

## OFFER INFORMATION STATEMENT DATED 14 JANUARY 2020

(Lodged with the Monetary Authority of Singapore (“Authority”) on 14 January 2020)

**THIS OFFER INFORMATION STATEMENT IS IMPORTANT. BEFORE MAKING ANY INVESTMENT IN THE RIGHTS SHARES (AS DEFINED HEREIN) BEING OFFERED, YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS DOCUMENT CAREFULLY, AND CONSIDER WHETHER YOU UNDERSTAND WHAT IS DESCRIBED IN THIS OFFER INFORMATION STATEMENT. YOU SHOULD ALSO CONSIDER WHETHER AN INVESTMENT IN THE RIGHTS SHARES BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.**

Capitalised terms used below which are not otherwise defined herein shall have the same meanings ascribed to them under the section entitled “Definitions” of this offer information statement (“Offer Information Statement”) issued by Japfa Ltd. (“Company”).

A copy of this Offer Information Statement, together with copies of the Provisional Allotment Letter (“PAL”), the Application Form for Rights Shares and Excess Rights Shares (“ARE”) and the Application Form for Rights Shares (“ARS”), has been lodged with the Authority. The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the ARE and the ARS. Lodgment of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore (“SFA”), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares being offered for investment.

The securities offered are issued by the Company, whose shares are listed for quotation on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Company intends to list the Rights Shares, and an application has been made for permission for the securities to be listed for quotation on the SGX-ST. In-principle approval has been granted by the SGX-ST to the Company on 3 January 2020 for the listing of and quotation for the Rights Shares on the SGX-ST, subject to compliance with the SGX-ST’s listing requirements. 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 Shares, the Company and/or its Subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. The Rights Shares will be admitted to the SGX-ST and the official listing of, and quotation for, the Rights Shares will commence after all conditions imposed by the SGX-ST are satisfied, the certificates relating thereto have been issued and the notification letters from The Central Depository (Pte) Limited (“CDP”) have been despatched.

Acceptance of applications will be conditional upon the issue of the Rights Shares and upon listing of the Rights Shares on the SGX-ST. Monies paid in respect of any application accepted will be returned if the listing and quotation of the Rights Shares does not proceed.

**Notification under Section 309B of the SFA** – The Rights Shares are classified as “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

This Offer Information Statement and its accompanying documents have been prepared solely in relation to the Rights Issue and shall not be relied upon by any other person or for any other purpose.

After the expiry of six (6) months from the date of lodgment of this Offer Information Statement, no person shall make an offer of securities, or allot, issue or sell any Rights Shares, on the basis of this Offer Information Statement, and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, issue or sale of any Rights Shares, on the basis of this Offer Information Statement.

**YOUR ATTENTION IS DRAWN TO THE SECTION ENTITLED “RISK FACTORS” OF THIS OFFER INFORMATION STATEMENT WHICH YOU SHOULD REVIEW CAREFULLY.**



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

**RENOUNCEABLE NON-UNDERWRITTEN 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 HELD BY ENTITLED SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

**Manager for the Rights Issue**



### IMPORTANT DATES AND TIMES:

Last date and time for splitting	:	24 January 2020 at 5.00 p.m.
Last date and time for acceptance of and payment for the Rights Shares	:	31 January 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks)
Last date and time for acceptance of and payment for the Rights Shares by renounees	:	31 January 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks)
Last date and time for application and payment for Excess Rights Shares	:	31 January 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks)



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## IMPORTANT NOTES

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*Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled “Definitions” of this Offer Information Statement.*

**For Entitled Depositors (which excludes Entitled Scripholders, SRS Investors and investors who hold Shares through finance companies or Depository Agents) and their renounees, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through CDP or by way of an Electronic Application at any ATM of a Participating Bank.**

**For Entitled Scripholders and their renounees, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623.**

**For SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through their respective finance companies or Depository Agents. Such investors are advised to provide their respective finance companies, or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances and (if applicable) applications for Excess Rights Shares on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Applications at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.**

**For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares made directly through CDP, Electronic Applications at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.**

### Use of SRS Funds

SRS Investors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS accounts.

SRS Investors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies, must instruct the relevant approved banks in which they hold their SRS accounts to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions of this Offer Information Statement.

SRS Investors who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their approved banks before instructing their respective approved banks to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares. SRS Investors are advised to provide their

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## IMPORTANT NOTES

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respective approved banks in which they hold their SRS accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for the Excess Rights Shares made directly through CDP, Electronic Applications at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected. For the avoidance of doubt, monies in the SRS accounts may not be used for the purchase of provisional allotments of the Rights Shares directly from the market.

The existing Shares are listed and quoted on the SGX-ST.

Persons wishing to subscribe for the Rights Shares offered under this Offer Information Statement should, before deciding whether to so subscribe for the Rights Shares, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the affairs of the Company and the Group, including but not limited to, the assets and liabilities, profits and losses, financial position, risk factors, performance and prospects of the Company and the Group, and the rights and liabilities attaching to the Rights Shares and/or the Shares. They should make their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their stockbroker, bank manager, legal adviser, accountant or other professional adviser before deciding whether to acquire the Rights Shares, purchase any Shares or invest in the Company.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement in connection with the Rights Issue, the provisional allotments of the Rights Shares or the allotment and issuance of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or the Manager.

Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company and/or the Group. Neither the delivery of this Offer Information Statement nor the issue of the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of the Company or of the Group or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement Offer Information Statement with the Authority. All Entitled Shareholders and their renounees and Purchasers should take note of any such announcement and, upon the release of such announcement and/or lodgment of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

Neither the Company nor the Manager is making any representation or warranty to any person in this Offer Information Statement regarding the legality of an investment in the Rights Shares and/or the Shares, by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser(s) for business, financial, legal or tax advice regarding an investment in the Rights Shares and/or the Shares.

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## IMPORTANT NOTES

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The Company and the Manager make no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept and/or purchase the Rights Shares and/or the Shares. Prospective subscribers of the Rights Shares should rely on their own investigation of the financial condition and affairs of, and appraisal and determination of the merits of investing in, the Company and the Group and shall be deemed to have done so.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue and may not be relied upon by any person, other than Entitled Shareholders (and their renounees and Purchasers) to whom it is despatched by the Company or for any other purpose.

This Offer Information Statement, the PAL, the ARE and the ARS may not be used for the purpose of, and do not constitute an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

**The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions at their own expense and without liability to the Company or the Manager. Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further information.**

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## DEFINITIONS

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In this Offer Information Statement, the PAL, the ARE and the ARS, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:

### **Companies within the Group**

<b>“AIH”</b>	:	AustAsia Investment Holdings Pte. Ltd.
<b>“AIH2”</b>	:	AIH2 Pte. Ltd.
<b>“Company”</b>	:	Japfa Ltd.
<b>“Group”</b>	:	The Company and its Subsidiaries
<b>“JCBPL”</b>	:	Japfa Comfeed Bangladesh Pte Ltd
<b>“JCV”</b>	:	Japfa Comfeed Vietnam Limited Company
<b>“JFS”</b>	:	Jupiter Foods Pte. Ltd.
<b>“JSI”</b>	:	Japfa South-Asia Investments Pte. Ltd.
<b>“PT AAS”</b>	:	PT AustAsia Stockfeed
<b>“PT CA”</b>	:	PT Ciomas Adisatwa
<b>“PT CAS”</b>	:	PT Celebes Agro Semesta
<b>“PT ISI”</b>	:	PT Irohah Sidat Indonesia
<b>“PT Japfa”</b>	:	PT Japfa Comfeed Indonesia Tbk
<b>“PT SA”</b>	:	PT Santosa Agrindo
<b>“PT SUL”</b>	:	PT Santosa Utama Lestari
<b>“PT STP”</b>	:	PT Suri Tani Pemuka
<b>“PT VSN”</b>	:	PT Vaksindo Satwa Nusantara
<b>“Subsidiary”</b>	:	A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act

### **Other Corporations and Agencies**

<b>“Authority”</b>	:	Monetary Authority of Singapore
<b>“Black River Funds”</b>	:	Black River Capital Partners Fund (Food) LP, Black River CPF (Food Austasia Co-Investment) LP and Black River Food Fund 2 LP

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## DEFINITIONS

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“CDP”	:	The Central Depository (Pte) Limited
“KKR Jade”	:	KKR Jade Investments Pte. Ltd.
“KPPU”	:	Indonesian Business Competition Supervisory Commission
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“SIC”	:	The Securities Industry Council of Singapore

### General

“Animal Protein (Others) or “APO”	:	The operating segment of the Group producing, <i>inter alia</i> , animal protein in Vietnam, Myanmar and India, as described in paragraph 8(b) of Part 4 of this Offer Information Statement
“Animal Protein (PT Japfa)”	:	The operating segment of the Group producing, <i>inter alia</i> , animal protein in Indonesia, as described in paragraph 8(b) of Part 4 of this Offer Information Statement
“ARE”	:	Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ARS”	:	Application and acceptance form for Rights Shares to be issued to Purchasers
“ASF”	:	African Swine Fever
“ASPs”	:	Average selling prices
“ATM”	:	Automated teller machine
“Board”	:	The board of Directors of the Company as at the date of this Offer Information Statement
“Books Closure Date”	:	5.00 p.m. on 13 January 2020, being the time and date at and on which the Register of Members and Share Transfer Books of the Company were closed to determine the provisional allotments of Rights Shares to Entitled Shareholders under the Rights Issue and, in the case of Entitled Depositors, at and on which their provisional allotments under the Rights Issue were determined



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## DEFINITIONS

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<b>“Broker-linked Balance”</b>	:	A sub-balance in a Securities Account that is linked to a Member Company such that the Member Company has control and rights over the securities contained in such sub-balance
<b>“Closing Date”</b>	:	(a) 31 January 2020 at 5.00 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company), being the last date and time for acceptance and/or excess application and payment, and renunciation and payment of the Rights Shares under the Rights Issue through CDP or the Share Registrar; or  (b) 31 January 2020 at 9.30 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company), being the last date and time for acceptance and/or excess application and payment, renunciation and payment of the Rights Shares under the Rights Issue through an Electronic Application at any ATM of a Participating Bank
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers, as may be amended, supplemented or modified from time to time
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, supplemented or modified from time to time
<b>“Constitution”</b>	:	The constitution of the Company, as amended, modified or supplemented from time to time
<b>“Consumer Food”</b>	:	The operating segment of the Group producing consumer food, as described in paragraph 8(b) of Part 4 of this Offer Information Statement
<b>“Dairy”</b>	:	The operating segment of the Group producing, <i>inter alia</i> , milk and other dairy products, as described in paragraph 8(b) of Part 4 of this Offer Information Statement
<b>“Deeds of Renunciation”</b>	:	The deeds of renunciation dated 18 December 2019 executed by (i) Tasburgh Limited pursuant to which Tasburgh Limited shall renounce in favour of the Undertaking Shareholder its entire pro-rata entitlement of 10,671,437 Rights Shares in respect of all its 106,714,375 Shares, and (ii) Tallowe Services Inc pursuant to which Tallowe Services Inc shall renounce in favour of the Undertaking Shareholder its entire pro-rata entitlement of 8,100,000 Rights Shares in respect of all its 81,000,000 Shares

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## DEFINITIONS

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<b>“Deed of Undertaking”</b>	:	The deed of undertaking dated 18 December 2019 executed by the Undertaking Shareholder pursuant to which the Undertaking Shareholder shall subscribe and pay for (or procure subscription and payment for) in full at the Issue Price, the Undertaken Rights Shares
<b>“Directors”</b>	:	The directors of the Company as at the date of this Offer Information Statement
<b>“DOCs”</b>	:	Day-old chicks
<b>“Electronic Application”</b>	:	Acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement
<b>“Electronic Applicants”</b>	:	Entitled Depositors, their renounees or Purchasers who make Electronic Applications through an ATM of a Participating Bank
<b>“Entitled Depositors”</b>	:	Shareholders with Shares entered against their names in the Depository Register maintained by CDP as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
<b>“Entitled Scripholders”</b>	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
<b>“Entitled Shareholders”</b>	:	Entitled Depositors and Entitled Scripholders
<b>“EPS”</b>	:	Earnings per Share

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## DEFINITIONS

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<b>“Excess Rights Shares”</b>	:	The provisional allotments of Rights Shares, which are available for application by Entitled Shareholders, subject to the terms and conditions in the ARE, this Offer Information Statement and the Constitution of the Company, comprising Rights Shares not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or Purchasers, together with any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, this Offer Information Statement and the Constitution of the Company
<b>“Existing Issued Share Capital”</b>	:	1,863,338,291 Shares representing the entire issued and paid-up share capital of the Company (excluding treasury Shares), as at the Latest Practicable Date
<b>“Foreign Purchasers”</b>	:	Persons purchasing the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system and whose registered addresses with CDP are outside Singapore and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
<b>“Foreign Shareholders”</b>	:	Shareholders whose registered addresses with CDP or the Company are outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
<b>“Issue Price”</b>	:	The issue price of the Rights Shares, being S\$0.50 for each Rights Share
<b>“Last Traded Price”</b>	:	Has the meaning ascribed thereto in the section entitled “Summary of the Principal Terms of the Rights Issue” of this Offer Information Statement
<b>“Latest Practicable Date”</b>	:	10 January 2020, being the latest practicable date prior to the printing of this Offer Information Statement
<b>“Law No. 5/1999”</b>	:	Law No. 5 of 1999 on Prohibition of Monopolistic Practices and Unfair Business Competition in Indonesia
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time
<b>“Manager”</b>	:	DBS Bank Ltd.

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## DEFINITIONS

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<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Maximum Scenario”</b>	:	<p>The scenario whereby based on the Existing Issued Share Capital and assuming that:</p> <p>(a) all ordinary shares which are the subject of the Outstanding Conditional Share Awards are allotted or transferred to the relevant participants upon vesting, in accordance with the PSP, before the Books Closure Date; and</p> <p>(b) the Rights Issue is fully subscribed,</p> <p>188,137,749 Rights Shares will be issued pursuant to the Rights Issue</p>
<b>“Member Company”</b>	:	A Trading Member of the SGX-ST
<b>“Minimum Scenario”</b>	:	<p>The scenario whereby based on the Existing Issued Share Capital and assuming that:</p> <p>(a) none of the ordinary shares which are the subject of the Outstanding Conditional Share Awards are allotted or transferred to the relevant participants upon vesting, in accordance with the PSP, before the Books Closure Date;</p> <p>(b) none of the other Shareholders (other than the Undertaking Shareholder) or purchasers of the “nil-paid” rights during the “nil-paid” rights trading period, subscribe and pay for any Rights Shares; and</p> <p>(c) only the Undertaking Shareholder subscribes and pays for in full, the Undertaken Rights Shares in accordance with the Deed of Undertaking,</p> <p>136,000,000 Rights Shares will be issued pursuant to the Rights Issue</p>
<b>“NAV”</b>	:	Net asset value
<b>“Net Proceeds”</b>	:	The estimated net proceeds from the Rights Issue, after deducting estimated expenses of approximately S\$0.6 million (in the case of the Maximum Scenario) and S\$0.5 million (in the case of the Minimum Scenario)
<b>“NRIC”</b>	:	National Registration Identity Card

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## DEFINITIONS

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<b>“Offer Information Statement”</b>	:	This offer information statement issued by the Company in respect of the Rights Issue, together with the PAL, the ARE or the ARS (as the case may be) and all other accompanying documents issued by the Company, including, where the context admits, any supplementary or replacement document which may be issued by the Company and lodged with the Authority in connection with the Rights Issue
<b>“Outstanding Conditional Share Awards”</b>	:	18,039,200 outstanding conditional share awards which were granted on 27 December 2018 under the PSP, which will only vest on the achievement of pre-determined conditions within a two-year period from the date of grant into (subject to any adjustment required to be made pursuant to the rules of the PSP), 18,039,200 new Shares
<b>“PAL”</b>	:	The provisional allotment letter to be issued to the Entitled Scripholders, setting out the provisional allotment of Rights Shares of such Entitled Scripholder under the Rights Issue
<b>“Participating Banks”</b>	:	DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited, and each of them a <b>“Participating Bank”</b>
<b>“PRC”</b>	:	People’s Republic of China
<b>“PSP”</b>	:	The Japfa Performance Share Plan which came into effect on 23 July 2014
<b>“PT Japfa PSP”</b>	:	The PT Japfa Performance Share Plan which came into effect for PT Japfa and its subsidiaries on 14 February 2017
<b>“Purchasers”</b>	:	Persons purchasing the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
<b>“Record Date”</b>	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
<b>“Register of Members”</b>	:	Register of members of the Company
<b>“Renouncing and Undertaking Shareholders”</b>	:	Tasburgh Limited, Tallowe Services Inc and the Undertaking Shareholder

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## DEFINITIONS

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<b>“Rights Issue”</b>	:	The renounceable non-underwritten rights issue by the Company of up to 188,137,749 Rights Shares at the Issue Price, on the basis of one (1) Rights Share for every ten (10) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
<b>“Rights Issue Announcement”</b>	:	The announcement issued by the Company on 18 December 2019 in relation to the Rights Issue
<b>“Rights Shares”</b>	:	Up to 188,137,749 new Shares to be allotted and issued by the Company pursuant to the Rights Issue, each a <b>“Rights Share”</b>
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<b>“Securities and Futures Act” or “SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, supplemented or modified from time to time
<b>“SGXNET”</b>	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network(s) as may be prescribed by the SGX-ST
<b>“Shareholders”</b>	:	Registered holders of Shares in the Register of Members of the Company or, where CDP is the registered holder, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“SRS”</b>	:	The Supplementary Retirement Scheme constituted under the Income Tax (Supplementary Retirement Scheme) Regulations 2003, as amended, supplemented or modified from time to time
<b>“SRS Approved Banks”</b>	:	Approved banks in which SRS Investors hold their respective SRS accounts
<b>“SRS Funds”</b>	:	Monies standing to the credit of the respective SRS accounts of SRS Investors under the SRS
<b>“SRS Investors”</b>	:	Shareholders who as at the Books Closure Date were holding Shares which were subscribed for or purchased under the SRS using their SRS Funds

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## DEFINITIONS

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<b>“Substantial Shareholder”</b>	:	A person who has an interest or interests in one (1) or more voting Shares (excluding treasury Shares) in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares (excluding treasury Shares) in the Company
<b>“Syndicated Facilities”</b>	:	The US\$303 million facilities made available to the Company pursuant to the Syndicated Facilities Agreement comprising a US\$230 million term loan facility, a US\$50 million revolving loan facility and a US\$23 million term loan facility
<b>“Syndicated Facilities Agreement”</b>	:	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
<b>“Trading Member”</b>	:	Has the meaning ascribed thereto under the CDP Clearing Rules of the SGX-ST, as amended, supplemented or modified from time to time
<b>“Undertaken Rights Shares”</b>	:	The 136,000,000 Rights Shares which the Undertaking Shareholder has undertaken to subscribe and pay for (or procure subscription and payment for) pursuant to the Deed of Undertaking
<b>“Undertaking Shareholder”</b>	:	Rangi Management Limited

### Currencies, Units and Others

<b>“9M”</b>	:	The nine-month financial period ended or ending 30 September
<b>“FY”</b>	:	The financial year ended or ending 31 December

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## DEFINITIONS

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“IDR”	:	Indonesia rupiah, being the lawful currency of Indonesia
“INR”	:	Indian rupee, being the lawful currency of India
“MMK”	:	Myanmar Kyat, being the lawful currency of Myanmar
“RMB”	:	Chinese Renminbi, being the lawful currency of the PRC
“S\$” or “SGD”, and “Singapore cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“US\$” or “USD”, and “US cents”	:	United States of America dollars and cents, being the lawful currency of the United States of America
“VND”	:	Vietnamese dong, being the lawful currency of Vietnam
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act.

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, where applicable, include corporations.

The headings in this Offer Information Statement, the PAL, the ARE and the ARS are inserted for convenience only and shall be ignored in construing this Offer Information Statement, the PAL, the ARE and the ARS.

The words “**written**” and “**in writing**” include any means of visible reproduction.

Any reference to a time of day or date in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date, and the last dates and times for splitting, acceptance and payment, renunciation and payment, and excess application and payment) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act, the Listing Manual, the Code or any amendment or modification thereof and used in this Offer Information Statement, the PAL, the ARE or the ARS shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Listing Manual, the Code or such amendment or modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.



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## DEFINITIONS

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

Where any word or expression is defined in this Offer Information Statement, such definition shall extend to the grammatical variations of such word or expression.

**Any reference to announcements of or by the Company in this Offer Information Statement, the PAL, the ARE and the ARS includes announcements of or by the Company posted on the website of the SGX-ST at <http://www.sgx.com>.**

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## SUMMARY OF THE PRINCIPAL TERMS OF THE RIGHTS ISSUE

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The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

**Basis of provisional allotment** : One (1) Rights Share for every ten (10) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded

**Number of Rights Shares** : Based on the Existing Issued Share Capital of the Company of 1,863,338,291 issued Shares (excluding treasury Shares) as at the Latest Practicable Date and assuming that all Entitled Shareholders subscribe in full and pay for their pro rata entitlements of Rights Shares, up to 188,137,749 Rights Shares will be issued.

Upon the allotment and issuance of the Rights Shares, the Company will have an enlarged issued share capital comprising up to 2,069,515,240 Shares.

**Issue Price** : S\$0.50 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price of S\$0.50 for each Rights Share represents:

- (a) a discount of approximately 13.0% to the closing price of S\$0.575 per Share on the SGX-ST on 18 December 2019 (being the last Market Day on which the Shares were traded on the SGX-ST immediately prior to the release of the Rights Issue Announcement) (the “**Last Traded Price**”); and
- (b) a discount of approximately 12.3% to the theoretical ex-rights price (“**TERP**”)<sup>1</sup> of approximately S\$0.570 per Share based on the Last Traded Price.

**Status of the Rights Shares** : The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls on or after the date of issue of the Rights Shares.

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<sup>1</sup> TERP of each Share is calculated based on the following formula, assuming completion of the Rights Issue based on the Minimum Scenario:

$$\text{TERP} = \frac{\text{Market capitalisation of the Company based on the Last Traded Price} + \text{gross proceeds from the Rights Issue}}{\text{Number of Shares after completion of the Rights Issue}}$$

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## SUMMARY OF THE PRINCIPAL TERMS OF THE RIGHTS ISSUE

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**Eligibility to participate in the Rights Issue** : Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement.

**Listing of the Rights Shares** : On 3 January 2020, the SGX-ST had granted its in-principle approval for the listing of and quotation for the Rights Shares on the SGX-ST, subject to the following conditions:

- (i) compliance with the SGX-ST’s continuing listing requirements;
- (ii) 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 the use of proceeds and in the Company’s annual report;
- (iii) 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, following partial repayment using the Rights Issue proceeds;
- (iv) a written undertaking from the Company that it will comply with the confirmation given under Rule 877(10) of the Listing Manual with regard to the allotment of any Excess Rights Shares; and
- (v) a written confirmation from a financial institution as required under Rule 877(9) of the Listing Manual that the Undertaking Shareholder which has given the Deed of Undertaking has sufficient financial resources to fulfil its obligations under the Deed of Undertaking.

The in-principle approval granted by the SGX-ST for the 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 Shares, the Company and/or its Subsidiaries.

**Trading of the Rights Shares** : Upon the listing of and quotation for the Rights Shares on the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares.

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## SUMMARY OF THE PRINCIPAL TERMS OF THE RIGHTS ISSUE

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**Non-underwritten** : The Rights Issue is not underwritten. The Company has received the Deed of Undertaking from the Undertaking Shareholder that it will, *inter alia*, irrevocably subscribe and pay for (or procure subscription and payment for) the Undertaken Rights Shares. The details of the Deed of Undertaking are set out in paragraph 1(f) of Part 10 of this Offer Information Statement. In view of the Deed of Undertaking and the savings in underwriting costs which the Company will enjoy, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

On the basis that the Deed of Undertaking is fulfilled by the Undertaking Shareholder, the Net Proceeds from the Minimum Scenario will be sufficient to meet the Company's present funding requirements.

**Acceptance, excess application and payment procedures** : Please refer to Appendices II to IV to this Offer Information Statement, and the accompanying PAL, ARE or ARS.

**Use of SRS Funds** : SRS Investors who wish to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) can only do so, subject to applicable SRS rules and regulations as well as terms and conditions that may be imposed by the respective SRS Approved Banks, using monies standing to the credit of their respective SRS accounts.

Such SRS Investors who wish to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) using SRS monies must instruct their respective SRS Approved Banks in which they hold their respective SRS accounts, to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) on their behalf. For the avoidance of doubt, SRS Funds may not be used for the purchase of the provisional allotments of Rights Shares directly from the market. Notwithstanding the foregoing, SRS Investors should consult their respective SRS Approved Banks for information and directions as to the use of monies standing to the credit of their respective SRS accounts.

**Governing law** : Laws of the Republic of Singapore

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## INDICATIVE TIMETABLE OF KEY EVENTS

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An indicative timetable for the Rights Issue is set out below (all references are to Singapore dates and times). For the events listed which are described as “expected”, please refer to future announcement(s) by the Company and/or the SGX-ST for the exact dates of these events.

Last day Shares trade cum-rights	:	9 January 2020
Shares trade ex-rights	:	10 January 2020 from 9.00 a.m.
Books Closure Date	:	13 January 2020 at 5.00 p.m.
Date of lodgment of this Offer Information Statement with the Authority	:	14 January 2020
Despatch of this Offer Information Statement (together with the ARE or PAL, as the case may be) to the Entitled Shareholders	:	16 January 2020
Commencement of trading of “nil-paid” Rights Shares	:	16 January 2020 from 9.00 a.m.
Last date and time for splitting Rights Shares	:	24 January 2020 at 5.00 p.m.
Last date and time for trading of “nil-paid” Rights Shares	:	24 January 2020 at 5.00 p.m.
Last date and time for acceptance and payment for the Rights Shares <sup>(1)</sup>	:	31 January 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks)
Last date and time for acceptance and payment for the Rights Shares by renounees <sup>(1)</sup>	:	31 January 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks)
Last date and time for application and payment for Excess Rights Shares <sup>(1)</sup>	:	31 January 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks)
Expected date for issuance of Rights Shares	:	7 February 2020
Expected date for crediting of Rights Shares	:	10 February 2020
Expected date for refund of unsuccessful or invalid applications (if made through CDP)	:	10 February 2020
Expected date and time for the listing and commencement of trading of Rights Shares	:	10 February 2020 from 9.00 a.m.

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## INDICATIVE TIMETABLE OF KEY EVENTS

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**Note:**

- (1) This does not apply to SRS Investors and investors who hold Shares through a finance company and/or a Depository Agent, where applicable. Such investors will receive notification letter(s) from their respective approved banks, finance companies and/or Depository Agents and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved banks, finance companies and/or Depository Agents. Any acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Applications at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.

