions in advance of the 2020 AGM, and/or (c) voting by proxy at the 2020 AGM. Questions can be submitted via the pre-registration website at the URL https://www.japfa.com/agm2020egm, in hard copy by sending personally or by post and lodging the same at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 by email to the Company's Share Registrar at japfa2020@boardroomlimited.com, by **2.00 p.m. on 22 June 2020**.

Please refer to Section 6 of this Appendix and the Notice of Annual General Meeting for further information, including the steps to be taken by Shareholders to participate at the 2020 AGM. The Notice of Annual General Meeting may also be accessed at the URL https://japfa.com/investors/general-report/agm-egm.

Shareholders should note that the Company may make further changes to its AGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the Infectious Diseases Regulations and the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNET.

JAPFA

JAPFA LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200819599W)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

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In this Appendix, the following definitions shall apply throughout unless the context otherwise requires:

"**2019 AGM**"	:	The FY2018 AGM of the Company held on 18 April 2019
"**2020 AGM**"	:	The FY2019 AGM of the Company which is to be held on 25 June 2020
"**ACRA**"	:	Accounting and Corporate Regulatory Authority of Singapore
"**AGM**"	:	Annual general meeting of the Company
"**Appendix**"	:	This appendix to the notice of AGM dated 10 June 2020
"**Board**"	:	The board of Directors of the Company for the time being
"**CDP**"	:	The Central Depository (Pte) Limited
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore
"**Company**"	:	Japfa Ltd.
"**Control Order Regulations**"	:	The COVID-19 (Temporary Measures) (Control Order) Regulations 2020, as amended, modified or supplemented from time to time
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
"**COVID-19 Act**"	:	The COVID-19 (Temporary Measures) Act 2020, as amended, modified or supplemented from time to time
"**COVID-19 Order**"	:	The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended, modified or supplemented from time to time
"**COVID-19 Order Guidance**"	:	The checklist issued on 13 April 2020 by ACRA, the Monetary Authority of Singapore and Singapore Exchange Regulation as guidance for listed and non-listed entities on the conduct of general meetings during the period when elevated safe distancing measures are in place
"**Directors**"	:	The directors of the Company for the time being (collectively, the "**Board of Directors**")
"**FY**"	:	Financial year ended or ending 31 December
"**Group**"	:	The Company and its subsidiaries
"**Infectious Diseases Regulations**"	:	The Infectious Diseases (Measures to Prevent Spread of COVID-19) Regulations 2020
"**Japfa Performance Share Plan**"	:	The performance share plan of the Company approved by Shareholders on 23 July 2014
"**Latest Practicable Date**"	:	26 May 2020, being the latest practicable date prior to the printing of this Appendix
"**Listing Manual**"	:	The Listing Manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date
"**Market Day**"	:	A day on which the SGX-ST is open for trading in securities

"**Market Purchase(s)**"	:	Has the meaning ascribed to it in Section 2.3(c)(i) of this Appendix
"**Maximum Price**"	:	Has the meaning ascribed to it in Section 2.3(d) of this Appendix
"**Off-Market Purchases**"	:	Has the meaning ascribed to it in Section 2.3(c)(ii) of this Appendix
"**Register of Members**"	:	The Register of Members of the Company
"**ROE**"	:	Return on equity
"**Securities Accounts**"	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
"**SFA**"	:	The Securities and Futures Act, Chapter 289 of Singapore
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Share Purchase Mandate**"	:	The mandate to enable the Company to purchase or otherwise acquire its issued Shares
"**Shareholders**"	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares, and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP and whose Securities Accounts maintained by the CDP are credited with those Shares
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Substantial Shareholder**"	:	A person who has an interest directly or indirectly in 5% or more of the total number of voting Shares of the Company
"**S$**" or "**$**" and "**cents**"	:	Singapore dollars and cents, respectively
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers, as amended from time to time
"**US$**"	:	United States dollars
"**%**" or "**per cent.**"	:	Percentage or per centum

The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Companies Act.

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment for the time being. Any word defined under the Companies Act, the SFA, the Listing Manual, the Take-over Code or any relevant laws of the Republic of Singapore or any modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual, the Take-Over Code or any relevant laws of the Republic of Singapore or any modification thereof, as the case may be, unless otherwise provided.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference to a time of day and date in this Appendix is a reference to Singapore time and date, respectively, unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

JAPFA LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200819599W)

Board of Directors

Mr Handojo Santosa @ Kang Kiem Han (Executive, Non-Independent Chairman)
Mr Tan Yong Nang (Executive Director and Chief Executive Officer)
Mr Kevin John Monteiro (Executive Director and Chief Financial Officer)
Mr Hendrick Kolonas (Non-Executive Director)
Mr Ng Quek Peng (Lead Independent Director)
Ms Lien Siaou-Sze (Independent Director)
Mr Manu Bhaskaran (Independent Director)
Mr Tan Kian Chew (Independent Director)

Registered Office

391B Orchard Road
#18-08 Ngee Ann City Tower B
Singapore 238874

10 June 2020

To: The Shareholders of Japfa Ltd.

