



**STANDING STRONG
ON OUR COMMITMENT:
FEEDING EMERGING ASIA**



Japfa Ltd

Extraordinary General Meeting

18 April 2024

Resolutions

1

The Proposed Extension of the Supply Agreement for raw materials between AustAsia Group Ltd and Annona Pte Ltd as an Interested Person Transaction

2

The Proposed Renewal of The Japfa Performance Share Plan

RESOLUTION 1

Proposed Extension of the Supply Agreement



Extension of Supply Agreement

Background

- AAG¹ and Annona are currently parties to a Supply Agreement, pursuant to which **AAG purchases**, and **Annona supplies** agricultural commodities, premixes and vitamins. The Supply Agreement was approved and adopted at the EGM held on 7 November 2022.
- Shareholders' approval is being sought at this EGM for an extension of the Supply Agreement, with effect **from 1 July 2024 to 30 June 2027** ("Proposed Extension").
- The Proposed Extension is an "interested person transaction", under Chapter 9 of the Listing Manual:
 - Mr Renaldo Santosa and Ms Gabriella Santosa through the Santosa Family Entities have an interest of more than 30% of the issued and paid-up capital of both Japfa Ltd and AAG.
 - Annona is a wholly-owned subsidiary of Japfa Ltd. Annona was established as a global trader under Enterprise Singapore for aggregating the purchase of agricultural commodities, premixes and vitamins for the Japfa Group to procure better terms from suppliers and borrowing terms from lenders.
 - AAG is an "interested person" of Japfa.
- The principal terms under the Proposed Extension will be substantially the same as those previously approved by the Shareholders under the existing Supply Agreement.

Extension of Supply Agreement

Rationale and Benefits

- The Proposed Extension of the Supply Agreement allows Annona to continue to retain the AAG as a customer notwithstanding it being no longer a subsidiary of Japfa.
- The additional volume from the supply of goods to AAG can be used by Annona to negotiate for better terms for purchasing goods for onward sale to all of its customers.
- Japfa will continue to earn a margin on the sale of the goods to AAG.

Opinion of the Independent Financial Adviser (IFA)

- The IFA is of the opinion that the Proposed Extension of the Supply Agreement is on normal commercial terms and is not prejudicial to the interests of Japfa and its minority Shareholders.
- Accordingly, the IFA advised the Independent Directors to recommend that Shareholders vote in favour of the Proposed Extension of the Supply Agreement.

Directors' Recommendation

- The Independent Directors are of the opinion that the Proposed Extension of the Supply Agreement is in the interest of the Company. Accordingly, they recommend to **vote in favour** of the proposal.

RESOLUTION 2

Proposed Renewal of the Japfa Performance Share Plan



Japfa Performance Share Plan

Background

- The Company's existing share plan, which is known as the "Japfa Performance Share Plan" (the "Existing Japfa PSP") and was approved by shareholders in 2014, will **expire on 23 July 2024**.
- The Company proposes to renew the Japfa PSP which will therefore continue to be known as the "Japfa Performance Share Plan" (the "Renewed Japfa PSP"). The Renewed Japfa PSP will take effect from the date of its adoption.
- The Renewed Japfa PSP has **no material changes from the Existing Japfa PSP**, and adopts the same principles, rules, administration and implementation as the Existing Japfa PSP.

Japfa Performance Share Plan

Rationale

- The Existing Japfa PSP will expire on 23 July 2024 and the Company is therefore proposing to renew the Existing Japfa PSP by adopting the Renewed Japfa PSP.
- The rationale of the Renewed Japfa PSP has been retained from the Existing Japfa PSP as follows:
 - a) Foster an ownership culture within the Group which aligns the interests of Group Executives with the interests of shareholders;
 - b) Motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units; and
 - c) Make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company's ambition to become a world-class company.

Japfa Performance Share Plan

Rules of the PSP

- The Renewed Japfa PSP will be administered by the Remuneration Committee, who will decide and approve on the following parameters of the plan:
 - Date of Award(s);
 - Number of participants;
 - Size of Award(s);
 - Performance period;
 - Performance condition(s);
 - Vesting and issuance of Award(s).
- The Renewed Japfa PSP shall continue to be in force up to a maximum period of 10 years from the date of adoption.
- When PSPs are awarded, appropriate public disclosures will be made through SGX and in our Annual Report(s).

Japfa Performance Share Plan

Size of the PSP

- To date, an aggregate of 54,716,000 Shares (representing approximately 2.7% of the total number of Issued Shares (excluding treasury shares)) were given to 36 participants over the last 10 years.
- The aggregate number of Shares which may be given under the Japfa PSP shall not exceed 15% of the total number of Issued Shares (excluding Shares held by the Company as treasury shares).

Directors' Recommendation

- Non-Participating Directors are unanimously of the opinion that the Proposed Renewal of the Japfa Performance Share Plan is in the best interests of the Company and is not prejudicial to the interests of the Shareholders, hence recommend that Shareholders **vote in favour** of the proposal.
- Eligible Directors have refrained from making any recommendations in respect of the proposal.

THANK YOU

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