Pursuant to Rule 820(1) of the Listing Manual, the Rights Issue will not be withdrawn after the Shares have commenced ex-rights trading. Based on the above timetable, the Shares have commenced ex-rights trading on 10 January 2020 from 9.00 a.m..

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the timetable to be modified. However, the Company may, with the approval of the SGX-ST, modify the timetable subject to any limitation under any applicable law. In that event, the Company will publicly announce any change to the above timetable through an SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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### (a) ENTITLED SHAREHOLDERS

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the ARE or the PAL, as the case may be, and other accompanying documents at their respective Singapore addresses as maintained with the records of CDP or the Share Registrar, as the case may be.

Entitled Depositors who do not receive this Offer Information Statement and the ARE may obtain them from CDP or the Share Registrar during the period up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PAL may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors only, trade their provisional allotments of Rights Shares on the SGX-ST during the rights trading period prescribed by the SGX-ST and are eligible to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue. For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renounees) shall be entitled to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue.

**All dealings in, and transactions of, the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.**

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or to effect any change in address must reach CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, not later than 5.00 p.m. (Singapore time) on a date being three (3) Market Days prior to the Books Closure Date.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company. Entitled Scripholders are reminded that any request to the Company to update their records or to effect any change in address must reach Japfa Ltd. c/o the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 not later than 5.00 p.m. (Singapore time) on a date being three (3) Market Days prior to the Books Closure Date. Entitled Scripholders may open Securities Accounts with CDP if they have not already done so and to deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotments of Rights Shares. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the 12<sup>th</sup> Market Day from the date of lodgment of the share certificates with CDP or such later date subject to the completion of the lodgment process.

In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders who have control or influence in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotment and issuance of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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The procedures for, and the terms and conditions applicable to, the acceptances, splitting, renunciation and/or sales of the provisional allotments of Rights Shares and the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices II, III and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

### (b) FOREIGN SHAREHOLDERS

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Rights Shares will **NOT** be offered to and this Offer Information Statement and its accompanying documents have not been and will **NOT** be despatched to Foreign Shareholders or into any jurisdictions outside Singapore.

**Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made or will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by any Foreign Shareholder will be valid.**

This Offer Information Statement and its accompanying documents will also NOT be despatched to the Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of the Rights Shares renounced to him. The Company further reserves the right to reject any acceptances of the Rights Shares and (if applicable) any applications for Excess Rights Shares where it believes, or has reason to believe, that such acceptances or applications may violate the applicable legislation of any jurisdiction.

The Company reserves the right to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in a jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) of the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (c) purports to exclude any deemed representation or warranty.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.



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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them by means of a crossed cheque at their own risk by ordinary post, or in such other manner as they may have agreed with CDP for payment of any cash distributions. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, the Manager, CDP, the Share Registrar and/or their respective officers in connection therewith.

Where the provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, the Manager, CDP, the Share Registrar and/or their respective officers in connection therewith.

If such provisional allotments of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be aggregated and allotted to satisfy applications for Excess Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, the Manager, CDP, the Share Registrar and/or their respective officers in connection therewith.

Shareholders should note that the special arrangements described above would apply only to Foreign Shareholders.

**Notwithstanding the above, Shareholders and any other person having possession of this Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in those territories.**

**This Offer Information Statement and/or its accompanying documents are not intended for distribution outside of Singapore.**

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## TRADING

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### 1. LISTING OF AND QUOTATION FOR THE RIGHTS SHARES

In-principle approval was granted by the SGX-ST to the Company on 3 January 2020 for the listing of and quotation for the Rights Shares on the SGX-ST, subject to compliance with the SGX-ST's listing requirements. The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Shares, the Company and/or its Subsidiaries.

The listing of the Rights Shares will commence after all the securities certificates have been issued and the notification letters from CDP have been despatched. Upon listing and quotation on the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of, the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP" and the "Terms and Conditions for CDP to act as Depository for the Rights Shares", as the same may be amended from time to time. Copies of the above are available from CDP.

### 2. ARRANGEMENTS FOR SCRIPLESS TRADING

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (in the case of Entitled Scripholders only) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) in order that the number of Rights Shares and (if applicable) the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept their provisional allotment of Rights Shares and (in the case of Entitled Scripholders only) apply for Excess Rights Shares and have their Rights Shares credited by CDP into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who have provided incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in the Securities Accounts currently maintained with CDP, will be issued physical share certificates for the Rights Shares allotted to them in their own names and (if applicable) the Excess Rights Shares allotted to them. Physical share certificates if issued, will be forwarded to Entitled Scripholders by ordinary post at their own risk but will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder's address stated in the PAL is different from the address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

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## TRADING

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A holder of physical share certificate(s) of the Company or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit his share certificate(s) with CDP, together with the duly stamped and executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

### 3. TRADING OF ODD LOTS

**Shareholders should note that the Rights Issue may result in them holding odd lots of Shares (that is, lots other than board lots of 100 Shares).**

Following the Rights Issue, Entitled Depositors who wish to trade all or part of their provisional allotment of Rights Shares on the SGX-ST during the provisional allotments trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST which allows trading of odd lots with a minimum of one (1) Share, during the provisional allotments trading period. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares (i.e. less than 100 Shares) and who wish to trade in odd lots on the SGX-ST will be able to do so on the Unit Share Market of the SGX-ST. The market for trading of such odd lots of Shares may be illiquid. There is no assurance that they can acquire such number of Shares to make up one board lot of 100 Shares, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST.

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## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategy, plans and future prospects of the Group’s industry are forward-looking statements. These forward-looking statements, including but not limited to, statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual and/or future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks (both known and unknown), uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company, the Manager nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in those forward-looking statements.

Further, each of the Company and the Manager disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with any applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency. Where such developments, events or circumstances occur after the lodgment of this Offer Information Statement with the Authority or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same on the SGXNET and, if required, lodge a supplementary or replacement document with the Authority.

The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

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## TAKE-OVER LIMITS

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The Code regulates the acquisition of ordinary shares of public companies, including the Company.

Pursuant to the Code, except with the SIC's consent, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights in the Company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights of the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1.0% of the voting rights of the Company,

such person is required to make a mandatory general offer for all the remaining Shares in the Company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of the Rights Shares pursuant to the Rights Issue or the acceptance of the provisional allotments of Rights Shares and (if applicable) application for Excess Rights Shares, should consult the SIC and/or their professional adviser(s) immediately.**

As at the Latest Practicable Date, the Undertaking Shareholder owns and/or has shareholding interests in 948,368,240 Shares (the "**Undertaken Shares**") representing approximately 50.90% of the Existing Issued Share Capital, and does not own any instruments convertible into, rights to subscribe for, or options in respect of, the Shares. The Undertaking Shareholder has irrevocably undertaken to the Company that it will, *inter alia*, irrevocably subscribe and pay for (or procure subscription and payment for) the Undertaken Rights Shares.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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**PART 2: IDENTITY OF DIRECTORS, ADVISERS AND AGENTS**

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**Directors**

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.
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<b>Names of Directors</b>	<b>Designation</b>	<b>Address</b>
Handojo Santosa @ Kang Kiem Han	<i>Executive, Non-Independent Chairman</i>	c/o 391B Orchard Road, #18-08, Ngee Ann City, Singapore 238874
Hendrick Kolonas	<i>Non-Executive, Non-Independent Director</i>	c/o 391B Orchard Road, #18-08, Ngee Ann City, Singapore 238874
Tan Yong Nang	<i>Executive Director and Chief Executive Officer</i>	c/o 391B Orchard Road, #18-08, Ngee Ann City, Singapore 238874
Kevin John Monteiro	<i>Executive Director and Chief Financial Officer</i>	c/o 391B Orchard Road, #18-08, Ngee Ann City, Singapore 238874
Ng Quek Peng	<i>Lead Independent Director</i>	c/o 391B Orchard Road, #18-08, Ngee Ann City, Singapore 238874
Lien Siaou-Sze	<i>Independent Director</i>	c/o 391B Orchard Road, #18-08, Ngee Ann City, Singapore 238874
Manu Bhaskaran	<i>Independent Director</i>	c/o 391B Orchard Road, #18-08, Ngee Ann City, Singapore 238874
Tan Kian Chew	<i>Independent Director</i>	c/o 391B Orchard Road, #18-08, Ngee Ann City, Singapore 238874

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**Advisers**

**2. Provide the names and addresses of –**

- (a) the issue manager to the offer, if any;**
- (b) the underwriter to the offer, if any; and**
- (c) the legal adviser for or in relation to the offer, if any.**

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<b>Role</b>	<b>Name and Address</b>
Manager of the Rights Issue	: DBS Bank Ltd. 12 Marina Boulevard Level 46 Marina Bay Financial Centre Tower 3 Singapore 018982
Underwriter to the Rights Issue	: Not applicable as the Rights Issue is not underwritten.
Legal Advisers to the Company in respect of the Rights Issue	: Rajah & Tann Singapore LLP 9 Straits View Marina One West Tower #06-07 Singapore 018937

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**Registrars and Agents**

**3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable.**

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<b>Role</b>	<b>Name and Address</b>
Share Registrar	: Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Transfer Agent	: Not applicable
Receiving Banker	: DBS Bank Ltd. 12 Marina Boulevard Level 46 Marina Bay Financial Centre Tower 3 Singapore 018982

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**PART 3: OFFER STATISTICS AND TIMETABLE**

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**Offer Statistics**

- 1. For each method of offer, state the number of the securities or securities-based derivatives contracts being offered.**
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Renounceable non-underwritten rights issue by the Company of up to 188,137,749 Rights Shares at the Issue Price of S\$0.50 for each Rights Share, on the basis of one (1) Rights Share for every ten (10) existing Shares held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

Based on the Existing Issued Share Capital of the Company of 1,863,338,291 Shares (excluding treasury Shares) as at the Latest Practicable Date:

- (a) up to 188,137,749 Rights Shares will be issued pursuant to the Rights Issue under the Maximum Scenario; and
  - (b) 136,000,000 Rights Shares will be issued pursuant to the Rights Issue under the Minimum Scenario.
- 

**Method and Timetable**

- 2. Provide the information mentioned in paragraphs 3 to 7 of this Part to the extent applicable to –**
- (a) the offer procedure; and
  - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
- 

Please refer to paragraphs 3 to 7 of this Part 3 below.

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- 3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period must be made public.**
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Please refer to the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement.

As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement to be modified. However, the Company may, upon consultation with the Manager and its advisers, and with the approval of the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. In such an event, the Company will publicly announce any modification through a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

The procedures for and the terms and conditions applicable to the acceptances, splitting, renunciation and/or sales of the provisional allotments of Rights Shares and the application for Excess Rights Shares, including the different modes of acceptances or application and payment are set out in Appendices II, III, and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

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**4. State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

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The Rights Shares and (if applicable) the Excess Rights Shares are payable in full upon acceptance and (if applicable) application.

Please refer to details on the procedures for acceptance and/or application of, and payment for, the Rights Shares and Excess Rights Shares contained in Appendices II, III and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

Please refer to the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement for the last date and time for payment for the Rights Shares and (if applicable) the Excess Rights Shares.

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**5. State, where applicable, the methods of and time limits for:–**

- (a) the delivery of the documents evidencing title to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
  - (b) the book-entry transfers of the securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.**
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The Rights Shares will be provisionally allotted to Entitled Shareholders on or about 15 January 2020 by crediting the provisional allotments to the Securities Accounts of respective Entitled Depositors or through the despatch of the relevant PALs to Entitled Scripholders, based on their respective shareholdings of the Company as at the Books Closure Date.

In the case of Entitled Scripholders and their renounees with valid acceptances for the Rights Shares and/or (if applicable) successful applications of the Excess Rights Shares and who have, among others, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form comprised in the PAL, share certificate(s) representing such number of Rights Shares will be sent by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

In the case of Entitled Depositors and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form(s) comprised in the PAL) with valid acceptances and/or (if applicable) successful applications for Excess Rights Shares, share certificate(s) representing such number of Rights Shares will be sent to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send to the relevant subscribers, at their own risk, a notification letter stating the number of Rights Shares credited to their Securities Accounts.

Please refer to Appendices II, III and IV to this Offer Information Statement and the PAL, the ARE and the ARS (as the case may be) for more information.

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- 6. In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**
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Not applicable as no pre-emptive rights have been offered in relation to the Rights Issue.

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- 7. Provide a full description of the manner in which results of the allotment or allocation of the securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**
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#### **Results of the Rights Issue**

The Company will publicly announce the results of the allotment or the allocation of the Rights Shares, as soon as it is practicable after the Closing Date, through a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

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**Manner of refund**

In the case of any acceptance of Rights Shares and (if applicable) application for Excess Rights Shares which is invalid or unsuccessful, or if an Entitled Shareholder applies for Excess Rights Shares but no Excess Rights Shares are allotted to that Entitled Shareholder, or if the number of Excess Rights Shares allotted to that Entitled Shareholder is less than the number applied for, the amount paid on acceptance and (if applicable) application, or the surplus application monies, as the case may be, will be refunded to the relevant Entitled Shareholder, Purchaser or their renounee by the Company (in the case of Entitled Scripholders) or CDP (in the case of Entitled Depositors and Purchasers) on behalf of the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date by any one or a combination of the following:

- (a) in respect of Entitled Depositors, if they accept and/or (if applicable) apply by way of Electronic Application, by crediting the applicants' bank accounts with the relevant Participating Bank, at their own risk, with the appropriate amount within three (3) business days after the commencement of trading of the Rights Shares, the receipt by such bank being a good discharge by the Company, the Manager and CDP of their obligations, if any;
- (b) in respect of Entitled Depositors, if they accept and (if applicable) apply through CDP, by means of a crossed cheque for the appropriate amount drawn in Singapore currency on a bank in Singapore and sent to them by ordinary post at their own risk to their mailing addresses as maintained with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions, within three (3) business days after the commencement of trading of the Rights Shares; or
- (c) in respect of Entitled Scripholders, by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent to them at their mailing addresses as maintained with the Share Registrar by ordinary post at their own risk.

The details of refunding excess amounts paid by applicants are set out in Appendices II, III and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

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**PART 4: KEY INFORMATION**

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**Use of Proceeds from Offer and Expenses Incurred**

- 1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**
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Noted. Please refer to Paragraphs 2 to 7 below of this Part 4.

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- 2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (called in this paragraph and paragraph 3 of this Part the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**
- 

Under the Maximum Scenario, based on the 188,137,749 Rights Shares to be issued, the Net Proceeds (after deducting estimated expenses of approximately S\$0.6 million) is expected to be approximately S\$93.5 million.

Under the Minimum Scenario, based on the 136,000,000 Rights Shares to be issued, the Net Proceeds (after deducting estimated expenses of approximately S\$0.5 million) is expected to be approximately S\$67.5 million.

All Net Proceeds will go to the Company for allocation to its principal intended uses set out in paragraph 3 of this Part 4 below.

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- 3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities or securities-based derivatives contracts.**
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The Company is undertaking the Rights Issue to strengthen the Group's financial position and capital base. The entire Net Proceeds are as such intended to be used to repay certain of the Group's existing borrowings, thereby enhancing the financial flexibility of the Group to capitalize on potential growth opportunities.

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The Rights Issue will also provide Shareholders with an opportunity to maintain their equity participation in the Company.

In the reasonable opinion of the Directors, there is no minimum amount that needs to be raised from the Rights Issue.

Pending the deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities and/or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed, and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial results announcement(s) and in the Company's annual report(s), until such time the Net Proceeds have been fully utilised. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

In the event that the Net Proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in its announcements and annual reports.

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**4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

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Under the Maximum Scenario, for each dollar of the gross proceeds of approximately S\$94.1 million that will be raised from the Rights Issue, the Company will allocate:

- (a) approximately 99.4 cents for the repayment of existing borrowings; and
- (b) approximately 0.6 cents to pay for the expenses incurred in connection with the Rights Issue.

Under the Minimum Scenario, for each dollar of the gross proceeds of approximately S\$68.0 million that will be raised from the Rights Issue, the Company will allocate:

- (a) approximately 99.2 cents for the repayment of existing borrowings; and
- (b) approximately 0.8 cents to pay for the expenses incurred in connection with the Rights Issue.

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5. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm's length basis.

As stated above under paragraph 3 of this Part 4, the Company intends to apply the entire Net Proceeds towards the repayment of existing borrowings.

6. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

As disclosed in paragraph 3 of this Part 4, the Company intends to use the entire Net Proceeds towards repayment of certain of the Group's existing borrowings. Each such repayment would be announced by the Company on SGXNET. The details of the indebtedness of the Group, which the Company will reduce in full or in part with the Net Proceeds (including the details of the maturity of such indebtedness and, in relation to indebtedness which the Group has incurred over the past 12 months, the uses to which the proceeds giving rise to such indebtedness were put) are set out in the table below.

<b>Indebtedness which will be reduced</b>	<b>Usage</b>	<b>Amount Outstanding as at the Latest Practicable Date</b>	<b>Amount to be repaid using Net Proceeds</b>	<b>Facility Maturity Date(s)</b>
Revolving Facility	General working capital purposes of the Group	US\$12.5 million (equivalent to approximately S\$16.9 million)	US\$12.5 million (equivalent to approximately S\$16.9 million)	19 March 2020
Term Facility	General working capital purposes of the Group	US\$9.6 million (equivalent to approximately S\$13.0 million)	US\$9.6 million (equivalent to approximately S\$13.0 million)	13 March 2020

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<b>Indebtedness which will be reduced</b>	<b>Usage</b>	<b>Amount Outstanding as at the Latest Practicable Date</b>	<b>Amount to be repaid using Net Proceeds</b>	<b>Facility Maturity Date(s)</b>
Revolving Facility under the Syndicated Facilities Agreement	General working capital purposes of the Group	US\$50.0 million (equivalent to approximately S\$67.5 million)	US\$27.9 million (equivalent to approximately S\$37.6 million) (in the Minimum Scenario) – US\$47.1 million (equivalent to approximately S\$63.6 million) (in the Maximum Scenario)	30 January 2021
<b>Total indebtedness which will be reduced: Approximately US\$50.0 (equivalent to approximately S\$67.5 million) (in the Minimum Scenario) or US\$69.2 (equivalent to approximately S\$93.5 million) (in the Maximum Scenario) will be used to repay the above indebtedness</b>				

The US\$ amounts in the table above have been translated into S\$ amounts based on an exchange rate of US\$1 : S\$1.3507 as published on the Authority's website on the Latest Practicable Date.

7. In the section containing the information mentioned in paragraphs 2 to 6 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters, or other placement or selling agents in relation to the offer, and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.

Not applicable. The Rights Issue is not underwritten and no placement or selling agent has been appointed by the Company in relation to the Rights Issue.

**Information on the Relevant Entity**

8. Provide the following information:

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office), and the email address of the relevant entity or a representative of the relevant entity;

Registered Office/ Principal place of business	:	391B Orchard Road, #18-08, Ngee Ann City, Singapore 238874
Telephone number	:	+65 6735 0031
Facsimile number	:	+65 6735 4465
Email address	:	investorcontact@japfa.com

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**(b) The nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**

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The Group is an industrialised agri-food company that produces multiple protein food, with material operations in Singapore (headquarters), Indonesia, India, Myanmar, Vietnam and the PRC.

The Group has core competencies across the agri-food value chain, including animal feed production, animal breeding, livestock fattening and downstream consumer food brands. There are four (4) operating segments in the Group: Animal Protein (PT Japfa), Animal Protein (Others) (“**APO**”), Dairy and Consumer Food.

Under the Animal Protein (PT Japfa) segment, the Group produces poultry, beef and aquaculture proteins and animal feed in Indonesia. The Group’s business activities in this segment cover the entire process chain of sourcing for grandparent stock, breeding, fattening and processing the animal protein.

The core business of the APO segment is large-scale, industrialised production of animal feed, poultry, swine and beef across Vietnam, Myanmar, India and the PRC.

The Dairy segment of the Group consists of seven (7) dairy farms in the PRC and a vertically integrated dairy business (including two (2) dairy farms) in Indonesia, including the production of raw milk and other dairy products such as premium fresh milk under the “Greenfields” brand. These dairy products are distributed across consumer markets in Asia.

In the Consumer Food segment, the Group produces ambient-temperature and chilled/frozen dairy and meat products from chicken, beef and seafood which are sold in Indonesia.

The Subsidiaries of the Company and their principal activities as at the Latest Practicable Date are as follows:

<b>Name of Subsidiary</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Effective interest held by the Company (%)</b>
AIH2 Pte. Ltd.	Singapore	Investment holding	100
Annona Pte. Ltd.	Singapore	Import and export of raw materials	100
Annona Technical Services Pte. Ltd.	Singapore	Technical services	100
Apachee Pte. Ltd.	Singapore	Transportation service	52.4



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<b>Name of Subsidiary</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Effective interest held by the Company (%)</b>
AustAsia Investment Holdings Pte. Ltd.	Singapore	Investment holding	100
AustAsia Food Pte. Ltd.	Singapore	Investment holding and sale of dairy products	100
Japfa China Investments Pte. Ltd.	Singapore	Investment holding	100
Japfa Myanmar JV Pte. Ltd.	Singapore	Investment holding	100
Japfa South-Asia Investments Pte. Ltd.	Singapore	Investment holding	100
Japfa Vietnam Investments Pte. Ltd.	Singapore	Investment holding	100
Jupiter Foods Pte. Ltd.	Singapore	Investment holding	100
PT Agrinusa Jaya Santosa	Indonesia	Animal vaccine trading	52.4
PT Artha Lautan Mulya	Indonesia	Tilapia farming	52.4
PT Austasia Food	Indonesia	Dairy distribution	100
PT Austasia Stockfeed	Indonesia	Trading and cattle breeding	52.4
PT Bhirawa Mitra Sentosa	Indonesia	Transportation service	52.4
PT Bintang Laut Timur	Indonesia	Container yard	52.4
PT Bumiasri Lestari	Indonesia	Shrimp farming	31.5
PT Celebes Agro Semesta	Indonesia	Corn dryer	52.4
PT Ciomas Adisatwa	Indonesia	Trading, commercial farm and chicken slaughter house	52.4
PT Greenfields Indonesia	Indonesia	Dairy farming & processing	100
PT Indojoya Agrinusa	Indonesia	Animal feeds manufacturing and chicken breeding	26.2
PT Indonesia Pelleting	Indonesia	Dormant	52.4

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<b>Name of Subsidiary</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Effective interest held by the Company (%)</b>
PT Intan Kenkomayo Indonesia	Indonesia	Production and sales of mayonnaise and dressing sauce products	51
PT Iroha Sidat Indonesia	Indonesia	Eel farming	47.13
PT Jakamitra Indonesia	Indonesia	Real estate	52.4
PT Japfa Comfeed Indonesia Tbk <sup>2</sup>	Indonesia	Processing of materials for the manufacture/ production of animal feed, engaging in breeding, poultry and other farms and engaging in domestic and international trading	52.4
PT Japfa Indoland	Indonesia	Real estate	52.4
PT Kraksaan Windu	Indonesia	Dormant	52.4
PT Multi Makanan Permai	Indonesia	Trading	52.4
PT Proteindotama Cipta Pangan	Indonesia	Retail trading	52.4
PT Santosa Agrindo	Indonesia	Trading, beef processing unit and cattle slaughter house	52.4
PT Santosa Utama Lestari	Indonesia	Corn dryer	52.4
PT Sentra Satwatama Indonesia	Indonesia	Corn dryer	41.9
PT So Good Food	Indonesia	Trading of consumer foods	100
PT So Good Food Manufacturing	Indonesia	Processing and preservation of meat and fish and processed food	100

<sup>2</sup> Listed on the Indonesia Stock Exchange

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<b>Name of Subsidiary</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Effective interest held by the Company (%)</b>
PT Suri Tani Pemuka	Indonesia	Fish & shrimp feed manufacturing, shrimp farming, cold storage, shrimp hatchery	52.4
PT Tretes Indah Permai	Indonesia	Real estate	52.4
PT Vaksindo Satwa Nusantara	Indonesia	Vaccine manufacturing	52.4
PT Wabin Jayatama	Indonesia	Plantation & farming	52.4
Japfa Comfeed Vietnam Limited Company	Vietnam	Breeding farm, poultry and feed production	100
Japfa Hypor Genetics Company Limited	Vietnam	Production and distribution of swine genetics, swine breeding	85
Chifeng AustAsia Modern Dairy Farm Co., Ltd	PRC	Production and sales of milk	100
Dongying AustAsia Modern Dairy Farm Co., Ltd	PRC	Production and sales of milk	100
Dongying Japfa Beef Co Ltd	PRC	Beef cattle breeding, grass forage production, import and export of beef cattle and related products	100
Dongying Shenzhou AustAsia Modern Dairy Farm Co., Ltd	PRC	Production and sales of milk	100
Dongying Xianhe AustAsia Modern Dairy Farm Co., Ltd	PRC	Production and sales of milk	100
Shanghai AustAsia Company Ltd	PRC	Trading, wholesale and distribution	100
Taian AustAsia Modern Dairy Farm Co., Ltd	PRC	Production and sales of milk	100

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<b>Name of Subsidiary</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Effective interest held by the Company (%)</b>
Central India Poultry Breeders Pvt Ltd	India	Poultry farms, breeding farms and hatcheries	50
Japfa Comfeed India Private Limited	India	Poultry and animal feed production	100
Vaksindo Animal Health Pvt Ltd	India	Manufacture, sale and distribution of animal health products	52.4
Comfeed Finance B.V.	Netherlands	Provision of treasury services	52.4
Comfeed Trading B.V.	Netherlands	Trading	52.4
Japfa Comfeed Myanmar Pte Ltd	Myanmar	Poultry and feedmill business	99
Japfa Comfeed Bangladesh Pte Ltd	Bangladesh	Production and sale of animal feed	100
AustAsia Food HK Limited	Hong Kong SAR, PRC	Trading, wholesale and distribution	100
AustAsia Food (MP) Sdn Bhd	Malaysia	Importers and exporters of foodstuff	100

- (c) **the general development of the business from the beginning of the period comprising the 3 most recently completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –**
- (i) **the end of the most recently completed financial year for which financial statements of the relevant entity have been published; or**
  - (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**

The general development of the Group's business since FY2017 to the Latest Practicable Date are set out below in chronological order. The significant developments included in this section have been extracted from and summarised herein based on the related announcements released by the Company via SGXNET and the information presented herein is correct as at the date of the relevant announcement.

Shareholders are advised to refer to the public announcements released by the Company via SGXNET and Part 5 of this Offer Information Statement for further details.