Dear Sir / Madam

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

The Company will be holding its AGM on 25 June 2020, 2.00 p.m., by way of electronic means (the "**2020 AGM**"). Notice of the 2020 AGM (the "**Notice of AGM**") and the proxy form have been circulated on 10 June 2020.

The purpose of this Appendix is to provide Shareholders with information relating to, and to seek their approval for the renewal of the Share Purchase Mandate at the 2020 AGM. This Appendix has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The SGX-ST assumes no responsibility for the accuracy of any statements made, opinions expressed or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Introduction

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Listing Manual and such other laws and regulations as may, for the time being, be applicable. The Company is also required to obtain approval of its Shareholders at a general meeting if it wishes to purchase or acquire Shares. Accordingly, approval is being sought from Shareholders at the 2020 AGM for the adoption of the Share Purchase Mandate to enable the Company to purchase or acquire Shares.

At the 2019 AGM, Shareholders had approved the renewal of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire issued Shares. The authority and limitations of the Share Purchase Mandate were set out in the Company's appendix to the notice of the 2019 AGM dated 3 April 2019 and the ordinary resolution 17 of the notice of the 2019 AGM dated 3 April 2019, respectively. The authority contained in the Share Purchase Mandate adopted at the 2019 AGM was expressed to continue in force until the next annual general meeting of the Company and, as such, would be expiring on 25 June 2020, being the date of the forthcoming annual general meeting. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the 2020 AGM.

If approved by Shareholders at the 2020 AGM, the authority conferred by the Share Purchase Mandate will continue in force until the next annual general meeting of the Company (whereupon it will lapse, unless renewed at such annual general meeting) or until it is varied or revoked by the Company in general meeting.

2.2 Rationale

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

(a) in managing the business of the Group, management will strive to increase Shareholders' value by improving, *inter alia*, the ROE of the Company. In addition to growth and expansion of the business, share purchases may be considered as one of the ways through which the ROE of the Company may be enhanced;

(b) the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner;

(c) the Share Purchase Mandate will provide the Company the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force; and

(d) shares which are purchased by the Company pursuant to the Share Purchase Mandate and held in treasury may, *inter alia*, to the extent permitted by applicable law, be transferred for the purposes of or pursuant to share schemes implemented by the Company, including the Japfa Performance Share Plan. The use of treasury shares in lieu of issuing new Shares would, *inter alia*, mitigate the dilution impact of share grants under the Japfa Performance Share Plan on existing Shareholders.

The purchase or acquisition of Shares will only be undertaken if it can benefit the Company and/or Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole, result in the retained earnings of the Company to be negative and/or affect the listing status of the Company on the SGX-ST.

2.3 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on the Share Purchase Mandate, if renewed at the 2020 AGM, are substantially the same as those previously approved by Shareholders at the 2019 AGM and are summarised below:

(a) Maximum Number of Shares

The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10.0% of the issued Shares as at the date of the 2020 AGM at which the Share Purchase Mandate is approved. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10.0% limit.

Purely for illustrative purposes, on the basis of 2,049,084,720 Shares in issue (excluding 18,338,600 treasury shares) as at the Latest Practicable Date and assuming that (i) no further Shares are issued on or prior to the 2020 AGM, (ii) no further Shares are purchased and held as treasury shares, and (iii) the Company does not reduce its share capital, the purchase or acquisition by the Company of up to the maximum limit of 10.0% of its issued Shares will result in the purchase or acquisition of 204,908,472 Shares.

However, as stated in Section 2.2 above and Section 2.9 below, purchases or acquisitions pursuant to the Share Purchase Mandate need not be carried out to the full extent mandated, and, in any case, would not be carried out to such an extent that would result in the Company being delisted from the SGX-ST. The public float in the issued Shares as at the Latest Practicable Date is disclosed in Section 2.9 below.

(b) Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2020 AGM, at which the renewal of the Share Purchase Mandate is approved, up to:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

The Share Purchase Mandate may be renewed at each annual general meeting or other general meetings of the Company.

(c) Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

(i) on-market purchases ("**Market Purchases**"), transacted through the SGX-ST's trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or

(ii) off-market purchases ("**Off-Market Purchases**"), otherwise than on a securities exchange, in accordance with an equal access scheme.

In an Off-Market Purchase, the Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An equal access scheme must, however, satisfy all the following conditions:

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(iii) the terms of all the offers are the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, (2) differences in consideration attributable to the fact that the offers may relate to Shares with different amounts remaining unpaid and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

(1) the terms and conditions of the offer;

(2) the period and procedures for acceptances; and

(3) the information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

(d) Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors pursuant to the Share Purchase Mandate (both Market Purchases and Off-Market Purchases) must not exceed 105% of the Average Closing Price of the Shares, excluding related expenses of the purchase or acquisition (the "**Maximum Price**").

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made; and

"**date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as treasury shares. The Directors will decide whether the Shares purchased or acquired by the Company will be held as treasury shares or cancelled, depending on the needs of the Company at that time. It is presently intended by the Company that Shares which are purchased or acquired by the Company will be held as treasury shares, up to the maximum number of treasury shares permitted by law to be held by the Company.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act, are summarised below:

(a) Maximum Holdings

The aggregate number of Shares held as treasury shares cannot at any time exceed 10.0% of the total number of issued Shares. In the event that the aggregate number of treasury shares held by the Company exceeds the aforesaid limit, the Company shall dispose of or cancel the excess treasury shares within six months from the day the aforesaid limit is first exceeded, or such further period as may be allowed by ACRA.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

(i) sell the treasury shares for cash;

(ii) transfer the treasury shares for the purposes of or pursuant to share schemes implemented by the Company, including the Japfa Performance Share Plan.

(iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares; or

(v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds

The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits. The Company intends 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. In purchasing or acquiring Shares pursuant to the Share Purchase Mandate, the Directors will, principally, consider the availability of internal resources. In addition, the Directors will also consider the availability of external financing. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected and/or the retained earnings of the Company after the purchase or acquisition of Shares would be negative.

2.7 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the amount (if any) borrowed by the Company to fund the purchases or acquisitions, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2019, are based on the assumptions set out below.

(a) Purchase or Acquisition out of Capital and/or Profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including any expenses incurred directly in the purchase or acquisition of Shares) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of dividends by the Company will not be reduced.

(b) Number of Shares Acquired or Purchased

As at the Latest Practicable Date, the Company has 2,049,084,720 Shares in issue (excluding treasury shares). Purely for illustrative purposes, on the basis of 2,049,084,720 Shares in issue (excluding treasury shares) and a public float of approximately 18.80% as at the Latest Practicable Date and assuming that no further Shares are issued on or prior to the 2020 AGM, the purchase or acquisition by the Company of 2.0% of its issued Shares (to maintain a buffer to the minimum 10.0% public float required to be maintained by the Company on a continuing basis under the Listing Manual as at the Latest Practicable Date) will result in the purchase or acquisition of 40,981,694 Shares.

(c) Maximum Price Paid for Shares Acquired or Purchased

Assuming that the Company purchases or acquires the 40,981,694 Shares at the Maximum Price of S$0.648 for one Share (being the price equivalent to 5.0% above the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 40,981,694 Shares is approximately S$26,556,138.

(d) Illustrative Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, and the consideration paid at the relevant time and whether the Shares purchased or acquired are cancelled or held as treasury shares.

For illustrative purposes only and on the basis of the assumptions set out in Sections 2.7(b) and 2.7(c) above as well as the following:

(i) the Share Purchase Mandate had been effective on 1 January 2019;

(ii) there was no issuance of Shares after the Latest Practicable Date; and

(iii) no Shares were purchased by the Company after the Latest Practicable Date,

the financial effects of:

(i) the acquisition of 40,981,694 Shares representing 2.0% of such issued Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of profits and held as treasury shares;

(ii) the acquisition of 40,981,694 Shares representing 2.0% of such issued Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and held as treasury shares;

(iii) the acquisition of 40,981,694 Shares representing 2.0% of such issued Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of profits and cancelled; and

(iv) the acquisition of 40,981,694 Shares representing 2.0% of such issued Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and cancelled,

on the audited financial statements of the Group and the Company for the financial year ended 31 December 2019 are set out below:

(A) Purchases of 40,981,694 Shares representing 2.0% of such issued Shares made entirely out of profits and held as treasury shares[1]

	Group		Company	
	Before Share Purchase US$'000	**After Share Purchase US$'000**	**Before Share Purchase US$'000**	**After Share Purchase US$'000**
As at 31 December 2019				
Share Capital	993,178	993,178	993,178	993,178
Retained earnings	563,704	563,704	19,024	19,024
Reserves	(668,705)	(668,705)	(13,625)	(13,625)
	888,177	888,177	998,577	998,577
Treasury Shares	(7,620)	(26,299)	(7,620)	(26,299)
Total Shareholders' Equity	880,557	861,878	990,957	972,278
Non-controlling interests	406,133	406,133	–	–
Total Equity	1,286,690	1,268,011	990,957	972,278
Net Assets	1,286,690	1,268,011	990,957	972,278
Current Assets	1,384,149	1,384,149	41,134	41,134
Current Liabilities	(1,022,468)	(1,022,468)	(88,660)	(88,660)
Total Borrowings	(1,482,437)	(1,501,116)	(332,717)	(351,396)
Cash and Cash Equivalents	208,743	208,743	17,676	17,676
Net (Debt)/Cash	(1,273,694)	(1,292,373)	(315,041)	(333,720)
Number of Shares ('000) (excluding treasury shares)	2,049,085	2,008,103	2,049,085	2,008,103
Financial Ratios				
Net Asset Value per Share (US$)	0.43	0.43	0.48	0.48
Gross Debt[2] Gearing (%)	115.2	118.4	33.6	36.1
Net Debt[2] Gearing (%)	99.0	101.9	31.8	34.3
Current Ratio (times)	1.35	1.35	0.46	0.46
Basic EPS (cents)	4.90	5.00	0.08	0.08

Notes:

(1) 40,981,694 Shares to be cancelled and is computed based on 2,049,084,720 Shares in issue (excluding treasury shares) as at the Latest Practicable Date.

(2) Gross and Net Debt measured against Total Equity.

