

CIRCULAR DATED 1 APRIL 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

If you have sold or transferred all your shares in the capital of Japfa Ltd. (the “**Company**” or “**Japfa**”), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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

This Circular (together with the Notice of Extraordinary General Meeting and the Proxy Form) has been made available on SGXNET and the Company’s website at the URL <https://japfa.com/investors/general-report/agm-egm>. A printed copy of this Circular will NOT be dispatched to Shareholders.

Shareholders will be able to participate fully at the physical EGM and will not be able to attend the EGM by way of electronic means.

Please refer to Section 9 of this Circular and the Notice of Extraordinary General Meeting for further information, including the steps to be taken by Shareholders to participate at the EGM.



JAPFA LTD.

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

Independent Financial Adviser in respect of the Proposed Extension of the Supply Agreement for Raw Materials between AustAsia Group Ltd. and Annona Pte. Ltd. as an Interested Person Transaction



W Capital Markets Pte. Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201813207E)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED EXTENSION OF THE SUPPLY AGREEMENT FOR RAW MATERIALS BETWEEN AUSTASIA GROUP LTD. (FORMERLY KNOWN AS AUSTASIA INVESTMENT HOLDINGS PTE. LTD.) AND ANNONA PTE. LTD. AS AN INTERESTED PERSON TRANSACTION**
- (2) THE PROPOSED RENEWAL OF THE JAPFA PERFORMANCE SHARE PLAN**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	15 April 2024 at 2.30 p.m.
Date and time of Extraordinary General Meeting	:	18 April 2024 at 2.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day)
Place of Extraordinary General Meeting	:	York Hotel Singapore, Carlton Hall, Level 2, 21 Mount Elizabeth, Singapore 228516

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DEFINITIONS

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

"1H2027"	:	The half year commencing from 1 January 2027 to 30 June 2027
"AAG"	:	AustAsia Group Ltd. (formerly known as AustAsia Investment Holdings Pte. Ltd.), which was formerly a principal subsidiary of the Company and holding company of its dairy farming business, but ceased to be a subsidiary of the Company upon the completion of the distribution <i>in specie</i> of the ordinary shares held by the Company in AAG to entitled Shareholders and the listing of AAG on the Main Board of the SEHK on 30 December 2022.
"AAG Group"	:	AAG, together with its subsidiaries
"Annona"	:	Annona Pte. Ltd., a wholly-owned subsidiary of the Company
"Annual General Meeting"	:	The annual general meeting of the Company to be held on 18 April 2024 at 2.00 p.m.
"Auditors"	:	The auditor of the Company for the time being
"Audit and Risk Committee"	:	The Audit and Risk Committee of the Company, comprising Mr Tan Kian Chew, Mr Manu Bhaskaran and Mr Chia Wee Boon as at the Latest Practicable Date
"Award"	:	A contingent award of Shares granted under the Renewed Japfa PSP
"Award Date"	:	In relation to an Award, the date of which the Award is granted pursuant to the rules of the Renewed Japfa PSP
"Board of Directors"	:	The board of Directors of the Company
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 1 April 2024
"Committee"	:	The Remuneration Committee of the Company, comprising Mr Manu Bhaskaran, Mr Chia Wee Boon and Mr Hendrick Kolonas as at the Latest Practicable Date
"Companies Act"	:	The Companies Act 1967 of Singapore, as may be amended or modified from time to time
"Company" or "Japfa"	:	Japfa Ltd.
"Constitution"	:	The constitution of the Company, as the same may be amended, varied or supplemented from time to time
"Directors"	:	The directors of the Company for the time being
"EGM"	:	The extraordinary general meeting of the Company to be held on 18 April 2024 at 2.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day), notice of which is set out on pages 54 to 57 of this Circular
"EPS"	:	Earnings per Share
"Existing Japfa PSP"	:	The Company's performance share plan known as the "Japfa Performance Share Plan" approved and adopted at an extraordinary general meeting held on 23 July 2014
"Extended Term"	:	The extended term of the Proposed Extension of the Supply Agreement, commencing on 1 July 2024 and expiring on 30 June 2027
"FY"	:	Financial year ended or ending 31 December

DEFINITIONS

“Goods” or “Raw Materials”	:	The goods supplied under the Supply Agreement, being feed (such as alfalfa, hay and oats) and other agriculture commodities, premixes and vitamins
“Group”	:	The Company and its subsidiaries from time to time
“Group Executive”	:	Any employee of the Group (including any Group Executive Director) who meets the relevant criteria as to age, rank and time of service and who shall be regarded as a Group Executive for the purposes of the Renewed Japfa PSP, selected by the Committee to participate in the Renewed Japfa PSP
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
“IFA”	:	W Capital Markets Pte. Ltd., being the independent financial adviser in respect of the Proposed Extension of the Supply Agreement as an interested person transaction
“IFA Letter”	:	The letter from the IFA advising the Independent Shareholders whether the Proposed Extension of the Supply Agreement as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders
“Independent Directors”	:	Ms Tan Hwee Hua @ Lim Hwee Hua, Mr Manu Bhaskaran, Mr Tan Kian Chew and Mr Chia Wee Boon
“Independent Shareholders”	:	Shareholders who are deemed to be independent for the purposes of voting on the Proposed Extension of the Supply Agreement
“Latest Practicable Date”	:	20 March 2024, being the latest practicable date prior to the issue of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date
“Non-Participating Directors”	:	Mr Renaldo Santosa (being a controlling shareholder (as defined in the Listing Manual) and thus not eligible to participate in the Renewed Japfa PSP), Mr Hendrick Kolonas, Ms Tan Hwee Hua @ Lim Hwee Hua, Mr Manu Bhaskaran, Mr Tan Kian Chew and Mr Chia Wee Boon (being Non-Executive Directors of the Company and thus not eligible to participate in the Renewed Japfa PSP)
“Notice of EGM”	:	The notice of EGM set out on pages 54 to 57 of this Circular
“NTA”	:	Net tangible asset
“Ordinary Resolution 1”	:	The ordinary resolution in relation to the Proposed Extension of the Supply Agreement
“Ordinary Resolution 2”	:	The ordinary resolution in relation to the Proposed Renewal of the Japfa Performance Share Plan
“Ordinary Resolutions”	:	Ordinary Resolution 1 and Ordinary Resolution 2
“Participant”	:	The holder of an Award
“Performance Condition”	:	In relation to an Award, the condition specified on the Award Date in relation to that Award
“Performance Period”	:	In relation to an Award, the period, as may be determined by the Committee at its discretion, during which the Performance Condition(s) is or are to be satisfied
“Proposed 2024 Supply Agreement”	:	The amended and restated Supply Agreement to be entered into between AAG and Annona in connection with the Proposed Extension of the Supply Agreement

DEFINITIONS

“Proposed Extension of the Supply Agreement”	:	The proposed extension of the Supply Agreement
“Proposed Renewal of the Japfa Performance Share Plan”	:	The proposed renewal of the Existing Japfa PSP by adopting the Renewed Japfa PSP
“Proposed Resolutions”	:	Ordinary Resolution 1 and Ordinary Resolution 2
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Register of Members”	:	The Register of Members of the Company
“Release”	:	In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with the rules of the Renewed Japfa PSP and, to the extent that any Shares which are the subject of the Award are not released pursuant to the rules of the Renewed Japfa PSP, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly
“Release Schedule”	:	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period
“Released Award”	:	An Award which has been Released in accordance with the rules of the Renewed Japfa PSP
“Renewed Japfa PSP”	:	The new performance share plan to be adopted to renew the Existing Japfa PSP, which will therefore continue to be known as the “Japfa Performance Share Plan”
“Retention Period”	:	Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant
“Santosa Family Entities”	:	Collectively, the Scuderia Trust, the Highvern Trustees Limited (as trustee of the Scuderia Trust), Fusion Investment Holdings Limited, Rangi Management Limited, Tasburgh Limited and Tallowe Services Inc., who collectively hold approximately 60.71% of the total number of issued ordinary shares in the capital of the Company as at the Latest Practicable Date
“Securities Accounts”	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
“SEHK”	:	The Stock Exchange of Hong Kong Limited
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd., being the share registrar of the Company
“Shareholders”	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP and whose Securities Accounts maintained by the CDP are credited with those Shares
“Shares”	:	Ordinary shares in the capital of the Company

DEFINITIONS

“SRS”	:	Supplementary Retirement Scheme
“SRS Approved Banks”	:	An approved bank in which SRS Investors hold their accounts under the SRS
“SRS Investors”	:	Investors who purchase Shares under the SRS
“Substantial Shareholder”	:	A person who has an interest directly or indirectly in 5% or more of the total number of voting Shares of the Company
“Supply Agreement”	:	The amended and restated supply agreement entered into between AAG and Annona in connection with the listing of AAG on the Main Board of the SEKH on 30 December 2022 relating to the sale and purchase of Goods
“Track Record Period”	:	The three (3) years ended 31 December 2021 and the six (6) months ended 30 June 2022
“Trading Margin”	:	The overall cap of Annona’s earnings before interest and tax for the relevant financial year or period of 5%
“Vesting”	:	In relation to Shares which are subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly
“Vesting Date”	:	In relation to Shares which are the subject of a Released Award, the date as determined by the Committee and notified to the relevant Participant on which those Shares are to be vested pursuant to the rules of the Renewed Japfa PSP
“S\$”	:	Singapore dollars
“US\$”	:	United States dollars
“per cent.” or “%”	:	Percentage or per centum

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

The term “**relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act.

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

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

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

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

Certain monetary amounts and percentages in this Circular have been subject to rounding adjustments. Any discrepancies in figures included in this Circular of an arithmetic aggregation of such figures or derivatives of such figures are due to rounding.

LETTER TO SHAREHOLDERS

JAPFA LTD.

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

Board of Directors

Ms Tan Hwee Hua @ Lim Hwee Hua (Chairman and Independent Director)
Mr Tan Yong Nang (Executive Director and Chief Executive Officer)
Mr Kevin John Monteiro (Executive Director and Chief Financial Officer)
Mr Renaldo Santosa (Executive Director)
Mr Hendrick Kolonas (Non-Executive Director)
Mr Manu Bhaskaran (Independent Director)
Mr Tan Kian Chew (Independent Director)
Mr Chia Wee Boon (Independent Director)

Registered Office

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

1 April 2024

To: Shareholders of Japfa Ltd.

Dear Sir / Madam

- (1) **THE PROPOSED EXTENSION OF THE SUPPLY AGREEMENT FOR RAW MATERIALS BETWEEN AUSTASIA GROUP LTD. (FORMERLY KNOWN AS AUSTASIA INVESTMENT HOLDINGS PTE. LTD.) AND ANNONA PTE. LTD. AS AN INTERESTED PERSON TRANSACTION**
- (2) **THE PROPOSED RENEWAL OF THE JAPFA PERFORMANCE SHARE PLAN**

1. INTRODUCTION

1.1 The Directors are convening an EGM at York Hotel Singapore, Carlton Hall, Level 2, 21 Mount Elizabeth, Singapore 228516 on 18 April 2024 at 2.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day), the notice of which is set out at pages 54 to 57 of this Circular, to seek the approval of the Shareholders for the following proposals:

- (a) the Proposed Extension of the Supply Agreement, as an ordinary resolution ("**Ordinary Resolution 1**"); and
- (b) the Proposed Renewal of the Japfa Performance Share Plane, as an ordinary resolution ("**Ordinary Resolution 2**"),

(collectively, the "**Proposed Resolutions**").

1.2 Shareholders should note that each of Ordinary Resolution 1 and Ordinary Resolution 2 is independent of each other and the passing of Ordinary Resolution 1 and/or Ordinary Resolution 2 is not conditional upon the passing of any other resolution tabled at the EGM.

1.3 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Resolutions.

1.4 The SGX-ST had on 19 March 2024 granted its in-principle approval for the listing and quotation of the new Shares to be allotted and issued pursuant to the vesting of Awards under the Renewed Japfa PSP, subject to:

- (a) the independent Shareholders' approval for the Renewed Japfa PSP; and
- (b) the Company's compliance with the SGX-ST's listing requirements and guidelines.

LETTER TO SHAREHOLDERS

1.5 Shareholders should take note that the approval in-principle of the SGX-ST relates only to the listing and quotation of the new Shares on the Main Board of the SGX-ST and is not to be taken as an indication of merits of the Renewed Japfa PSP, the new Shares, the Company and/or its subsidiaries.