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**General Development in FY2017**

- (a) On 14 February 2017, the Company announced that PT Japfa had adopted a performance share plan for PT Japfa and its subsidiaries (the “**PT Japfa PSP**”).
- (b) On 1 March 2017, the Company announced the grant of 4,855,200 share awards under the PSP.
- (c) On 1 March 2017, PT Japfa announced the grant of 5,357,800 share awards under the PT Japfa PSP.
- (d) On 24 March 2017, the Company announced that PT Japfa had entered into a purchase agreement with Credit Suisse Singapore Limited for the issue of US\$150,000,000 5.5% Senior Notes due 2022, which would be listed on the SGX-ST.
- (e) On 5 April 2017, PT Japfa announced that its Board of Commissioners had appointed Mr. Edwin Suratman, SE, Ak. and Mr. Karya Utama Atmadilaga, SE, Ak. to replace Mr. Drs. Basuki Wibowo, Ak. and Mr. Drs. Herry Gunawan Sudarsa, MSi, Ak. as members of the Audit Committee.
- (f) On 5 April 2017, PT Japfa announced the release of additional information regarding Continuous Public Offering of Continuous Bonds II JAPFA Phase II Year 2017.
- (g) On 13 June 2017, the Company announced that PT Japfa had entered into a purchase agreement with Credit Suisse Singapore Limited to re-tap US\$100,000,000 5.5% Senior Notes due 2022 which will be consolidated with the US\$150,000,000 5.5% Senior Notes due 2022 which were issued on 31 March 2017, bringing the total issuance of Senior Notes due 2022 to US\$250,000,000.
- (h) On 19 June 2017, PT Japfa announced the issuance of US\$100,000,000 5.5% Senior Notes Due 2022.
- (i) On 1 August 2017, PT Japfa announced that the Central Jakarta District Court had issued a verdict on the objections of PT SA and PT AAS against the KPPU, pursuant to which the Central Jakarta District Court affirmed the KPPU’s decision to penalise 30 appellants (companies) including PT SA and PT AAS for cartel and production arrangement.
- (j) On 20 September 2017, the Company announced that its Indonesian subsidiaries, PT Japfa, PT CA, PT SA, PT AAS and PT STP had entered into a facility agreement of up to IDR3 trillion with PT Bank Central Asia Tbk, PT Bank Mandiri (Persero) Tbk, and PT Bank Maybank Indonesia Tbk. The facility agreement was entered into to improve and consolidate the Indonesian subsidiaries’ secured facilities into an unsecured facility under one agreement.

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- (k) On 13 October 2016, PT Japfa announced the decision of the KPPU in respect of the allegation of violation of Article 11 of Law No. 5/1999 by PT Japfa. KPPU assigned guilt to PT Japfa and 11 other poultry companies relating to Law No. 5/1999 with respect to the culling of 6 million parent stocks instructed and coordinated by the Director General of Animal Husbandry and Animal Health, Ministry of Agriculture and the penalty for PT Japfa was IDR25,000,000,000. On 29 November 2017, PT Japfa announced that the West Jakarta District Court had issued a verdict on the objection of PT Japfa against the KPPU decision dated 13 October 2016, pursuant to which the West Jakarta District Court ruled that it (i) accepted the appeal of 11 appellants (companies) including PT Japfa, (ii) revoked the KPPU's verdict dated 13 October 2016 and (iii) declared that all appellants were not proven to be in violation of cartel act as regulated in Article 11 of Law No.5/1999.
- (l) On 30 November 2017, the Company announced the incorporation of JCBPL, a wholly-owned subsidiary in Bangladesh held through JSI and the Company. The initial business activity of JCBPL will be production and sale of animal feed in Bangladesh.
- (m) On 21 December 2017, the Company announced the grant of 21,650,000 share awards under the PSP ("**2017 Grant**"). On 1 March 2018, the Company announced that the number of share awards will be reduced from 21,650,000 ordinary shares to 21,275,000 ordinary shares.
- (n) On 21 December 2017, the Company announced that it had entered into a share purchase agreement with the Black River Funds to acquire all outstanding shares in the capital of AIH and AIH2 held by the Black River Funds, which is managed by Protterra Investment Partners LP. Under the share purchase agreement, the Company will (a) exercise its call options to purchase from the Black River Funds 14,014,286 ordinary shares (6.14%) in the capital of AIH and 4,339,190 ordinary shares (3.56%) in the capital of AIH2 (collectively, the "**Call Option Shares**"), and (b) purchase the remaining 73,057,142 ordinary shares (31.99%) in the capital of AIH and 39,052,710 ordinary shares (31.99%) in the capital of AIH2 (collectively, the "**Sale Shares**") held by the Black River Funds, for an aggregate consideration of US\$263.1 million ("**Consideration**") comprising the exercise price for the Call Option Shares of US\$19.6 million and the acquisition price for the Sale Shares of US\$243.5 million. The Consideration will be satisfied by (i) cash payment of US\$223.0 million funded by bank financing, and (ii) the issue of 90,000,000 Shares in the Company at the issue price of S\$0.60 (US\$0.45) per share based on exchange rate of 1.3465 (which is approximately US\$40.1 million in aggregate).

**General Development in FY2018**

- (o) On 30 January 2018, in connection with the acquisition by the Company of the outstanding shares in the capital of AIH and AIH2 held by the Black River Funds, the Company entered into a facilities agreement ("**Original Facilities Agreement**") for an up to US\$280 million underwritten and committed syndicated loan with DBS Bank Ltd and Coöperatieve Rabobank U.A., Singapore Branch as Mandated Lead Arranger Banks and Credit Suisse AG, Singapore Branch ("**US\$280 million Syndicated Loan**").

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- (p) On 12 March 2018, the Company announced a transfer of 73,800 treasury Shares for the purpose of vesting of shares, in relation to the grant of 73,800 share awards under the PSP.
- (q) On 28 March 2018, the Company announced particulars relating to the variance between the unaudited FY2017 results and audited FY2017 results.
- (r) On 2 April 2018, the Company announced that it had acquired 12,696,740 shares in PT Japfa through a married sale, at a price of IDR1,480 per share. Following the acquisition of the PT Japfa shares, the Company's shareholding in PT Japfa increased from 51.0% to 51.11%.
- (s) On 6 April 2018, PT Japfa announced the grant of 2,270,200 share awards under the PT Japfa PSP.
- (t) On 30 April 2018, the Company announced the completion of its acquisition of the outstanding shares in the capital of AIH and AIH2 held by the Black River Funds and the allotment and issuance of 90,000,000 new Shares to Black River Funds. Following this, AIH and AIH2 became wholly-owned subsidiaries of the Company, and the total number of Shares of the Company (excluding treasury Shares) increased from 1,756,678,891 Shares to 1,846,678,891 Shares.
- (u) On 31 May 2018, the Company announced its intention to subscribe for 316,052,291 shares in PT Japfa at IDR935.60 per share (approximately US\$21 million). On 8 June 2018, the acquisition of 316,052,291 shares in PT Japfa at the price of IDR935.60 per share was completed. Following the acquisition of these shares in PT Japfa, the Company's shareholding in PT Japfa increased from 51.11% to 52.43%.
- (v) On 4 June 2018, in connection with the subscription of 316,052,291 shares in PT Japfa by the Company, the Company entered into an amendment and restatement agreement in respect of the Original Facilities Agreement (as amended by a syndication agreement dated 29 March 2018) with 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 Syndicated Loan by obtaining an additional term loan facility of up to US\$23 million.
- (w) On 13 September 2018, PT Japfa announced that on 12 September 2018, it had received the Jakarta Supreme Court's decision dated 15 May 2018 rejecting KPPU's appeal against the West Jakarta District Court Decision dated 29 November 2017 and that the aforesaid rejection meant that the West Jakarta District Court Decision dated 29 November 2017 was valid, binding and had a permanent legal force.
- (x) On 27 December 2018, the Company announced the grant of 18,039,200 share awards under the PSP.



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**General Development in FY2019 and up to the Latest Practicable Date**

- (y) On 1 January 2019, the Company announced that it transferred all the ordinary shares in the Company's wholly-owned subsidiary AIH2 to AIH, for a total transfer consideration of US\$130,467,484.34 satisfied in full by AIH by way of the allotment and issuance of 88,864,820 new shares in the share capital of AIH to the Company at an issue price of US\$1.4682 per consideration share. This is to streamline the corporate structure of the Company's dairy segment.
- (z) On 7 January 2019, PT Japfa announced that the Jakarta Supreme Court rejected the appeal of 27 companies, which included PT SA and PT AAS, against the decision of the Central Jakarta District Court dated 1 August 2017 that affirmed the KPPU's decision to fine PT SA an amount of IDR5,454,925,000 (approximately US\$380,0000) and PT AAS an amount of IDR8,826,692,000 (approximately US\$615,000) for the violation of Articles 11 and 19c of Law No. 5/1999, for the trading of imported cattle in Jakarta, Bogor, Depok, Tangerang and Bekasi. The aforementioned fines were therefore payable and will be settled accordingly.
- (aa) On 1 March 2019, the Company announced that in relation to the share awards granted on 28 February 2019 under the PSP for FY2018 ("**2018 Grant**") and 2017 Grant, the Company issued and allotted 21,563,900 fully paid Shares at an issue price of S\$0.765 per Share. Following this, the total number of Shares in the capital of the Company increased from 1,859,525,591 Shares to 1,881,089,491 Shares.
- (bb) On 1 March 2019, PT Japfa announced the grant of 2,036,800 share awards under the PT Japfa PSP.
- (cc) On 4 March 2019, PT Japfa announced that KKR Jade sold 385 million shares in PT Japfa, resulting in KKR Jade's shareholding in PT Japfa decreasing from 11.65% to 8.37%.
- (dd) On 28 March 2019, PT Japfa announced that KKR Jade sold 396 million shares in PT Japfa, resulting in KKR Jade's shareholding in PT Japfa decreasing from 8.37% to 4.99%.
- (ee) On 1 April 2019, PT Japfa announced that PT Fitch Ratings Indonesia had recalibrated PT Japfa's rating of (i) National Long-Term Rating from 'AA-(idn)' to 'A+(idn)'; Outlook stable, (ii) National Long-Term Rating of JAPFA Shelf-Registered Bonds II Phase I 2016 Issuance from 'AA-(idn)' to 'A+(idn)', and (iii) National Long-Term Rating of JAPFA Shelf-Registered Bonds II Phase II 2017 Issuance from 'AA-(idn)' to 'A+(idn)'.
- (ff) On 18 April 2019, the Company announced:
- a. The retirement of Independent Director and Chairman of the Board, Mr Goh Geok Khim;



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- b. The election of Executive Director, Mr Handojo Santosa @ Kang Kiem Han, as Chairman of the Board;
  - c. The appointment of Independent Director, Mr Ng Quek Peng, as Lead Independent Director; and
  - d. The appointment of Mr Manu Bhaskaran and Mr Tan Kian Chew, as Independent Directors of the Company.
- (gg) On 30 June 2019, the Company announced that PT SUL and PT CA, subsidiaries of PT Japfa, had entered into an agreement to acquire the entire issued share capital of PT CAS from PT Vasham Kosa Sejahtera and Mr. Ermadi, a private individual, for a consideration of IDR38 billion (approximately US\$2.80 million) in cash. The acquisition of PT CAS, which is engaged in the corn drying industry in Makassar, would support PT Japfa's activities in terms of quality control over corn raw material and the certainty of corn availability for the production of animal feed.
- (hh) On 1 July 2019, the Company announced that its Singapore subsidiary, JFS transferred its 100% contributed capital in Jupiter Food Vietnam Liability Limited Company to the Company's Vietnamese subsidiary, JCV, pursuant to a capital acquisition agreement, for the purposes of internal re-organisation.
- (ii) On 1 July 2019, PT STP subscribed for 297,619,048 Series B shares in the capital of PT ISI, at their par value of IDR336 per Series B share, amounting to an aggregate subscription of IDR100,000,000,128. With this subscription, PT STP's shareholding in PT ISI increased from 60% to 89.94%.
- (jj) On 30 August 2019, the Company announced that its wholly-owned Vietnamese subsidiaries had undertaken an internal restructuring whereby JCV absorbed its wholly-owned subsidiary, Jupiter Foods Vietnam Liability Limited Company pursuant to a merger agreement dated 30 August 2019. This internal restructuring would streamline administration and optimize tax efficiency.
- (kk) On 30 August 2019, the Company announced that its Indonesian subsidiaries, PT Japfa, PT CA, PT SA, PT AAS, PT STP, and PT VSN had entered into an agreement with PT Bank Central Asia Tbk, PT Bank Mandiri (Persero) Tbk, and PT Bank Maybank Indonesia Tbk to upsize and convert their 2017 IDR3 trillion loan facility (approximately US\$211 million) to a IDR5 trillion (approximately US\$351 million) loan facility.
- (ll) On 17 September 2019, the Company announced that its Indonesian subsidiaries had signed the following facility agreements: (i) PT Japfa, PT STP and PT SUL had upsized their existing short term loan with PT Bank Central Asia Tbk from IDR250 billion (approximately US\$17.7 million) to IDR600 billion (approximately US\$42.5 million) for working capital purposes, and (ii) PT Japfa had entered into a short term loan with PT Bank Mandiri (Persero) Tbk amounting to IDR750 billion (approximately US\$53.2 million) for working capital purposes.

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(mm) On 14 November 2019, PT Japfa announced that the funds for the repayment of Shelf Registration Bond II Phase I Year 2016 Seri A PT Japfa due 1 December 2019, amounting to IDR850,000,000,000 for the principal and IDR19,656,250,000 for interest, had been set aside.

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**(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –**

- (i) in the case of the equity capital, the issued capital; or**
  - (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**
- 

As at the Latest Practicable Date, the equity capital and loan capital of the Company are as follows:

Issued and paid-up share capital	:	S\$1,262,446,706.50
Number of ordinary shares in issue (excluding treasury Shares)	:	1,863,338,291
Loan capital	:	Not applicable

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**(e) where –**

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or**
  - (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;**
-

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As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares, based on information recorded in the Register of Substantial Shareholders maintained by the Company are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Handojo Santosa @ Kang Kiem Han <sup>(2)</sup>	–	–	1,136,818,915	61.01
Rangi Management Limited <sup>(2)(3)(5)</sup>	948,368,240	50.90	–	–
Fusion Investment Holdings Limited <sup>(3)(5)</sup>	–	–	948,368,240	50.90
Tasburgh Limited <sup>(2)(4)(5)</sup>	106,714,375	5.73	–	–
Morze International Limited <sup>(6)</sup>	282,527,085	15.16	–	–
Highvern Trustees Limited <sup>(4)(5)(6)(7)</sup>	–	–	1,337,609,700	71.79
MNM Holdings Limited <sup>(7)</sup>	–	–	1,337,609,700	71.79
Martin John Hall <sup>(8)</sup>	–	–	1,337,609,700	71.79
Naomi Julia Rive <sup>(8)</sup>	–	–	1,337,609,700	71.79
Miles Aidan Le Cornu <sup>(8)</sup>	–	–	1,337,609,700	71.79
Scuderia Trust <sup>(5)</sup>	–	–	1,055,082,615	56.62
Capital Two Trust <sup>(6)</sup>	–	–	282,527,085	15.16
Rachel Anastasia Kolonas <sup>(6)(9)</sup>	–	–	282,527,085	15.16
Farida Gustimego Santosa <sup>(2)(5)(10)</sup>	–	–	1,055,818,915	56.66
Renaldo Santosa <sup>(5)(11)</sup>	–	–	1,055,942,615	56.67
Gabriella Santosa <sup>(5)(12)</sup>	–	–	1,055,182,615	56.63

**Notes:**

- (1) Based on 1,863,338,291 issued Shares (excluding treasury Shares) as at the Latest Practicable Date.
- (2) Mr Handojo Santosa 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 (5) 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 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 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. By virtue of Section 4 of the SFA, Mr Handojo Santosa is also deemed to have an interest in the Shares held by

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Tallowe Services Inc. In addition, Mr Handojo Santosa is also deemed to have an interest in 736,300 Shares held in a joint account with his wife (through their client account with a financial institution).

- (3) 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.
- (4) 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 and is wholly-owned by MNM Holdings Limited.
- (5) 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. The beneficiaries of the Scuderia Trust are Mr. Handojo Santosa's spouse (Farida Gustimego Santosa), children (Renaldo Santosa, Gabriella Santosa, Mikael Santosa and Raffaella 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.
- (6) 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.
- (7) MNM Holdings Limited is the direct holding company of Highvern Trustees Limited. By virtue of Section 4 of the SFA, MNM Holdings Limited is deemed to be indirectly interested in the Shares that Highvern Trustees Limited is interested in.
- (8) Mr Martin John Hall, Ms Naomi Julia Rive and Mr Miles Aidan Le Cornu each has a direct interest in 33.33% of MNM Holdings Limited, which is the direct holding company of Highvern Trustees Limited. By virtue of Section 4 of the SFA, each of Mr Martin John Hall, Ms Naomi Julia Rive and Mr Miles Aidan Le Cornu 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 (5) above. Mdm Farida Gustimego Santosa is also deemed to have an interest in 736,300 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 (5) above. Mr Renaldo Santosa additionally holds 860,000 Shares through his client account with a financial institution.
- (12) Ms Gabriella Santosa is a beneficiary under the Scuderia Trust. See Note (5) above. Ms Gabriella Santosa additionally holds 100,000 Shares through her client account with a financial institution.

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- (f) **Any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**
- 

As at the date of lodgment of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings to which the Company or any of its Subsidiaries is a party, including those which are pending or known to be contemplated, which may have or would have had, in the 12 months immediately preceding the date of lodgment of this Offer Information Statement, a material effect on the financial position or profitability of the Group taken as a whole.

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- (g) **Where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**
- (i) **if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities, securities-based derivatives contracts or equity interests issued at each price; or**
  - (ii) **if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests.**
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The Company has not issued any securities, securities-based derivatives contracts or equity interests for cash or for services (in respect of services provided by a service provider as opposed to services provided in the course of employment) within the 12 months immediately preceding the Latest Practicable Date.

For the avoidance of doubt, in the 12 months immediately preceding the Latest Practicable Date, an aggregate of 21,563,900 new Shares were allotted and issued at an issue price of S\$0.765 per Share to the Company's employees as a result of the vesting of the awards granted under the 2017 Grant and 2018 Grant pursuant to the PSP. Of these Shares, 11,000,000 were allotted and issued to Executive Directors.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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- (h) **A summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**
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A summary of the material contracts, not being contracts entered into in the ordinary course of business, entered into by the Company or its Subsidiaries during the two (2) years immediately preceding the date of lodgment of this Offer Information Statement is set out below:

- (a) the Syndicated Facilities Agreement;
- (b) the restructuring agreement dated 30 October 2018 (as supplemented by a supplemental letter dated 28 December 2018) entered into between the Company and AIH in relation to the transfer of all the ordinary shares in the capital of AIH2 from the Company to AIH for a total consideration of US\$130,467,484.34, satisfied in full by AIH by way of the allotment and issuance of 88,864,820 new shares in the share capital of AIH to the Company at an issue price of US\$1.4682 per consideration share;
- (c) the sale and purchase agreement dated 30 June 2019 entered into between PT SUL, PT CA and PT Vasham Kosa Sejahtera in relation to the acquisition by PT SUL and PT CA of the entire issued share capital of PT CAS from PT Vasham Kosa Sejahtera and Mr. Ermadi, a private individual, for an aggregate consideration of IDR38 billion (approximately US\$2.80 million) in cash;
- (d) the capital acquisition agreement dated 1 July 2019 entered into between JFS and JCV in relation to the transfer of 100% contributed capital in Jupiter Food Vietnam Liability Limited Company from JFS to JCV for internal re-organisation purposes; and
- (e) the merger agreement dated 30 August 2019 entered into between the Company's wholly-owned Vietnamese subsidiaries in relation to an internal restructuring, whereby JCV will absorb its wholly-owned subsidiary, Jupiter Foods Vietnam Liability Limited Company.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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**PART 5: OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

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**Operating Results**

**1. Provide selected data from –**

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recently completed financial years) for which that statement has been published; and**
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.**

**2. The data mentioned in paragraph 1 of this Part must include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and must in addition include the following items:**

- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;**
- (b) earnings or loss per share;**
- (c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.**

**3. Despite paragraph 1 of this Part, where –**

- (a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and**
- (b) the audited financial statements for that year are unavailable,**

**the data mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.**



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The audited consolidated income statements of the Group for FY2016, FY2017 and FY2018 are set out below:

	FY2016 US\$'000 (Audited)	FY2017 US\$'000 (Audited)	FY2018 US\$'000 (Audited)
<b>Revenue</b>	3,032,944	3,189,930	3,533,256
Cost of sales	(2,367,575)	(2,615,715)	(2,762,941)
<b>Gross profit</b>	<b>665,369</b>	<b>574,215</b>	<b>770,315</b>
Interest income	3,580	4,087	4,199
Other gains	28,467	11,419	25,404
Other losses	(1,450)	(12,254)	(1,032)
Marketing and distribution costs	(120,669)	(137,297)	(144,089)
Administrative expenses	(233,282)	(248,272)	(284,454)
Finance costs	(60,035)	(67,261)	(82,526)
Foreign exchange adjustments (loss)/gain, net	(8,284)	5,138	(32,679)
Changes in fair value of biological assets	(18,703)	(22,124)	(11,625)
Share of gain/(loss) from equity-accounted joint ventures	(367)	(134)	82
<b>Profit before income tax</b>	<b>254,626</b>	<b>107,517</b>	<b>243,595</b>
Income tax expense	(56,905)	(51,280)	(65,384)
<b>Profit, net of income tax</b>	<b>197,721</b>	<b>56,237</b>	<b>178,211</b>
Profit, net of income tax attributable to:			
– Owners of the parent	118,784	1,321	100,385
– Non-controlling interests	78,937	54,916	77,826
<b>Profit for the year</b>	<b>197,721</b>	<b>56,237</b>	<b>178,211</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to statement of comprehensive income:</i>			
Remeasurement of the net defined benefits plan, net of tax	(5,589)	(10,230)	13,704
<i>Items that may be reclassified subsequently to statement of comprehensive income:</i>			
Exchange differences on translating foreign operations	(12,068)	16,792	(78,377)
Share of other comprehensive income of equity-accounted joint ventures, net of tax	(4)	(4)	5
<b>Total other comprehensive income for the year, net of income tax</b>	<b>(17,661)</b>	<b>6,558</b>	<b>(64,668)</b>
<b>Total comprehensive income for the year</b>	<b>180,060</b>	<b>62,795</b>	<b>113,543</b>
Total comprehensive income attributable to:			
– Owners of the parent	107,162	7,293	49,818
– Non-controlling interests	72,898	55,502	63,725
	<b>180,060</b>	<b>62,795</b>	<b>113,543</b>



**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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The unaudited consolidated income statements of the Group for 9M2018 and 9M2019 are set out below:

	<b>9M2018</b>	<b>9M2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	2,623,976	2,838,405
Cost of sales	(2,034,399)	(2,307,048)
<b>Gross Profit</b>	<b>589,577</b>	<b>531,357</b>
Marketing and distribution costs	(107,343)	(120,577)
Administrative expenses	(217,783)	(226,361)
<b>Operating profit</b>	264,451	184,419
Interest income	3,627	1,914
Finance costs	(61,384)	(78,089)
Other gains, net	30,189	11,494
Share of results of joint ventures	29	418
Foreign exchange adjustments (loss)/gain	(41,989)	3,312
Loss from changes in fair value of biological assets	(22,606)	(27,161)
<b>Profit before tax from continuing operations</b>	<b>172,317</b>	<b>96,307</b>
Income tax expense	(47,475)	(33,001)
<b>Profit, net of tax from continuing operations</b>	<b>124,842</b>	<b>63,306</b>
Profit, net of income tax attributable to:		
– Owners of the parent	60,496	22,430
– Non-controlling interests	64,346	40,876
<b>Profit for the period</b>	<b>124,842</b>	<b>63,306</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to statement of comprehensive income:</i>		
Remeasurement of the net defined benefits plan, net of tax	7,239	(1,786)
<i>Items that may be reclassified subsequently to statement of comprehensive income:</i>		
Exchange differences on translating foreign operations, net of tax	(102,884)	2,627
<b>Total other comprehensive income for the period, net of income tax</b>	<b>(95,645)</b>	<b>841</b>
<b>Total comprehensive income for the period</b>	<b>29,197</b>	<b>64,147</b>
Total comprehensive income/(loss) attributable to:		
– Owners of the parent	(9,358)	17,432
– Non-controlling interests	38,555	46,715
	<b>29,197</b>	<b>64,147</b>

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	FY 2016	FY 2017	FY 2018	9M2018	9M2019
<b>Dividends per Share</b>					
Dividends per Share (Singapore cents)	1.00	0.50	2.00	–	–
Dividends per Share (US cents)	0.71	0.37	1.46	–	–
<b>EPS<sup>(1)</sup> before the Rights Issue (US cents)</b>					
Basic	6.73	0.07	5.52	3.35	1.21
Diluted	6.73	0.07	5.52	3.35	1.21
<b>EPS<sup>(2)</sup> after the Rights Issue assuming the Minimum Scenario (US cents)</b>					
Basic	6.25	0.07	5.14	3.11	1.12
Diluted	6.25	0.07	5.14	3.11	1.12
<b>EPS<sup>(3)</sup> after the Rights Issue assuming the Maximum Scenario (US cents)</b>					
Basic	6.03	0.07	4.96	3.00	1.09
Diluted	6.03	0.07	4.96	3.00	1.09

**Notes:**

- (1) Calculated based on weighted average number of Shares in issue of 1,764,670,391 in FY2016, 1,761,627,724 in FY2017, 1,817,279,941 in FY2018, 1,807,763,319 in 9M2018 and 1,860,135,641 in 9M2019.
- (2) Calculated based on note 1 above and adjusting for the issuance of 136,000,000 Rights Shares and assuming that the Rights Issue had been completed at the beginning of each financial year/period and there is no income from the Net Proceeds.
- (3) Calculated based on note 1 above and adjusting for the issuance of 188,137,749 Rights Shares and the vesting of the Outstanding Conditional Share Awards and assuming that the Rights Issue had been completed at the beginning of each financial year/period and there is no income from the Net Proceeds.

**4. In respect of:**

- (a) each financial year (being one of the 3 most recently completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the Group.

As mentioned at paragraph 8(b) in Part 4 above, the Group's core business segments are Animal Protein (PT Japfa), APO, Dairy and Consumer Food.

A summary of the operations, business and financial performance of the Group, as extracted and summarized from the related announcements released by the Company via SGXNET, is set out below.

Shareholders are advised to refer to the public announcements released by the Company via SGXNET for further details.

### **9M2019 vs 9M2018**

The Group registered continued growth in revenue in 9M2019, driven mainly by higher feed sales volumes in the Animal Protein segment, as well as higher dairy sales volumes in the PRC and South-East Asia ("**SEA**") in the Dairy segment.

Revenue for the Group was US\$2,838.4 million in 9M2019, an increase of US\$214.4 million (or 8.2%) from US\$2,624.0 million in 9M2018.