(B) Purchases of 40,981,694 Shares representing 2.0% of such issued Shares made entirely out of capital and held as treasury shares[1]

	Group		Company	
	Before Share Purchase US$'000	**After Share Purchase US$'000**	**Before Share Purchase US$'000**	**After Share Purchase US$'000**
As at 31 December 2019				
Share Capital	993,178	993,178	993,178	993,178
Retained earnings	563,704	563,704	19,024	19,024
Reserves	(668,705)	(668,705)	(13,625)	(13,625)
	888,177	888,177	998,577	998,577
Treasury Shares	(7,620)	(26,299)	(7,620)	(26,299)
Total Shareholders' Equity	880,557	861,878	990,957	972,278
Non-controlling interests	406,133	406,133	–	–
Total Equity	1,286,690	1,268,011	990,957	972,278
Net Assets	1,286,690	1,268,011	990,957	972,278
Current Assets	1,384,149	1,384,149	41,134	41,134
Current Liabilities	(1,022,468)	(1,022,468)	(88,660)	(88,660)
Total Borrowings	(1,482,437)	(1,501,116)	(332,717)	(351,396)
Cash and Cash Equivalents	208,743	208,743	17,676	17,676
Net (Debt)/Cash	(1,273,694)	(1,292,373)	(315,041)	(333,720)
Number of Shares ('000) (excluding treasury shares)	2,049,085	2,008,103	2,049,085	2,008,103
Financial Ratios				
Net Asset Value per Share (US$)	0.43	0.43	0.48	0.48
Gross Debt[2] Gearing (%)	115.2	118.4	33.6	36.1
Net Debt[2] Gearing (%)	99.0	101.9	31.8	34.3
Current Ratio (times)	1.35	1.35	0.46	0.46
Basic EPS (cents)	4.90	5.00	0.08	0.08

Notes:

(1) 40,981,694 Shares to be held as treasury shares and is computed based on 2,049,084,720 Shares in issue (excluding treasury shares) as at the Latest Practicable Date.

(2) Gross and Net Debt measured against Total Equity.

(C) Purchases of 40,981,694 Shares representing 2.0% of such issued Shares made entirely out of profits and cancelled[1]

	Group		Company	
	Before Share Purchase US$'000	After Share Purchase US$'000	Before Share Purchase US$'000	After Share Purchase US$'000
As at 31 December 2019				
Share Capital	993,178	993,178	993,178	993,178
Retained earnings	563,704	545,025	19,024	345
Reserves	(668,705)	(668,705)	(13,625)	(13,625)
	888,177	869,498	998,577	979,898
Treasury Shares	(7,620)	(7,620)	(7,620)	(7,620)
Total Shareholders' Equity	880,557	861,878	990,957	972,278
Non-controlling interests	406,133	406,133	–	–
Total Equity	1,286,690	1,268,011	990,957	972,278
Net Assets	1,286,690	1,268,011	990,957	972,278
Current Assets	1,384,149	1,384,149	41,134	41,134
Current Liabilities	(1,022,468)	(1,022,468)	(88,660)	(88,660)
Total Borrowings	(1,482,437)	(1,501,116)	(332,717)	(351,396)
Cash and Cash Equivalents	208,743	208,743	17,676	17,676
Net (Debt)/Cash	(1,273,694)	(1,292,373)	(315,041)	(333,720)
Number of Shares ('000) (excluding treasury shares)	2,049,085	2,008,103	2,049,085	2,008,103
Financial Ratios				
Net Asset Value per Share (US$)	0.43	0.43	0.48	0.48
Gross Debt[2] Gearing (%)	115.2	118.4	33.6	36.1
Net Debt[2] Gearing (%)	99.0	101.9	31.8	34.3
Current Ratio (times)	1.35	1.35	0.46	0.46
Basic EPS (cents)	4.90	5.00	0.08	0.08

Notes:

(1) 40,981,694 Shares to be cancelled and is computed based on 2,049,084,720 Shares in issue (excluding treasury shares) as at the Latest Practicable Date.

(2) Gross and Net Debt measured against Total Equity.

(D) Purchases of 40,981,694 Shares representing 2.0% of such issued Shares made entirely out of capital and cancelled[1]

	Group		Company	
	Before Share Purchase US$'000	After Share Purchase US$'000	Before Share Purchase US$'000	After Share Purchase US$'000
As at 31 December 2019				
Share Capital	993,178	974,499	993,178	974,499
Retained earnings	563,704	563,704	19,024	19,024
Reserves	(668,705)	(668,705)	(13,625)	(13,625)
	888,177	869,498	998,577	979,898
Treasury Shares	(7,620)	(7,620)	(7,620)	(7,620)
Total Shareholders' Equity	880,557	861,878	990,957	972,278
Non-controlling interests	406,133	406,133	–	–
Total Equity	1,286,690	1,268,011	990,957	972,278
Net Assets	1,286,690	1,268,011	990,957	972,278
Current Assets	1,384,149	1,384,149	41,134	41,134
Current Liabilities	(1,022,468)	(1,022,468)	(88,660)	(88,660)
Total Borrowings	(1,482,437)	(1,501,116)	(332,717)	(351,396)
Cash and Cash Equivalents	208,743	208,743	17,676	17,676
Net (Debt)/Cash	(1,273,694)	(1,292,373)	(315,041)	(333,720)
Number of Shares ('000) (excluding treasury shares)	2,049,672	2,008,103	2,049,085	2,008,103
Financial Ratios				
Net Asset Value per Share (US$)	0.43	0.43	0.48	0.48
Gross Debt[2] Gearing (%)	115.2	118.4	33.6	36.1
Net Debt[2] Gearing (%)	99.0	101.9	31.8	34.3
Current Ratio (times)	1.35	1.35	0.46	0.46
Basic EPS (cents)	4.90	5.00	0.08	0.08

Notes:

(1) 40,981,694 Shares to be cancelled and is computed based on 2,049,084,720 Shares in issue as at the Latest Practicable Date.