1.6 Legal Adviser

Rajah & Tann Singapore LLP has been appointed as the legal adviser to the Company as to Singapore law in respect of the Proposed Resolutions.

1.7 Independent Financial Adviser

W Capital Markets Pte. Ltd. has been appointed as the IFA as required under Rule 921(4)(a) of the Listing Manual, as well as to advise the Independent Directors in respect of the Proposed Extension of the Supply Agreement.

2. THE PROPOSED EXTENSION OF THE SUPPLY AGREEMENT AS AN INTERESTED PERSON TRANSACTION

2.1 Background

AAG and Annona are currently parties to a Supply Agreement, pursuant to which AAG has agreed to purchase, and Annona has agreed to supply, agricultural commodities, premixes and vitamins for a term commencing on the listing date of AAG, being 30 December 2022, and expiring on 31 December 2024, which was approved and adopted at an extraordinary general meeting of the Company held on 7 November 2022. Ahead of the expiry of the Supply Agreement on 31 December 2024, Shareholders' approval is being sought for an extension of the Supply Agreement, which shall be deemed to take effect on 1 July 2024 and to extend the term of the Supply Agreement for a period of three (3) years to 30 June 2027, on the terms set out herein (the "**Proposed Extension of the Supply Agreement**"), pursuant to the Proposed 2024 Supply Agreement.

AAG was incorporated under the laws of Singapore on 17 April 2009. The AAG Group carries on dairy farming, raw milk production, and beef cattle operations in China. Formerly a principal subsidiary of the Company and holding company of its dairy farming business, AAG ceased to be a subsidiary of the Company upon the completion of the distribution *in specie* of the ordinary shares held by the Company in AAG to entitled Shareholders and the listing of AAG on the Main Board of the SEHK on 30 December 2022.

Annona is a wholly-owned subsidiary of the Company. Annona was established in 2009 as a global trader under Enterprise Singapore for the purpose of aggregating the purchase of agricultural commodities, premixes and vitamins of the Group so as to procure better terms from suppliers and borrowing terms from lenders.

AAG is an "associate" of each of Mr Renaldo Santosa and Ms Gabriella Santosa. Based on public disclosures made by AAG as at 30 June 2023, Mr Renaldo Santosa has an interest in 37.02% of the issued and paid-up capital of AAG, of which 36.97% was held through the Santosa Family Entities, and Ms Gabriella Santosa has an interest in 36.97% of the issued and paid-up capital of AAG through the Santosa Family Entities. Accordingly, AAG is an "interested person" of the Company for the purposes of Chapter 9 of the Listing Manual. Annona is a wholly-owned subsidiary of the Company. Accordingly, Annona is considered an "entity at risk", and the Proposed Extension of the Supply Agreement is an "interested person transaction" under Chapter 9 of the Listing Manual.

2.2 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual regulates transactions by a listed company, its subsidiaries and associated companies that are considered to be at risk (each referred to as an "**entity at risk**") with interested persons.

For the purpose of Chapter 9 of the Listing Manual:

- (a) An "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.

LETTER TO SHAREHOLDERS

- (b) An “**associate**” means:
- (i) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
 - (A) his immediate family;
 - (B) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (C) any company in which he and his immediate family together (directly or indirectly) have any interest of thirty (30)% or more;
 - (ii) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty (30)% or more.
- (c) An “**associated company**” means, in relation to a listed company, any company in which at least twenty (20)% but not more than fifty (50)% of its shares are held by the listed company or group.
- (d) A “**chief executive officer**” means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.
- (e) A “**controlling shareholder**” means a person who:
- (i) holds directly or indirectly fifteen (15)% or more of the total voting rights in the listed company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or
 - (ii) in fact exercises control over the listed company.
- (f) An “**entity at risk**” means:
- (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.
- (g) An “**interested person**” means:
- (i) a director, chief executive officer, or controlling shareholder of the listed company; or
 - (ii) an associate of any such director, chief executive officer, or controlling shareholder.
- (h) An “**interested person transaction**” means a transaction between an entity at risk and an interested person and a “**transaction**” includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of goods or services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

LETTER TO SHAREHOLDERS

2.3 Interested person

As at the Latest Practicable Date, each of Mr Renaldo Santosa and Ms Gabriella Santosa are deemed to have an interest, either through the Santosa Family Entities or otherwise, in 1,238,675,175 Shares and 1,236,590,875 Shares, representing 60.81% and 60.71% of the total number of issued ordinary shares in the capital of the Company, respectively, and are therefore each deemed to be a “controlling shareholder” of the Company and an “interested person” of the Company for the purposes of Chapter 9 of the Listing Manual.

AAG is an “associate” of each of Mr Renaldo Santosa and Ms Gabriella Santosa, who, through the Santosa Family Entities, have an interest of thirty (30)% or more of the issued and paid-up capital of AAG. Accordingly, AAG is an “interested person” of the Company for the purposes of Chapter 9 of the Listing Manual.

Annona is a wholly-owned subsidiary of the Company and intends to effect the Proposed Extension of the Supply Agreement by entering into the Proposed 2024 Supply Agreement with AAG. Accordingly, Annona is considered an “entity at risk”, and the Proposed Extension of the Supply Agreement is an “interested person transaction” under Chapter 9 of the Listing Manual.

Annona has been supplying and will continue to supply the Goods to the subsidiaries of the Company and the AAG Group. The aggregate sales by Annona for the supply of the Goods to the AAG Group for FY2021, FY2022 and FY2023 were approximately US\$19.8 million, US\$33.4 million and US\$16.8 million, respectively, which represent 2.5%, 3.4% and 2.2% of Annona’s total sales for FY2021, FY2022 and FY2023, respectively. The aggregate gross profits derived by Annona from the supply of the Goods to the AAG Group for FY2021, FY2022 and FY2023 were approximately US\$0.2 million, US\$0.4 million and US\$0.4 million, respectively, which represent 1.2%, 2.0% and 1.8% of Annona’s total gross profits for FY2021, FY2022 and FY2023, respectively.

The aggregate sales by Annona for the supply of the Goods to other subsidiaries of the Company for FY2021, FY2022 and FY2023 were approximately US\$757.1 million, US\$926.0 million and US\$755.5 million, respectively, which represent 96.2%, 95.5% and 96.5% of Annona’s total sales for FY2021, FY2022 and FY2023, respectively. The aggregate gross profits derived by Annona from the supply of the Goods to other subsidiaries of the Group for FY2021, FY2022 and FY2023 were approximately US\$18.3 million, US\$18.5 million and US\$19.7 million, respectively, which represent 97.3%, 96.7% and 96.9% of Annona’s total gross profits for FY2021, FY2022 and FY2023, respectively.

Annona does not generally deal with third-party customers. Nevertheless, from time to time, Annona makes ad-hoc sales to third party customers in small amounts on an as-requested basis. The aggregate sales by Annona for the supply of the Goods to third parties for FY2023 accounted for 0.7% of Annona’s revenue for FY2023.

2.4 Principal Terms of and Further Information on the Proposed 2024 Supply Agreement

As at the Latest Practicable Date, it is envisaged that the principal terms of the Proposed 2024 Supply Agreement to effect the Proposed Extension of the Supply Agreement will be substantially the same as those previously approved by the Shareholders under the Supply Agreement expiring on 31 December 2024 at the extraordinary general meeting held on 7 November 2022, save for the maximum annual/biannual caps set out below. The principal terms are summarised below:

(a) Principal Terms

Duration: The Proposed 2024 Supply Agreement is for an extended term commencing on 1 July 2024 (“**Extended Term**”) and expiring on 30 June 2027 and thereafter will be automatically renewed for successive terms of three (3) years subject to compliance with the relevant requirements of the listing rules of the SGX-ST and the SEHK, unless either party terminates such agreement by giving one (1) month’s written notice. Upon obtaining Shareholders’ approval for the Proposed Extension of the Supply Agreement, the Proposed 2024 Supply Agreement will take effect on and from 1 July 2024, and the existing Supply Agreement will cease to apply.

LETTER TO SHAREHOLDERS

Trading Margin: Pursuant to the Proposed 2024 Supply Agreement, Annona has agreed to supply feed (such as alfalfa, hay and oats) and other agriculture commodities, premixes and vitamins ("**Goods**") on normal commercial terms and on CIF (cost, insurance, freight) at the prevailing market price of similar Goods, subject to an overall trading margin which is capped at Annona's earnings before interest and tax for the relevant financial year or period of five (5)% ("**Trading Margin**"). There is no obligation on AAG to purchase or Annona to supply any Goods if the cost of financing exceeds the Trading Margin and may result in losses to Annona. The actual quantity of Goods purchased will depend on the business needs of AAG, and the commercial benefit to Annona in providing such supply.

Annual/Bi-annual Caps: The maximum annual or bi-annual purchase amounts payable by the AAG Group to Annona pursuant to the Proposed 2024 Supply Agreement for the supply of the Goods, amounting to a maximum aggregate value of US\$127 million, are as follows:

- (i) the total purchase amounts actually paid by the AAG Group to Annona for the half year commencing from 1 July 2024 to 31 December 2024 shall not exceed US\$13 million, and when aggregated with the total purchase amounts actually paid by the AAG Group to Annona for the half year commencing from 1 January 2024 to 30 June 2024 under the Supply Agreement, shall not exceed US\$42 million (as previously approved by Shareholders on 7 November 2022);
- (ii) for FY2025, US\$30 million;
- (iii) for FY2026, US\$35 million; and
- (iv) for the half year commencing from 1 January 2027 to 30 June 2027 ("**1H2027**"), US\$20 million.

(b) Further Information

As the market price for commodities is highly volatile, the market price is determined on a spot-basis at the time of each transaction. On a weekly basis, Annona obtains quotations from global commodity traders to monitor the market price movements. While not all trades will result in the same profit margin for Annona, over each financial year, Annona's trading margins and profits fall within the range of its competitors as benchmarked by independent consultants to Annona.

The Trading Margin of 5% is arrived at by benchmarking against the trading margins of companies in a similar business to Annona, with the help of tax advisors, as part of Annona's transfer pricing analysis and documentation, whether for Group Companies or for AAG. This ensures that Annona's transactions with Group Companies and/or AAG are conducted under comparable conditions and circumstances as transactions with independent third parties. The Trading Margin has historically been generally sufficient to cover Annona's cost of operations.

After the end of the relevant financial year or period, Annona shall issue a letter to AAG signed by Annona's financial controller, confirming Annona's Trading Margin for such financial year or period and setting out reasonable details by which the Trading Margin was arrived at. In the event that the Trading Margin is in excess of five (5)%, Annona shall repay AAG by providing a subsequent discount for future purchases by AAG. As the trading price is not pre-fixed but will be benchmarked on a spot-basis, the discount mechanism is introduced to effect overall adjustments to Annona's Trading Margin for the relevant financial year or period to ensure that it is within the 5% cap for purposes of transfer pricing compliance. Accordingly, the quantum of such discount will be at an amount necessary to keep the Trading Margin within 5% and there is otherwise no cap on the quantum of such discount. In the event that AAG does not accept the determination of the financial controller of Annona, it shall be entitled to require confirmation of such determination by Annona's auditors (acting as experts and not as arbitrators). Annona shall bear the cost of such audit if Annona's auditors disagree with Annona's determination, and AAG shall bear the cost of such audit, if AAG's auditors confirm its determination.

In the event AAG decides to purchase Goods from Annona and Annona agrees to supply such Goods, AAG will issue a purchase order setting out the type, quantity and purchase price of the Goods. The purchase price of the Goods shall be due and payable in full within 120 days from the date of the invoice according to the terms of payment required by Annona and agreed to by AAG in each purchase order. At present, neither Annona nor AAG intend to change the basis and manner of their trading relationship.

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The aggregate sales by Annona for the supply of the Goods to the AAG Group for FY2021, FY2022 and FY2023 were approximately US\$19.8 million, US\$33.4 million and US\$16.8 million, respectively, which represents 0.5%, 0.8% and 0.4% of the Group's Sales for FY2021, FY2022 and FY2023, respectively.

For the avoidance of doubt, the Trading Margin and the discount mechanism do not apply to Annona's ad-hoc sales to third party customers, as transfer pricing considerations do not apply there. Such transactions take place at market price as determined on a spot-basis for each transaction, as set out above, with no adjustments to Annona's trading margins.