- Animal Protein (PT Japfa): Revenue was US\$1,915.4 million in 9M2019, compared to US\$1,792.2 million in 9M2018. This was mainly attributable to higher sales volumes and average selling prices ("**ASPs**") for poultry feed.
- APO: Revenue was US\$481.6 million in 9M2019, compared to US\$418.7 million in 9M2018. Vietnam represents the bulk of business in APO. APO's revenue in Vietnam increased by US\$29.9 million, driven by higher sales volume across the board. India contributed US\$27.8 million of the increase in revenue, driven by higher feed sales volumes.
- Dairy: Revenue was US\$343.5 million in 9M2019, compared to US\$296.5 million in 9M2018. This was mainly attributable to higher milk yields and raw milk sales volumes in the PRC.
- Consumer Food: Revenue was US\$143.3 million in 9M2019, compared to US\$153.9 million in 9M2018. This was caused by lower sales volume for ambient food products.

The Group's operating profit was US\$184.4 million in 9M2019, a decrease of US\$80.0 million (or -30.3%), from US\$264.5 million in 9M2018. The operating profit margin was 6.5% as compared to 10.1% in 9M2018, a decrease of 3.6% points. Operating profit dropped, mainly caused by Animal Protein (PT Japfa) and APO, as a result of the following:

- Persisting low broiler ASPs as a consequence of supply and demand imbalance in the Animal Protein (PT Japfa) segment; and
- The low swine fattening ASPs in Vietnam resulting from pre-emptive sales of swine located in high-risk ASF areas and low poultry ASPs due to market oversupply in the APO segment.

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Foreign exchange adjustment gains were US\$3.3 million in 9M2019, compared to foreign exchange adjustment losses of US\$42.0 million in 9M2018. The foreign exchange adjustment gains in 9M2019 were primarily due to the unrealised foreign exchange gains arising from the translation of USD bonds in Animal Protein (PT Japfa).

Losses from changes in fair value of biological assets was US\$27.2 million in 9M2019 as compared to US\$22.6 million in 9M2018. The fair value loss was a result of lower swine prices in Vietnam as well as higher feed cost and lower average daily milking rate used in the valuation of future income flows from the dairy cattle herd in the PRC.

As a result of the above, the Group recorded a profit after tax of US\$63.3 million in 9M2019, compared to US\$124.8 million in 9M2018. The profit attributable to owners of the parent was US\$22.4 million in 9M2019 as compared to US\$60.5 million in 9M2018.

### **FY2018 vs FY2017**

The Group delivered strong revenue and earnings growth across core pillar segments in FY2018, driven by: (i) Animal Protein (PT Japfa) recording higher feed sales volume and strong poultry ASPs, (ii) a marked turnaround in APO's profit with the recovery of swine ASPs in FY2018 and (iii) full ownership of the Dairy segment enabling the Group to recognize 100% contribution in FY2018.

Revenue for the Group was US\$3,533.3 million in FY2018, an increase of US\$343.3 million (or 10.8%) from US\$3,189.9 million in FY2017.

- Animal Protein (PT Japfa): Revenue was US\$2,382.6 million in FY2018, compared to US\$2,205.9 million in FY2017. This was mainly attributable to higher sales volumes for poultry feed and DOCs as well as strong ASPs across the poultry business.
- APO: Revenue was US\$583.1 million in FY2018, compared to US\$475.4 million in FY2017. Vietnam represents the bulk of business in APO. APO's revenue in Vietnam increased by US\$89.5 million, driven by higher sales volume for poultry feed as well as higher ASPs for swine fattening.
- Dairy: Revenue was US\$408.7 million in FY2018, compared to US\$347.3 million in FY2017. This was mainly attributable to higher milk yields and raw milk sales volumes in the PRC.
- Consumer Food: Revenue was US\$203.3 million in FY2018, compared to US\$201.3 million in FY2017. This was driven by higher sales volume for frozen and ambient food products.

The Group's operating profit<sup>3</sup> was US\$341.8 million in FY2018, an increase of US\$153.2 million (or 81.2%), from US\$188.6 million in FY2017. The operating profit margin was 9.7% as compared to 5.9% in FY2017, an increase of 3.8% points. The Group delivered strong operating profit growth across core business pillars, as a result of the following:

- Animal Protein (PT Japfa): Strong prevailing poultry ASPs in Indonesia due to the lack of supply of DOCs;

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<sup>3</sup> "Operating profit" in relation to each of FY2016, FY2017 and FY2018 means gross profit minus marketing and distribution costs and administrative expenses.

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- APO: Turnaround of operating profit with recovery of swine ASPs in 2Q2018, reflecting a re-balancing of Vietnam's domestic swine market demand-supply levels, following the PRC's swine import restrictions imposed in November 2016; and
- Dairy: Continued focus on improving milk yields and volumes in the PRC to mitigate price fluctuations and investment in brand building, including widening the range of Greenfields dairy products to capture greater market share.

Other gains were US\$25.4 million and other losses were US\$1.0 million. Net gains were US\$24.4 million in FY2018, which mainly arose from gain on fair value of derivative financial instruments (primarily foreign currency contracts for hedging) of US\$16.0 million and government grant income of US\$2.1 million, bad debts recoverable from trade receivables of US\$2.0 million, insurance compensation income of US\$1.8 million and sale of scrap income of US\$1.3 million.

Foreign exchange adjustment losses were US\$32.7 million in FY2018, compared to foreign exchange adjustment gains of US\$5.1 million in FY2017. The foreign exchange adjustment losses in FY2018 were primarily due to the unrealised foreign exchange losses arising from the translation of USD bonds in Animal Protein (PT Japfa) and USD loans in the Dairy segment.

Losses from changes in fair value of biological assets was US\$11.6 million in FY2018 as compared to US\$22.1 million in FY2017. The fair value loss was a result of a lower population of dairy heifers and calves as at the end of FY2018.

As a result of the above, the Group recorded a profit after tax of US\$178.2 million in FY 2018, compared to US\$56.2 million in FY2017. The profit attributable to owners of the parent was US\$100.4 million in FY2018 as compared to US\$1.3 million in FY2017.

#### **FY2017 vs FY2016**

The Group's revenue improved mainly driven by: (i) the poultry business in Animal Protein (PT Japfa) segment showing strong growth in sales volumes, in particular the poultry feed business increased by 15.3%, and (ii) the Dairy segment generating consistent profitability on higher milk yields and sales volumes. However, overall profitability was hit by losses from APO in Vietnam as swine prices remained at below cost level.

Revenue for the Group was US\$3,189.9 million in FY2017, an increase of US\$157.0 million (or 5.2%) from US\$3,032.9 million in FY2016.

- Animal Protein (PT Japfa): Revenue was US\$2,205.9 million in FY2017, compared to US\$2,028.6 million in FY2016. This was mainly attributable to higher sales volumes across the poultry business.
- APO: Revenue was US\$475.4 million in FY2017, compared to US\$562.0 million in FY2016. Vietnam represents the bulk of business in APO. APO's revenue in Vietnam decreased by US\$60.2 million due to the low swine fattening price environment. The market downturn, arising from the PRC's swine import restrictions which started in

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4Q2016 and persisted throughout FY2017, resulted in an oversupply of pork in Vietnam, which caused swine ASPs to slide to a level below cost throughout FY2017.

- Dairy: Revenue was US\$347.3 million in FY2017, compared to US\$284.9 million in FY2016. This was mainly attributable to higher milk yields and raw milk sales volumes in the PRC as well as higher sales volume of fresh milk with extended shelf life in SEA.
- Consumer Food: Revenue was fairly stable at US\$201.3 million in FY2017, compared to US\$200.0 million in FY2016.

The Group's operating profit was US\$188.6 million in FY2017, a decrease of US\$122.8 million (or 39.4%), from US\$311.4 million in FY2016. The operating profit margin was 5.9% as compared to 10.3% in FY2016, a decrease of 4.4% points. Operating profit declined as a result of the following:

- Animal Protein (PT Japfa): Operating profit dipped by US\$59.6 million, due to (i) lower poultry feed operating margin, especially in comparison to FY2016 which recorded exceptionally high margins, (ii) high domestic corn price environment had also tightened the Group's poultry feed operating margin, and (iii) lower ASPs for DOCs.
- APO: In Vietnam, there was a decline of US\$63.7 million in operating profit from US\$29.8 million in FY2016 to an operating loss of US\$33.9 million in FY2017. Swine prices remained well below cost, following the PRC's import restrictions that started in 4Q2016.
- Consumer Food: An operating loss of US\$16.0 million was recorded in FY2017, compared to an operating profit of US\$3.0 million in FY2016. The margin squeeze was due to (i) the higher cost of raw materials for frozen food (e.g. nuggets) as chicken prices rose significantly in 4Q2017 and (ii) heightened competition in Indonesia's ambient food sector.

Foreign exchange adjustment gains were US\$5.1 million in FY2017 as compared to foreign exchange adjustment losses of US\$8.3 million in FY2016. The foreign exchange adjustment gains in FY2017 were primarily due to the unrealised foreign exchange gains arising from the translation of the USD loan in the Dairy segment.

Loss from changes in fair value of biological assets was US\$22.1 million in FY2017 as compared to US\$18.7 million in FY2016. The loss from changes in fair value of biological assets in FY2017 was a result of the lower market prices of raw milk, heifers and calves in the Dairy segment.

As a result of the above, the Group recorded a profit after tax of US\$56.2 million in FY2017 as compared to US\$197.7 million in FY2016. The profit attributable to owners of the parent was US\$1.3 million in FY2017 and US\$118.8 million in FY2016.

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**Financial Position**

5. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –
- (a) the most recently completed financial year for which audited financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated statement of financial position of the Group as at 31 December 2018 and the unaudited consolidated statement of financial position of the Group as at 30 September 2019 are set out below:

	<b>Group</b>	
	<b>As at 31 December 2018 US\$'000 (Audited)</b>	<b>As at 30 September 2019 US\$'000 (Unaudited)</b>
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	1,010,147	1,117,482
Right-of-use assets	–	113,000
Investment properties	5,256	5,061
Intangible assets	12,073	13,116
Investment in joint ventures	5,730	6,219
Biological assets	365,041	351,780
Deferred tax assets	23,593	40,162
Other receivables	14,564	14,719
Other financial assets	30,401	32,899
Other assets	82,052	72,736
	<b>1,548,857</b>	<b>1,767,174</b>
<b><u>Current assets</u></b>		
Inventories	817,311	862,969
Biological assets	83,229	96,993
Trade and other receivables	194,407	224,415
Other financial assets	2,488	2,483
Other assets	74,660	86,589
Cash and cash equivalents	168,316	136,759
	<b>1,340,411</b>	<b>1,410,208</b>
<b>Total assets</b>	<b>2,889,268</b>	<b>3,177,382</b>



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	Group	
	As at 31 December 2018 US\$'000 (Audited)	As at 30 September 2019 US\$'000 (Unaudited)
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity</u></b>		
Share capital	980,946	993,178
Treasury shares	(5,926)	(7,620)
Retained earnings	481,721	482,777
Other reserves	(451,091)	(459,902)
Translation reserve	(226,263)	(230,327)
<b>Equity attributable to owners of the parent</b>	<b>779,387</b>	<b>778,106</b>
Non-controlling interests	350,998	374,931
<b>Total equity</b>	<b>1,130,385</b>	<b>1,153,037</b>
<b><u>Non-current liabilities</u></b>		
Provisions	85,386	99,786
Deferred tax liabilities	2,511	4,024
Other payables	358	395
Loans and borrowings	777,200	743,359
Lease liabilities	217	95,468
Other financial liabilities	304	3,584
Other liabilities	3,405	3,409
	<b>869,381</b>	<b>950,025</b>
<b><u>Current liabilities</u></b>		
Income tax payable	37,473	22,019
Trade and other payables	388,843	330,723
Loans and borrowings	440,090	703,088
Lease liabilities	119	6,668
Other financial liabilities	8,933	539
Other liabilities	14,044	11,283
	<b>889,502</b>	<b>1,074,320</b>
<b>Total liabilities</b>	<b>1,758,883</b>	<b>2,024,345</b>
<b>Total equity and liabilities</b>	<b>2,889,268</b>	<b>3,177,382</b>



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6. The data mentioned in paragraph 5 of this Part must include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and must in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;
  - (b) net assets or liabilities per share;
  - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.
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For illustrative purposes only, the following is an analysis of the financial effects of the Rights Issue on the NAV per Share of the Group.

	Minimum Scenario		Maximum Scenario	
	Before the Rights Issue	After the Rights Issue	Before the Rights Issue	After the Rights Issue
<b>As at 31 December 2018</b>				
NAV (US\$'000)	779,387	829,339 <sup>4</sup>	779,387	848,617 <sup>4</sup>
Number of Shares (excluding treasury Shares)	1,845,453,891	1,981,453,891	1,863,493,091	2,051,630,840
NAV per Share (US\$)	0.42	0.42	0.42	0.41
 <b>As at 30 September 2019</b>				
NAV (US\$'000)	778,106	828,058 <sup>4</sup>	778,106	847,336 <sup>4</sup>
Number of Shares (excluding treasury Shares)	1,863,338,291	1,999,338,291	1,881,377,491	2,069,515,240
NAV per Share (US\$)	0.42	0.41	0.41	0.41

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**Liquidity and Capital Resources**

7. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –
- (a) the most recently completed financial year for which financial statements have been published; and
  - (b) if interim financial statements have been published for any subsequent period, that period.
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<sup>4</sup> Calculated based on NAV for the relevant period adjusted by Net Proceeds under Maximum Scenario or Minimum Scenario (as applicable). Net Proceeds is converted into US\$ based on exchange rate of US\$1 to S\$1.3507 (as published on the Authority's website on the Latest Practicable Date).

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The audited consolidated statement of cash flows of the Group for FY2018 and the unaudited consolidated statement of cash flows of the Group for 9M2019 is set out below:

	<b>FY2018</b>	<b>9M2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>
	<b>(Audited)</b>	<b>(Unaudited)</b>
<b><u>Cash flows from operating activities</u></b>		
Profit Before Tax	243,595	96,307
Adjustment for:		
Amortisation of intangible assets	2,058	1,472
Depreciation of property, plant and equipment and investment properties	104,197	85,904
Depreciation of right-of-use assets	–	15,475
Write-off of property, plant and equipment	648	381
Fair value (gain)/loss on derivative financial instruments	(15,970)	(3,998)
Fair value loss on biological assets	11,625	27,161
Loss/(gain) on disposal of property, plant and equipment and investment properties	384	152
Increase in provision for retirement benefits	17,504	12,158
Interest income	(4,199)	(1,914)
Interest expense (loans, borrowings and leases)	82,526	78,089
Land use rights charges	572	369
Expenses arising from share option plan	384	551
Value of employee services received pursuant to performance share plan	1,466	2,870
Value of employee services received pursuant to performance share plan by subsidiary	293	382
Share of loss/(gain) from equity-accounted joint ventures	(82)	(418)
Net effect of exchange rate changes	846	6,159
Operating cash flows before changes in working capital	445,847	321,100
Changes in working capital:		
Inventories	(95,753)	(43,759)
Biological assets	(39,524)	(9,906)
Trade and other receivables	(14,429)	(28,050)
Other assets	7,767	(18,870)
Trade and other payables	32,781	(57,007)
Provisions	(12,989)	(1,859)
Other liabilities	4,440	(5,192)
Net cash flow from operations before tax	328,140	156,457
Income taxes paid	(72,156)	(56,187)
<b>Net cash flows from operating activities</b>	<b>255,984</b>	<b>100,270</b>

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	<b>FY2018 US\$'000 (Audited)</b>	<b>9M2019 US\$'000 (Unaudited)</b>
<b><u>Cash flows used in investing activities</u></b>		
Acquisition of subsidiaries (net of cash outflow)	(2,279)	(2,580)
Purchase of property, plant and equipment	(221,444)	(193,086)
Proceeds from disposal of property, plant and equipment	5,753	3,767
Purchase of investment properties	(282)	–
Purchase of financial assets	(83)	–
Purchase of biological assets	(15,803)	(24,020)
Purchase of intangible assets	(2,692)	(864)
Purchase of land use rights	(2,370)	(823)
Interest income received	4,199	1,914
<b>Net cash flows from investing activities</b>	<b>(235,001)</b>	<b>(215,692)</b>
<b><u>Cash flows used in financing activities</u></b>		
Dividends paid by subsidiary to non-controlling interests	(42,308)	(23,164)
Dividends paid to equity holders of the Company	(6,545)	(20,440)
(Repayment of)/Proceeds from new bank loans	276,459	(36,515)
Transaction cost paid for acquisition of non-controlling interests	(223,000)	–
Decrease/(increase) in cash restricted in use	294	2,725
Purchase of treasury Shares by the Company	(1,198)	(1,694)
Lease payment for principal and interest	–	(19,902)
Increase/(decrease) in working capital loans	(4,782)	258,186
Interest expense paid	(82,526)	(73,279)
<b>Net cash flows used in financing activities</b>	<b>(83,606)</b>	<b>85,917</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(62,623)</b>	<b>(29,505)</b>
Effect of exchange rate changes on cash and cash equivalents	(3,634)	673
Cash and cash equivalents, beginning balance	230,471	164,214
<b>Cash and cash equivalents, ending balance</b>	<b>164,214</b>	<b>135,382</b>

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A review of the cash flow position of the Group is set out below:

**Review of cash flow for 9M2019**

Net cash flow from operating activities were US\$100.3 million in 9M2019, mainly arose from operating cash flows before changes in working capital of US\$321.1 million, changes in working capital of US\$164.6 million and income tax paid of US\$56.2 million.

Net cash flows used in investing activities were US\$215.7 million in 9M2019, mainly arose from purchase of property, plant and equipment amounted to US\$193.1 million.

Net cash flows used in financing activities were US\$85.9 million in 9M2019, mainly resulted from increase in working capital loans of US\$258.2 million and partially offset by interest paid of US\$73.3 million and repayment of bank loans of US\$36.5 million.

**Review of cash flow for FY2018**

Net cash flows from operating activities were US\$256.0 million in FY2018, mainly arose from operating cash flows before changes in working capital of US\$445.8 million, changes in working capital of US\$117.7 million and income tax paid of US\$72.2 million.

Net cash flows used in investing activities were US\$235.0 million in FY2018, mainly arose from purchase of property, plant and equipment amounted to US\$221.4 million.

Net cash flows used in financing activities were US\$83.6 million in FY2018, mainly arose from purchase consideration paid for acquisition of remaining non-controlling interests in subsidiaries of US\$223.0 million, interest paid of US\$82.5 million and partially offset by proceeds from new bank loans of US\$276.5 million.

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- 8. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.**
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As at the date of lodgment of this Offer Information Statement, the Directors are of the reasonable opinion that, barring any unforeseen circumstances, after taking into consideration the internal resources and the present facilities of the Group as well as the Net Proceeds arising from the Minimum Scenario of the Rights Issue, the working capital available to the Group is sufficient for at least the next 12 months.

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- 9. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide –**
- (a) a statement of that fact;**
  - (b) details of the credit arrangement or bank loan; and**
  - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**
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As at the Latest Practicable Date, to the best of the Directors' knowledge, the Group is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Group's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the Company.

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**Trend Information and Profit Forecast or Profit Estimate**

**10. Discuss –**

- (a) the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and**
  - (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**
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Save as disclosed below and in this Offer Information Statement, the Company's annual reports, circulars and SGXNET announcements, and barring any unforeseen circumstances, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Group's revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

The following discussions about the Group's business trends contain forward-looking statements that involve risks and uncertainties. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Information Statement.

### **Business of the Group for the Financial Year Ended 31 December 2019**

The Group has experienced challenging market conditions through most of FY2019 in its key markets, particularly due to the persistent low-price environment for poultry in Indonesia and swine in Vietnam.

In Indonesia, the price of broiler had been low in 9M2019 as a result of continued oversupply. In 3Q2019, the Indonesian Ministry of Agriculture had ordered 45 poultry breeding companies to cull fertilised eggs and parent stock breeding chickens with a view towards stabilising DOCs and broiler prices in the near term.

In Vietnam, cost of sales for swine has increased as the Group increased its bio-security measures to mitigate against risks of disease, including ASF which was first reported in February 2019 in Vietnam.

Low broiler prices in Indonesia and swine prices in Vietnam which persisted for 9M2019 had shown signs of recovery in 4Q2019.

### **Business and Financial Prospects of the Group for the Financial Year Ending 31 December 2020**

Barring unforeseen circumstances, the Directors have observed that:

- (a) the markets in which the Group operates continue to be competitive;
  - (i) in particular, in relation to the Indonesian poultry market, the Group expects that Brazilian frozen poultry may enter the market and potentially impact poultry prices following a recent World Trade Organisation ("WTO") ruling against Indonesia on its import policies for Brazilian poultry;
  - (ii) in relation to swine in Vietnam, feed sales volume may reduce as the swine population in Vietnam is likely to decline with the culling of infected animals as a result of ASF. In the near term, it is expected that swine fattening sales volume will decrease as a result of the Group's delaying and/or reducing the re-stocking of piglets in its farms in high-risk ASF areas;

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- (b) there is a general macroeconomic pressure on emerging markets, including the geographies in which the Group is present, and this could affect consumer purchasing power, government policies as well as changes to the market demand and supply situation which determine raw material costs and selling prices;
- (c) as with all businesses, there has been general inflationary pressures and a general increase in the costs of production;
- (d) there may be volatility in currency exchange rates which (i) may delay the passing of higher imported raw material costs into feed selling prices, (ii) affect the purchasing power of local consumers, and (iii) affect the Group's financial results which are reported in USD terms;
- (e) any continued trade tensions between the United States and the PRC may result in distortion of prices, raw materials costs and physical flow of grains such as corn and soybean meal, as well as animal protein products; and
- (f) higher advertising and promotional investments and expenses in downstream products to improve brand visibility and market share may impact profitability of the Consumer Food business.

Notwithstanding the foregoing, the emerging markets that the Group operates in continues to witness growing animal protein consumption. The Company believes that its core competencies in large-scale farming and food production and diversified strategy across multiple proteins and geographies, together with its track record in replicating its industrialised and scalable business across the region, will support its growth in the mid-to long-term.

The Company also undertakes a review of the business and operations of the Group from time to time and will continue to capitalise on its vertically-integrated business model across multiple proteins and geographies and look out for suitable opportunities in respect of potential investments, acquisitions and/or disposals of assets with a view to unlocking and/or enhancing Shareholders' value.

## **RISK FACTORS**

To the best of the Directors' knowledge and belief as at the Latest Practicable Date, the risk factors that are material to Shareholders and prospective investors in making an informed judgment on the Rights Issue (save for those which have already been disclosed to the general public) are set out below. Shareholders and prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Rights Shares. The Group could be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein.

The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops



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into actual events, the business, financial condition, results of operations and prospects of the Group could be materially and adversely affected. In such event, the trading price of the Shares and/or Rights Shares could decline due to any of these considerations and uncertainties, and Shareholders and investors may lose all or part of their investment in the Shares and/or Rights Shares.

### **RISKS RELATING TO THE GROUP'S BUSINESS AND OPERATIONS**

**Outbreaks of livestock diseases or any other stoppage of operations at the Group's farms or facilities could have a material adverse effect on the Group's business, financial condition and results of operations.**

Outbreaks of diseases affecting livestock at the Group's poultry, beef cattle, swine, aquaculture and dairy farms or facilities or any stoppage of operations at these farms or facilities could have a material effect on the Group's business, financial condition and results of operations.

Since 2003, the H5N1 strain of Avian Influenza, or "bird flu", which is potentially lethal to humans, has affected poultry flocks and other birds in several countries around the world, including in Indonesia, the PRC and Vietnam. Avian Influenza is highly contagious among birds and can cause sickness or death of domesticated birds, including chickens, geese, ducks and turkeys. Although the Group has an internal biosecurity policy and biosecurity measures in place at all of its farms and production facilities, there is no assurance that there will be no outbreak in the future or that its biosecurity measures will be effective in the event of an outbreak.

Previous outbreaks of the H5N1 strain of Avian Influenza in Indonesia, such as those of 2003 and 2004, had resulted in reduced demand for chickens and a drop in the price of DOCs and chicken products the Group produced and sold. In March 2013, there was an outbreak of the H7N9 strain of Avian Influenza in the PRC, which spread to humans and resulted in deaths. The strain does not appear to adversely affect the health of birds and, as such, it is difficult to detect prior to human infection. Similar outbreaks could occur in the future in the markets in which the Group is present in, which could directly impact the Group's business.

The Group currently sources most of its grandparent stocks for DOCs from Aviagen's foreign-based operations (predominantly the United States). While no cases of Avian Influenza or other livestock diseases have been reported in Aviagen's United States-or Australia-based production facilities, there is no assurance that this will continue to be the case. Outbreaks of Avian Influenza or other livestock diseases in the United States or Australia may result in a ban in imports by the governments of the countries where the Group operates of grandparent stocks from these countries. In the event of such outbreaks resulting in imposition of import bans, the cost of breeder flocks of similar quality imported from alternative sources could be higher than the cost of the Group's current supplies. In addition, there is no assurance that any such alternative supplies would be readily available to meet the Group's requirements or at all. Any long-term interruption in supplies of breeder flocks would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.



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Similarly, a major outbreak of disease at any of the Group's dairy farms in the PRC or Indonesia could have a significant adverse impact on the Group's milk production capacity and volume. The Group vaccinates its dairy cows according to the different stages of their growth at each of its dairy farms. However, the Group cannot guarantee that animal diseases, including but not limited to, foot and mouth disease, brucellosis, bovine tuberculosis and bovine paratuberculosis, will not occur at its dairy farms or that the Group will always be able to monitor or detect any illness or diseases among its cows or on neighboring farms.

The Group's beef and aquaculture operations are also vulnerable to disease and other biological hazards. If disease outbreaks or other biological hazards are not successfully contained by the biosecurity measures the Group has in place, the volume of aqua-feed it produces and the size of its beef cattle may decrease, mortality rates could increase and the Group may suffer production delays and shortages, which could have a material adverse effect on its production and/or sales of its products, which would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

In 2018, the ASF spread to Asia, with the PRC reporting its first case in August 2018 and Vietnam reporting its first case in 2019. ASF is a highly contagious virus that can be fatal for swine. As there is currently no approved vaccine against ASF, the only way to contain the spread is to cull the swine livestock. In the first nine months of 2019, the financial results of the Company's Vietnam subsidiaries were affected by the low swine prices environment and pre-emptive culling of swine in the Group's farms located in ASF affected areas. Since the outbreak of ASF in Asia, the Group has heightened the biosecurity protocols in its farms and production facilities in the PRC and Vietnam to minimise the incidence of such threats in the Group's operations, which has resulted in an increase in the cost of pig production. There is no assurance that there will be no other outbreaks in the future or that the Group's biosecurity measures will be effective in the event of another outbreak in the future.

Any future outbreak of a livestock disease could result in any of the following, all of which could have a material adverse effect on the Group's business:

- the governments of the countries in which the Group operates may require it to destroy one or more of its flocks or herds;
- demand for the Group's products may decrease significantly;
- the Group's dairy farms may experience a significant shortfall in its raw milk production;
- one or more of the Group's facilities may be placed in quarantine until the threat of disease spreading is eliminated;
- the importation of grandparent stocks into the countries in which the Group operates may be prohibited; and/or
- governments in the countries in which the Group operates may introduce restrictions on the movement and/or the sale of its unprocessed chicken products.