(2) Gross and Net Debt measured against Total Equity.

Shareholders should note that the financial effects set out above are based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2019 and are for illustration purposes only. The results of the Group and the Company for the financial year ended 31 December 2019 may not be representative of future performance.

It should be noted that although the Share Purchase Mandate would authorise the Company to potentially purchase or acquire up to 10.0% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10.0% of the issued Shares as mandated. In addition, the Company may cancel or hold in treasury all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, the public float of the Company, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.9 Listing Status of the Shares

The Listing Manual requires a listed company to ensure that at least 10.0% of the total number of its issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed on the SGX-ST, is held by public shareholders at all times. As at the Latest Practicable Date, approximately 18.80% of the issued Shares are held by public Shareholders. Assuming purchase of shares up to the maximum limit of 10.0%, the Company's public float will fall to 8.80%. Accordingly, the Company notes that there is an insufficient number of the Shares in issue held by public Shareholders to permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10.0% limit of the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST. Notwithstanding the foregoing, the Company is seeking approval to undertake purchases or acquisitions of its Shares up to the maximum limit of 10.0% of the issued Shares as at the date of the 2020 AGM to provide the Company the flexibility to undertake purchases or acquisitions of its Shares at any time in the event that the Company is able to maintain a sufficient float in the hands of the public notwithstanding such purchases or acquisitions of its Shares.

The Company, when purchasing its Shares, will ensure (i) that there is a sufficient float for an orderly market in its securities, and (ii) that the listing status of the Shares on the SGX-ST is not affected by such purchase.

2.10 Listing Manual

The Listing Manual restricts a listed company from purchasing its shares by way of market purchases at a price per share which is more than 5.0% above the "average closing price", being the average of the closing market prices of the shares over the last five Market Days on which transactions in the shares were recorded, before the day on which the purchases were made, as deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made. The Maximum Price for a Share in relation to Market Purchases referred to in Section 2.3 above complies with this requirement. Although the SGX-ST Listing Manual does not prescribe a maximum price in relation to purchases of shares by way of off-market purchases, the Company has set a cap of 5.0% above the average closing price of a Share as the Maximum Price for a Share to be purchased or acquired by way of an Off-Market Purchase.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST and as the Company is not required to announce quarterly financial statements under Rule 705(2) of the Listing Manual, the Company will not purchase or acquire any Shares pursuant to the Share Purchase Mandate during the period of one month immediately preceding the announcement of the Company's half-year and full-year financial statements.

2.11 Reporting Requirements

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. in the case of (a) a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares, and (b) an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

The Directors are required under the Companies Act to lodge with ACRA within 30 days of the purchase or acquisition of Shares on the SGX-ST the notice of purchase or acquisition in the prescribed form and providing certain particulars including the date of the purchase or acquisition, the number of Shares purchased or acquired, the number of Shares cancelled, the number of Shares held as treasury shares, the issued share capital of the Company before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition of the Shares, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

2.12 Take-over Implications

Appendix 2 of the Take-over Code ("**Appendix 2**") contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

(a) Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

(b) Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

(i) the following companies:

(A) a company;

(B) the parent company of (A);

(C) the subsidiaries of (A);

(D) the fellow subsidiaries of (A);

(E) the associated companies of any of (A), (B), (C) or (D);

(F) companies whose associated companies include any of (A), (B), (C), (D) or (E); and

(G) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and

(ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2.

(c) Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 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.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors of the Company 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. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Purchase Mandate.

Based on the interests of substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, none of the substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the acquisition or purchase by the Company of 10.0% of its issued Shares as at the Latest Practicable Date.

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.

2.13 Shares Bought by the Company in the Past Year

Pursuant to the Share Purchase Mandate approved by the Shareholders at the 2019 AGM, in the 12 months immediately preceding the Latest Practicable Date, the Company had bought back by way of market acquisition a total number of 1,917,900 Shares. The highest price paid per Share was S$0.555 and the lowest price paid per Share was S$0.435 per Share and the total consideration paid was S$956,448.39 (inclusive of brokerage, clearing fees, etc). All Shares purchased or acquired by the Company during the above-stated period were held as treasury shares.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 Directors' Interests

The interests of the Directors in the Shares, as recorded in the Register of Directors' Shareholdings of the Company, as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest[2]		Total Interest	
Directors	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**
Mr Handojo Santosa @ Kang Kiem Han[3]	–	–	1,250,500,805	61.03	1,250,500,805	61.03
Mr Hendrick Kolonas	–	–	–	–	–	–
Mr Tan Yong Nang[4]	–	–	84,491,760	4.12	84,491,760	4.12
Mr Kevin Monteiro[5]	–	–	3,348,730	0.16	3,348,730	0.16
Ms Lien Siaou-Sze[6]	–	–	687,500	0.03	687,500	0.03
Mr Ng Quek Peng[7]	–	–	550,000	0.03	550,000	0.03
Mr Manu Bhaskaran	–	–	–	–	–	–
Mr Tan Kian Chew	33,000	0.00	–	–	33,000	0.00

Notes:

(1) Based on 2,049,084,720 Shares in issue (excluding 18,338,600 treasury shares) as at the Latest Practicable Date.

