JAPFA LTD
(Company Registration Number: 200819599W)

PROPOSED ACQUISITION OF PT JAPFA COMFEED INDONESIA TBK SHARES

PT Japfa Comfeed Indonesia Tbk ("PT Japfa") is a principal subsidiary of the Company listed on the Indonesian Stock Exchange and contributes 2/3 of the Group's consolidated revenue.

As announced by PT Japfa, it had on 18 July 2016 obtained a two-year shareholders' mandate to issue up to 10% of its issued share capital by private placement at a minimum exercise price of RP935.60 being the then market price determined in accordance with applicable OJK (Indonesia Financial Services Authority) regulations.

Pursuant to that mandate, PT Japfa had on 4 August 2016 issued 750,000,000 A shares (approximately 6.6% of PT Japfa's issued share capital on a fully diluted basis) at Rp935.60 per share to KKR Jade Investments Pte Ltd.

The mandate for the remaining unissued 316,052,291 series A shares will expire on 18 July 2018.

Japfa Ltd (the "Company") wishes to announce that it will on or about 8 June 2018, subscribe for the said remaining 316,052,291 PT Japfa shares at the said regulatory minimum price of Rp 935.60 per share (approximately USD21 million). This will consolidate Japfa Ltd's shareholding in PT Japfa from 51.1% to 52.4%.

The Subject Shares are subject to a one-year moratorium.

The funds for the proposed subscription will come from an upsize of the Company's existing US$280 million Syndicated Loan which will include an additional term loan facility of up to US$23 million and will be entered into on or about 1 June 2018.

As previously announced on 21 December 2017, the Company's syndicated loan facility agreement contains a prohibition against change of control of the Company tied to the Santosa Family and its affiliates in that the Santosa Family must (directly or indirectly) beneficially and collectively (i) own at least 30% of the issued capital of the Company; or (ii) remain the single largest shareholder of the Company.

In compliance with Rule 728 of the Listing Manual of the SGX-ST, the Company had on 29 July 2014 obtained an undertaking from its controlling shareholders Mr. Handojo Santosa and Ms. Rachel Anastasia Kolonas to notify the Company as soon as he or she becomes aware, of any share pledging arrangements by the Scuderia Trust and the Capital Two Trust (directly and/or indirectly) respectively and of any event which may result in a breach of the provisions under the then existing or any future banking facilities, where the shareholdings of the Controlling Shareholders are referenced.

The Proposed Transaction is not expected to have a material impact on the earnings per share or the net asset per share of the Company for the financial year ending 31 December 2018.

None of the directors and controlling shareholders of the Company has any interest in the Proposed Transaction except that, (a) the Company's Executive Directors, Handojo Santosa and Tan Yong Nang, are also Directors of PT Japfa, and the Company's Non-Executive Director, Hendrick Kolonas is a Commissioner of PT Japfa; and (b) Directors' Interests in the Company and PT Japfa as previously disclosed by the Company and PT Japfa in their respective announcements on Directors' Interests.

By Order of the Board
Japfa Ltd

Tan Yong Nang
Executive Director and Chief Executive Officer

Date: 31 May 2018