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There may be no compensation or insufficient compensation paid by the government or by insurers in the event that livestock must be culled. Please see “– *The Group’s insurance coverage may be inadequate*”.

In addition, any outbreak of disease in the countries in which the Group operates, even if there is no outbreak at its facilities, could create adverse publicity and any negative perception by potential customers, government authorities, lenders or general insurance providers could harm the Group through a loss of customers, new regulations or livestock culling requirements, the failure to obtain financing or the loss of insurance coverage generally, as the case may be. Any of these consequences could have a material adverse effect on the Group’s business, financial condition, results of operations and/or prospects.

Any other stoppage of operations at the Group’s farms or facilities resulting from, for example, constraints relating to equipment, labour, land, raw material or other constraints, could also have a material adverse effect on the Group’s business, financial condition and results of operations.

**Exchange rate fluctuations and exchange controls and policies may materially adversely affect the Group’s business, financial condition, results of operations and/or prospects and the foreign currency value of the Company’s Shares and any future dividend distributions.**

The Group is exposed to risks related to exchange rate fluctuations, particularly with respect to the USD. The Group’s revenues in the countries in which it operates are denominated in IDR, RMB, VND, INR and MMK. However, many of the Group’s borrowings are denominated in USD and the Group pays the interest accruing under such borrowings in USD. In addition, the prices of some of the Group’s raw materials (for instance, corn) are linked to international commodity index prices, which are in USD, and hence expose the Group to fluctuations in the USD exchange rate. Unfavorable exchange rate fluctuations may have a material adverse effect on the Group’s business, financial condition, results of operations and/or prospects.

In September 2019, the Chinese RMB fell to its lowest level against the USD since the start of 2008. Trading in the RMB may continue to experience significant volatility. Any significant depreciation in the value of the currencies of the countries in which the Group operates will have a material adverse effect on its business, financial condition and/or results of operations.

Further, the Company’s Shares are quoted in SGD on the SGX-ST. Dividends, if any, in respect of the Company’s Shares are paid in SGD. Exchange rate gains or losses will arise when the assets and liabilities of the Company’s foreign subsidiaries are translated into USD for financial reporting and SGD for repatriation purposes. If the functional currencies of the Company’s Subsidiaries depreciate against the USD and the SGD, this may materially and adversely affect the Company’s reported financial results and dividends, if any, respectively.

Central banks in the countries in which the Group operates may intervene in the currency exchange markets in furtherance of their policies, either by selling local currency or by using their foreign currency reserves to purchase local currency. There is no assurance that such currencies will not be subject to depreciation and continued volatility, or that the various governments will take additional action to stabilize, maintain or increase the value of their

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respective currencies, or that any of these actions, if taken, will be successful. Modification of the current exchange rate policies by any of the countries in which the Group operates could result in significantly higher domestic interest rates, liquidity shortages, capital or exchange controls or the withholding of additional financial assistance by multinational lenders. This could result in a reduction of economic activity, an economic recession, loan defaults or declining interest by the Group's customers, and as a result, the Group may also face difficulties in funding its capital expenditure and in implementing its business strategy. Any of the foregoing consequences could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

**The Group's business is dependent upon the price and availability of corn and other feed raw materials, as well as the Group's ability to import/export livestock.**

The Group's operations are dependent upon the price and availability of raw materials. The single largest component of the Group's cost of goods sold is the cost of raw materials used in the preparation of feed. The Group does not grow its own corn or other raw materials and does not enter into any hedging transactions specifically with respect to the raw materials it uses in its products.

The price and availability of corn and the Group's other raw material requirements can therefore have a significant effect on its cost of goods sold. The Group imports a portion of its raw materials, such as corn, soybean meal, feed vitamins, animal protein meal and wheat products from the United States, South America, the PRC, India, Europe, Australia and Canada and purchases a substantial amount of its corn from domestic farmers. Market prices for corn and soybean meal may be subject to fluctuations resulting from weather, the size of harvests, transportation and storage costs, governmental agricultural policies, currency exchange rates and other factors. For example, the Indonesian government has stipulated that Indonesian companies are to import corn through the Indonesian National Logistics Agency (*Badan Urusan Logistik/BULOG*) instead of importing it directly. Given that corn is the main raw material for poultry feed, such policies may directly impact the operational costs of the Group.

Most of the Group's suppliers deal with the Group on a spot basis due, in part, to uncertainty caused by the factors described in the immediately preceding paragraph. Worldwide corn prices, for example, have increased in recent years due, in part, to increased demand for biofuels in the United States. Soybean prices have also increased in recent years. In the event that one or all of the Group's established suppliers were to cease supplying to the Group or the Group is not able to negotiate a price for its key raw materials that is acceptable to it and of sufficient quality, the Group's business and results of operations would be materially adversely affected.

In addition, although the Group has historically been able to pass on cost increases to its feed business customers, there is no assurance that the Group will be able to continue doing so in the future, either on a timely basis or at all. If the Group is unable to pass on cost increases to its customers and the Group is unsuccessful in alternatively managing its exposure to the effects of raw material price fluctuations, the Group's financial condition, results of operations and/or prospects could be materially adversely affected.

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Any unforeseen social, political or economic event in the countries from which the Group imports its livestock could have a negative effect upon its animal protein businesses. For example, in 2011, a number of groups in Australia staged protests in relation to live exports of cattle which resulted in a temporary disruption in the supply of live cattle to Indonesia. There is a risk that such activism could be reignited and influence the relevant authorities to make changes to current regulations and impose different standards upon the operations of animal protein companies like the Group. Protests against live exports of livestock may also generate negative press about animal protein companies in general. Please see also “– *Political, economic and social conditions in the countries in which the Group operates may adversely affect their economies, which in turn could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects*”.

### **Domestic, regional or global economic changes may adversely affect the Group’s business.**

Adverse changes in the global financial markets may give rise to difficult conditions in the global credit and capital markets, such as reduced liquidity, greater volatility, widening of credit spreads, lack of price transparency in credit markets, a reduction in available financing, government intervention and lack of market confidence. These factors, combined with declining business and consumer confidence, may result in global economic uncertainties.

In addition, any changes in trade policy by any of the world’s major trading powers could trigger retaliatory actions by affected countries, resulting in “trade wars” where countries increasingly raise or create tariffs. In 2018, the United States began imposing tariffs on, *inter alia*, imports of aluminium and steel, and announced additional tariffs on goods imported from the PRC specifically, as well as certain other countries. Further retaliatory trade measures taken by the PRC or other countries in response to additional tariffs, may lead to an increase in costs of imported goods and raw materials around the world, which may affect the costs of sales of the Group’s products globally and may affect the physical flow of grains such as corn, soybean meal and alfalfa as well as animal protein products, which may impact the businesses in the jurisdictions in which the Group operates. This may materially and adversely affect the Group’s business, financial condition, results of operations and/or prospects.

It is difficult to predict how long these developments will last. Further, there is no assurance that measures implemented by governments around the world to stabilise the credit and capital markets will improve market confidence and the overall credit environment and economy. A global economic downturn could adversely affect the Group’s ability to obtain short-term and long-term financing. It could also result in an increase in the cost of the Group’s bank borrowings and reduction in the amount of banking facilities currently available to the Group. The inability of the Group to access capital efficiently, on time, or at all, as a result of possible economic difficulties, may have an adverse effect on the Group’s business. Any deterioration in the global economy could in turn adversely affect the health of the local economy and impact the Group’s business, financial condition, results of operations and prospects.

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**The Group is subject to applicable governmental regulations, including licensing requirements.**

The Group is subject to applicable governmental regulations governing the industries in which the Group operates. Any failure by the Group to comply with the various laws and regulations could result in penalties such as fines, suspension, withdrawal or termination of the relevant licenses and permits and/or not being able to continue or expand its business.

In addition, under these laws and regulations, the Group is also required to obtain various licenses and permits from various government authorities and regulatory agencies in the countries in which it operates, and such licenses and permits are essential for the conduct of the Group's business.

These licenses and permits are generally subject to a variety of conditions which are either stipulated in the licenses and permits themselves or under the particular legislation and/or regulations. The continuation of these licenses and permits may be subject to periodic examinations and/or random inspections by the relevant authorities to ensure that the Group complies with all relevant regulations of the issuing authority.

In the ordinary course of business, the Group is required to undertake the renewal of various licenses and permits. The Group's operations are generally in emerging market economies where such renewal processes generally take longer. The Group cannot guarantee that, upon the expiration of any of its licenses and permits, the Group will be able to renew all necessary licenses and permits in the future in a timely manner or at all or that the Group will not be subject to fines, suspension, withdrawal or termination of its licenses and permits. Any failure to secure renewal, or loss, of a required license or permit, would materially adversely affect the Group's business, financial condition, results of operations and/or prospects.

The Group is also in the process of applying for certain new regulatory licenses, approvals and permits as most new projects commissioned by the Group would require relevant regulatory approvals. There is no assurance that the Group will be able to obtain such licenses, approvals and permits in a timely manner or at all. Some of the Group's business operations may have already commenced and/or been operating for an extended period of time without the requisite licenses, approvals and permits. Please see "*– Failure to comply with environmental regulations could harm the Group's operating results, financial condition and reputation.*" and "*– The Group's title and leasehold rights over some of the land it uses may be subject to significant legal uncertainties and defects.*"

Even if the Group were to obtain such licenses, approvals and permits, there is no assurance that the relevant authorities would not hold the Group responsible for previous breaches as a result of operating without the relevant licenses, approvals and permits and the Group may be subject to various sanctions, including monetary penalties, which could materially adversely affect its financial performance and/or results of operations. In addition, some of the Group's land/farm lease agreements stipulate that the lessor is responsible for obtaining the requisite licenses and approvals. There is no assurance that such lessors have obtained the requisite licenses and approvals. In the event the relevant authorities impose a monetary penalty on the Group or order the Group to suspend its operations, the Group's business, financial condition, results of operations and/or prospects may be materially adversely affected.

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The Group has incurred and will continue to incur costs in complying with the applicable laws and regulations. On 17 September 2018, the Jakarta Supreme Court rejected the appeal of 27 companies, which included PT SA and PT AAS, against the decision of the Central Jakarta District Court dated 1 August 2017 that affirmed the decision of the KPPU to fine PT SA an amount of IDR5.5 billion (approximately US\$380,000) and PT AAS an amount of IDR8.8 billion (approximately US\$615,000), for the violation of Article 11 and Article 19.c of Law No. 5/1999 for the trading of imported cattle in Jakarta, Bogor, Depok, Tangerang and Bekasi. The fine has been settled by PT SA and PT AAS. In addition, on 6 September 2018, the KPPU imposed an administrative fine on PT Japfa of an amount of IDR3.75 billion for the alleged violation of Article 29 of Law No. 5/1999 and Article 5 of Government Regulation No. 57/2010 relating to the late notification of PT Japfa's acquisition of PT Multi Makanan Permai. Pursuant to an objection filed by PT Japfa on 10 October 2018 against KPPU's decision at the South Jakarta District Court, the South Jakarta District Court had on 18 December 2018 reduced the fine from IDR3.75 billion to IDR2 billion. Subsequently, the KPPU and PT Japfa submitted an appeal to the Jakarta Supreme Court against the decision of the South Jakarta District Court. As at the Latest Practicable Date, the case is still in process in the Jakarta Supreme Court.

In Indonesia, the People's Representative Council of the Republic of Indonesia (*Dewan Perwakilan Rakyat/DPR*) is currently in the process of amending the Anti-Monopoly Law. While it is not certain the proposed draft will be accepted in its entirety or at all, the draft law, as presently proposed, would give the KPPU significant additional powers, including the power to conduct a leniency program, of search and seizure, to review pre-mergers, and to impose higher penalties. Should this amendment come into force, the Group may face new and more stringent requirements, additional restrictions and/or fines and may need to change some of its business activities as a result.

If there are changes to applicable laws and regulations, the Group may be required to comply with further and/or stricter requirements, which may restrict or hinder its business or operations or result in higher operating costs. In addition, there is no assurance that the Group will continue to be able to comply with the requirements of new applicable laws and regulations. Any failure to comply with such laws and regulations may result in significant compliance costs, impositions of fines or suspensions, which may materially adversely affect the Group's business, financial condition, results of operations and/or prospects.

### **The Group faces significant competition in the business segments in which it operates.**

The Group faces competition in each of its segments from other producers in the markets in which the Group sells its products. In Animal Protein (PT Japfa) and APO, some of the Group's competitors also offer a fully-integrated solution to its customers and may have a larger market share in the poultry breeding and feed production industries in several of the Group's key markets. Key factors affecting the Group's competitiveness include price, product quality, quantity of supply in the market generally, brand identification, breadth of product line, distribution reach and customer service.

As Indonesia is a predominantly Muslim country, it is important that poultry be slaughtered and maintained in a "halal" manner in accordance with religious requirements. Due to this and other factors including import restrictions, imports of poultry products into Indonesia



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have historically been relatively low. However, if (i) the import prohibition on chicken parts is repealed, (ii) the regulation prohibiting chicken imports not certified as halal by the Indonesian Council of Religious Scholars is amended, or (iii) the removal or reduction of the current 5% import tariff on whole chickens is implemented, imports of chicken and chicken products would likely increase and would adversely affect the Group's business, financial condition, results of operations and/or prospects. In 2017, the Brazilian government won a case against Indonesia at the WTO which held that Indonesia should ensure that its measures to restrict importations of poultry products conform with WTO rules and allow greater access to the country's market. In 2019, the Brazilian government had formally requested the WTO to open a panel to investigate Indonesia's policies on Brazil's poultry exports, arguing that the WTO decision made in 2017 was not implemented by Indonesia. The WTO had ruled in favour of the Brazilian government in July 2019. As such, Brazil's poultry exports may enter the Indonesian domestic market in the near future. Foreign governments in markets where the Group exports its products may also impose quantity restrictions, introduce other non-tariff barriers or impose higher taxes on imports to protect local producers.

For the Group's Dairy segment, the Group competes with other dairy players in the PRC, which range from individual, small and mid-scale farms to other large-scale domestic dairy farming companies who, like the Group, produce premium raw milk for the high-end segment of the dairy products industry. The Group also faces competition from foreign suppliers that sell substitutes to raw milk, such as milk powders, in the domestic PRC market. There is no assurance that the Group will not be exposed to increased competition from existing or future market players, some of whom may develop products that are comparable or superior in quality to the Group's products. In addition, if any of the Group's customers incorporates upstream dairy farming business into its operations, such customer could cease to source raw milk supplies from the Group and, moreover, become one of the Group's competitors.

In the Consumer Food segment, the Group competes with other branded processed meat producers.

Increased competition in general may result in price reductions for the Group's products and a loss of market share and greater volatility in the Group's revenues, which may, in turn, have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

### **The Group is dependent on a constant supply of good genetics.**

The quality of the Group's livestock depends initially on the supply of good genetics. There are limited suppliers of such genetics and the Group may not always be able to obtain such genetics on terms acceptable to it, or at all.

While the Group has good and long working relationships with its suppliers for genetics, there is no assurance that the Group will be successful in negotiating its contracts with such suppliers in the future. Such suppliers may offer terms that are not commercially attractive to the Group or may terminate the contracts or refuse to renew. In the event of a supply failure or the cessation of the Group's relationship with such suppliers, it may not be possible for the Group to source an alternative supplier of high-grade genetics in a timely manner or at all. In addition, the Group has invested significantly in research and development,

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including the development of complementary feed products which may not be tailored to alternative breeds developed from genetics of other suppliers. This may result in additional costs being incurred to redevelop complementary feed products for alternative breeds developed from genetics of other suppliers. Any termination or interruption of the Group's supply relationship with suppliers of its genetics could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

**The Group is exposed to product safety and quality-related risks that may harm its business and reputation and subject it to product liability claims and/or regulatory action.**

Product safety and quality is critical to the Group's business and the Group relies heavily on its quality control systems to ensure the safety and quality of its products. While the Group believes that its quality control systems function properly and the Group routinely inspects the safety and quality of products prior to their being delivered to its customers, there is no assurance that failures in its quality control systems will not occur in the future. Such failures may occur due to technical malfunctions, including of the instruments used to measure feed quality, chemical residue of feed, raw milk quality and veterinary drug residue or through negligence or misconduct occurring during the production or operating process which results in product contamination. The Group's safety and quality inspection systems may not always be able to detect any such contamination or quality-related issues. Contamination and quality-related issues may also result from residues introduced during the storage, handling and transportation phases. Any such contamination or quality related issues could cause the Group to suffer monetary losses through product liability claims or penalties assessed by government agencies or result in damage to the Group's reputation, which would in turn materially adversely affect its business, financial condition, results of operations and/or prospects.

The Group's products (including raw milk and poultry) are also processed and handled by other third-party downstream manufacturers. If those downstream products are contaminated, and if the contamination is ultimately traced back to the Group's products, the Group could be subject to product liability claims by individuals for damages, including, among other things, claims for medical expenses, disability and even wrongful death and penalties assessed by government agencies. In addition, the Group's sales could be affected even if any contaminated downstream products cannot be traced back to the Group, if such contaminated products cause any of the Group's customers to suffer reputational harm and lost sales, as this in turn could reduce demand for the Group's products.

The Group could be adversely affected if consumers lose confidence in the safety and quality of the food supply chain. These concerns could cause shoppers to avoid purchasing certain products from the Group, or to seek alternative sources of supply for their food needs, even if the basis for the concern is not valid and/or is outside of the Group's control. Adverse publicity about these types of concerns, whether or not valid, could discourage consumers from buying the Group's products and any lost confidence on the part of the Group's customers would be difficult and costly to re-establish. Any product contamination involving the Group's competitors could also impact the reputation of the industry as a whole and have a negative effect on the Group's business.



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**The Group has been and could, in the future, be subject to restrictive governmental measures, such as price or volume controls.**

The Group may from time to time become subject to restrictive governmental policies, such as price or volume controls, in the jurisdictions in which it operates. For example, the Indonesian government, through the Ministry of Agriculture, has implemented measures to manage the supply of DOCs in Indonesia, including regulating imports of parent stock breeding chickens and the culling of both unhatched broiler DOC eggs and parent stock. Additionally, the Indonesian government has also issued a list of beef cattle prices that are used as reference prices for importers and/or exporters of beef cattle (“**Market Reference Prices**”). If the beef cattle prices in the local Indonesian market are below the applicable Market Reference Prices, the Indonesian government can temporarily suspend the import of beef cattle. These measures may have a material adverse effect on the Group’s ability to import cattle into Indonesia and there is no assurance that its beef cattle business will be able to grow and/or be sustainable in the future if such measures are maintained by the Indonesian government. In the event of a temporary ban on the import of beef cattle into Indonesia, the Group’s business, financial condition, results of operations and/or prospects could be materially adversely affected.

There is no assurance that the Indonesian government or the governments in other jurisdictions in which the Group operates will not implement similar restrictive measures in the future. The prolonged continuance of any such restrictive measures could have a material adverse effect on the Group’s business, financial condition and/or results of operations. Please see “– *The interpretation, application and reformation of laws and regulations in the jurisdictions in which the Group operates involve uncertainty*”.

**Failure to comply with environmental regulations could harm the Group’s operating results, financial condition and reputation.**

The Group is required to comply with environmental protection, health and safety laws and regulations. Some of these regulations govern the level of fees payable to government entities providing environmental protection services and the prescribed standards relating to the discharge of effluent or liquid waste. These laws and regulations in the jurisdictions in which the Group operates require the Group to adopt measures to effectively control and properly dispose of waste gases, waste water, industrial waste, dust and other environmental waste materials. The Group produces a certain amount of solid waste and other environmental waste in its breeding, farming and production processes and is subject to restrictions relating to the discharge of such waste.

Due to the scale of the Group’s operations, it is inevitable that a large quantity of waste and emissions is produced, some of which require appropriate disposal. Although the Group has installed, or is in the process of installing, treatment systems and has adopted measures to control the disposal of waste gases, waste water and other environmental waste materials and to reduce the environmental impact of the discharged waste, there is no assurance that these measures will be sufficient now or in the future.

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In the event that environmental laws, regulations or government policies are amended and more stringent requirements are imposed on the Group, the Group may incur significantly increased costs and expenses and may need to allocate additional resources to comply with such requirements.

In the course of the Group's operations, the Group may have unknowingly emitted pollutants or otherwise caused environmental damage or may have been in breach of applicable environmental laws and regulations. Even with careful and regular monitoring, such environmental issues may continue until they are brought to the Group's attention. In the past, the Group has had instances of non-compliance with the relevant environmental laws and regulations. Whilst the Group has continually been working to resolve such non-compliances, there is no assurance that such issues will be resolved in a timely manner or at all.

If the Group fails to comply with any of the relevant environmental laws and regulations, depending on the type and severity of any violation, the Group may be subject to, among other things, warnings from relevant authorities, imposition of fines and/or criminal liability, being ordered to close down its business operations and suspension of relevant permits. For example, on 7 September 2017, the Group's aquaculture operation in Indonesia received a summons with respect to a civil lawsuit lodged by local non-governmental organisation due to an alleged violation of the environmental law. This lawsuit was eventually dismissed on the basis that the district court where the lawsuit was filed had no jurisdiction to hear the matter.

Further, as a result of any proceedings brought against the Group, the Group's reputation may be harmed and its business, financial condition, results of operations and/or prospects could be materially and adversely affected. In addition, because these laws and regulations are becoming increasingly more stringent worldwide, there is no assurance that the Group will not be required to incur significant costs to comply with such laws and regulations in the future.

### **The Group's title and leasehold rights over some of the land it uses may be subject to significant legal uncertainties and defects.**

There is no central title registry for real property in some of the jurisdictions the Group operates in. The methods of documentation of land records in these jurisdictions have not been fully computerized and are generally maintained at state and district level and updated manually through physical records of all land-related documents and may not be available online for inspection or updated in a timely manner. This could result in investigations into property records being time consuming and/or inaccurate, which may impact the Group's ability to rely on them. In certain instances, there may be a discrepancy between the extent of the areas stated in the revenue records and the areas stated in the title deeds, and the actual physical area of some of the lands on which the Group's farms are constructed. The land records are often handwritten and may not be legible, which make it difficult to ascertain the contents of the records. Further, the land records are often in poor condition and at times untraceable, which impedes the title investigation process. As a result, the validity of the Group's title or leasehold rights over land may not be clear or may be in doubt.

In Indonesia, the State Land Authority (*Badan Pertanahan Nasional*) adopts a negative *stelsel* system in relation to the land registration process. This means that the land

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administration system in Indonesia enables any party to apply for the right to a plot of land by proving required ownership evidence in the form of a document or witness which has evidentiary value. Should the measurement process by the State Land Authority and subsequent verification and identification against the land book maintained by the State Land Authority show that the right does not overlap with other existing rights, the State Land Authority will make a public announcement and issue a land ownership decree in relation to such land. In the event that there is no objection or claim to the designated land, the State Land Authority will issue the certificate to the applying party. However, even if the Group has registered its lands and obtained certificates under its name, it does not prevent the land from being claimed by a third party who may claim to have rights over the Group's lands, as under Indonesian law, the court has no competency to refuse a claim without going through a hearing process.

In the PRC, there is no assurance that the leases entered into by the Company's PRC subsidiaries in respect of cropping land and farmland are effective, due to incomplete supporting documents evidencing the lessor's right to grant the Group such leases. If any of the said leases are deemed to be ineffective, the Group may be required to identify alternative cropping land or relocate to alternative farmland and incur additional costs in doing so. In addition, some of the Group's leases in the PRC stipulate a lease term of more than 20 years. However, any period stipulated in a lease which is in excess of the initial 20-year term may be viewed as void under the relevant PRC laws and regulations. The Company's PRC subsidiaries may be required to renew such lease contracts after the initial 20-year term has expired. If such renewal is required, there is no assurance that the terms of renewal will be commercially acceptable to the Group.

In Vietnam, ownership of land belongs to the Vietnamese people as a whole and the state administers land rights on their behalf. However, ownership of a right to use land is allowed and Vietnam has adopted a system of land-use right registration. The ownership of a land-use right granted to any individual or organization is protected and binding against any third party, except where compulsorily revoked by the Vietnamese government under certain circumstances prescribed under the laws of Vietnam. There are, however, cases where third parties have claimed the right to use land that was already legally registered in the name of others. In addition, transfer of land-use right and/or ownership of construction buildings in Vietnam involves a series of registrations and filings, which may take a substantial amount of time to complete.

Historically, the swine and poultry farms operated by the Group in Vietnam had been leased from lessors who had not duly registered in their name such land use rights in respect of some or all of their land and/or the leased area is larger than the land area capable of being leased under the relevant land use right certificate. For the land portion beyond the area specified in the land use right certificate, the lessor may not have title over such land portion and the assets attached thereto. In the absence of a duly registered land use right certificate, the leases over the respective lands may be compromised by the rights of any adverse possessors or prior owners of the lands or other title defects that the lessees may not be aware of. In addition, some of the farms had been leased from lessors who had not been licensed to lease farms. Under Vietnamese law, lease agreements entered into by such lessors may be rendered null and void and the Group may have to source for alternative farms. Whilst the Company's Vietnamese subsidiaries have been working with the relevant lessors to resolve the issues above by facilitating communication with the local and

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government authorities (only where appropriate), there is no assurance that such issues will be resolved in its entirety in a timely manner or at all.

**The Group's animal protein and dairy businesses are influenced by a number of factors, some of which are beyond the Group's control.**

The Group's animal protein and raw milk quality and yield are influenced by a number of factors that are beyond the Group's control, including, but not limited to:

- feed supply factors – the volume and quality of animal protein and milk produced being linked closely to the nutritional quality of the feed provided;
- seasonal factors – animal protein production being faster and dairy cows generally producing more milk in temperate weather than in extremely cold or hot weather. Extended unseasonal cold or hot weather could potentially lead to lower than expected animal protein and raw milk production;
- breeding factors – the genetic quality of livestock having a direct impact on the yield and quality of animal protein and milk produced; and
- health factors – potential outbreaks of diseases among the Group's livestock and dairy cows.

The quality of the Group's livestock and dairy cows is an important factor affecting the production of animal protein and raw milk, which is in turn dependent on the quality and supply of the livestock and Holstein Friesian dairy cows the Group imports from other jurisdictions. If at any time the quality of imported livestock and Holstein Friesian dairy cows the Group purchases were compromised, the quality and yield of the Group's animal protein and raw milk may not be sustained at current levels or improve at the rate the Group expects in the long term. Furthermore, the quality of the Group's animal protein and dairy cows has a direct impact on the quality of the Group's animal protein and raw milk, which in turn could affect the price at which the Group can sell its animal protein and raw milk.