(2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.

(3) See note (3) of Section 3.2 – "Substantial Shareholders' Interests".

(4) 45,860,691 Shares are held by Great Alpha Investments Limited and 33,000,000 Shares are held by The Great Delta Trust. By virtue of Section 4 of the SFA, Mr Tan Yong Nang is deemed to have an interest in the Shares held by Great Alpha Investments Limited and The Great Delta Trust. In addition, Mr Tan Yong Nang is also deemed to have an interest in 5,631,069 Shares held in a joint account with his wife (through their client account with a financial institution).

(5) Held through his client account with a financial institution.

(6) Held through her client account with a financial institution.

(7) Held through his client account with a financial institution.

3.2 Substantial Shareholders' Interests

The interests of the Substantial Shareholders in the Shares, as recorded from the Register of Substantial Shareholders of the Company, as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest[2]		Total Interest	
Substantial Shareholders	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**
Mr Handojo Santosa @ Kang Kiem Han[3]	–	–	1,250,500,805	61.03	1,250,500,805	61.03
Rangi Management Limited[3][4][6]	1,061,976,500	51.83	–	–	1,061,976,500	51.83
Fusion Investment Holdings Limited[4][5]	–	–	1,061,976,500	51.83	1,061,976,500	51.83
Tasburgh Limited[3][5][6]	106,714,375	5.21	–	–	106,714,375	5.21
Morze International Limited[7]	310,779,793	15.17	–	–	310,779,793	15.17
Highvern Trustees Limited[5][6][7][8]	–	–	1,479,470,668	72.20	1,479,470,668	72.20
Scuderia Trust[6]	–	–	1,168,690,875	57.03	1,168,690,875	57.03
Capital Two Trust[7]	–	–	310,779,793	15.17	310,779,793	15.17
MNM Holdings Limited[8]	–	–	1,479,470,668	72.20	1,479,470,668	72.20
Mr Martin John Hall[8]	–	–	1,479,470,668	72.20	1,479,470,668	72.20
Ms Naomi Julia Rive[8]	–	–	1,479,470,668	72.20	1,479,470,668	72.20
Ms Rachel Anastasia Kolona[s][7][9]	–	–	310,779,793	15.17	310,779,793	15.17
Mdm Farida Gustimego Santosa[3][6][10]	–	–	1,169,500,805	57.07	1,169,500,805	57.07
Mr Renaldo Santosa[6][11]	–	–	1,170,311,175	57.11	1,170,311,175	57.11
Ms Gabriella Santosa[12]	–	–	1,168,842,675	57.04	1,168,842,675	57.04

Notes:

(1) Based on 2,049,084,720 Shares in issue (excluding 18,338,600 treasury shares) as at the Latest Practicable Date.

(2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.

(3) Mr Handojo Santosa @ Kang Kiem Han is the settlor of the Scuderia Trust. Under the terms of the Scuderia Trust, he is entitled, as an investment power holder, to direct the trustee of the Scuderia Trust to procure to the best of its ability that the directors of Fusion Investment Holdings Limited and Tasburgh Limited act in accordance with his instructions in relation to the investments of the Scuderia Trust. See Note (6) below. As the sole shareholder of Rangi Management Limited, Fusion Investment Holdings Limited is entitled to determine the composition of the board of directors of Rangi Management Limited. Accordingly, Mr Handojo Santosa @ Kang Kiem Han can control the exercise of the rights of the shares held by Fusion Investment Holdings Limited in Rangi Management Limited and through the board of directors appointed by Fusion Investment Holdings Limited, control the exercise of the rights of the Shares held by Rangi Management Limited under the Scuderia Trust. By virtue of Section 4 of the SFA, Mr Handojo Santosa @ Kang Kiem Han is deemed to have an interest in the Shares held by Rangi Management Limited and Tasburgh Limited. Tallowe Services Inc holds 81,000,000 Shares. The Shares of Tallowe Services Inc are held by Magnus Nominees Limited and Fidelis Nominees Limited as bare trustees for Mr Handojo Santosa @ Kang Kiem Han. By virtue of Section 4 of the SFA, Mr Handojo Santosa @ Kang Kiem Han is also deemed to have an interest in the Shares held by Tallowe Services Inc. In addition, Mr Handojo Santosa @ Kang Kiem Han is also deemed to have an interest in 809,930 Shares held in a joint account with his wife (through their client account with a financial institution).

(4) Fusion Investment Holdings Limited holds the entire issued and paid-up capital of Rangi Management Limited. By virtue of Section 4 of the SFA, Fusion Investment Holdings Limited is deemed to have an interest in the Shares held by Rangi Management Limited.