2.5 Shareholders Approval

The listing rules of the SEHK require AAG to set out the basis for calculating the payments to be made and express the annual/biannual caps for transactions under the Proposed 2024 Supply Agreement in monetary terms. Accordingly, as at the Latest Practicable Date, it is envisaged that the Goods under the Proposed 2024 Supply Agreement will be supplied by Annona to AAG on normal commercial terms and on CIF (cost, insurance, freight) at the prevailing market price of similar Goods, subject to the Trading Margin, and the maximum annual/biannual purchase amounts payable by the AAG Group to Annona pursuant to the Proposed 2024 Supply Agreement for the supply of the Goods are as follows:

- (a) the total purchase amounts actually paid by the AAG Group to Annona for the half year commencing from 1 July 2024 to 31 December 2024 shall not exceed US\$13 million, and when aggregated with the total purchase amounts actually paid by the AAG Group to Annona for the half year commencing from 1 January 2024 to 30 June 2024 under the Supply Agreement, shall not exceed US\$42 million;
- (b) for FY2025, US\$30 million;
- (c) for FY2026, US\$35 million; and
- (d) for 1H2027, US\$20 million.

The biannual cap of US\$13 million for the half year commencing from 1 July 2024 to 31 December 2024 was determined by reference to (i) currency fluctuations; (ii) the purchasing trend of the AAG Group; and (iii) total purchase amounts actually paid by the AAG Group to Annona for the two (2) months ended 29 February 2024.

The existing annual cap of US\$42 million for FY2024 under the Supply Agreement was determined by reference to relevant factors at the time the existing Supply Agreement was entered into. These factors include, amongst others, (i) the historical and prevailing market price for the Goods as well as the potential fluctuations in the market price for the Goods during the three (3) years ended 31 December 2021 and the six (6) months ended 30 June 2022 ("**Track Record Period**"); (ii) the historical transaction quantity of different types of Goods purchased during the Track Record Period; (iii) the anticipated significant growth in the production of raw milk of the AAG Group in FY2024 and the consequent anticipated demand for the Goods; (iv) the anticipated increase in demand for the Goods for the AAG Group's beef cattle business; and (v) expected inflation pressure in 2024 in view of rapid increases in commodities and energy prices in recent months, geopolitical conflicts and continued COVID-19 prevention policies in China. Please refer to Section 10.4 of the Company's circular to Shareholders dated 15 October 2022 for further information on the factors taken into consideration in determining the existing annual cap of US\$42 million for FY2024 under the Supply Agreement.

The annual caps for FY2025 and FY2026 and the biannual cap for 1H2027 were determined by reference to (i) the historical and prevailing market price for the Goods as well as the potential fluctuations in the market price for the Goods during the term of the Supply Agreement; (ii) the historical transaction quantity of different types of Goods purchased from 30 December 2022 to the Latest Practicable Date.

Assuming the maximum value of goods is transacted during such period, this would represent approximately 10.7% of the Group's NTA for FY2023 of US\$1,180 million.

As the maximum value at risk for the term of the Proposed 2024 Supply Agreement would represent more than five (5)% of the Group's latest audited NTA, the Company is seeking the approval of Independent Shareholders at the EGM pursuant to Rule 906(1)(a) of the Listing Manual in respect of the Proposed Extension of the Supply Agreement.

If the caps for any ensuing period after the expiry of the Extended Term is expected to exceed five (5)% of the Group's NTA for the relevant period, the Company will seek Shareholders' approval for the renewal of the Proposed 2024 Supply Agreement.

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2.6 Rationale for and Benefits of the Proposed Extension of the Supply Agreement

Annona was established in 2009 as a global trader under Enterprise Singapore for the purpose of aggregating the purchase of agricultural commodities, premixes and vitamins of the Group so as to procure better terms from suppliers and borrowing terms from lenders. Annona's provision of trade credit of up to 120 days also enables the Group companies who are customers to benefit from Annona's cost of borrowings.

Annona, a wholly-owned subsidiary of the Company, has been supplying, and will continue to supply the Goods to the subsidiaries of the Company and the AAG Group. The Proposed Extension of the Supply Agreement allows Annona to continue to retain the AAG Group as a customer notwithstanding it being no longer a subsidiary of the Company. The additional volume from the supply of Goods to the AAG Group can be used by Annona to negotiate for better terms for its purchases of the Goods for onward sale to all of its customers, whether it is to the subsidiaries of the Company or to the AAG Group, and the Company will continue to earn a margin on the sale of the Goods to the AAG Group.

2.7 Independent Financial Adviser

In accordance with Rule 921(4)(a) of the Listing Manual, W Capital Markets Pte. Ltd. has been appointed as the IFA to advise the Independent Shareholders on whether the Proposed Extension of the Supply Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, 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 the Company 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.

A copy of the IFA Letter is reproduced and appended as Appendix 1 to this Circular. **Shareholders are advised to read the IFA Letter in its entirety carefully and consider it in the context of this Circular before proceeding to vote on the Proposed Extension of the Supply Agreement as an interested person transaction at the EGM.**

In rendering its opinion and providing its recommendation, the IFA did not have regard to the specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any Shareholder. Accordingly, any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

2.8 Audit and Risk Committee Statement

The members of the Audit and Risk Committee (comprising Mr Tan Kian Chew, Mr Manu Bhaskaran and Mr Chia Wee Boon) do not have any interests in the Proposed Extension of the Supply Agreement and are accordingly considered to be independent for the purposes of the Proposed Extension of the Supply Agreement. Having reviewed and considered, *inter alia*, the terms, rationale and benefits of the Proposed Extension of the Supply Agreement as well as the IFA Letter, the Audit and Risk Committee concurs with the opinion of the IFA given in the IFA Letter and is of the view that the Proposed Extension of the Supply Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

2.9 Further Information on Review Procedures

The Audit and Risk Committee has established review procedures to ensure that all interested person transactions with the AAG Group, are to be undertaken on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders. Under the review procedures, the interested person transaction terms and pricing are to be consistent with the Company's usual business practices and policies and no more favourable to the interested persons than those extended to parties who are not interested persons (including other Group entities, as set out in Section 2.4(b)). The Audit and Risk Committee has also put in place procedures to identify interested persons dealing with the Group and to monitor the interested person transactions entered into by the Group which are recorded into an interested person transactions register that is subject to quarterly review by the Company's internal auditor reporting to the Audit and Risk Committee.

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3. THE PROPOSED RENEWAL OF THE JAPFA PERFORMANCE SHARE PLAN

3.1 Background

The Company's existing share plan known as the "Japfa Performance Share Plan" (the "**Existing Japfa PSP**") will expire on 23 July 2024.

The Company proposes to renew the Existing Japfa PSP by adopting a new performance share plan which will therefore continue to be known as the "Japfa Performance Share Plan" (the "**Renewed Japfa PSP**"), which is subject to Shareholders' approval at the EGM. The Renewed Japfa PSP, if approved and adopted by Shareholders at the EGM, will take effect from the date of its adoption at the EGM.

3.2 Details of the Existing Japfa PSP

As at the Latest Practicable Date, an aggregate of 54,716,000 Shares (representing approximately 2.7% of the total number of issued Shares (excluding treasury shares)) were allotted and issued and/or delivered to an aggregate of 36 participants pursuant to the grant of Awards under the Existing Japfa PSP. Save as disclosed in this Circular, and save for the prescribed performance-based and/or other conditions attached to the Awards, none of the Awards granted under the Existing Japfa PSP were subject to any material conditions.

As at the Latest Practicable Date, there are no Awards granted under the Existing Japfa PSP in respect of which any Shares remain outstanding. The terms of the Existing Japfa PSP will continue to apply to these Awards that had been granted under the Existing Japfa PSP and which remain outstanding.

As at the Latest Practicable Date, the Awards granted to the Directors under the Existing Japfa PSP are set out below:

Name of Director	Date of Grant	No. of Shares comprised in Award ¹	No. of Shares that have Vested ²	No. of Shares that have not Vested
Tan Yong Nang	1 March 2017	4,600,000	4,600,000	0
Tan Yong Nang	21 December 2017	10,000,000	10,000,000	0
Tan Yong Nang	27 December 2018	12,617,300	12,617,300	0
Tan Yong Nang	29 February 2020	2,153,900	2,854,000	0
Tan Yong Nang	28 February 2021	2,365,997	866,000	0
Tan Yong Nang	1 March 2022	5,916,358	0	0
Kevin John Monteiro	1 March 2017	44,300	44,300	0
Kevin John Monteiro	21 December 2017	1,000,000	1,000,000	0
Kevin John Monteiro	27 December 2018	991,500	991,500	0
Kevin John Monteiro	29 February 2020	192,400	255,000	0
Kevin John Monteiro	28 February 2021	211,305	77,400	0
Kevin John Monteiro	1 March 2022	875,941	0	0

Notes:

- Shares numbers are stated as at Latest Practicable Date and have been adjusted for changes to capital as approved by the Remuneration Committee of the Company.
- Shares numbers are based on actual achievement. The Shares awarded on the Vesting Date could range from 0% to 200% of the grant, depending on the level of achievement against pre-set performance conditions within the Performance Period. In respect of Awards granted to Mr Tan Yong Nang on 29 February 2020, 28 February 2021 and 1 March 2022, and Awards granted to Mr Kevin John Monteiro on 29 February 2020, 28 February 2021 and 1 March 2022, the number of Shares that have Vested is different from the number of Shares comprised in the initial Award, due to adjustments made based on actual achievement.

No Awards were granted under the Existing Japfa PSP to participants who are controlling shareholders (as defined in the Listing Manual) and their associates (as defined in the Listing Manual).

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3.3 Rationale for the Renewed Japfa PSP

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 Renewed Japfa PSP, if approved and adopted by Shareholders at the EGM, will take effect from the date of its adoption at the EGM.

The Renewed Japfa PSP has been proposed in order to:

- (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.

The Renewed Japfa PSP contemplates the contingent award of fully-paid Shares after certain pre-determined benchmarks and performance targets have been met over set performance periods.

Under the Renewed Japfa PSP, the size of the Award granted to a Participant will be determined based on, amongst others:

- (i) the financial performance of the Group;
- (ii) the Participant's rank, job performance, years of service, performance history and potential for future development and the Participant's contribution to the success and development of the Group; and
- (iii) if applicable, the extent of effort and difficulty with which the Performance Condition(s) may be achieved within the Performance Period,

as determined by the Committee prior to the date of grant of such Award. The Performance Period here is a forward-looking period for which Performance Conditions and targets are set and measured over the Performance Period. The final Award is determined by the performance achievement by the Participant over the Performance Period. The Performance Period and other conditions will be determined by the Committee administering the Renewed Japfa PSP. The length of each Performance Period, the targets and other conditions (where applicable) will be determined by the Committee, with a view to aligning the Participants' performance goals with the corresponding performance cycle of the Company, and the strategies and objectives for the Group over time.

3.4 Summary of the Rules of the Renewed Japfa PSP

The following is a summary of the principal terms of the Renewed Japfa PSP. The rules of the Renewed Japfa PSP are set out in full in Appendix 2 to this Circular.

- (a) Eligibility
 - (i) Group Executives who, as at the Award Date, have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who have, as of the Award Date, been in full time employment of the Group for a period of at least twelve (12) months (or in the case of any Group Executive Director, such shorter period as the Committee may determine) shall be eligible to participate in the Renewed Japfa PSP, at the absolute discretion of the Committee.
 - (ii) For the avoidance of doubt, controlling shareholders (as defined in the Listing Manual) and their associates (as defined in the Listing Manual) who satisfy the criteria set out in Section 3.4(a)(i) above shall not be eligible to participate in the Renewed Japfa PSP.
 - (iii) Directors and employees of an associated company of the Company and the Company's parent company and its subsidiaries (other than the Company and its subsidiaries) are not eligible to participate in the Renewed Japfa PSP.

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(iv) The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Renewed Japfa PSP shall be determined at the absolute discretion of the Committee, which shall take into account such criteria as it considers fit, including but not limited to the financial performance of the Group, the Participant's rank, job performance, years of service, performance history and potential for future development, the Participant's contribution to the success and development of the Group and, if applicable, the extent of effort and difficulty to achieve the performance target(s) within the performance period.

(b) Size of the Renewed Japfa PSP

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Renewed Japfa PSP on any date, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen (15) per cent. of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day preceding the date of the relevant new Award.