**Rising operational costs could materially adversely affect the Group's business, financial condition, results of operations and prospects.**

The emerging market economies in which the Group operates are especially susceptible to higher than usual levels of inflation as compared to developed economies. For example, the rate of inflation in Indonesia ranged from 3.2% to 6.4% between 2013 to 2018. Such inflation rates may lead to unsustainable rising labour and utilities costs, without a corresponding increase in the Group's productivity and/or revenues.

In the past few financial years, energy prices in Indonesia have risen substantially, which has resulted in increased energy-related costs for the Group's feed production activities. The Group has also experienced a significant increase in labour costs in jurisdictions such as the PRC and Vietnam. Laws and regulations which facilitate the forming of labour unions, combined with weak economic conditions, may result in labour unrest and activism. Such labour laws have increased the amount of severance, service and compensation payments payable to employees upon termination of employment and may contribute to rising

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operational costs and lower profit margins. If more of the Group's personnel unionize, it may become difficult for the Group to maintain flexible labour policies, which may increase the Group's costs and have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

There is no assurance that rising labour and utilities costs may not have an increasingly adverse impact upon the Group's operational costs and materially adversely affect the Group's business, financial condition, results of operations and/or prospects.

### **The Group's insurance coverage may be inadequate.**

The Group's insurance coverage may not adequately protect the Group from the key risks associated with its business. The Group insures its principal assets against risk of physical loss or damage caused by accident, fire, civil disorder and/or natural disasters. However, the Group does not have coverage against losses arising from key risks such as Avian Influenza, as such insurance is not customary and is unavailable on commercially reasonable terms in the countries in which the Group operates. Insurance for the Group's livestock is not available in several of the countries in which it operates in and is neither customary nor available in countries such as Indonesia, Vietnam and India. In addition, there is no assurance that the Group will be able to continue to maintain its existing insurance coverage or obtain insurance policies on economically viable terms. If the Group were to suffer a loss that is not adequately covered by insurance, the Group's business, financial condition, results of operations and prospects could be materially adversely affected.

### **The Group may not continue to benefit from favorable government policies.**

The Group has benefited from government policies in certain jurisdictions in which it operates, such as the PRC, Vietnam and Myanmar. Governments and local authorities have provided the Group with, *inter alia*, preferential tax treatments, subsidies and other assistance, such as access to suitable sites for the Group's operations and access to infrastructure required for such operations. For example, in the PRC, the Group has received preferential tax treatment and subsidies as a result of such government policies that assist the dairy and beef cattle industry in order to promote, among other things, improved industrialization and specialization levels of the husbandry industry, accelerate the breeding and promotion of fine breeds of livestock and increase beef cattle production and milk yield of milking cows. If these government policies change, the Group's business, financial condition, results of operations and/or prospects could be materially and adversely affected.

### **Tax disputes could expose the Group to liabilities.**

Tax laws and practices applicable in various jurisdictions in which the Group operates have become increasingly complex and sophisticated, particularly with respect to cross-border tax transactions. There is an increased likelihood of the Group being subject to tax audits, which may lead to challenges and consequential litigation with respect to, *inter alia*, (a) tax residence, (b) permanent establishment and (c) transfer pricing. Depending on the specific circumstances, tax audits could result in tax liabilities and fines and penalties of significant amount, far in excess of amounts the Group provides for in its financial statements for tax liabilities, and the Group's business, financial condition, results of operations and prospects could be materially adversely affected.

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**The Group's success depends upon its management team and other key personnel, the loss of any of whom could disrupt its business operations.**

The Group believes that its future success is dependent upon the continued service of its senior management team who have valuable and long-standing experience in the business in which the Group operates and an important depth of understanding of the demands, technicalities and intricacies of the Group's business and customers' needs. The Group does not carry key person life insurance in respect of any of its employees. While the Group believes it offers competitive terms of employment, there is no assurance that the Group will retain its key management personnel or that the Group will be able to attract, train or retain qualified personnel in the future. The loss of key management personnel (particularly to one of the Group's competitors) may adversely affect the implementation of the Group's business strategies, which could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

**The Group has limited long-term contracts in relation to the sale of its products.**

The Group's long-term contracts with its customers mainly relate to the sale of raw milk to leading dairies in the PRC for their use in the production of premium fresh milk and other dairy products. Save as aforesaid, the Group's customers in its business segments operate through purchase orders or short-term contracts. Within the Group's animal protein business, the Group either sends its livestock to wet markets for sale to distributors or to the Group's abattoir for processing into consumer products. As many of the Group's arrangements with its customers and suppliers are short-term, there is no assurance that any or all of the Group's suppliers or customers will continue to do business with the Group in the future. Although the Group aims to renew contracts as they expire, there is no assurance that the Group's suppliers and customers will not seek more favorable terms from one or more of the Group's competitors. If the Group is unable to renew its contracts with its suppliers or customers, the Group's business, financial condition, results of operations and/or prospects could be materially adversely affected.

**Changes in consumer preferences away from the Group's products could materially and adversely affect the Group.**

Changes in consumer preferences away from the Group's products or negative publicity regarding consumption of any of the Group's products (for example, consumption of poultry) may reduce the demand for the Group's products. Consumer preferences for dairy, animal protein or consumer food products can change for many reasons, including changes in nutritional standards, health advisories and general economic conditions, which would in turn materially adversely affect the Group's business, financial condition, results of operations and/or prospects.

**The Group has substantial indebtedness, which could materially and adversely affect the Group's business, financial condition and/or results of operations.**

As of 30 September 2019, the Group's combined debt (including lease liabilities) amounted to approximately US\$1.55 billion and the Group had a net debt-to-equity ratio of 1.2.



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The Group's high levels of indebtedness could have several important consequences, including, but not limited to, the following:

- the Group may be required to dedicate a portion of its cash flow toward repayment of its existing debt, which will reduce the availability of the Group's cash flow to fund working capital, capital expenditures and other general corporate requirements;
- the Group's ability to obtain additional financing in the future may be adversely affected;
- there could be a material adverse effect on the Group's business, financial condition and/or results of operations if it is unable to service its indebtedness or to comply with covenants relating to such indebtedness or otherwise default on such indebtedness; and
- the Group may be more vulnerable to economic downturns, may be limited in its ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

The Group's financing arrangements also contain certain financial and other covenants, including requiring the consent of lenders prior to declaring dividends or, in certain instances, where there is a change in control or shareholding. These debt obligations are secured by a combination of security interests over the Group's assets and pledges over the shares of certain of the Company's Subsidiaries. If the Group is unable to service or repay its indebtedness as scheduled, the Group's creditors could take possession of these assets or shares. Any of the foregoing could have a material adverse effect on the Group's business, prospects, financial condition and/or results of operations.

**The Group may require additional capital in the future in order to continue to grow its business which may not be available on favorable terms or at all.**

The Group's ability to grow its business and maintain its market shares in the segments in which it operates, through the expansion of the Group's operations and production capabilities, is dependent on the Group's ability to raise additional funds to implement its business strategy or to refinance its existing debt or for working capital. There is no assurance that such funds will be available on favorable terms or at all. Additional debt financing may increase the Group's financing costs and reduce its profitability. The Group's financing agreements may contain terms and conditions that may restrict its freedom to operate and manage its business, such as terms and conditions that require the Group to maintain certain pre-set debt service coverage ratios and leverage ratios and require the Group to use its assets, including its cash balances, as collateral for its indebtedness. If the Group is unable to raise additional funds on favorable terms or at all as and when required, its business, financial condition, results of operations and/or prospects could be materially adversely affected.

Companies located in countries with emerging markets, such as those in which the Group operates, may be particularly susceptible to disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such

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markets as a whole and as such, any factors that impact market confidence including a decrease in credit ratings, state or central bank intervention in a market or terrorist activity and conflict, could affect the price or availability of funding for entities within any of these markets. There is no assurance that there will be continued funding for the Group's entities within these markets or that such lack of funding will not directly or indirectly, materially and adversely affect the Group's business, financial condition, results of operations and/or prospects.

**The Group may encounter difficulties in projects being developed in conjunction with business partners or held by joint venture project companies.**

On occasion, the Group enters into joint ventures or other arrangements with other parties as part of its business. The Group currently has business ventures with third parties (for example, in animal genetics) and expects to continue collaborating with these and other third parties in the future. The success of these joint ventures depends significantly on the Group's good relationship with its joint venture partners and their satisfactory fulfillment of their obligations. Typically, the Group's joint venture partners contribute to the Group's business ventures in the form of capital contributions or proprietary intellectual property.

Joint ventures involve special risks. The Group's joint venture partners may:

- have economic or business interests or goals that are inconsistent with the Group's;
- take actions or omit to take actions contrary to the Group's instructions, policies or objectives or in violation of good corporate governance practices or the law;
- be unable or unwilling to fulfill their obligations under the relevant joint venture agreements;
- have disputes with the Group that arise out of the joint venture; or
- have financial difficulties.

Depending on the extent of the Group's interest in these joint ventures, the Group may not be able to control or direct the actions of the joint venture and may need the cooperation and consent of its partners to operate joint ventures and such consent may not always be forthcoming.

Any disagreement the Group may have with its joint venture partners may lead to an operational deadlock, which could adversely affect the timing and completion of the Group's projects. There is no assurance that the Group will be able to resolve such disagreements in a manner that will be in its best interests, or at all, which could have an adverse effect on the Group's business, financial condition, results of operations and/or prospects.



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**The Group's unrealized fair value gains or losses on biological assets may fluctuate from period to period, are derived from many assumptions and may materially adversely affect the Group's financial results.**

The Group's livestock are valued at fair value less costs to sell. The fair value of livestock is determined based on either (i) the market prices as of the end of each reporting period adjusted with reference to their species, age, growing condition, costs expected to be incurred and expected yield to reflect differences in characteristics and/or stages of growth of the livestock, or (ii) the present value of expected net cash flows from the livestock discounted at a current market rate, where market prices are unavailable.

Any changes in the estimates may affect the fair value of the Group's livestock significantly. Upward adjustments do not generate any cash inflow for the Group's operations. In addition, increases in interest rates globally or in the jurisdictions the Group mainly operates in may impact the discount rate used for deriving the present value of the biological assets, which in turn may negatively affect the fair value of the Group's livestock. As a result, the Group's unrealized fair value gains or losses on biological assets may fluctuate from period to period.

The Group's unrealized fair value gains/losses on biological assets are also derived from many assumptions. The principal valuation assumptions that the Group has adopted in applying the net present value approach involve factors such as the culling rates of milking cows in their various lactation cycles, the quality of dairy cows, breeding cattle and swine, the discount rate and the expected average selling prices of raw milk, all of which are factors over which the Group may not have full control.

**Natural disasters and adverse weather in certain of the countries in which the Group operates could disrupt the economy of such countries and the Group's business.**

The Group's operations, including its dairy farming, milk processing, breeding, commercial farming, aquaculture, and the transport and other logistics on which it is dependent may be adversely affected and severely disrupted by climatic or geophysical conditions. Natural disasters or adverse conditions may occur in those geographical areas in which the Group operates, including severe weather, tsunamis, cyclones, tropical storms, earthquakes, floods, volcanic eruptions, excessive rainfall and droughts as well as power outages or other events beyond the Group's control. In particular, Indonesia is located in the convergence zone of three (3) major lithospheric plates and is subject to significant seismic activity that can lead to destructive earthquakes and tsunamis, or tidal waves. In recent years, a number of natural disasters have occurred in Indonesia, including major earthquakes, which resulted in tsunamis and volcanic activities. A significant earthquake or other geological disturbance or natural disaster in more populated cities and financial centers could severely disrupt that country's economy and undermine investor confidence and have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Adverse and severe weather conditions may also have an impact on the Group's dairy farming, breeding and commercial farming operations. For example, the Group uses the Indian River breed of DOCs, a breed which has been specially tailored for tropical climate conditions, particularly in relation to tolerance of heat and humidity. Any change in the climate may reduce the size, quality, quantity and mortality of the Group's chickens, and affect the price and demand for the Group's chickens and the chicken products it sells. The

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Group's Holstein Friesian dairy cows perform better in cooler climates such as those in the Group's farms in Shandong province in the PRC and the Group's Gunung Kawi farm in Malang, East Java, Indonesia. In the event heat stress is placed on the Group's Holstein Friesian dairy cows, yield and quality of raw milk could be affected, which may affect the price and demand of the Group's raw milk and processed milk products, as well as the profit margins of the Group's dairy business.

**Political, economic and social conditions in the countries in which the Group operates may adversely affect their economies, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.**

The Group's business, prospects, financial condition and/or results of operations may be adversely affected by political and social developments in the jurisdictions in which the Group operates. Such political and social uncertainties include, but are not limited to, the risks of frequent changes in government and government policy, internal conflict, nationalism, expropriation, methods of taxation and tax policy, unemployment trends, investment restrictions, economic downturns and other matters that influence continued and stable business operations and consumer confidence and spending.

The Group has no control and can provide no assurance over such conditions and developments and any such changes that are detrimental to the Group's business could have an adverse effect on the Group's business, financial condition, results of operations and/or prospects.

**The countries in which the Group operates may suffer from governmental or business corruption.**

The Group operates and conducts business in countries which some perceive as having potentially more corrupt governmental and business environments compared to certain developed countries. Corrupt action against the Group could have a material adverse effect on its business, results of operations or financial condition. It may not be possible for the Group to detect or prevent every instance of fraud, bribery and corruption in every jurisdiction in which its employees, agents, subcontractors or joint-venture partners are located. The Group may therefore be subject to civil and criminal penalties and to reputational damage. Instances of fraud, bribery and corruption, and violations of laws and regulations in the jurisdictions in which the Group operates, could have a material adverse effect on its business, results of operations, financial condition and prospects.

**Some of the areas in which the Group operates lack physical infrastructure or contain physical infrastructure in poor condition.**

Physical infrastructure in some of the countries the Group operates in may be obsolete or non-existent or inadequately funded and maintained. Further deterioration of the physical infrastructure in the areas where the Group operates may disrupt the transportation of goods and supplies, increase operational costs of doing business in these areas and generally interrupt business operations, any or all of which could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

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### **The interpretation, application and reformation of laws and regulations in the jurisdictions in which the Group operates involve uncertainty.**

The courts in the jurisdictions in which the Group operates may offer less certainty as to the judicial outcome or a more protracted judicial process than is the case in more established economies. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems. Accordingly, the Group could face risks such as (i) effective legal redress in the courts of such jurisdictions being more difficult to obtain, whether in respect of a breach of law or regulation, or in an ownership dispute, (ii) a higher degree of discretion on the part of governmental authorities and therefore less certainty, (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations, (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, or (v) relative inexperience or unpredictability of the judiciary and courts in such matters.

Enforcement of laws in some of the jurisdictions in which the Group operates may depend on and be subject to the interpretation placed upon such laws by the relevant local authority, and such authority may adopt an interpretation of an aspect of local law which differs from the advice that has been given to the Group by local lawyers or even previously by the relevant local authority itself. Furthermore, there is limited or no relevant case law providing guidance on how courts would interpret such laws and the application of such laws to the Group's contracts, joint operations, licenses, license applications or other arrangements.

Apart from enforcement of the laws, all laws, including tax regulations, are subject to change over time. Any change in the Group's tax status in the various jurisdictions it operates in may adversely affect the Group's business, prospects, financial conditions and results of operations. In Vietnam, for example, the major tax laws and regulations (including value added tax, corporate income tax, personal income tax and royalty fees) have undergone significant changes in the past decade and may continue to be supplemented or clarified as issues arise over interpretation or implementation.

There is no assurance that there will be no unfavorable interpretation, application or change of the laws in the jurisdictions in which the Group operates or that such interpretation, application or change will not adversely affect its contracts, joint operations, licenses, license applications or other legal arrangements. In certain jurisdictions, the commitment of local businesses, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be less certain and more susceptible to revision or cancellation, and legal redress may be uncertain or delayed. If the existing body of laws and regulations in the countries in which the Group operates are interpreted or applied, or relevant discretions exercised, in an inconsistent manner by the courts or applicable regulatory bodies, or if the law undergoes significant reformation, this could result in ambiguities, inconsistencies and anomalies in the enforcement of such laws and regulations, which in turn could hinder the Group's long-term planning efforts and may create uncertainties in its operating environment.

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**Terrorist attacks and terrorist activities and certain destabilizing events have led to substantial and continuing economic and social volatility, which may materially and adversely affect the Group's business and/or property.**

Terrorist activities, anti-terrorist efforts, piracy or other armed conflict involving the jurisdictions in which the Group operates in may lead to substantial and continuing economic and social volatility in those jurisdictions. In Indonesia, for example, during the last several years and as recently as 13 November 2019, there have been various terrorist attacks directed at the Indonesian government, foreign governments and public and commercial buildings frequented by foreigners, which have killed and injured a number of people. The Group's business, financial condition, results of operations and/or prospects could be adversely affected if any infrastructure or property integral to its operations is destroyed or damaged by such an attack. Insurance coverage may become more difficult to obtain, if available at all.

**Any limitations on the ability of the Company's Subsidiaries to pay dividends to the Company could have a material adverse effect on the Company's ability to conduct the Group's business.**

The Company is a holding company incorporated in Singapore and operates a significant part of its businesses through the Company's operating Subsidiaries in Indonesia, the PRC, Vietnam, India and Myanmar. Therefore, the availability of funds to pay dividends to the Company's Shareholders depends upon dividends received from these Subsidiaries. If the Company's Subsidiaries incur debts or losses, such indebtedness or loss may impair their ability to pay dividends or other distributions to the Company. As a result, the Company's ability to pay dividends to the Company's Shareholders will be restricted. Local laws and regulations have differing requirements and restrictions on the ability of a company to pay dividends to its shareholders.

***The PRC***

The principal laws and regulations governing distributions of dividends of foreign holding companies include (i) the PRC Company Law, (ii) the Law of the PRC on Wholly Foreign-Owned Enterprises, (iii) the Foreign Investment Law, which comes into force on 1 January 2020, (iv) the Detailed Rules for the Implementation of the Law of the PRC on Wholly Foreign-Owned Enterprises, and (v) the Implementing Regulations of the Foreign Investment Law of PRC, when it comes into effect.

Under these laws and regulations, the Company's PRC subsidiaries, as wholly foreign-invested enterprises in the PRC ("**WFOE**"), may pay dividends only out of their accumulated after-tax profits, if any, determined based on PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including International Financial Reporting Standards. The PRC laws and regulations also require WFOEs to set aside at least 10% of their accumulated profits each year, if any, as statutory reserve funds, unless such reserves have reached 50% of the registered capital of the respective WFOE. These statutory reserves are not available for distribution as cash dividends. Profits of a WFOE shall not be distributed before the losses in the previous accounting years have been made up. Any undistributed profit for the previous accounting years may be distributed together with the distributable profit for the current accounting year.

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In addition, restrictive covenants in bank credit facilities or other agreements that the Company or its PRC subsidiaries have entered into or may enter into in the future may also restrict the ability of the Company's PRC subsidiaries to provide capital or declare dividends to the Company and its ability to receive distributions. See the risk factor entitled "*The Group has substantial indebtedness, which could materially and adversely affect the Group's business, financial condition and/or results of operations.*"

In addition, dividends payable by a foreign-invested enterprise to its foreign corporate investors who are not deemed as a PRC resident enterprise are subject to a 10% withholding tax, unless such foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding tax arrangement. In the Company's case, such withholding tax has historically amounted to 5%, as a result of tax treaty arrangements.

### ***Vietnam***

Circular 186/2010/TT-BTC ("**Circular 186**"), issued by Vietnam's Ministry of Finance and which took effect on 3 January 2011, provides guidance on the remittance of profits arising from the Company's Vietnamese subsidiaries.

Under Circular 186, the remittance of profits by companies established in Vietnam to foreign shareholders is permitted only if the Vietnamese company has paid corporate income taxes in Vietnam and has no accumulated losses. The maximum allowable amount of remittance would be calculated based on the declared dividends from the total net profits after tax for the particular financial year in the Vietnamese company's audited financial statements and the company's tax finalization, together with any declared dividends of previous years which have not been remitted, less the amount of investment that the foreign investor has committed to re-invest in Vietnam and less any costs or expenses incurred by or for the foreign parent company which the Vietnamese subsidiary may have paid. The company or foreign shareholder must file a notice with the tax authorities seven (7) business days prior to a remittance.

### **Government control of currency conversion may have a material adverse effect on your investment.**

At present, the RMB, VND, MMK and INR are not freely convertible to other foreign currencies, and conversion and remittance of foreign currencies are subject to the relevant foreign exchange regulations. Under current PRC laws and regulations, payments of current account items, including profit distributions may be made in foreign currencies without prior approval from State Administration of Foreign Exchange ("**SAFE**"), but are subject to procedural requirements including presenting relevant documentary evidence of such transactions and conducting such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Strict foreign exchange control continues to apply to capital account transactions. These transactions must be approved by or registered with SAFE or a local branch and repayment of loan principal and investment in negotiable instruments are also subject to restrictions.

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Under the Group's current corporate structure, the Company's source of funds will consist of dividend payments from the Company's Subsidiaries in the PRC, Indonesia, Vietnam, Myanmar and India denominated in RMB, IDR, VND, MMK and INR respectively. There is no assurance that the Group will be able to meet all of its foreign currency obligations or to remit payments out of these countries. If the Company's Subsidiaries in the PRC fail to provide documentation as requested by the relevant banks to repay loans to the Company, or if future changes in relevant regulations place restrictions on the ability of the subsidiaries to remit dividend payments to the Company, the Company's liquidity and ability to satisfy its third-party payment obligations, and its ability to distribute dividends in respect of the Shares, could be materially and adversely affected.

### **RISKS RELATING TO AN INVESTMENT IN THE SHARES**

#### **Shareholders who do not or are not able to accept their provisional allotment of Rights Shares will experience a dilution in their ownership of the Company.**

In the event that Entitled Shareholders do not or are not able to accept their provisional allotment of Rights Shares, their proportionate ownership of the Company will be reduced and such Shareholders will have their shareholdings in the Company diluted after completion of the Rights Issue due to the issuance of new Shares. They may also experience a dilution in the value of their Shares. Even if an Entitled Shareholder sells his provisional allotment of Rights Shares, or such provisional allotment of Rights Shares are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his ownership of the Company as a result of the Rights Issue.

#### **The price of the Shares may be volatile, which could result in substantial losses for investors subscribing for the Rights Shares.**

The trading price of the Shares could be subject to fluctuations in response to variations in the Group's results of operations, changes in general economic conditions, changes in accounting principles or other developments affecting the Group, its involvement in litigation, additions or departures in key personnel, any announcements by the Group of corporate developments, changes in financial estimates by securities analysts, the operating and stock price performance of other companies and other events or factors. The global financial markets have experienced significant price and volume fluctuations in recent years. Volatility in the price of the Shares may be caused by factors outside its control and may be unrelated or disproportionate to the Group's operating results.

There is no assurance that the market price for the Shares will not fluctuate significantly and rapidly as a result of certain factors, some of which are beyond the Company's control. Examples of such factors include, *inter alia*, (i) corporate actions, (ii) variation(s) of its operating results, (iii) changes in securities analysts' estimates of the Group's financial performance, (iv) additions or departures of key personnel, (v) fluctuations in stock market prices and volume, (vi) involvement in litigation and (vii) general economic, political and regulatory environment in the markets that the Group operates in.



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**There is no assurance that an active market for the Shares will develop after the Rights Issue.**

There is no assurance that the market price for the Rights Shares will not decline below the Issue Price after the Rights Issue. Shareholders should note that the Shares trade in board lots of 100 Shares. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares and who wish to trade in odd lots on the SGX-ST should note that there is no assurance that they will be able to acquire such number of Rights Shares to make up one board lot of 100 Rights Shares or to dispose of their odd lots (whether in part or whole) on the SGX-ST. Further, Entitled Shareholders who hold odd lots of less than 100 Rights Shares may experience difficulty and/or have to bear disproportionate transaction costs in disposing of odd lots of their Rights Shares.

**An active market may not develop for the “nil-paid” rights entitlements during the provisional allotment period prescribed by the SGX-ST.**

There is no assurance that an active trading market for the “nil-paid” rights on the SGX-ST will develop during the trading period or that any over-the-counter trading market for the “nil-paid” rights will develop. Even if an active market develops, the trading price of the “nil-paid” rights, which depends on the trading price of the Shares, may be volatile. In addition, Shareholders in certain jurisdictions are not allowed to participate in the Rights Issue. The “nil-paid” rights which would otherwise be provisionally allotted to Foreign Shareholders, may be sold by the Company, which could affect the trading price of the “nil-paid” rights.

**Investors may experience future dilution in the value of their Shares.**

The Company may need to raise additional funds in the future to finance the repayment of facilities, business expansion and/or acquisitions and/or investments. If additional funds are raised through the issuance by the Company of new Shares other than on a *pro rata* basis to existing Shareholders, the percentage ownership of existing Shareholders may also be reduced and existing Shareholders may also experience dilution in the value of their Shares.

**Any future sales of the Shares by the Group’s Substantial Shareholders and/or Directors could adversely affect its Share price.**

Any future sale of Shares by the Substantial Shareholders and/or Directors in the public market can have a downward pressure on the price of the Shares. The sale of a significant amount of such Shares in the public market, or the perception that such sales may occur could materially and adversely affect the market price of its Shares. These factors could also affect the Group’s ability to issue additional equity securities in the future.

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11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

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Not applicable. No profit forecast or profit estimate is disclosed in this Offer Information Statement.

13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions mentioned in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part –

- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.



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15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 14 of this Part –
- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, prepared on the basis of an examination by that issue manager or person of the evidence supporting the assumptions mentioned in paragraph 12 of this Part, to the effect that no matter has come to the attention of that issue manager or person which gives that issue manager or person reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
  - (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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**Significant Changes**

16. Disclose any event that has occurred from the end of –
- (a) the most recently completed financial year for which financial statements have been published; or
  - (b) if interim financial statements have been published for any subsequent period, that period,
- to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate statement to that effect.**

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Save as disclosed in this Offer Information Statement and in the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any event which has occurred from 30 September 2019 and up to the Latest Practicable Date which has not been publicly announced which may have a material effect on the financial position and results of the Group.

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17. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.
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Noted.

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**PART 6: THE OFFER AND LISTING**

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**Offer and Listing Details**

- 1. Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.**

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The Issue Price for each Rights Share is S\$0.50, payable in full on acceptance of all or part of a provisional allotment of Right Shares and, if applicable, on the application for excess Rights Shares.

The expenses incurred in respect of the Rights Issue will not be specifically charged to subscribers or purchasers of the Rights Shares. The expenses associated with the Rights Issue will be deducted from the gross proceeds received by the Company from the Rights Issue.

However, an administrative fee will be charged by the Participating Banks for each Electronic Application made through the ATMs of the respective Participating Banks, and such administrative fee will be borne by the subscribers of the Rights Shares.

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- 2. If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

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Not applicable. The Shares are, and the Rights Shares will be, listed, quoted and traded on the SGX-ST.