(5) The shares in each of Fusion Investment Holdings Limited, Tasburgh Limited and Morze International Limited are collectively held by Magnus Nominees Limited and Fidelis Nominees Limited as bare trustees on trust for their sole shareholder, Highvern Trustees Limited, as trustee of the Scuderia Trust and the Capital Two Trust. By virtue of Section 4 of the SFA, Highvern Trustees Limited is deemed to have an interest in the Shares held by Rangi Management Limited, Tasburgh Limited and Morze International Limited. Highvern Trustees Limited is a professional trustee.

(6) Highvern Trustees Limited is the trustee of the Scuderia Trust which is a reserved power discretionary trust. The Shares held by Rangi Management Limited and Tasburgh Limited are assets of the Scuderia Trust. The settlor of Scuderia Trust is Mr Handojo Santosa @ Kang Kiem Han. The beneficiaries of the Scuderia Trust are Mr Handojo Santosa @ Kang Kiem Han's spouse (Farida Gustimego Santosa), children (Renaldo Santosa, Gabriella Santosa, Mikael Santosa and Raffaela Santosa) and remoter issue. Pursuant to Section 4 of the SFA, the beneficiaries of the Scuderia Trust are deemed to have an interest in the Shares held by Rangi Management Limited and Tasburgh Limited.

(7) Highvern Trustees Limited is the trustee of the Capital Two Trust which is a reserved power discretionary trust. The Shares held by Morze International Limited are assets of the Capital Two Trust. The settlor of Capital Two Trust is Ms. Rachel Anastasia Kolonas. The beneficiaries of the Capital Two Trust are Rachel Anastasia Kolonas, her issue and remoter issue and Tati Santosa. Pursuant to Section 4 of the SFA, the beneficiaries of the Capital Two Trust are deemed to have an interest in the Shares held by Morze International Limited.

(8) MNM Holdings Limited is the holding company of Highvern Trustees Limited, which holds a direct interest in the shares of Japfa Ltd. as trustee of Scuderia Trust and Capital Two Trust. MNM Holdings limited is wholly owned by Martin John Hall and Naomi Julia Rive in equal shareholding proportions. By virtue of Section 4 of the SFA, each of MNM Holdings Limited, Martin John Hall and Naomi Julia Rive and is deemed to be indirectly interested in the Shares that Highvern Trustees Limited is interested in.

(9) Ms. Rachel Anastasia Kolonas is the settlor of the Capital Two Trust. Under the terms of the Capital Two Trust, she is entitled, as an investment power holder, to direct the trustee of the Capital Two Trust to procure to the best of its ability that the directors of Morze International Limited act in accordance with her instructions in relation to the investments of the Capital Two Trust. Accordingly she can control the exercise of the rights of the Shares held under the Capital Two Trust. By virtue of Section 4 of the SFA, Ms. Rachel Anastasia Kolonas is deemed to have an interest in the Shares held by Morze International Limited.

(10) Mdm Farida Gustimego Santosa is a beneficiary under the Scuderia Trust. See Note (6) above. Mdm Farida Gustimego Santosa is also deemed to have an interest in 809,930 Shares held in a joint account with her husband (through their client account with a financial institution).

(11) Mr Renaldo Santosa is a beneficiary under the Scuderia Trust. See Note (6) above. Mr Renaldo Santosa additionally holds 1,620,300 Shares through his client account with a financial institution.

(12) Ms Gabriella Santosa is a beneficiary under the Scuderia Trust. See Note (6) above. Ms Gabriella Santosa additionally holds 151,800 Shares through her client account with a financial institution.

4. DIRECTORS' RECOMMENDATION

The Directors are of the opinion, for the reasons set out in Section 2.2 above, that the proposed renewal of the Share Purchase Mandate is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution 15 relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2020 AGM.

5. ANNUAL GENERAL MEETING

The 2020 AGM is being convened on 25 June 2020, 2.00 p.m., and will be held by way of electronic means, for the purpose of considering and, if thought fit, passing, with or without modifications, the resolutions set out in the Notice of AGM. The Notice of AGM and the proxy form have been circulated on 10 June 2020.

COVID-19 Measures

The COVID-19 Order was issued on 13 April 2020 pursuant to the COVID-19 Act and was gazetted to take effect from 27 March 2020. The COVID-19 Order prescribes alternative arrangements for the conduct of general meetings of companies and compliance with these alternative arrangements will be deemed to be compliant with the relevant provisions of written law or legal instrument in respect of which the alternative arrangements are made. Such alternative arrangements include the conduct of a general meeting of a company wholly or partly by electronic means provided that a listed company must publish the minutes of the meeting on SGXNET and the company's website (if available) within one month after the date of the relevant meeting.

On the same day, ACRA, the Monetary Authority of Singapore and Singapore Exchange Regulation issued the COVID-19 Order Guidance comprising a checklist to guide listed and non-listed entities on the conduct of general meetings during the period when elevated safe distancing measures are in place. The COVID-19 Order Guidance provides further guidance on Part 4 of the COVID-19 Act and the COVID-19 Order, and states that listed entities should refer to the COVID-19 Order Guidance when conducting general meetings during this elevated safe distancing period.