(c) Grant of Awards

There are no fixed periods for the grant of Awards. The Committee may grant Awards to eligible Group Executives as the Committee may select, in its absolute discretion, at any time during the period when the Renewed Japfa PSP is in force.

The Committee shall decide in relation to an Award:

- (i) the Participant;
- (ii) the Award Date;
- (iii) the Performance Period;
- (iv) the number of Shares which are subject of the Award;
- (v) the Performance Condition(s);
- (vi) the Release Schedule;
- (vii) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
- (viii) any other condition which the Committee may determine in relation to that Award.

As soon as reasonably practicable after making an Award, the Committee will send to each Participant an award letter confirming the Award and specifying in relation to the Award:

- (A) the Award Date;
- (B) the Performance Period;
- (C) the number of Shares which are subject of the Award;
- (D) the Performance Condition(s);
- (E) the Release Schedule;
- (F) the Retention Period in relation to any or all of the Shares comprised;
- (G) in the Award, if any; and
- (H) any other condition which the Committee may determine in relation to that Award.

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(d) Nature of the Awards

Awards represent the right of a Participant to receive fully paid Shares free of charge, provided that certain prescribed Performance Condition(s) and/or any condition applicable to that Award are met and upon expiry of the prescribed Performance Period.

An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee.

(e) Events prior to Vesting Date

(i) An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

- (A) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (B) in the event a Participant commits any breach of any of the terms of the Participant's Award;
- (C) subject to Section 3.4(e)(ii)(B) below, upon the Participant, as the case may be, ceasing their employment and/or directorship with the Group for any reason whatsoever; or
- (D) in the event that an order being made or a resolution passed for the winding-up of the Company on the basis of, or by reason of, its insolvency.

For the purposes of Section 3.4(e)(i)(C) above, a Participant shall be deemed to have ceased to be so employed as of the date of notice of termination of employment is tendered by or is given to the Participant, unless such notice is withdrawn prior to its effective date.

(ii) In any of the following events, namely:

- (A) the bankruptcy of the Participant, the Participant's entry into an arrangement or composition with the Participant's creditors or the happening of any other event which results in the Participant being deprived of the legal or beneficial ownership of an Award;
- (B) where the Participant ceases their employment and/or directorship with the Group by reason of:
 - (1) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (2) redundancy;
 - (3) retirement at or after the legal retirement age;
 - (4) retirement before the legal retirement age with the consent of the Committee;
 - (5) the company by which he/she is employed or to which he/she is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group; or
 - (6) (where applicable) the Participant's transfer of employment between companies within the Group;
 - (7) the Participant's transfer to any governmental ministry or statutory body or corporation at the direction of any company within the Group;

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- (C) the death of a Participant; or
- (D) any other event approved by the Committee,

the Committee may, in its absolute discretion, determine whether an Award then held by such Participant, to the extent not yet Released, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and/or Release Schedule and subject to the provisions of the Renewed Japfa PSP. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition(s) has or have been satisfied.

(iii) If before the Vesting Date, any of the following occurs:

- (A) a take-over offer for the Shares becomes or is declared unconditional;
- (B) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Companies Act; or
- (C) an order being made or a resolution passed for the winding-up of the Company (other than as provided in Section 3.4(e)(i)(D) above or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition(s) has or have been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with the rules of the Renewed Japfa PSP.

(f) Vesting of Awards

Subject to the applicable laws, the Company will deliver Shares to Participants upon vesting of their Awards by way of an allotment or transfer to the Participant of the relevant number of Shares (which may, in the case of a transfer of Shares, include Shares held by the Company as treasury shares).

The financial effects of the above methods are discussed in Section 4 below.

(g) Rights of Shares arising

New Shares allotted and issued and existing Shares procured by the Company for transfer on the Release of an Award shall (i) be subject to all the provisions of the Act and the Constitution of the Company; and (ii) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

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(h) Adjustment Events

(i) If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (A) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (B) the class and/or number of Shares in respect of which future Awards may be granted under the Renewed Japfa PSP,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

(ii) Unless the Committee considers an adjustment to be appropriate, the following events will not normally be regarded as a circumstance requiring an adjustment:

- (A) the issue of securities as consideration for an acquisition or a private placement of securities;
- (B) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force;
- (C) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting; or
- (D) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

Any adjustment (except in relation to a capitalization issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

(i) Cash Settlement of Awards

The Committee, in its absolute discretion, may determine to make a Release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive on the Vesting Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to the Participant on Release of the Award, the aggregate market value of such Shares on the Vesting Date.

Whilst the Company does not have an express right to provide cash settlement of Awards under the Existing Japfa PSP, the Committee nonetheless has a wide discretion in the implementation and administration of the plan, which could include the cash settlement of Awards. The express inclusion of the cash settlement of Awards under the Renewed Japfa PSP is to clarify the position. The cash settlement option gives the Company flexibility in deciding how to settle Awards that have been vested. To date, the Company has not made any cash settlement of Awards under the Existing Japfa PSP.

(j) Administration of the Renewed Japfa PSP

The Renewed Japfa PSP shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to such member or held by such member.

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(k) Modifications to the Renewed Japfa PSP

Any or all provisions of the Renewed Japfa PSP may be modified and/or altered from time to time by a resolution of the Committee, except that:

- (i) no modification or alteration shall adversely affect the rights attached to any Award granted prior to such modification or alteration except with the written consent of such number of Participants who, if their Awards were Released to them upon the Performance Condition(s) for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Condition(s) for all outstanding Awards being satisfied in full;
- (ii) the definitions of "Group Executive", "Group Executive Director", "Participant", "Performance Period" and "Release Schedule" and the provisions of certain specific rules as further set out in the Renewed Japfa PSP shall not be altered to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and
- (iii) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

(l) Duration of the Renewed Japfa PSP

- (i) The Renewed Japfa PSP shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the Renewed Japfa PSP is adopted by the Company in general meeting, provided always that the Renewed Japfa PSP may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- (ii) The Renewed Japfa PSP may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in a general meeting, subject to all relevant approvals which may be required and if the Renewed Japfa PSP is so terminated, no further Awards shall be granted by the Committee hereunder.
- (iii) The expiry or termination of the Renewed Japfa PSP shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

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(m) Disclosure in Annual Reports

The following disclosures or appropriate negative statements (as applicable) will be made by the Company in its annual report for so long as the Renewed Japfa PSP continues in operation as from time to time required by the Listing Manual including the following (where applicable):

- (i) the names of the members of the Committee administering the Renewed Japfa PSP;
- (ii) in respect of the following Participants of the Renewed Japfa PSP:
 - (A) directors of the Company; and
 - (B) Participants, (other than those in (A) above), who have received Shares pursuant to the Release of Awards granted under the Renewed Japfa PSP which, in aggregate, represent five (5) per cent. or more of the total number of Shares available under the Renewed Japfa PSP, the following information:
 - (1) the name of the Participant;
 - (2) the number of Awards granted during the financial year under review;
 - (3) the aggregate number of Shares comprised in Award granted since the commencement of the Renewed Japfa PSP to the end of the financial year under review;
 - (4) the following particulars relating to Awards which have Vested since the commencement of the Renewed Japfa PSP to the end of the financial year under review:
 - (aa) the number of new Shares issued to such Participant; and
 - (bb) the number of existing Shares transferred to such Participant; and
 - (5) the aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review; and
- (iii) such other information as may be required by the Listing Manual or the Act.

Rule 852(1)(c) of the Listing Manual is not applicable, as directors and employees of an associated company of the Company and the Company's parent company and its subsidiaries (other than the Company and its subsidiaries) are not eligible to participate in the Renewed Japfa PSP.

Rule 852(1)(d) of the Listing Manual is not applicable, as the Renewed Japfa PSP is a share plan, not an option plan.

(n) Abstention from Voting

Shareholders who are eligible to participate in the Renewed Japfa PSP must abstain from voting on any resolution relating to the Renewed Japfa PSP.

LETTER TO SHAREHOLDERS

4. FINANCIAL EFFECTS OF THE RENEWED JAPFA PSP

4.1 Share Capital

The Renewed Japfa PSP will result in an increase in the Company's issued share capital when new Shares are issued to Participants pursuant to the vesting of Awards.

The number of new Shares issued will depend on, *inter alia*, the size of the Awards granted under the Renewed Japfa PSP.

In any case, the Renewed Japfa PSP provides that the number of Shares to be issued or transferred under the Renewed Japfa PSP, when aggregated with the aggregate number of shares which options or awards are granted under any other share option schemes or share schemes of the Company, will be subject to the maximum limit of fifteen (15)% of the Company's total number of issued shares (excluding Shares held by the Company as treasury shares) from time to time.

If instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants, the Renewed Japfa PSP will have no impact on the Company's issued share capital.

4.2 NTA

As described in Section 4.3 below on EPS, the Renewed Japfa PSP is likely to result in a charge to the Company's income statement, with a corresponding increase in equity, over the period from the grant date to the vesting date of the Awards (as the case may be). There would be no effect on the NTA. The amount of the charge will be computed in accordance with Singapore Financial Reporting Standard (International) 2 – Share-based Payment ("SFRS(I) 2").

It should be noted that the delivery of Shares to Participants under the Renewed Japfa PSP will generally be contingent upon the eligible Participants meeting prescribed performance targets and conditions.

4.3 EPS

The Renewed Japfa PSP is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with SFRS(I) 2.

The issuance of new Shares under the Renewed Japfa PSP will have a dilutive impact on the consolidated EPS of the Group.

It should again be noted that the delivery of Shares to Participants of the Renewed Japfa PSP will generally be contingent upon the Participants meeting the prescribed performance targets and conditions.

4.4 Share-based Payment

The grant of any Awards under the Renewed Japfa PSP is considered a share-based payment that falls under SFRS(I) 2.

As Participants will receive Shares in settlement of the Awards, the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs:

- (a) The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the income statement over the period between the grant date and the vesting date of an Award. The amount recognised as an expense is adjusted to reflect the number of Awards for which the service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of Awards that meet the service and non-market performance conditions at the vesting date of such Award. At each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the amount charged to the income statement is made.

LETTER TO SHAREHOLDERS

- (b) The amount charged to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance target is not a market condition, the fair value per share of the Awards granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative charge to the income statement if the Awards do not ultimately vest.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 Directors' Interests

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

Directors	Direct Interest		Deemed Interest ⁽²⁾		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Mdm Tan Hwee Hua @ Lim Hwee Hua	–	–	–	–	–	–
Mr Tan Yong Nang ⁽³⁾	–	–	98,129,060	4.82	98,129,060	4.82
Mr Kevin John Monteiro ⁽⁴⁾	–	–	4,672,630	0.23	4,672,630	0.23
Mr Renaldo Santosa ⁽⁵⁾	–	–	1,238,675,175	60.81	1,238,675,175	60.81
Mr Hendrick Kolonas	–	–	–	–	–	–
Mr Manu Bhaskaran	–	–	–	–	–	–
Mr Tan Kian Chew	33,000	0.00	–	–	33,000	0.00
Mr Chia Wee Boon	–	–	–	–	–	–

Notes:

- (1) Based on 2,037,025,320 Shares in issue (excluding 30,398,000 treasury shares) as at the Latest Practicable Date.
- (2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.
- (3) 42,197,991 Shares are held by Great Alpha Investments Limited and 53,000,000 Shares are held by The Great Delta Trust. By virtue of Section 4 of the SFA, Mr Tan Yong Nang is deemed to have an interest in the Shares held by Great Alpha Investments Limited and The Great Delta Trust. In addition, Mr Tan Yong Nang is also deemed to have an interest in 2,931,069 Shares held in a joint account with his wife (through their client account with a financial institution).
- (4) Held through his client account with a financial institution.
- (5) See notes (5), (9), (10) and (12) of Section 5.2 – Substantial Shareholders' Interests.