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**3. If –**

- (a) any of the relevant entity’s shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and**
- (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived, indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**

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Not applicable. None of the Shareholders has pre-emptive rights to subscribe for the Rights Shares.

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section titled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further details.

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**4. If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any approved exchange:**

- (a) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts –**
  - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
  - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**
- (b) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts –**
  - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**

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- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
- (c) disclose any significant trading suspension that has occurred on the approved exchange during the 3 years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than 3 years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the approved exchange.

- 
- (a) The following table sets forth the highest and lowest closing prices for the Shares and the volume of the Shares traded on the SGX-ST for each of the last 12 months immediately preceding the Latest Practicable Date and for the period from 1 January 2020 to the Latest Practicable Date:

	Share price (S\$)		Volume of Shares traded
	Highest closing price	Lowest closing price	
<b>January 2019</b>	0.830	0.715	50,093,600
<b>February 2019</b>	0.840	0.765	53,779,600
<b>March 2019</b>	0.750	0.650	96,214,500
<b>April 2019</b>	0.690	0.640	52,650,600
<b>May 2019</b>	0.605	0.535	51,666,900
<b>June 2019</b>	0.575	0.510	34,064,100
<b>July 2019</b>	0.555	0.510	21,273,800
<b>August 2019</b>	0.510	0.465	19,537,900
<b>September 2019</b>	0.500	0.445	41,176,600
<b>October 2019</b>	0.505	0.450	24,541,400
<b>November 2019</b>	0.620	0.510	70,841,600
<b>December 2019</b>	0.600	0.550	30,156,000
<b>1 January 2020 to 10 January 2020 (being the Latest Practicable Date)</b>	0.620	0.595	14,394,600

*(Source: Bloomberg L.P. Bloomberg L.P. has not consented to the inclusion of the information above which is publicly available, and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. The Company has included the above information in its proper form and context and have not verified the accuracy of the content of such information. The Company is not aware of any disclaimers made by Bloomberg L.P. in relation to the above information.)*

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- (b) Not applicable. The Shares have been listed and quoted on the SGX-ST for more than 12 months preceding the Latest Practicable Date.
- (c) There has not been any significant trading suspension of the Shares during the three (3) years immediately preceding the Latest Practicable Date.
- (d) Please refer to the table above for the volume of Shares traded during each of the last 12 months immediately preceding the Latest Practicable Date and for the period from 1 January 2020 to the Latest Practicable Date. Based on the information set out therein, the Shares are regularly traded on the SGX-ST.

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**5. Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide –**

- (a) statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and**
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or equally with the securities or securities-based derivatives contracts being offered.**

- 
- (a) The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of allotment and issue of the Rights Shares.
  - (b) The Rights Shares will be issued pursuant to the general share issue mandate granted by the Shareholders at the annual general meeting of the Company held on 18 April 2019, under Section 161 of the Companies Act and Rule 806(2) of the Listing Manual.

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**Plan of Distribution**

- 6. Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**
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The Rights Issue is made on a renounceable non-underwritten basis of up to 188,137,749 Rights Shares to Entitled Shareholders at the Issue Price of S\$0.50 for each Rights Share, on the basis of one (1) Rights Share for every ten (10) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

The Rights Shares will not be offered through any broker or dealer.

Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors only, trade (during the provisional allotment trading period prescribed by SGX-ST) their provisional allotments of Rights Shares on the SGX-ST and are eligible to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue.

The basis of allotting any Excess Rights Shares will be determined at the absolute discretion of the Directors. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotment and issuance of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting. For the avoidance of doubt, only Entitled Shareholders (and not Purchasers or renounees) shall be entitled to apply for Excess Rights Shares.

The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than in Singapore, the Rights Issue is only offered to Entitled Shareholders and the Rights Shares will not be offered to Foreign Shareholders. This Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or into any jurisdiction outside Singapore. Please refer to the section entitled "Eligibility of Shareholders to Participate in the Rights Issue" of this Offer Information Statement for further details.

The allotment and issuance of the Rights Shares pursuant to the Rights Issue are governed by the terms and conditions as set out in this Offer Information Statement, including Appendices II, III and IV to this Offer Information Statement, the PAL, the ARE and the ARS and (if applicable) the Constitution of the Company.

In view of the Deed of Undertaking and the savings in underwriting costs which the Company will enjoy, the Company has decided to proceed with the Rights Issue on a non-underwritten basis. Please refer to paragraph 1(f) of Part 10 of this Offer Information Statement for further details on the Deed of Undertaking.

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7. **Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivatives contracts being underwritten by each underwriter.**
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Not applicable. The Rights Issue is not underwritten by any financial institution. However, please refer to paragraph 1(f) of Part 10 of this Offer Information Statement for further details on the Deed of Undertaking.



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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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**PART 7: ADDITIONAL INFORMATION**

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**Statements by Experts**

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

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- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**
- (a) state the date on which the statement was made;**
  - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
  - (c) include a statement that the expert has given, and has not withdrawn, his or her written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

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- 3. The information mentioned in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.**
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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

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**Consents from Issue Managers and Underwriters**

4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his or her written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.

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The Manager has given and has not, before the lodgement of this Offer Information Statement, withdrawn its written consent to being named in this Offer Information Statement as the Manager of the Rights Issue.

No underwriter has been appointed in relation to the Rights Issue.

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**Other Matters**

5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly
- (a) the relevant entity's business operations or financial position or results; or
  - (b) investments by holders of securities or securities-based derivatives contracts in the relevant entity.

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Save as disclosed in this Offer Information Statement and the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any other matters which could materially affect, directly, or indirectly the Group's business operations or financial position or results or investments by holders of securities in the Company.

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**PART 8: ADDITIONAL INFORMATION REQUIRED  
FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES**

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Not applicable.

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**PART 9: ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES**

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Not applicable.

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**PART 10: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES OR  
SECURITIES-BASED DERIVATIVES CONTRACTS BY WAY OF RIGHTS ISSUE**

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**1. Provide –**

**(a) the particulars of the rights issue;**

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Please refer to section entitled “Summary of the Principal Terms of the Rights Issue” of this Offer Information Statement for the particulars of the Rights Issue.

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**(b) the last day and time for splitting of the provisional allotment of the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**

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The last date and time for splitting of the provisional allotment of Rights Shares is on 24 January 2020 at 5.00 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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**(c) the last day and time for acceptance of and payment for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**

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The last date and time for acceptance of and payment for the Rights Shares is on 31 January 2020 at 5.00 p.m. (and 9.30 p.m. for Electronic Applications) (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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**(d) the last day and time for renunciation of and payment by the renounee for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**

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The last date and time for acceptance of payment by the renounee for the Rights Shares is on 31 January 2020 at 5.00 p.m. (and 9.30 p.m. for Electronic Applications) (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Depositors who wish to renounce their provisional allotments of Rights Shares in favour of a third party should note that CDP requires three (3) Market Days to effect such renunciation. As such, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept his provisional allotment of Rights Shares.

Please refer to the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement for more details.

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- (e) **the terms and conditions of the offer of securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**
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The terms and conditions of the Rights Issue are as set out in this Offer Information Statement, including Appendices II, III and IV to this Offer Information Statement, and in the PAL, the ARE and the ARS.

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- (f) **the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and**
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As at the Latest Practicable Date:

- (a) Rangi Management Limited (“**Undertaking Shareholder**”) has an interest (directly or indirectly) in 948,368,240 Shares, representing approximately 50.90% of the Existing Issued Share Capital (“**Existing Rangi Shares**”);
- (b) Tasburgh Limited (“**Tasburgh**”) has an interest (directly or indirectly) in 106,714,375 Shares, representing approximately 5.73% of the Existing Issued Share Capital (“**Existing Tasburgh Shares**”); and
- (c) Tallowe Services Inc (“**Tallowe**”) has an interest (directly or indirectly) in 81,000,000 Shares, representing approximately 4.35% of the Existing Issued Share Capital (“**Existing Tallowe Shares**”),

(collectively, “**Renouncing and Undertaking Shareholders**”).

Pursuant to deeds of renunciation dated 18 December 2019 separately given by Tasburgh and Tallowe (“**Deeds of Renunciation**”), each of Tasburgh and Tallowe will renounce the pro-rata entitlements of Rights Shares in respect of all the Existing Tasburgh Shares and Existing Tallowe Shares respectively in favour of the Undertaking Shareholder.

To demonstrate its confidence in the Rights Issue and its commitment and support to the Company, the Undertaking Shareholder has executed a deed of undertaking dated 18 December 2019 (“**Deed of Undertaking**”), pursuant to which it has irrevocably undertaken to subscribe and pay for (or procure subscription and payment for) in full at the Issue Price, an aggregate of 136,000,000 Rights Shares (“**Undertaken Rights Shares**”) (the aggregate value of which is S\$68.0 million based on the Issue Price) comprising (i) 94,836,824 Rights Shares to be provisionally allotted to it (or the relevant registered holder(s)) on the basis of the Existing Rangi Shares, (ii) an aggregate of 18,771,437 Rights Shares the entitlements to which will be renounced by each of Tasburgh and Tallowe (or the relevant registered holder(s)) in its favour, and (iii) up to 22,391,739 excess Rights Shares which remain unsubscribed by other Entitled Shareholders or their renounees at the closing date of the Rights Issue after satisfying all applications and excess applications (if any) for the Rights Shares.

In addition to the above, each of the Renouncing and Undertaking Shareholders has also undertaken to ensure that none of the Shares in which it currently has an interest (directly or indirectly), are sold, transferred or otherwise disposed of from the date of the Deeds of

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Renunciation or the Deed of Undertaking (as the case may be) until the issue and listing on the SGX-ST of the Rights Shares.

The Deeds of Renunciation and the Deed of Undertaking are subject to:

- (i) the in-principle approval of the SGX-ST for the listing of and quotation for the Rights Shares on the SGX-ST and if such approval is granted subject to conditions, such conditions being acceptable to the Company and the Renouncing and Undertaking Shareholders, and such approval not having been withdrawn or revoked on or prior to the completion of the Rights Issue; and
- (ii) the lodgment of the Offer Information Statement, together with all other accompanying documents (if applicable) in respect of the Rights Issue with the Authority.

The Undertaking Shareholder had delivered to the SGX-ST a confirmation from a financial institution that it has sufficient financial resources for the purposes of fulfilling its obligations pursuant to the Deed of Undertaking.

Pursuant to the Deeds of Renunciation and the Deed of Undertaking and immediately following the completion of the Rights Issue, the shareholdings of the Renouncing and Undertaking Shareholders in the Company will be as follows:

Name	Maximum Scenario		Minimum Scenario	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(2)</sup>
Rangi Management Limited <sup>(3)</sup>	1,061,976,501	51.3	1,084,368,240	54.2
Tasburgh Limited <sup>(3)</sup>	106,714,375	5.2	106,714,375	5.3
Tallowe Services Inc <sup>(4)</sup>	81,000,000	3.9	81,000,000	4.1

**Notes:**

- (1) Based on the enlarged share capital of 2,069,515,240 Shares (excluding treasury Shares) and rounded to the nearest one decimal place.
- (2) Based on the enlarged share capital of 1,999,338,291 Shares (excluding treasury Shares) and rounded to the nearest one decimal place.
- (3) Mr Handojo Santosa, the Executive, Non-Independent Chairman and a controlling Shareholder of the Company, 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 act in accordance with his instructions in relation to the investments of the Scuderia Trust. As the sole shareholder of the Undertaking Shareholder, Fusion Investment Holdings Limited is entitled to determine the composition of the board of directors of the Undertaking Shareholder. Accordingly, Mr Handojo Santosa can control the exercise of the rights of the shares held by Fusion Investment Holdings Limited in the Undertaking Shareholder and through the board of directors appointed by Fusion Investment Holdings Limited, control the exercise of the rights of the Shares held by the Undertaking Shareholder under the Scuderia Trust.
- (4) The Shares of Tallowe are held by Magnus Nominees Limited and Fidelis Nominees Limited as bare trustees for Mr Handojo Santosa.

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**(g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**

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In view of the Deed of Undertaking and the savings in underwriting costs which the Company will enjoy, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

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## APPENDIX I – ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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### 1. Provide a review of the working capital for the last three financial years and the latest half year, if applicable.

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The working capital of the Group as at 31 December 2016, 31 December 2017, 31 December 2018, 30 June 2019 and 30 September 2019 is set out below:

	<b>As at 30 September 2019 US\$'000 (Unaudited)</b>	<b>As at 30 June 2019 US\$'000 (Unaudited)</b>	<b>As at 31 December 2018 US\$'000 (Audited)</b>	<b>As at 31 December 2017 US\$'000 (Audited)</b>	<b>As at 31 December 2016 US\$'000 (Audited)</b>
Current assets	1,410,208	1,407,032	1,340,411	1,235,957	1,260,841
Current liabilities	1,074,320	1,009,064	889,502	970,993	647,266
<b>Net current assets</b>	<b>335,888</b>	<b>397,968</b>	<b>450,909</b>	<b>264,964</b>	<b>613,575</b>

A review of the working capital of the Group is set out below:

#### **As at 30 September 2019 vs 30 June 2019**

Working capital decreased by US\$62.1 million, from US\$398.0 million as at 30 June 2019 to US\$335.9 million as at 30 September 2019. This was due to an increase in current liabilities of US\$65.3 million and an increase in current assets of US\$3.2 million.

Current liabilities increased by US\$65.3 million, primarily due to an increase in current loan and borrowings of US\$52.3 million and an increase in trade and other payables of US\$22.1 million.

Current assets increased by US\$3.2 million, primarily due to an increase in inventories of US\$7.5 million, an increase in trade and other receivables of US\$1.9 million, an increase in cash and cash equivalents of US\$5.0 million, an increase in biological assets of US\$1.9 million, partially offset by a decrease in other assets of US\$13.0 million.

#### **As at 30 June 2019 vs 31 December 2018**

Working capital decreased by US\$52.9 million, from US\$450.9 million as at 31 December 2018 to US\$398.0 million as at 30 June 2018. This was due to an increase in current liabilities of US\$119.6 million and an increase in current assets of US\$66.6 million.

Current liabilities increased by US\$119.6 million, primarily due to an increase in current loan and borrowings of US\$210.7 million, partially offset by a decrease in trade and other payables of US\$80.2 million and a decrease in income tax payable of US\$17.3 million.

Current assets increased by US\$66.6 million, primarily due to an increase in inventories of US\$38.1 million, an increase in biological assets of US\$11.9 million, an increase in other assets of US\$24.9 million, an increase in trade and other receivables of US\$28.1 million, and partially offset by a decrease in cash and cash equivalents of US\$36.5 million.

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## **APPENDIX I – ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL**

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### **As at 31 December 2018 vs 31 December 2017**

Working capital increased by US\$185.9 million, from US\$265.0 million as at 31 December 2017 to S\$450.9 million as at 31 December 2018. This was due to an increase in current assets of US\$104.5 million and a decrease in current liabilities of US\$81.5 million.

Current assets increased by US\$104.5 million, primarily due to an increase in inventories of US\$146.7 million and an increase in trade and other receivables of US\$15.4 million, partially offset by a decrease in cash and cash equivalents of US\$66.6 million.

Current liabilities decreased by US\$81.5 million, primarily due to a decrease in trade and other payables of US\$234.2 million, partially offset by an increase in current loan and borrowings of US\$122.5 million and an increase in income tax payable of US\$17.8 million.

### **As at 31 December 2017 vs 31 December 2016**

Working capital decreased by US\$348.6 million from US\$613.6 million as at 31 December 2016 to US\$265.0 million as at 31 December 2017. This was due to an increase in current liabilities of US\$323.7 million, partially offset by a decrease in current assets of US\$24.9 million.

Current liabilities increased by US\$323.7 million, primarily due to an increase in current trade and other payables of US\$321.5 million.

Current assets decreased by US\$24.9 million, primarily due to a decrease in cash and cash equivalents of US\$101.3 million and offset by an increase in inventories of US\$58.7 million and an increase in trade and other receivables of US\$17.6 million.

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## **2. Convertible Securities**

- (a) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Listing Manual.**
- (b) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.**

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Not applicable as the Rights Issue does not involve an issue of convertible securities.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### 1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, or where a Member Company is making an application in respect of a Broker-linked Balance linked to the Member Company, be taken to include an application made via the SGX-SFG Service.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). If an Entitled Depositor has Broker-linked Balance(s) and there are Rights Shares provisionally allotted to the Entitled Depositor in the Broker-linked Balance, a separate ARE will be issued for the number of Rights Shares provisionally allotted to the Entitled Depositor in each such Broker-linked Balance.

The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue, save as provided in paragraph 5.7 of this Appendix II. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and the application and payment for Excess Rights Shares are set out in this Offer Information Statement as well as the ARE.

Entitled Depositors should note that any provisional allotments of Rights Shares in a Broker-linked Balance which are accepted and (if applicable) any Excess Rights Shares credited pursuant to applications for Excess Rights Shares in respect of a Broker-linked Balance shall be credited to the same Broker-linked Balance.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Shares in addition to the Rights Shares which have been provisionally allotted to him, he may do so by way of an Electronic Application (other than acceptances of and, if applicable, excess applications for Rights Shares for an Entitled Depositor's Broker-linked Balance which may not be by way of an Electronic Application through an ATM) or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the "Free Balance" of your Securities Account or Broker-linked Balance of your Securities Account (if applicable) is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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and (if applicable) the excess application is in breach of the terms of the ARE or this Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE in Singapore currency SENT BY ORDINARY POST to his/their mailing addresses as maintained in the records of CDP for the payment of any cash distribution**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

**AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR (OTHER THAN FOR PROVISIONAL ALLOTMENTS OF RIGHTS SHARES IN AN ENTITLED DEPOSITOR'S BROKER-LINKED BALANCE) BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, OR WHERE A MEMBER COMPANY MAKES AN APPLICATION IN RESPECT OF A BROKER-LINKED BALANCE LINKED TO THE MEMBER COMPANY, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SFG SERVICE.**

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be authorised and entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, each application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder or a Member Company in respect of a Broker-linked Balance linked to the Member Company, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder or (if applicable) by the Member Company in respect of a Broker-linked Balance in the Entitled Depositor's Securities Account linked to the Member Company. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

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## **APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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- 1.4 For SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares must be done through the respective finance companies or Depository Agents. Any acceptance and/or application made directly through CDP, Electronic Applications at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.
- 1.5 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained therein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- 1.6 An Entitled Depositor with provisional allotment of Rights Shares in a Broker-linked Balance should note that the Member Company linked to the Broker-linked Balance may accept the provisional allotment of Rights Shares held in the Broker-linked Balance and apply for Excess Rights Shares for such Broker-linked Balance. CDP shall not be responsible for ascertaining, verifying or investigating, and has no duty to ascertain, verify or investigate any particulars relating to the acceptance of Rights Shares held in a Broker-linked Balance and whether the Entitled Depositor has authorised the acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares.
- 1.7 Details on the acceptance for provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares (other than in respect of Broker-linked Balances) are set out in paragraphs 2 to 4 of this Appendix II.

Details on the acceptance for provisional allotment of Rights Shares in an Entitled Depositor's Broker-linked Balance and application for Excess Rights Shares for a Broker-linked Balance are set out in paragraphs 5 to 7 of this Appendix II.

### **2. MODE OF ACCEPTANCE AND APPLICATION (OTHER THAN FOR BROKER-LINKED BALANCES)**

#### **2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank**

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for Excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix IV of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

### 2.2 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Shares provisionally allotted to him which he wishes to accept and the number of Excess Rights Shares applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for:
  - (i) by hand to **JAPFA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588**; or
  - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **JAPFA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 P.M. ON 31 JANUARY 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – JAPFA RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

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## **APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR: (A) DIFFERENT SECURITIES ACCOUNTS; OR (B) THE MAIN BALANCE AND ANY BROKER-LINKED BALANCE OF A SECURITIES ACCOUNT; OR (C) DIFFERENT BROKER-LINKED BALANCES OF A SECURITIES ACCOUNT, WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

### **2.3 Acceptance through the SGX-SFG Service (for Depository Agents only)**

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SFG service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and this Offer Information Statement as if the ARE had been completed, signed and submitted to CDP.

### **2.4 Insufficient Payment**

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the Excess Rights Shares applied for by the Entitled Depositor, the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 8.2 of this Appendix II which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

### **2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares**

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

### 2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares (“**Purchasers**”) as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers whose mailing addresses maintained with CDP are in Singapore. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS’ OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the nil-paid Rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Shares. Purchasers may obtain a copy from CDP. Alternatively, Purchasers may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Foreign Purchasers are advised that their participation in the Rights Issue may be restricted or prohibited by the laws of the jurisdiction in which they are located or resident.

**PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.**



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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### 2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS/THEIR OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) (if acceptance is made through CDP) or **9.30 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) (if acceptance is made by way of an Electronic Application through an ATM of a Participating Bank).

### 3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and also by way of Electronic Application(s) and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for Excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

### 4. ILLUSTRATIVE EXAMPLES (ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TEN (10) EXISTING ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.50)

As an illustration, if an Entitled Depositor has 10,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 1,000 Rights Shares as set out in his ARE. The Entitled Depositor’s alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:



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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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Alternatives	Procedures to be taken
(a) Accept his entire provisional allotment of 1,000 Rights Shares and (if applicable) apply for Excess Rights Shares.	<p>(1) Accept his entire provisional allotment of 1,000 Rights Shares and (if applicable) apply for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than <b>9.30 p.m. on 31 January 2020</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or</p> <p>(2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance in full of his provisional allotment of 1,000 Rights Shares and (if applicable) the number of Excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$500.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and Excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore, and made payable to "<b>CDP – JAPFA RIGHTS ISSUE ACCOUNT</b>" and crossed "<b>NOT NEGOTIABLE, A/C PAYEE ONLY</b>" for the full amount due on acceptance and (if applicable) application, by hand to <b>JAPFA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588</b> or by post, at his own risk, in the self-addressed envelope provided to <b>JAPFA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147</b> so as to arrive not later than <b>5.00 p.m. on 31 January 2020</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.</p>

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### Alternatives

### Procedures to be taken

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

- (b) Accept a portion of his provisional allotment of Rights Shares, for example 500 provisionally allotted Rights Shares, not apply for Excess Rights Shares and trade the balance on the SGX-ST.
- (1) Accept his provisional allotment of 500 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 500 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$250.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 500 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market in board lots, each board lot comprising provisional allotments size of 100 Rights Shares or any other board lot size which the SGX-ST may require.

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**APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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<b>Alternatives</b>	<b>Procedures to be taken</b>
(c) Accept a portion of his provisional allotment of Rights Shares, for example 500 provisionally allotted Rights Shares, and reject the balance.	(1) Accept his provisional allotment of 500 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than <b>9.30 p.m. on 31 January 2020</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or  (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 500 Rights Shares and forward the original signed ARE, together with a single remittance for S\$250.00, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than <b>5.00 p.m. on 31 January 2020</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 500 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through CDP by **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

**5. MODE OF ACCEPTANCE AND APPLICATION (FOR BROKER-LINKED BALANCES)**

**5.1 Acceptance/Application through CDP**

**The Entitled Depositor should note that any provisional allotments of Rights Shares accepted and (if applicable) any Excess Rights Shares credited pursuant to applications for Excess Rights Shares made through an ARE in respect of a Broker-linked Balance shall be credited to the same Broker-linked Balance.**

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares in a Broker-linked Balance and (if applicable) apply for Excess Rights Shares for his Broker-linked Balance through CDP, he must:

- (a) complete and sign the ARE in respect of the Rights Shares provisionally allotted in the Broker-linked Balance. In particular, he must state in Part C(i) of the ARE the total number of Rights Shares provisionally allotted to him which he wishes to accept and the number of Excess Rights Shares applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for:
  - (i) by hand to **JAPFA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588**; or
  - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **JAPFA LTD.C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 P.M. ON 31 JANUARY 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – JAPFA RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name of the Entitled Depositor and the relevant Broker-linked Balance Identification Number identifying the Broker-linked Balance clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR: (A) DIFFERENT SECURITIES ACCOUNTS; OR (B) THE MAIN BALANCE AND ANY BROKER-LINKED BALANCE OF A SECURITIES ACCOUNT; OR (C) DIFFERENT BROKER-LINKED BALANCES OF A SECURITIES ACCOUNT, WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

### **5.2 Acceptance through the SGX-SFG Service (only for Member Companies making an application in respect of a Broker-linked Balance linked to the Member Company)**

Member Companies may accept the provisional allotment of Rights Shares in a Broker-linked Balance linked to the Member Company and (if applicable) apply for Excess Rights Shares for a Broker-linked Balance linked to the Member Company through the SGX-SFG service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents and Member Companies. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable)

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## **APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and this Offer Information Statement as if the ARE had been completed and submitted to CDP.

### **5.3 Insufficient Payment**

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the Excess Rights Shares applied for by the Entitled Depositor, the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 8.2 of this Appendix II which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

### **5.4 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares**

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 5.1 above to CDP.

The balance of his provisional allotment of Rights Shares in a Broker-linked Balance may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

The ARE need not be forwarded to Purchasers as arrangements will be made by CDP for separate ARS to be issued to the Purchasers.

### **5.5 Trading of Provisional Allotments of Rights Shares by Member Company**

A Member Company may trade all or part of the provisional allotment of Rights Shares in a Broker-linked Balance linked to the Member Company as soon as dealings therein commence on the SGX-ST. CDP shall not be responsible for ascertaining, verifying or investigating, and has no duty to ascertain, verify or investigate any particulars relating to the sale of provisional allotments of Rights Shares by the Member Company and whether the Entitled Depositor has authorised sale of the provisional allotment of Rights Shares by the Member Company.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### 5.6 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in a Broker-linked Balance in favour of a third party should obtain the approval of the Member Company linked to the Broker-linked Balance for the transfer of such provisional allotments of Rights Shares out of the Broker-linked Balance to the main balance of his Securities Account for such renunciation. An Entitled Depositor may request for such approval either (1) through CDP Online if he has registered for CDP Internet Access Service; or (2) directly from the Member Company linked to the Broker-linked Balance. The Member Company should directly communicate its approval to CDP through the established communication channels between the Member Company and CDP, or initiate the transfer of such provisional allotments of Rights Shares from the Broker-linked Balance to the main balance of the Entitled Depositor's securities account.