At the forthcoming AGM, the Company will comply with the COVID-19 precautionary measures recommended or imposed by the Singapore Government to minimise the risk of community spread of COVID-19 as may be appropriate, including the Infectious Diseases Regulations and COVID-19 Order, on the holding of general meetings amid COVID-19. Please refer to Section 6 of this Appendix for more details on the action Shareholders should take pursuant to the COVID-19 Act and any regulations promulgated thereunder, including without limitation, the COVID-19 Order, as well as the COVID-19 Order Guidance.

Shareholders should note that the Company may make further changes to its AGM arrangements as the COVID-19 situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNET.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

6.1 Shareholders should note and consider taking the following actions:

(a) No attendance at AGM

In view of the elevated safe distancing measures pursuant to the Infectious Diseases Regulations and COVID-19 Regulations, Shareholders will not be able to attend the 2020 AGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the 2020 AGM by (i) watching the 2020 AGM proceedings via "live" webcast or listening to the 2020 AGM proceedings via "live" audio feed, (ii) submitting questions in advance of the 2020 AGM, and/or (iii) voting by proxy at the 2020 AGM. Please see the paragraphs below for these alternative arrangements.

(b) Registration to attend the 2020 AGM Remotely

The proceedings of the 2020 AGM will be conducted by electronic means. Shareholders will be able to watch the proceedings of the 2020 AGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, Shareholders must follow these steps:

(i) Shareholders who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by **2.00 p.m. on 22 June 2020** ("**Registration Cut-Off Date**") (being 72 hours before the time fixed for the 2020 AGM), at the URL https://www.japfa.com/agm2020egm. Shareholders will be required to provide their full name, NRIC/Passport No./Company Registration No. and address for verification purposes.

Upon successful registration, authenticated Shareholders will receive an email confirmation by 24 June 2020 with their user log-in details, access password and the link to access the "live" webcast and/or telephone number for "live" audio feed of the 2020 AGM proceedings.

(ii) Shareholders who do not receive any email by **5.00 p.m. on 24 June 2020**, but who have registered by the Registration Cut-Off Date, should contact the Company's Share Registrar at the following email address: japfa2020@boardroomlimited.com.

(c) Prior submission of questions

Shareholders who pre-register to watch the "live" webcast or listen to the "live" audio feed may also submit questions related to the resolutions to be tabled for approval for the 2020 AGM:

(i) All questions must be submitted by **2.00 p.m. on 22 June 2020** (being **72 hours** before the time fixed for the 2020 AGM):

- via the pre-registration website at the URL https://www.japfa.com/agm2020egm;
- in hard copy by sending personally or by post and lodging the same at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623;
- by email to the Company's Share Registrar at japfa2020@boardroomlimited.com.

(ii) The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval for the 2020 AGM either before the 2020 AGM on SGXNET and the Company's website at the URL https://japfa.com/investors/general-report/agm-egm or during the 2020 AGM, in accordance with the COVID-19 Order Guidance.

(iii) The Company will, within one month after the date of the 2020 AGM, publish the minutes of the 2020 AGM on SGXNET and the Company's website, and the minutes will include the responses to the questions referred to above.

(iv) Please note that Shareholders will not be able to ask questions at the 2020 AGM "live" during the webcast and the audio feed, and therefore it is important for Shareholders to pre-register their participation in order to be able to submit their questions in advance of the 2020 AGM.

(d) Voting by proxy only

Pursuant to the COVID-19 Order, Shareholders will not be able to vote online on the resolutions to be tabled for approval at the 2020 AGM. Instead, if Shareholders (whether individual or corporate) wishes to exercise their voting rights at the 2020 AGM, they must each submit an instrument of proxy to appoint the Chairman of the 2020 AGM as their proxy to attend, speak and vote on their respective behalves at the 2020 AGM:

(i) Shareholders (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the instrument of proxy, failing which the appointment will be treated as invalid.

(ii) The instrument of proxy, together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:

- if sent personally or by post, be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
- if by email, be received by the Company's Share Registrar at japfa2020@boardroomlimited.com,

in either case, by **2.00 p.m. on 22 June 2020** (being 72 hours before the time fixed for the 2020 AGM).

6.2 Depositor not member. A Depositor will not be regarded as a member of the Company entitled to attend the 2020 AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP to the Company at least 72 hours before the 2020 AGM.

7. DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the adoption of the proposed renewal of the Share Purchase Mandate, and the Company and its subsidiaries which are relevant to the adoption of the proposed renewal of the Share Purchase Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix 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 Appendix in its proper form and context.

8. INSPECTION OF DOCUMENTS

Subject to prevailing Covid-19 Order restrictions, the following documents are available for inspection at the registered office of the Company at 391B Orchard Road #18-08 Ngee Ann City, Tower B, Singapore 238874 during normal business hours from the date of this Appendix up to and including the date of the 2020 AGM:

(a) the Constitution of the Company; and

(b) the Annual Report of the Company for FY2019.

Yours faithfully

For and on behalf of the Board of Directors of
JAPFA LTD.

Tan Yong Nang
Executive Director and Chief Executive Officer