LETTER TO SHAREHOLDERS

5.2 Substantial Shareholders' Interests

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

Substantial Shareholders	Direct Interest		Deemed Interest ⁽²⁾		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Rangi Management Limited ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁹⁾	1,061,976,500	52.13	–	–	1,061,976,500	52.13
Fusion Investment Holdings Limited ⁽³⁾⁽⁴⁾	–	–	1,061,976,500	52.13	1,061,976,500	52.13
Tasburgh Limited ⁽⁴⁾⁽⁵⁾⁽⁹⁾	106,714,375	5.24	–	–	106,714,375	5.24
Morze International Limited ⁽⁴⁾⁽⁶⁾	310,779,793	15.26	–	–	310,779,793	15.26
Highvern Trustees Limited ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	–	–	1,479,470,668	72.63	1,479,470,668	72.63
Scuderia Trust ⁽⁵⁾	–	–	1,168,690,875	57.37	1,168,690,875	57.37
Capital Two Trust ⁽⁶⁾	–	–	310,779,793	15.26	310,779,793	15.26
MNM Holdings Limited ⁽⁷⁾	–	–	1,479,470,668	72.63	1,479,470,668	72.63
Mr Martin John Hall ⁽⁷⁾	–	–	1,479,470,668	72.63	1,479,470,668	72.63
Ms Naomi Julia Rive ⁽⁷⁾	–	–	1,479,470,668	72.63	1,479,470,668	72.63
Ms Rachel Anastasia Kolonas ⁽⁶⁾⁽⁸⁾	–	–	310,779,793	15.26	310,779,793	15.26
Ms Tati Santosa ⁽⁶⁾	–	–	310,779,793	15.26	310,779,793	15.26
Mdm Farida Gustimego Santosa ⁽⁵⁾⁽¹¹⁾	–	–	1,168,690,875	57.37	1,168,690,875	57.37
Mr Renaldo Santosa ⁽⁵⁾⁽⁹⁾⁽¹⁰⁾⁽¹²⁾	–	–	1,238,675,175	60.81	1,238,675,175	60.81
Ms Gabriella Santosa ⁽⁵⁾⁽⁹⁾⁽¹⁰⁾⁽¹³⁾	–	–	1,236,590,875	60.71	1,236,590,875	60.71

Notes:

- (1) Based on 2,037,025,320 Shares in issue (excluding 30,398,000 treasury shares) as at the Latest Practicable Date.
- (2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.
- (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.
- (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 beneficiaries of the Scuderia Trust are Mdm Farida Gustimego Santosa, her 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 holding company of Highvern Trustees Limited, which has an interest in the Shares as trustee of the Scuderia Trust and the Capital Two Trust. See Note (4) above. MNM Holdings Limited is wholly-owned by Martin John Hall and Naomi Julia Rive in equal shareholding proportions. By virtue of Section 4 of the SFA, each of MNM Holdings Limited, Martin John Hall and Naomi Julia Rive and is deemed to be indirectly interested in the Shares that Highvern Trustees Limited is interested in.
- (8) 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.
- (9) As at the Latest Practicable Date, Mr Renaldo Santosa and Ms Gabriella Santosa have been appointed as the joint investment power holders of the Scuderia Trust. Under the terms of the Scuderia Trust, they are jointly entitled, as investment power holders, 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 their instructions in relation to the investments of the Scuderia Trust. See Note (5) above. 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 Renaldo Santosa and Ms Gabriella Santosa can jointly 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 Renaldo Santosa and Ms Gabriella Santosa are each deemed to have an interest in the Shares held by Rangi Management Limited and Tasburgh Limited. The shareholding interests of Mr Renaldo Santosa and Ms Gabriella Santosa have been prepared as if they were appointed the joint investment power holders of the Scuderia Trust as at the Latest Practicable Date.
- (10) Tallowe Services Inc. holds 67,900,000 Shares. The shares of Tallowe Services Inc. are held by Magnus Nominees Limited and Fidelis Nominees Limited as bare trustees for the estate of Mr Handojo Santosa. Mr Renaldo Santosa and Ms Gabriella Santosa are beneficiaries of Mr Handojo Santosa's interest in Tallowe Services Inc..
- (11) Mdm Farida Gustimego Santosa is a beneficiary under the Scuderia Trust. See Note (5) above.
- (12) Mr Renaldo Santosa is a beneficiary under the Scuderia Trust and has also been appointed as an investment power holder of the Scuderia Trust as at the Latest Practicable Date. See Notes (5) and (9) above. Mr Renaldo Santosa is also deemed to have an interest in the Shares held by Tallowe Services Inc.. See Note (10) above. Mr Renaldo Santosa additionally holds 2,084,300 Shares through his client account with a financial institution.
- (13) Ms Gabriella Santosa is a beneficiary under the Scuderia Trust and has also been appointed as an investment power holder of the Scuderia Trust as at the Latest Practicable Date. See Notes (5) and (9) above. Ms Gabriella Santosa is also deemed to have an interest in the Shares held by Tallowe Services Inc.. See Note (10) above.

LETTER TO SHAREHOLDERS

6. ABSTENTION FROM VOTING

6.1 Ordinary Resolution 1

Under Rule 919 of the Listing Manual, where a meeting is held to obtain Shareholders' approval for an interested person transaction, the interested person and any associate of the interested person must not vote on the resolutions, nor accept appointments as proxies, unless specific instructions as to voting are given.

Accordingly, each of Mr Renaldo Santosa and Ms Gabriella Santosa will abstain, and will ensure that their respective associates (including the Santosa Family Entities) will abstain, from voting on the Proposed Extension of the Supply Agreement, and will decline to accept appointment as proxy for any Shareholder to vote at the EGM in relation to the Proposed Extension of the Supply Agreement, unless specific instructions as to voting are given by such Shareholder in the proxy instrument.

6.2 Ordinary Resolution 2

Under Rule 859 of the Listing Manual, Shareholders who are eligible to participate in the Renewed Japfa PSP shall abstain from voting at the EGM in respect of Ordinary Resolution 2.

Without limiting the generality of the foregoing, all the Executive Directors of the Company (excluding Executive Directors who are controlling shareholders (as defined in the Listing Manual) and their associates (as defined in the Listing Manual)) will be eligible to participate in the Renewed Japfa PSP. Therefore, each of Mr Tan Yong Nang and Mr Kevin John Monteiro shall abstain, and shall procure that their respective associates abstain, from voting at the EGM in respect of Ordinary Resolution 2.

The Company will disregard any votes cast by Shareholders who are eligible to participate in the Renewed Japfa PSP in respect of Ordinary Resolution 2. Such Shareholders should also not accept appointments as proxies or otherwise for voting at the EGM in respect of Ordinary Resolution 2 unless specific instructions have been given in the Proxy Form on how the appointor (being a Shareholder who is not subject to the aforesaid voting restrictions) wish their votes to be cast for Ordinary Resolution 2.

7. DIRECTORS' RECOMMENDATIONS

7.1 The Proposed Extension of the Supply Agreement

The Independent Directors having considered, *inter alia*, the terms, rationale and benefits of the Proposed Extension of the Supply Agreement as well as the opinion of the IFA as set out in the IFA Letter, are of the opinion, for the reasons set out in Section 2.6 of this Circular, that the Proposed Extension of the Supply Agreement is in the interests of the Company. Accordingly, they recommend that Shareholders **VOTE IN FAVOUR** of Ordinary Resolution 1 relating to the Proposed Extension of the Supply Agreement to be proposed at the EGM.

7.2 The Proposed Renewal of the Japfa Performance Share Plan

Having considered the rationale and terms of the Proposed Renewal of the Japfa Performance Share Plan, Mr Renaldo Santosa (being a controlling shareholder (as defined in the Listing Manual) and thus not eligible to participate in the Renewed Japfa PSP), Mr Hendrick Kolonas, Mdm Tan Hwee Hua @ Lim Hwee Hua, Mr Manu Bhaskaran, Mr Tan Kian Chew and Mr Chia Wee Boon (being Non-Executive Directors of the Company and thus not eligible to participate in the Renewed Japfa PSP) (collectively, the "**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. Accordingly, the Non-Participating Directors unanimously recommend that Shareholders **VOTE IN FAVOUR** of the Ordinary Resolution 2 in respect of the Proposed Renewal of the Japfa Performance Share Plan as set out in the Notice of EGM.

Mr Tan Yong Nang and Mr Kevin John Monteiro, being Executive Directors of the Company who are eligible to participate in the Renewed Japfa PSP, are deemed interested in the Proposed Renewal of the Japfa Performance Share Plan. Accordingly, Mr Tan Yong Nang and Mr Kevin John Monteiro have refrained from making any recommendations to Shareholders in respect of Ordinary Resolution 2 as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 54 to 57 of this Circular, will be held at York Hotel Singapore, Carlton Hall, Level 2, 21 Mount Elizabeth, Singapore 228516 on 18 April 2024 at 2.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day) for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

9.1 Information relating to participating at the EGM

Shareholders should note and consider taking the following actions to participate at the EGM:

(a) Submission of questions in advance of the EGM

Shareholders and SRS Investors may submit substantial and relevant questions related to the resolutions to be tabled for approval at the EGM in advance of the EGM in the following manner:

- (i) All questions must be submitted by **2.30 p.m. on 9 April 2024** for the purposes of the EGM:
 - in hard copy by sending personally or by post and lodging the same at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or
 - by email to the Company's Share Registrar at JapfaAEGM2024@boardroomlimited.com.

Shareholders and SRS Investors will be required to provide the following details for verification purposes:

- (A) full name;
 - (B) NRIC/FIN/Passport/Company Registration number;
 - (C) email address; and
 - (D) the manner in which they hold Shares.
- (ii) The Company will endeavour to address all substantial and relevant questions received from Shareholders either before the EGM on SGXNET and the Company's website before **Monday, 15 April 2024, 2.30 p.m** (being 72 hours prior to the last date and time for lodgement of Proxy Form) or during the EGM.
 - (iii) The Company will, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNET and the Company's website, and the minutes will include the responses to the questions referred to above.

LETTER TO SHAREHOLDERS

(b) Voting by proxy

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend, speak and vote at the EGM on their behalf, should complete, sign and return the Proxy Form in accordance with the instructions printed thereon.

In relation to the appointment of the proxy to attend, speak and vote on behalf of the Shareholder at the EGM:

- (i) Shareholders (whether individual or corporate) appointing proxy(ies) should give specific instructions as to their manner of voting, or abstentions from voting, in respect of a resolution in the Proxy Form. If no specific instructions as to voting are given, or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
- (ii) The Proxy Form, together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:
 - if in hard copy sent personally or by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or
 - if sent by email, be received by the Company's Share Registrar at JapfaAEGM2024@boardroomlimited.com,

in either case, by **Monday, 15 April 2024, 2.30 p.m.** (being 72 hours before the time fixed for the EGM).

- (iii) Investors who hold Shares through relevant intermediaries (including SRS Investors) who wish to vote at the EGM should approach their relevant intermediaries (including their respective SRS Approved Banks) to submit their voting instructions by **8 April 2024** (being at least seven (7) working days before the date of the EGM).

9.2 Depositor not member

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

10. RESPONSIBILITY STATEMENTS

10.1 Director's Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Extension of the Supply Agreement, the Proposed Renewal of the Japfa Performance Share Plan, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

LETTER TO SHAREHOLDERS

11. CONSENT

W Capital Markets Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Letter and references to its name and the IFA Letter (as set out in Appendix 1 to this Circular), in the form and context in which they appear in this Circular.

12. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 391B Orchard Road #18-08 Ngee Ann City, Tower B, Singapore 238874 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the letter of consent from W Capital Markets Pte. Ltd. referred to in Section 11 of this Circular;
- (c) the Supply Agreement;
- (d) the Proposed 2024 Supply Agreement;
- (e) the proposed rules of the Renewed Japfa PSP; and
- (f) the IFA Letter.

Yours faithfully

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

Tan Yong Nang
Executive Director and Chief Executive Officer

APPENDIX 1 - IFA LETTER



W CAPITAL MARKETS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201813207E)
65 Chulia Street, #43-01 OCBC Centre
Singapore 049513

1 April 2024

The independent Directors of Japfa Ltd. (the "**Company**") who are considered independent in relation to the Proposed Extension of the Supply Agreement (the "**Independent Directors**")

Ms Tan Hwee Hua @ Lim Hwee Hua	(Chairman and Independent Director)
Mr Manu Bhaskaran	(Independent Director)
Mr Tan Kian Chew	(Independent Director)
Mr Chia Wee Boon	(Independent Director)

Dear Sirs,

THE PROPOSED EXTENSION OF THE SUPPLY AGREEMENT FOR RAW MATERIALS BETWEEN AUSTASIA GROUP LTD. (FORMERLY KNOWN AS AUSTASIA INVESTMENT HOLDINGS PTE. LTD.) AND ANNONA PTE. LTD. AS AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context otherwise requires, all terms used herein shall have the same meaning as defined in the circular to shareholders of the Company ("**Shareholders**") dated 1 April 2024 (the "**Circular**").*

1. INTRODUCTION

AustAsia Group Ltd. ("**AAG**") and Annona Pte. Ltd. ("**Annona**") are currently parties to a supply agreement, pursuant to which AAG has agreed to purchase, and Annona has agreed to supply, agricultural commodities, premixes and vitamins for a term commencing on the listing date of AAG, being 30 December 2022, and expiring on 31 December 2024 (the "**Supply Agreement**"), which was approved and adopted at an extraordinary general meeting of the Company held on 7 November 2022.