Upon the transfer of the provisional allotments of Rights Shares which the Entitled Depositor wishes to renounce from the Broker-linked Balance to the main balance of the Entitled Depositor's securities account, the Entitled Depositor should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce, and CDP shall only process the transfer forms for such renunciation only after such provisional allotments of Rights Shares are credited to the main balance of the Entitled Depositor's securities account. Renunciation shall be made in accordance with the "Terms and Conditions for Operations of Securities Accounts with CDP", as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS/THEIR OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

### 5.7 Transfers of Provisional Allotments of Rights Shares from a Broker-linked Balance of the Entitled Depositor's Securities Account

Entitled Depositors who wish to transfer their provisional allotments of Rights Shares in a Broker-linked Balance to the main balance or another Broker-linked Balance of the Entitled Depositor's Securities Account should obtain the approval of the Member Company linked to the originating Broker-linked Balance for the transfer of such provisional allotments of Rights Shares out of the Broker-linked Balance. An Entitled Depositor may request for such approval either (1) through CDP Online if he has registered for CDP Internet Access Service; or (2) directly from the Member Company linked to the originating Broker-linked Balance (for transfer to the main balance of the Entitled Depositor's Securities Account only). The Member Company should, through the established communication channels between the Member Company and CDP, directly communicate its approval to CDP, or initiate the transfer of such provisional allotments of Rights Shares from the Broker-linked Balance to the main balance of the Entitled Depositor's securities account.



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## **APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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Upon the transfer of the provisional allotments of Rights Shares to the main balance or another Broker-linked Balance of the Securities Account, arrangements will be made by CDP for a separate ARS to be issued to the Entitled Depositor in respect of the provisional allotments of Rights Shares transferred to the main balance or another Broker-linked Balance of his Securities Account. As the Member Company may take up to the next Market Day to communicate its approval and effect the transfer, an Entitled Depositor who wishes to transfer his provisional allotments of Rights Shares from a Broker-linked Balance of his Securities Account is advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the Entitled Depositor by ordinary post and **AT HIS/THEIR OWN RISK**, to his Singapore address as maintained in the records of CDP and for the Entitled Depositor to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the Entitled Depositor is **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Alternatively, the Entitled Depositor may accept and subscribe for provisional allotments of Rights Shares in the main balance of his Securities Account by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above. Entitled Depositors who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP, for the period up to **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

**An Entitled Depositor who wishes to transfer his provisional allotments of Rights Shares which were provisionally allotted to a Broker-linked Balance of his Securities Account should note that he will not be entitled to apply for Excess Rights Shares in connection with his acceptance of such provisional allotments of Rights Shares which have been transferred out of the originating Broker-linked Balance.**

### **6. ACCEPTANCES AND APPLICATIONS BY BOTH AN ENTITLED DEPOSITOR AND THE MEMBER COMPANY LINKED TO THE BROKER-LINKED BALANCE**

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares in a Broker-linked Balance by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE, and the Member Company linked to such Broker-linked Balance also accepts any provisional allotment of Rights Shares in the Broker-linked Balance and/or applies for Excess Rights Shares in respect of the Broker-linked Balance, the Company and/or CDP shall be authorised and entitled to accept his and his Member Company's instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser and the Member Company shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for Excess Rights Shares whether made by him or the Member Company linked to the Broker-linked Balance in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.



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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### 7. ILLUSTRATIVE EXAMPLES FOR RIGHTS SHARES PROVISIONALLY ALLOTTED TO A BROKER-LINKED BALANCE (ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TEN (10) EXISTING ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.50)

As an illustration, if an Entitled Depositor has 10,000 Shares standing to the credit of a Broker-linked Balance of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 1,000 Rights Shares in his Broker-linked Balance as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

#### Alternatives

#### Procedures to be taken

- |   |  |
|---|--|
| (a) Accept his entire provisional allotment of 1,000 Rights Shares in the Broker-linked Balance and (if applicable) apply for Excess Rights Shares for the Broker-linked Balance. | (1) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 1,000 Rights Shares in the Broker-linked Balance and (if applicable) the number of Excess Rights Shares applied for the Broker-linked Balance and forward the original signed ARE together with a single remittance for S\$500.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and Excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to " <b>CDP – JAPFA RIGHTS ISSUE ACCOUNT</b> " and crossed " <b>NOT NEGOTIABLE, A/C PAYEE ONLY</b> " for the full amount due on acceptance and (if applicable) application, by hand to <b>JAPFA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588</b> or by post, at his own risk, in the self-addressed envelope provided to <b>JAPFA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147</b> so as to arrive not later than <b>5.00 p.m. on 31 January 2020</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name of the Entitled Depositor and the relevant Broker-linked Balance Identification Number identifying the Broker-linked Balance clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. |
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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### Alternatives

### Procedures to be taken

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR: (A) DIFFERENT SECURITIES ACCOUNTS; OR (B) THE MAIN BALANCE AND ANY BROKER-LINKED BALANCE OF A SECURITIES ACCOUNT; OR (C) DIFFERENT BROKER-LINKED BALANCES OF A SECURITIES ACCOUNT, WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

- (b) Accept a portion of his provisional allotment of Rights Shares in the Broker-linked Balance, for example 500 provisionally allotted Rights Shares, not apply for Excess Rights Shares and trade the balance on the SGX-ST.

- (1) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 500 Rights Shares in the Broker-linked Balance, and forward the original signed ARE, together with a single remittance for S\$250.00, in the prescribed manner described in alternative (a)(1) above; to CDP, so as to arrive not later than **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 500 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 100 Rights Shares or any other board lot size which the SGX-ST may require.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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Alternatives	Procedures to be taken
(c) Accept a portion of his provisional allotment of Rights Shares, for example 500 provisionally allotted Rights Shares, and reject the balance.	(1) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 500 Rights Shares in the Broker-linked Balance, and forward the original signed ARE, together with a single remittance for S\$250.00, in the prescribed manner described in alternative (a)(1) above to CDP so as to arrive not later than <b>5.00 p.m. on 31 January 2020</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).  The balance of the provisional allotment of 500 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through CDP by <b>5.00 p.m. on 31 January 2020</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

### 8. TIMING AND OTHER IMPORTANT INFORMATION

#### 8.1 Timing

**THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:**

- (A) **9.30 P.M. ON 31 JANUARY 2020 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; OR**
- (B) **5.00 P.M. ON 31 JANUARY 2020 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SFG SERVICE.**

Shares in the prescribed manner as set out in the ARE, the ARS, or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser or Member Company (in respect of a Broker-linked Balance), the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR THE PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

**IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

### 8.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix II, an Entitled Depositor should note that:

- (a) **by accepting his provisional allotment of Rights Shares and/or applying for Excess Rights Shares, he acknowledges that, in the case where** the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, the Company and/or CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Shares. Without prejudice to the above, CDP shall be entitled to make such appropriation for each application based on the amount received for that application notwithstanding payment (or overpayment) made in that or other application(s). The determination and appropriation by the Company and/or CDP shall be conclusive and binding;
- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares and/or Excess Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for Excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares and/or Excess Rights Shares in relation to the Rights Issue made through CDP; and

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

### 8.3 Availability of Excess Rights Shares

The Excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares (if any), any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to refuse any application for Excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Shares allotted to an Entitled Depositor is less than the number of Excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Rights Shares actually allotted to him.

If no Excess Rights Shares are allotted or if the number of Excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors or Member Companies (in respect of applications for Rights Shares made by Member Companies for Broker-linked Balances), without interest or any share of revenue or other benefit arising therefrom, within three (3) Market Days after the commencement of trading of the Rights Shares, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for Excess Rights Shares through CDP).

### 8.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – JAPFA RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **JAPFA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK, to JAPFA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent or a Member Company in respect of a Broker-linked Balance linked to the Member Company via the SGX-SFG Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) or Member Company/(s) for the Rights Shares is effected by **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All monies received in connection therewith will be returned to the Entitled Depositors or the Purchasers or the Member Company (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR THE PURCHASERS' OR THE MEMBER COMPANY'S OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distribution (where acceptance and/or application has been made through CDP) or by crediting their accounts with the relevant Participating Banks (where acceptance and/or



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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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application has been made by way of an Electronic Application through an ATM of a Participating Bank), **AT THE ENTITLED DEPOSITORS' OR THE PURCHASERS' OWN RISK (AS THE CASE MAY BE).**

**ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.**

### 8.5 Certificates

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and Excess Rights Shares credited to your Securities Account.

### 8.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access Service. Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed in its originality. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained therein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or the ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

**EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.**

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters.

All communications, notices, documents and remittances to be delivered or sent to you will be sent **BY ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK.**



**APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

**8.7 Personal Data Privacy**

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Registrar, CDP, the SGX-ST, the Company and the Manager (“**Relevant Persons**”) for the purpose of facilitating his application for the Rights Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

**9. PROCEDURE TO COMPLETE THE ARE/ARS**

**9.1 Know your holdings and entitlement**

**A. KNOW YOUR HOLDINGS & ENTITLEMENT**

Number of Shares currently held by you

XX,XXX

This is your shareholdings as at Books Closure Date.

Shares as at XX January 2015 (Books Closure Date)

This is the date to determine your Rights Shares entitlements.

Number of Rights Shares provisionally allotted\*

XX,XXX

This is your number of Rights Shares entitlements.

Issue Price

S\$0.0X per Rights Share

This is price that you need to pay when you subscribe for one (1) Rights Share.

## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

### 9.2 Select your application options

#### **B. SELECT YOUR APPLICATION OPTIONS**

- 1. ATM** Follow the procedures set out on the ATM screen and submit your application through an ATM of a Participating Bank by **XX September 2015 at 9.30 p.m.** Participating Banks are **XXX, XXX and XXX.**
- 2. MAIL** Complete section below and submit this form to CDP by **XX September at 5.00 p.m.**
  - (i) Only **BANKER'S DRAFT/CASHIER'S ORDER** payable to **"CDP-XXXXX RIGHTS ISSUE ACCOUNT"** will be accepted
  - (ii) Applications using a **PERSONAL CHEQUE, POSTAL ORDER or MONEY ORDER** will be **rejected**
  - (iii) Write your name and securities account number on the bank of the Banker's Draft/Cashier's Order

This is the last date and time to subscribe for the Rights Shares through ATMs of the Participating Bank and CDP.

You can apply for your Rights Shares through ATMs of the Participating Bank.

This is the payee name to be issued on your Cashier's Order where XXXXX is the name of the Company.

**Note:**

Please refer to the ARE/ARS for the actual holdings, entitlements, Books Closure Date, Issue Price, Closing Date, list of the Participating Banks and payee name on the Cashier's Order.

### 9.3 Declaration

#### **C. DECLARATION**

Please read the instructions overleaf and fill in the blanks below accordingly.

**i. Total Number of Rights Shares Applied:**  
(Provisionally Allotted + Excess Rights Shares)

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**ii. Cashier's Order/Banker's Draft Details:**  
(Input last 6 digits of CO/BD)

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Signature of Shareholder(s)

Date

Fill in the total number of the Rights Shares and Excess Rights Shares (for ARE)/ number of Rights Shares (for ARS) that you wish to subscribe within the boxes.

Fill in the 6 digits of the Cashier's Order / Banker's Draft number (eg. 001764) within the boxes.

Sign within the box.

**Notes:**

- (i) If the total number of Rights Shares applied exceeds the provisional allotted holdings in your CDP Securities Account as at the Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (ii) The total number of Rights Shares applied will be based on cash amount stated in your Cashier's Order/Banker's Draft. The total number of Rights Shares will be appropriated accordingly if the applied quantity exceeds this amount.
- (iii) Please note to submit one (1) Cashier's Order per application form.



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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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### 1. INTRODUCTION

Acceptances of the provisional allotment of and any excess application for the Rights Shares must be made on the appropriate form(s) accompanying and forming part of this Offer Information Statement.

Entitled Scripholders are entitled to receive this Offer Information Statement together with the following documents which are enclosed herewith, and are deemed to constitute a part of, this Offer Information Statement:

Renounceable PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Application of Excess Rights Shares	Form E

The provisional allotments of the Rights Shares and application for Excess Rights Shares are governed by the terms and conditions of this Offer Information Statement and the enclosed PAL and (if applicable) the Constitution of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL. Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split all or part of their provisional allotments are set out in this Offer Information Statement as well as the PAL.

With regard to any acceptance, application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue or with the terms and conditions of this Offer Information Statement, or in the case of any application by the PAL, the ARE and the ARS, and/or any other application form for the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat as invalid any such acceptance, application and present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.

The Company and the Share Registrar shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder or a renounee, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder or renounee. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application of Rights Shares and (if applicable) application for Excess Rights Shares.

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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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The full amount payable for the relevant number of Rights Shares accepted/applied for will be rounded up to the nearest whole cent, if applicable.

Entitled Scripholders who intend to trade any part of their provisional allotments of Rights Shares on the SGX-ST should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.

Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to this PAL and/or this Offer Information Statement has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained therein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

### 2. FORM OF ACCEPTANCE (FORM A)

#### 2.1 Acceptance

An Entitled Scripholder who wishes to accept his entire provisional allotment of Rights Shares or to accept any part of it and decline the balance should:

- (a) complete and sign the Form A of the PAL for the number of Rights Shares which he wishes to accept; and
- (b) forward the PAL at his own risk, in its entirety, duly completed and signed, together with payment in the prescribed manner to **JAPFA LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

#### 2.2 Insufficient payment

If:

- (a) no remittance is attached for the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares applied for by the Entitled Scripholder; or
- (b) the remittance submitted together with the PAL, is less than the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares applied for by the Entitled Scripholder.

in each case, the attention of the Entitled Scripholder is drawn to paragraph 2.3 of this Appendix III entitled "Appropriation" which sets out the circumstances and manner in which

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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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the Company and the Share Registrar shall be authorised and entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

### 2.3 Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore to be applied towards the payment of his acceptance of Rights Shares.

### 3. REQUEST FOR SPLITTING (FORM B), RENUNCIATION (FORM C) AND FORM OF NOMINATION (FORM D)

Entitled Scripholders who wish to accept a portion of their provisional allotment of Rights Shares and renounce the balance of their provisional allotment of Rights Shares, or who wish to renounce all or part of their provisional allotments in favour of more than one (1) person, should first, using Form B, request to have their provisional allotments under the PAL split into separate PALs ("**Split Letters**") according to their requirements.

The duly completed Form B together with the PAL, in its entirety, should be returned to **JAPFA LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 24 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B is received after **5.00 p.m. on 24 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Split Letters, representing the number of Rights Shares which Entitled Scripholders intend to renounce, may be renounced by completing and signing Form C before delivery to the renounee(s). Entitled Scripholders should complete and sign Form A of the Split Letter(s) representing that part of their provisional allotments they intend to accept, if any, and forward the said Split Letter(s) together with payment in the prescribed manner to **JAPFA LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Scripholders who wish to renounce their entire provisional allotment of Rights Shares in favour of one (1) person, or renounce any part of it in favour of one (1) person and decline the balance, should complete Form C for the number of provisional allotment of Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounee(s).

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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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The renounee(s) should complete and sign Form D and send Form D together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner, to reach **JAPFA LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A and the Consolidated Listing Form in Form D of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D of only one PAL or Split Letter ("**Principal PAL**") by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALs AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).**

#### 4. PAYMENT

Payment for the full amount due on acceptance and/or application in relation to the PALs must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**JAPFA RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or accepting party clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. The completed and signed PAL and remittance should be addressed to and forwarded at the sender's own risk to **JAPFA LTD. C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** by **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

If acceptance and (if applicable) excess application and payment in the prescribed manner as set out in this Offer Information Statement and the PAL is not received by **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotment of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance and such provisional allotment of Rights Shares not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company subject to applicable laws and the SGX-ST Rules. The Company will return or refund all unsuccessful application monies received in connection therewith **BY ORDINARY POST** and



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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date.

### 5. APPLICATION FOR EXCESS RIGHTS SHARES (FORM E)

Form E contains full instructions with regard to Excess Rights Shares application, and payment and the procedures to be followed if you wish to apply for Rights Shares in excess of your provisional allotment of Rights Shares. Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing, signing the Form E of the PAL and forwarding it with a **SEPARATE SINGLE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out above to **JAPFA LTD. C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD., 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

Applications for Excess Rights Shares are subject to the terms and conditions contained in the PAL, Form E and this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Scripholders, the original allottee(s) or their respective renounee(s), or the Purchaser(s) of the provisional allotment of Rights Shares, the unsold "nil-paid" provisional allotments (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, the PAL, Form E and (if applicable) the Constitution of the Company.

In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to allot the Excess Rights Shares applied for under Form E in any manner as the Directors may deem fit and to reject or refuse, in whole or in part, any application for Excess Rights Shares without assigning any reason. CDP takes no responsibility for any decision that the Directors may make.

In the event that the number of the Excess Rights Shares allotted to Entitled Scripholders is less than the number of Excess Rights Shares applied for, Entitled Scripholders shall be deemed to have accepted the number of Excess Rights Shares actually allotted to them. If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus of the application monies for Excess Rights Shares received by the Company, as the case may be, will be returned or refunded to them by the Company

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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date by means of a crossed cheque drawn on a bank in Singapore and sent, **BY ORDINARY POST** to their mailing addresses as maintained with the Share Registrar at their **OWN RISK**.

### 6. GENERAL

No acknowledgements or receipts will be issued in respect of any acceptances, remittances, applications or payments received.

**Entitled Scripholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.**

Upon listing and quotation on the SGX-ST, the Rights Shares, when issued will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "**Terms and Conditions for Operation of Securities Accounts with CDP**" and the "**Terms and Conditions for CDP to act as Depository for the Rights Shares**", as the same may be amended from time to time. Copies of the above are available from CDP.

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title. These physical share certificates will be sent **BY ORDINARY POST** to person(s) entitled thereto to their mailing addresses as recorded with CDP at his/their **OWN RISK**.

If the Entitled Scripholders' addresses stated in the PALs are different from their addresses registered with CDP, they must inform CDP of their updated addresses promptly, failing which the notification letters on successful allotments and other correspondences will be sent to their addresses last registered with CDP.

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## **APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS**

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A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on the SGX-ST, must deposit with CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

**THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES UNDER THE RIGHTS ISSUE IS 5.00 P.M. ON 31 JANUARY 2020 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

### **7. PERSONAL DATA PRIVACY**

By completing and delivering the PAL, an Entitled Scripholder or a renounee (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons (as defined in Appendix II) for the Purposes (as defined in Appendix II); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks. Please read carefully the terms and conditions of this Offer Information Statement, the instructions are set out on the ATM screens of the relevant Participating Banks (“Steps”).

Please read carefully the terms of this Offer Information Statement, the Steps, and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used in respect of the acceptance of the provisional allotments of and (if applicable) excess application for Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Electronic Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or his renounee or the Purchaser who accepts the provisional allotments of Rights Shares or (as the case may be) who applies for the Excess Rights Shares through an ATM of the Participating Banks. An Electronic Applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Banks before he can make an Electronic Application through an ATM of the Participating Banks.

The actions that the Electronic Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the Participating Banks. Upon completion of his Electronic Application transaction, the Electronic Applicant will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is to be retained by the Electronic Applicant and should not be submitted with any ARE and/or ARS.

For SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through the respective finance companies, Depository Agents or approved banks. Such investors are advised to provide their finance companies, Depository Agents or approved banks, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Application at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents. Such renounees or Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Application at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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**An Electronic Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or (as the case may be) application liable to be rejected.**

The Electronic Application shall be made in accordance with, and subject to, the terms and conditions of this Offer Information Statement, including but not limited to the terms and conditions appearing below.

- (1) In connection with his Electronic Application for the Rights Shares, the Electronic Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
  - (a) that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and
  - (b) that he consents to the disclosure of his name, NRIC/passport number, address, nationality, Securities Account number and application details (“**Relevant Particulars**”) from his account with that Participating Bank to the Share Registrar, CDP, the SGX-ST, the Company, the Manager and any other relevant parties (“**Relevant Parties**”) as CDP may deem fit for the purpose of the Rights Issue and his acceptance and/or (if applicable) excess application.

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be. By doing so, the Electronic Applicant shall be treated as signifying his confirmation of each of the two (2) statements above. In respect of statement 1(b) above, his confirmation, by pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19, of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Electronic Applicant may make an Electronic Application through an ATM of a Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Electronic Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of the Rights Shares provisionally allotted and Excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares represented by the provisional allotment of the Rights Shares as may be standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of such Excess Rights Shares or not to allot any number of Excess Rights Shares to the Electronic Applicant, the Electronic Applicant agrees to accept the decision as conclusive and binding.

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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- (4) If the Electronic Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key, as the case may be, on the ATM screen) of the number of Rights Shares accepted and/or Excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or Excess Rights Shares applied that may be allotted to him.
- (5) In the event that the Electronic Applicant accepts the Rights Shares and (if applicable) instructions to apply for Excess Rights Shares together with payment therefor both by way of the ARE and/or ARS (as the case may be), whether directly to CDP and/or by way of acceptance through Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Electronic Applicant's instructions in whichever mode or combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Rights Shares which the Electronic Applicant has validly given instructions to accept, the Electronic Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the aggregate number of provisionally allotted Rights Shares which have been accepted by the Electronic Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank, and the number of Rights Shares represented by the provisional allotment of the Rights Shares standing to the credit of the "Free Balance" of his Securities Account which is available for acceptance and payment as at the Closing Date. The Company and/or CDP, in determining the number of Rights Shares for which the Electronic Applicant has given valid instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of the Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE and/or the ARS or by way of acceptance by Electronic Application through an ATM of a Participating Bank, which the Electronic Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his acceptance.
- (6) If applicable, in the event that the Electronic Applicant applies for Excess Rights Shares both by way of ARE and by way of an application through Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Electronic Applicant's instructions in whichever mode or a combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Excess Rights Shares which the Electronic Applicant has validly given instructions to apply for, the Electronic Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Shares not exceeding the aggregate number of Excess Rights Shares for which he has applied by way of the ARE, whether directly to CDP and/or by Electronic Application through an ATM of a Participating Bank. The Company and/or CDP, in determining the number of Excess Rights Shares which the Electronic Applicant has given valid instructions to apply for, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application for the Excess Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE or by way of application by Electronic Application through an ATM of a Participating Bank, which the Electronic Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his application.



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**APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR  
ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS**

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- (7) The Electronic Applicant irrevocably requests and authorises the Company to:
- (a) register or procure the registration of the Rights Shares and (if applicable) the Excess Rights Shares allotted to the Electronic Applicant in the name of CDP for deposit into his Securities Account;
  - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares not be accepted and/or Excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Electronic Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date; and
  - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for Excess Rights Shares be accepted in part only, by automatically crediting the Electronic Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE ELECTRONIC APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (9) The Electronic Applicant irrevocably agrees and acknowledges that the submission of his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses, theft (in each case whether or not within the control of the Company, the Manager, CDP, the Share Registrar and/or the Participating Banks) and any other events whatsoever beyond the control of the Company, the Manager, CDP, the Share Registrar and/or the Participating Banks and if, in any such event, the Company, the Manager, CDP, the Share Registrar and/or the Participating Banks do not record or receive the Electronic Applicant's Electronic Application by **9.30 p.m. on 31 January 2020**, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Electronic Applicant shall be deemed not to have made an Electronic Application and the Electronic Applicant shall have no claim whatsoever against the Company, the Manager, CDP, the Share Registrar and/or the Participating Banks in respect of any purported acceptance thereof and (if applicable) excess applications therefor, or for any compensation, loss or damages in connection therewith or in relation thereto.
- (10) **ELECTRONIC APPLICATIONS MAY ONLY BE MADE THROUGH AN ATM OF THE PARTICIPATING BANKS FROM MONDAY TO SATURDAYS (EXCLUDING PUBLIC HOLIDAYS) BETWEEN 7.00 A.M. TO 9.30 P.M..**
- (11) Electronic Applications shall close at **9.30 p.m. on 31 January 2020** or such other time as the Directors may, in their absolute discretion, decide (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).



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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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- (12) All particulars of the Electronic Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Electronic Applicant after the time of the making of his Electronic Application, the Electronic Applicant shall promptly notify his Participating Bank.
- (13) The Electronic Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made through the ATMs of the Participating Banks that does not strictly conform to the instructions set out on the ATM screens of the Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in the S\$ (without interest or any share of revenue or other benefit arising there from) to the Electronic Applicant by being automatically credited to the Electronic Applicant's account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 31 January 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application, the Electronic Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary or replacement document referred to in Section 241 of the Securities and Futures Act is lodged with the Authority);
  - (b) his Electronic Application, the acceptance by the Company and the contract resulting there from shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
  - (c) none of the Company, the Manager, CDP, the Share Registrar, or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company, CDP or the Participating Banks due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
  - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares or and (if applicable) application for Excess Rights Shares;

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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- (e) in respect of the Rights Shares and/or Excess Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Electronic Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
  - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Electronic Applicant, a person who is not a party to any contract made pursuant to this Offer Information Statement and/or the Electronic Application has no right under the Contracts (Rights of Third Parties) Act, (Chapter 53B of Singapore) to enforce any term of such contracts. Notwithstanding any term contained therein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of liability) or terminate such contracts. Where the third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Electronic Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical. Otherwise, his Electronic Application may be liable to be rejected. The Electronic Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and/or other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (18) In the event that the Electronic Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for Excess Rights Shares, as the case may be, by way of ARE or ARS and/or by way of Electronic Application through the ATMs of the Participating Banks, the provisionally allotted Rights Shares and/or Excess Rights Shares will be allotted in such manner as the Company and/or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be returned or refunded without interest or any share of revenue or other benefit arising there from within 14 days after the Closing Date by any one (1) or a combination of the following:
- (a) by means of a crossed cheque drawn on a bank in Singapore and sent **BY ORDINARY POST** at his **OWN RISK** to his mailing address as recorded with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and/or
  - (b) by crediting the Electronic Applicant's bank account with the relevant Participating Bank at his **OWN RISK** if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder.

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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- (19) The Electronic Applicant acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and CDP are entitled and the Electronic Applicant authorises the Company and CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares that the Electronic Applicant has validly accepted, whether under the ARE and/or ARS or any other form of application (including Electronic Application through an ATM) for the Rights Shares;
  - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the “Free Balance” of the Electronic Applicant’s Securities Account which is available for acceptance; and
  - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Electronic Applicant.

The Electronic Applicant acknowledges that the Company’s and CDP’s determination shall be conclusive and binding on him.

- (20) The Electronic Applicant irrevocably requests and authorises the Company and/or CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Electronic Applicant and (if applicable) the Excess Rights Shares which the Electronic Applicant has applied for.
- (21) With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS, (if applicable) the Constitution of the Company and/or other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an application by the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the “Free Balance” of the Electronic Applicant’s Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares subscribed as at the Closing Date, the Company and/or CDP may, at their absolute discretion, reject or treat as invalid any such application or present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.
- (22) The Company and/or CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

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**APPENDIX V – LIST OF PARTICIPATING BANKS  
FOR ELECTRONIC APPLICATIONS THROUGH AN ATM**

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1. DBS Bank Ltd. (including POSB);
2. Oversea-Chinese Banking Corporation Limited; and
3. United Overseas Bank Limited.

This Offer Information Statement is dated this 14<sup>th</sup> day of January 2020.

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement 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 Offer Information Statement in its proper form and context.

For and on behalf of **JAPFA LTD.**

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Handojo Santosa  
@ Kang Kiem Han

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Hendrick Kolonas

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Tan Yong Nang

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Kevin John Monteiro

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Ng Quek Peng

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Lien Siauou-Sze

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Tan Kian Chew

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Manu Bhaskaran

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