Ahead of the expiry of the Supply Agreement on 31 December 2024, Shareholders' approval is being sought for an extension of the Supply Agreement, which shall be deemed to take effect on 1 July 2024 and to extend the term of the Supply Agreement for a period of three (3) years to 30 June 2027, on the terms set out herein (the "**Proposed Extension of the Supply Agreement**"), pursuant to the Proposed 2024 Supply Agreement. Further details on Annona and the Proposed Extension of the Supply Agreement are set out in Paragraphs 3 and 4 of this IFA Letter.

AAG ceased to be a subsidiary of the Group upon completion of the distribution *in specie* of the ordinary shares held by the Company in AAG to entitled Shareholders and the listing of AAG on the Main Board of The Stock Exchange of Hong Kong Limited ("**SEHK**") in 2022. AAG together with its subsidiaries (the "**AAG Group**") carries on dairy farming, raw milk production, and beef cattle operations in China. AAG is an "associate" of each of Mr Renaldo Santosa and Ms Gabriella Santosa, who, through the Santosa Family Entities, have an interest of 30% or more of the issued and paid-up capital of AAG. Accordingly, AAG is an "interested person" of the Company for the purposes of Chapter 9 of the Listing Manual of the SGX-ST (the "**Listing Manual**"). Annona is a wholly-owned subsidiary of the Company. Accordingly, Annona is considered an "entity at risk", and the Proposed Extension of the Supply Agreement is an "interested person transaction" under Chapter 9 of the Listing Manual.

APPENDIX 1 - IFA LETTER

Pursuant to Rule 921(4)(a) of the Listing Manual, the Company has appointed W Capital Markets Pte. Ltd. ("**W Capital**") as the independent financial adviser ("**IFA**") to express an opinion on whether the Proposed Extension of the Supply Agreement, being an interested person transaction ("**IPT**"), is on normal commercial terms and whether the Proposed Extension of the Supply Agreement is prejudicial to the interests of the Company and its minority Shareholders ("**Minority Shareholders**"), as well as to advise the Independent Directors for the purposes of making recommendations to the Minority Shareholders in respect of the Proposed Extension of the Supply Agreement. This letter ("**IFA Letter**") sets out, *inter alia*, our evaluation and opinion on the Proposed Extension of the Supply Agreement and forms part of the Circular issued by the Company to its Shareholders in connection with the Proposed Extension of the Supply Agreement.

2. TERMS OF REFERENCE

W Capital has been appointed as the IFA as required by Rule 921(4)(a) of the Listing Manual to provide an opinion in respect of the Proposed Extension of the Supply Agreement as an IPT to enable independent Shareholders to make an informed voting decision. We were not involved in or responsible for, in any aspect, the discussions in relation to the Proposed Extension of the Supply Agreement, nor were we involved in the deliberation leading up to the decision on the part of the directors of the Company ("**Directors**") to enter into the Proposed Extension of the Supply Agreement. Further, we do not warrant the merits of the Proposed Extension of the Supply Agreement, other than to express an opinion on whether the Proposed Extension of the Supply Agreement as an IPT is on normal commercial terms and whether the Proposed Extension of the Supply Agreement is prejudicial to the interests of the Company and its Minority Shareholders, and our terms of reference do not require us to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks (if any) of the Proposed Extension of the Supply Agreement.

In the course of our evaluation, we have held discussions with the management of the Company ("**Management**") and have examined and relied to a considerable extent on publicly available information collated by us, as well as information provided and representations made to us, both written and verbal, by the Directors and/or the Management, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information. In this regard, we noted that the Directors have collectively and individually accepted full responsibility for the accuracy of the information given in the Circular as set out in the "Director's Responsibility Statement" in Section 10 of the Circular.

For the purpose of assessing the terms of the Proposed Extension of the Supply Agreement as an IPT, we have not relied upon any financial projections in respect of the Company and/or the Group and we have not conducted a comprehensive review of the business, operations and financial condition of the Group. We have not made any independent appraisal of the assets, liabilities and/or profitability of the Company and its subsidiaries (the "**Group**") and we do not express a view on the financial position, future growth prospects and earning potential of the Company as a result of its decision to enter into the Proposed Extension of the Supply Agreement. As such, we have relied on the disclosures and representations made by the Company on the value of the assets and liabilities and profitability of the Group or its subsidiaries, where applicable.

Our opinion as set out in this IFA Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as of 20 March 2024 ("**Latest Practicable Date**" or "**LPD**") and the information and representations provided to us as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement relevant to the Proposed Extension of the Supply Agreement, which may be released by the Company after the Latest Practicable Date.

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In rendering our opinion and advice in relation to the Proposed Extension of the Supply Agreement, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. Accordingly, any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and do not provide any advice (financial or otherwise), in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this IFA Letter).

We have prepared this IFA Letter pursuant to the requirements under Rule 921(4)(a) of the Listing Manual as well as for the use of the Independent Directors in connection with their consideration of the Proposed Extension of the Supply Agreement as an IPT and their advice to the Shareholders arising thereof. The recommendations made to Shareholders in relation to the Proposed Extension of the Supply Agreement remains the responsibility of the Independent Directors.

Our opinion in relation to the Proposed Extension of the Supply Agreement should be considered in the context of the entirety of this IFA Letter and the Circular.

3. INFORMATION ON ANNONA AND ITS ARRANGEMENT WITH OTHER ENTITIES OF THE GROUP

Annona is a wholly-owned subsidiary of the Company. Annona was established in 2009 as a global trader under Enterprise Singapore for the purpose of aggregating the purchase of agricultural commodities, premixes and vitamins of the Group, so as to procure better terms from suppliers and borrowing terms from lenders. Almost all the customers of Annona are related entities of the Group and total third-party sales accounted for 0.7% of Annona's total revenue for FY2023. The aggregate sales by Annona for the supply of the Goods to other subsidiaries of the Company for FY2021, FY2022 and FY2023 were approximately US\$757.1 million, US\$926.0 million and US\$755.5 million, respectively, which represent 96.2%, 95.5% and 96.5% of Annona's total sales for FY2021, FY2022 and FY2023, respectively. The aggregate gross profits derived by Annona from the supply of the Goods to other subsidiaries of the Group for FY2021, FY2022 and FY2023 were approximately US\$18.3 million, US\$18.5 million and US\$19.7 million, respectively, which represent 97.3%, 96.7% and 96.9% of Annona's total gross profits for FY2021, FY2022 and FY2023, respectively.

Based on the forecasted demand of its customers, Annona will identify and select raw material suppliers by liaising with various unrelated vendors and will then enter into contracts for the purchase of raw materials from these suppliers. Purchases are made based on the forecasted demand, current spot and futures price of the raw materials, as well as Annona's expectation of future price movements and the purchased raw materials are then sold to the respective customers at the point when these customers place purchase orders with Annona based on prevailing market prices and taking into consideration its cost of financing for the credit term extended for each purchase order. As the market price for commodities is highly volatile, the market price is determined on a spot-basis at the time of each transaction. On a weekly basis, Annona obtains quotations from global commodity traders to monitor the market price movements. While not all trades will result in the same profit margin for Annona, over each financial year, Annona's trading margins and profits fall within the range of its competitors as benchmarked by independent consultants to Annona. Since there is no obligation for its customers to only purchase from Annona or for Annona to only supply its existing customers, there is a need for Annona to keep its resale pricing competitive and for the terms to be commercially acceptable to both parties.

We understand from the Management that there is also an existing supply agreement since 2010 ("**Existing Agreement**") between Annona and PT Japfa Comfeed Indonesia Tbk ("**PT Japfa Tbk**"), the Company's 55.4%-owned subsidiary in Indonesia, where Annona agrees to sell raw materials ranging from various type of soya bean meals, corn, corn meal, grains, meat and other raw materials to PT Japfa Tbk and PT Japfa Tbk agrees to buy those raw materials from Annona. The Existing Agreement between Annona and PT Japfa Tbk is valid for a term of five (5) years and is automatically renewed for further periods of five (5) years unless both parties mutually agree not to extend the terms of the Existing Agreement.

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Annona has been supplying and will continue to supply the Goods to the subsidiaries of the Company and the AAG Group. Annona does not generally deal with third-party customers. Nevertheless, from time to time, Annona makes ad-hoc sales to third party customers in small amounts on an as-requested basis. The aggregate sales by Annona for the supply of the Goods to the AAG Group for FY2021, FY2022 and FY2023 were approximately US\$19.8 million, US\$33.4 million and US\$16.8 million, respectively, which represent 2.5%, 3.4% and 2.2% of Annona's total sales for FY2021, FY2022 and FY2023, respectively. The aggregate gross profits derived by Annona from the supply of the Goods to the AAG Group for FY2021, FY2022 and FY2023 were approximately US\$0.2 million, US\$0.4 million and US\$0.4 million, respectively, which represent 1.2%, 2.0% and 1.8% of Annona's total gross profits for FY2021, FY2022 and FY2023, respectively.

4. DETAILS OF THE PROPOSED 2024 SUPPLY AGREEMENT

The principal terms of and further information on the Proposed 2024 Supply Agreement can be found in Section 2.4 of the Circular and we recommend that Shareholders read those pages of the Circular carefully. We have extracted the principal terms of the Proposed 2024 Supply Agreement and set out in *italics* below:

"(a) *Principal Terms*

Duration: *The Proposed 2024 Supply Agreement is for an extended term commencing on 1 July 2024 ("Extended Term") and expiring on 30 June 2027 and thereafter will be automatically renewed for successive terms of three (3) years subject to compliance with the relevant requirements of the listing rules of the SGX-ST and the SEHK, unless either party terminates such agreement by giving one (1) month's written notice. Upon obtaining Shareholders' approval for the Proposed Extension of the Supply Agreement, the Proposed 2024 Supply Agreement will take effect on and from 1 July 2024, and the existing Supply Agreement will cease to apply.*

Trading Margin: *Pursuant to the Proposed 2024 Supply Agreement, Annona has agreed to supply feed (such as alfalfa, hay and oats) and other agriculture commodities, premixes and vitamins ("Goods") on normal commercial terms and on CIF (cost, insurance, freight) at the prevailing market price of similar Goods, subject to an overall trading margin which is capped at Annona's earnings before interest and tax for the relevant financial year or period of five (5)% ("Trading Margin"). There is no obligation on AAG to purchase or Annona to supply any Goods if the cost of financing exceeds the Trading Margin and may result in losses to Annona. The actual quantity of Goods purchased will depend on the business needs of AAG, and the commercial benefit to Annona in providing such supply.*

Annual/Bi-annual Caps: *The maximum annual or bi-annual purchase amounts payable by the AAG Group to Annona pursuant to the Proposed 2024 Supply Agreement for the supply of the Goods, amounting to a maximum aggregate value of US\$127 million, are as follows:*

- (i) *the total purchase amounts actually paid by the AAG Group to Annona for the half year commencing from 1 July 2024 to 31 December 2024 shall not exceed US\$13 million, and when aggregated with the total purchase amounts actually paid by the AAG Group to Annona for the half year commencing from 1 January 2024 to 30 June 2024 under the Supply Agreement, shall not exceed US\$42 million (as previously approved by Shareholders on 7 November 2022);*
- (ii) *for FY2025, US\$30 million;*
- (iii) *for FY2026, US\$35 million; and*
- (iv) *for the half year commencing from 1 January 2027 to 30 June 2027 ("1H2027"), US\$20 million.*

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(b) Further Information

As the market price for commodities is highly volatile, the market price is determined on a spot-basis at the time of each transaction. On a weekly basis, Annona obtains quotations from global commodity traders to monitor the market price movements. While not all trades will result in the same profit margin for Annona, over each financial year, Annona's trading margins and profits fall within the range of its competitors as benchmarked by independent consultants to Annona.

The Trading Margin of 5% is arrived at by benchmarking against the trading margins of companies in a similar business to Annona, with the help of tax advisors, as part of Annona's transfer pricing analysis and documentation, whether for Group Companies or for AAG. This ensures that Annona's transactions with Group Companies and/or AAG are conducted under comparable conditions and circumstances as transactions with independent third parties. The Trading Margin has historically been generally sufficient to cover Annona's cost of operations.

After the end of the relevant financial year or period, Annona shall issue a letter to AAG signed by Annona's financial controller, confirming Annona's Trading Margin for such financial year or period and setting out reasonable details by which the Trading Margin was arrived at. In the event that the Trading Margin is in excess of five (5)%, Annona shall repay AAG by providing a subsequent discount for future purchases by AAG. As the trading price is not pre-fixed but will be benchmarked on a spot-basis, the discount mechanism is introduced to effect overall adjustments to Annona's Trading Margin for the relevant financial year or period to ensure that it is within the 5% cap for purposes of transfer pricing compliance. Accordingly, the quantum of such discount will be at an amount necessary to keep the Trading Margin within 5% and there is otherwise no cap on the quantum of such discount. In the event that AAG does not accept the determination of the financial controller of Annona, it shall be entitled to require confirmation of such determination by Annona's auditors (acting as experts and not as arbitrators). Annona shall bear the cost of such audit if Annona's auditors disagree with Annona's determination, and AAG shall bear the cost of such audit, if AAG's auditors confirm its determination.

In the event AAG decides to purchase Goods from Annona and Annona agrees to supply such Goods, AAG will issue a purchase order setting out the type, quantity and purchase price of the Goods. The purchase price of the Goods shall be due and payable in full within 120 days from the date of the invoice according to the terms of payment required by Annona and agreed to by AAG in each purchase order. At present, neither Annona nor AAG intend to change the basis and manner of their trading relationship.

The aggregate sales by AAG to Annona for the supply of the Goods to the AAG Group for FY2021, FY2022 and FY2023 were approximately US\$19.8 million, US\$33.4 million and US\$16.8 million, respectively, which represents 0.5%, 0.8% and 0.4% of the Group's Sales for FY2021, FY2022 and FY2023, respectively.

For the avoidance of doubt, the Trading Margin and the discount mechanism do not apply to Annona's ad-hoc sales to third party customers, as transfer pricing considerations do not apply there. Such transactions take place at market price as determined on a spot-basis for each transaction, as set out above, with no adjustments to Annona's trading margins."

5. EVALUATION OF THE PROPOSED 2024 SUPPLY AGREEMENT

In arriving at our opinion on whether the Proposed 2024 Supply Agreement is on normal commercial terms and whether the Proposed 2024 Supply Agreement is prejudicial to the interests of the Company and its Minority Shareholders, we have given due consideration to, *inter alia*, the following:

- (i) Rationale for and benefits of the Proposed Extension of the Supply Agreement;
- (ii) Assessment on the determination of pricing and Trading Margin set out in the Proposed 2024 Supply Agreement;
- (iii) Reasonableness of the payment terms of the Proposed 2024 Supply Agreement; and
- (iv) Other relevant considerations.

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5.1 Rationale for and benefits of the Proposed Extension of the Supply Agreement

We have considered the rationale stated by the Company for the Proposed Extension of the Supply Agreement which is set out in Section 2.6 of the Circular and have reproduced them in italics below:

"Annona was established in 2009 as a global trader under Enterprise Singapore for the purpose of aggregating the purchase of agricultural commodities, premixes and vitamins of the Group so as to procure better terms from suppliers and borrowing terms from lenders. Annona's provision of trade credit of up to 120 days also enables the Group companies who are customers to benefit from Annona's cost of borrowings.

Annona, a wholly-owned subsidiary of the Company, has been supplying, and will continue to supply the Goods to the subsidiaries of the Company and the AAG Group. The Proposed Extension of the Supply Agreement allows Annona to continue to retain the AAG Group as a customer notwithstanding it being no longer a subsidiary of the Company. The additional volume from the supply of Goods to the AAG Group can be used by Annona to negotiate for better terms for its purchases of the Goods for onward sale to all of its customers, whether it is to the subsidiaries of the Company or to the AAG Group, and the Company will continue to earn a margin on the sale of the Goods to the AAG Group."

5.2 Assessment on the determination of pricing and Trading Margin set out in the Proposed 2024 Supply Agreement

We understand from the Management that the pricing of the products sold by Annona to its customers is determined based on prevailing spot market prices and taking into account its cost of financing for the credit term extended for each purchase order, such that Annona will be earning an "arm's length" margin for supplying these customers with their required raw materials and that Annona supplies to all Group companies on the same basis and manner as AAG. The Proposed 2024 Supply Agreement does not oblige Annona to supply the Goods to AAG if the cost of financing exceeds the Trading Margin and may result in losses. The actual quantity of Goods purchased will depend on the business needs of AAG, and the commercial benefit to Annona in providing such supply.

The arm's length principle is the international standard to guide transfer pricing and requires transactions with a related party to be made under comparable conditions and circumstances as a transaction with an independent party and should therefore be regarded to be on normal commercial terms. In this regard, we note that (i) Annona conducts transfer pricing reviews annually to ensure that its pricing policies for related parties (including AAG) adhere to the "arm's length" principle; and (ii) pursuant to the Proposed 2024 Supply Agreement, Annona has agreed to supply the Goods to AAG Group at the prevailing market price of similar goods and subject to an overall trading margin which is capped at Annona's earnings before interest and tax ("**EBIT**") of 5% for the relevant financial year or period ("**Trading Margin**"). The Trading Margin of 5% is arrived at by benchmarking against the trading margins of companies in a similar business to Annona, with the help of tax advisors, as part of Annona's transfer pricing analysis and documentation, whether for Group Companies or for AAG. This ensures that Annona's transactions with Group Companies and/or AAG are conducted under comparable conditions and circumstances as transactions with independent third parties.

In assessing the reasonableness of the Trading Margin, we have considered the historical EBIT margins achieved by Annona in the last three (3) financial years ended 31 December ("**FY**") 2021, FY2022 and FY2023 and also referred to selected listed companies in the Asia Pacific region with business operations that are broadly comparable with those of Annona to provide an indication of the EBIT margin of such businesses (collectively, the "**Comparable Companies**").

The historical EBIT margins of Annona for the last three financial years FY2021, FY2022 and FY2023 are set out below:

Annona	FY2023 US\$' million	FY2022 US\$' million	FY2021 US\$' million
Revenue	782.6	970.1	786.8
EBIT	20.8	15.8	13.0
EBIT margin (%)	2.6%	1.6%	1.7%

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Source: Company

The comparison of EBIT margins of the Comparable Companies for the last three (3) financial years are set out below:

Companies	Currency Denomination	Country	2021			2022			2023			Weighted average EBIT margin
			Revenue	EBIT	EBIT margin	Revenue	EBIT	EBIT margin	Revenue	EBIT	EBIT margin	
Wilmar International Ltd	USD'million	Singapore	65,794	2,720	4.1%	73,399	3,400	4.6%	67,155	2,423	3.6%	4.1%
Grain Corp	A\$'million	Australia	5,492	233	4.2%	7,868	598	7.6%	8,229	453	5.5%	5.9%
Lee Feed Mill Public Company Limited	THB'million	Thailand	3,737	115	3.1%	3,366	26	0.8%	2,925	26	0.9%	1.7%
PT FKS Multi Agro Tbk	USD'million	Indonesia	1,357	42	3.1%	1,565	50	3.2%	1,029 ⁽²⁾	24 ⁽²⁾	2.3% ⁽²⁾	2.9%
Godrej Agrovet Ltd	INR'million	India	62,396	4,098	6.6%	82,929	4,930	5.9%	93,528	3,373	3.6%	5.2%
Agro Tech Foods Ltd	INR'million	India	8,922	439	4.9%	9,155	332	3.6%	8,480	233	2.7%	3.8%
KC Feed Co., Ltd.	KRW'million	Korea	75,743	4,475	5.9%	88,477	4,868	5.5%	92,577	6,049	6.5%	6.0%
Charoen Pokphand Enterprise (Taiwan) Co. Ltd	TWD'million	Taiwan	24,841	1,592	6.4%	28,959	2,004	6.9%	29,160	3,021	10.4%	8.0%
Tecon Biology Co Ltd	CNY'million	China	15,711	(456)	(2.9)%	16,732	467	2.8%	14,706 ⁽²⁾	(386) ⁽²⁾	(2.6)% ⁽²⁾	n.m ⁽³⁾
Guangdong Haid Group Ltd	CNY'million	China	86,092	2,533	2.9%	104,715	4,233	4.0%	86,926 ⁽²⁾	3,110 ⁽²⁾	3.6% ⁽²⁾	3.6%
Minimum												1.7%
Lower quartile⁽¹⁾												3.6%
Median												4.1%
Upper quartile⁽¹⁾												5.9%
Maximum												8.0%

Source: Bloomberg and the respective companies' annual reports

Notes:

- (1) To negate the impact of outliers on the range of figures, we use the inter-quartile range in our analysis as representative of the arm's length range.
- (2) The financials of these Comparable Companies are based on their respective year-to-date financials as the FY2023 financial results of these Comparable Companies are not available as at the Latest Practicable Date.
- (3) Not meaningful as the company recorded negative EBIT in FY2021 and for the period ended 30 September 2023.

Based on the above, it can be noted that:

- (i) the historical EBIT margins of Annona for FY2021, FY2022 and FY2023 of between 1.6% to 2.6% are within the range of the EBIT margins of the Comparable Companies for the respective corresponding financial years;
- (ii) the weighted average historical EBIT margins of Annona for FY2021, FY2022 and FY2023 of 2.0% is within the range of the weighted average historical EBIT margins of the Comparable Companies of between 1.7% to 8.0%;
- (iii) the Trading Margin of 5% pursuant to the Proposed 2024 Supply Agreement is within the inter-quartile range of the Comparable Companies of 3.6% and 5.9% and is close to the higher end of the inter-quartile range; and
- (iv) the historical EBIT margins of Annona for the FY2021, FY2022 and FY2023 falls below the Trading Margin of 5% pursuant to the Proposed 2024 Supply Agreement.

In view of the above, we are of the view that the pricing policy applied by Annona which is based on prevailing market prices taking into account its cost of financing for the credit term extended for each purchase order, such that Annona will be earning an "arm's length" margin is on normal commercial terms, and that the Trading Margin of 5% is reasonable.

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5.3 Reasonableness of the payment terms of the Proposed 2024 Supply Agreement

As set out in Section 2.4(b) of the Circular, the payment terms for the goods purchased by AAG shall be due and payable in full within 120 days from the date of the invoice according to the terms of payment required by Annona and agreed to by AAG in each purchase order.

For the purpose of our evaluation, we noted that the proposed payment terms under the Proposed 2024 Supply Agreement and the Supply Agreement remain the same. The proposed payment terms of up to 120 days fall within the current trade payment terms extended by Annona to its other customers which ranges from 90 to 120 days. In addition, as mentioned under Paragraph 3 of this IFA Letter, the payment terms for each purchase order may vary as agreed between Annona and its customers at the time of the order, and Annona will then impute its cost of financing for the credit term extended in determining its pricing.

5.4 Other relevant considerations

5.4.1 Maximum purchase amounts payable by the AAG Group to Annona

As set out in Section 2.5 of the Circular, the maximum annual or bi-annual purchase amounts payable by the AAG Group to Annona pursuant to the Proposed 2024 Supply Agreement for the supply of the Goods are as follows:

- (a) the total purchase amounts actually paid by the AAG Group to Annona for the half year commencing from 1 July 2024 to 31 December 2024 shall not exceed US\$13 million, and when aggregated with the total purchase amounts actually paid by the AAG Group to Annona for the half year commencing from 1 January 2024 to 30 June 2024 under the Supply Agreement, shall not exceed US\$42 million;
- (b) for FY2025, US\$30 million;
- (c) for FY2026, US\$35 million; and
- (d) for 1H2027, US\$20 million.

The biannual cap of US\$13 million for the half year commencing from 1 July 2024 to 31 December 2024 was determined by reference to (i) currency fluctuations; (ii) the purchasing trend of the AAG Group; and (iii) the total purchase amounts actually paid by the AAG Group to Annona for the two (2) months ended 29 February 2024.

If the caps for any ensuing period after the expiry of the Extended Term is expected to exceed five (5)% of the Group's NTA for the relevant period, the Company will seek Shareholders' approval for the renewal of the Proposed 2024 Supply Agreement.

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5.4.2 Substantially similar terms with the Existing Agreement and the Supply Agreement

As mentioned in Paragraph 3 of this IFA Letter, Annona has entered into a similar supply agreement with PT Japfa Tbk since 2010. In this regard, we have made comparisons between the key terms of the Existing Agreement, the Supply Agreement and the Proposed 2024 Supply Agreement, as summarized below, and noted that the terms of these three (3) agreements are substantially similar (save for the maximum annual/biannual caps set out in Paragraph 5.4.1 of this IFA Letter):-

	Existing Agreement ⁽¹⁾	Supply Agreement	Proposed 2024 Supply Agreement
Basis of pricing	On CNF ⁽²⁾ term (cost, no insurance, freight) at the prevailing market price	On CIF term (cost, insurance, freight) at the prevailing market price	On CIF term (cost, insurance, freight) at the prevailing market price
Cap on margins	Capped at Trading Margin of 5.0% for each financial year	Capped at Trading Margin of 5.0% for each financial year	Capped at Trading Margin of 5.0% for the relevant financial year or period
Payment credit terms	Up to 90 days after invoice date	Up to 120 days after invoice date	Up to 120 days after invoice date
Exclusivity	Mutually non-exclusive	Mutually non-exclusive	Mutually non-exclusive
Renewals	Automatically renewed for successive terms of five (5) years unless with written notice to terminate	Expires on 31 December 2024 and automatically renewed for successive terms of three (3) years subject to compliance with the relevant requirements of the listing rules of the SGX-ST and the SEHK, unless with written notice to terminate	Commence on 1 July 2024 and expires on 30 June 2027. Will be automatically renewed for successive terms of three (3) years subject to compliance with the relevant requirements of the listing rules of the SGX-ST and the SEHK, unless with written notice to terminate
Annual/ Bi-annual Caps	No annual/bi-annual caps	(i) FY2022: cap of US\$32 million; (ii) FY2023: cap of US\$39 million; and (iii) FY2024: cap of US\$42 million	(i) FY2024: cap of US\$42 million continues to apply; (ii) FY2025: cap of US\$30 million; (iii) FY2026 cap of US\$35 million; and (iv) 1H2027: cap of US\$20 million

Notes:

(1) Transactions between Annona and PT Japfa Tbk fall under the exception provided under Rule 915(3) of the listing rules of the SGX-ST and are not required to comply with Rules 905, 906 and 907 of the listing rules of the SGX-ST.

(2) CNF is similar to CIF except that in the case of CNF, insurance is arranged by the purchaser instead of the seller.

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5.4.3 Review Procedures for IPTs with the AAG Group

The Audit and Risk Committee has established review procedures to ensure that all interested person transactions with the AAG Group, are to be undertaken on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its Minority Shareholders. Under the review procedures, the interested person transaction terms and pricing are to be consistent with the Company's usual business practices and policies and no more favourable to the interested persons than those extended to parties who are not interested persons (including other Group entities, as set out in Section 2.4(b) of the Circular). The Audit and Risk Committee has also put in place procedures to identify interested persons dealing with the Group and to monitor the interested person transactions entered into by the Group which are recorded into an interested person transactions register that is subject to quarterly review by the Company's internal auditor reporting to the Audit and Risk Committee.

5.4.4 The Proposed 2024 Supply Agreement is mutually non-exclusive and may be terminated with notice

Notwithstanding that Annona has agreed to supply Goods to AAG Group at the prevailing market price and restrict its Trading Margin to 5% of the relevant financial year or period, there are no obligations for AAG Group to only make purchases from Annona and also for Annona to only supply the Goods to AAG Group.

AAG Group has the option to procure goods from third parties, especially if the third-party sources are cheaper than Annona's resale prices, after giving due consideration to the dynamics of the markets which it serves. Similarly, Annona has the option to supply goods to third parties. We further understand from the Management that Annona makes ad-hoc sales to third party customers in small amounts on an as-requested basis.

Since there is no guarantee that the AAG Group will only purchase from Annona, it is necessary for Annona to maintain its competitive pricing under the Proposed 2024 Supply Agreement in order to retain the AAG Group as a customer.

In addition, we note that either Annona or AAG Group may terminate the Proposed 2024 Supply Agreement by giving the other party at least one (1) month's written notice, without incurring any penalties for such termination.

6. OUR OPINION

In arriving at our opinion in relation to the Proposed Extension of the Supply Agreement, we have considered and evaluated factors which we deem to have significant relevance to our assessment, particularly the key factors which are described in more details in Paragraph 5 of this IFA Letter (which should be read in conjunction with, and in the full context of, the Circular and this IFA Letter), including, *inter alia*, the following:

- (i) the rationale for and benefits of the Proposed Extension of the Supply Agreement, details of which are set out in Paragraph 5.1 of this IFA Letter;
- (ii) assessment on the determination of pricing and Trading Margin set out in the Proposed 2024 Supply Agreement, details of which are set out in Paragraph 5.2 of this IFA Letter;
- (iii) assessment on the reasonableness of the payment terms of the Proposed 2024 Supply Agreement, details of which are set out in Paragraph 5.3 of this IFA Letter; and
- (iv) other relevant considerations, details of which are set out in Paragraph 5.4 of this IFA Letter.

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Extension of the Supply Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its Minority Shareholders.

Our opinion is prepared as required under Rule 921(4)(a) of the Listing Manual as well as addressed to the Independent Directors. The recommendation to be made by the Independent Directors to the Minority Shareholders shall remain the responsibility of the Independent Directors.

APPENDIX 1 - IFA LETTER

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purposes of any matter relating to the Proposed Extension of the Supply Agreement.

This IFA Letter is governed by and construed in accordance with the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours Sincerely

For and on behalf of
W Capital Markets Pte. Ltd.

Foo Say Nam
Partner
Head of Advisory

Alicia Chang
Vice President
Corporate Finance

APPENDIX 2 - RULES OF THE RENEWED JAPFA PSP

1. NAME OF THE PLAN

The Plan shall be called the "Japfa Performance Share Plan".

2. DEFINITIONS

In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Act"	:	The Companies Act 1967 of Singapore as amended, modified or supplemented from time to time.
"Adoption Date"	:	The date on which the Plan is adopted by the Company in general meeting.
"Auditors"	:	The auditors of the Company for the time being.
"Award"	:	A contingent award of Shares granted under Rule 5.
"Award Date"	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
"Award Letter"	:	A letter in or substantially in the form of Schedule A as the Committee shall approve confirming an Award granted to a Participant by the Committee.
"CDP"	:	The Central Depository (Pte) Limited.
"Committee"	:	The Remuneration Committee of the Company.
"Company"	:	Japfa Ltd., a company incorporated in Singapore.
"Constitution"	:	The constitution of the Company, as amended, modified or supplemented from time to time.
"Group"	:	The Company and its subsidiaries.
"Group Executive"	:	Any employee of the Group (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Executive for the purposes of the Plan) selected by the Committee to participate in the Plan in accordance with Rule 4.
"Group Executive Director"	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.
"Listing Manual"	:	The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time.

APPENDIX 2 - RULES OF THE RENEWED JAPFA PSP

"Market Value"	: In relation to a Share, on any day: <ul style="list-style-type: none">(a) a price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five (5) consecutive Trading Days immediately preceding that date, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices; or(b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
"Participant"	: A Group Executive who has been granted an Award (including where applicable, the executor or personal representative of the Group Executive).
"Performance Condition"	: In relation to an Award, the condition specified on the Award Date in relation to that Award.
"Performance Period"	: The period, as may be determined by the Committee at its discretion, during which the Performance Condition(s) is or are to be satisfied.
"Plan"	: The Japfa Performance Share Plan, as the same may be modified or altered from time to time.
"Release"	: In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and "Released" shall be construed accordingly.
"Release Schedule"	: In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period.
"Released Award"	: An Award which has been released in accordance with Rule 7.
"Retention Period"	: Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant.
"SGX-ST"	: The Singapore Exchange Securities Trading Limited.
"Shares"	: Ordinary shares in the capital of the Company.
"Trading Day"	: A day on which the Shares are traded on the SGX-ST.
"Vesting"	: In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and "Vest" and "Vested" shall be construed accordingly.

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"Vesting Date" : In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7.

"per cent." or "%" : Per centum or percentage.

- 2.1 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 2001 of Singapore.
- 2.2 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- 2.3 Any reference to a time of a day in the Plan is a reference to Singapore time.
- 2.4 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

3. OBJECTIVES OF THE PLAN

- 3.1 The Plan has been proposed in order to:
 - (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.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1 Group Executives who, as at the Award Date, have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who have, as of the Award Date, been in full time employment of the Group for a period of at least twelve (12) months (or in the case of any Group Executive Director, such shorter period as the Committee may determine) shall be eligible to participate in the Plan at the absolute discretion of the Committee.
- 4.2 For the avoidance of doubt, controlling shareholders (as defined in the Listing Manual) and their associates (as defined in the Listing Manual) who satisfy the criteria set out in Rule 4.1 above shall not be eligible to participate in the Plan.

5. GRANT OF AWARDS

- 5.1 Subject as provided in Rule 8, the Committee may grant Awards to Group Executives as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.

APPENDIX 2 - RULES OF THE RENEWED JAPFA PSP

- 5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account such criteria as it considers fit, including but not limited to:
- (a) the financial performance of the Group;
 - (b) the Participant's rank, job performance, years of service, performance history and potential for future development and the Participant's contribution to the success and development of the Group; and
 - (c) if applicable, the extent of effort and difficulty with which the Performance Condition(s) may be achieved within the Performance Period.
- 5.3 There shall be no restriction on the eligibility of any Participants to participate in any other share option or share-based incentive scheme implemented by the Company or any other company within the Group (if any) from time to time.
- 5.4 The Committee shall decide in relation to an Award:
- (a) the Participant;
 - (b) the Award Date;
 - (c) the Performance Period;
 - (d) the number of Shares which are the subject of the Award;
 - (e) the Performance Condition(s);
 - (f) the Release Schedule;
 - (g) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
 - (h) any other condition which the Committee may determine in relation to that Award.
- 5.5 The Committee may amend or waive the Performance Period, the Performance Condition(s), the Retention Period, the Release Schedule and/or any other applicable condition in respect of any Award:
- (a) in the event of a take-over offer being made for the Shares or if under the Act, a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act or in the event of an order being made or a resolution being passed for the winding-up of the Company (other than as provided in Rule 6.1(d) or for reconstruction or amalgamation) or in the event of a proposal to sell all or substantially all of the assets of the Company; or
 - (b) if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition(s) and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition(s) and/or Release Schedule should be waived,

and shall notify the Participants of such change or waiver (but accidental omission to give notice to any Participant(s) shall not invalidate any such change or waiver).

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- 5.6 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter in or substantially in the form set out in **Schedule A** confirming the Award and specifying in relation to the Award:
- (a) the Award Date;
 - (b) the Performance Period;
 - (c) the number of Shares which are the subject of the Award;
 - (d) the Performance Condition(s);
 - (e) the Release Schedule;
 - (f) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
 - (g) any other condition which the Committee may determine in relation to that Award.
- 5.7 Participants are not required to pay for the grant of Awards.
- 5.8 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which the Participant would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse and become null, void and of no effect.

6. EVENTS PRIOR TO THE VESTING DATE

- 6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:
- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
 - (b) in the event a Participant commits any breach of any of the terms of the Participant's Award;
 - (c) subject to Rule 6.2(b), upon a Participant, as the case may be, ceasing their employment and/or directorship with the Group for any reason whatsoever; or
 - (d) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1(c), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to the Participant, unless such notice shall be withdrawn prior to its effective date.

- 6.2 In any of the following events, namely:
- (a) the bankruptcy of the Participant, the Participant's entry into an arrangement or composition with the Participant's creditors or the happening of any other event which results in the Participant being deprived of the legal or beneficial ownership of an Award;

APPENDIX 2 - RULES OF THE RENEWED JAPFA PSP

- (b) where the Participant ceases their employment and/or directorship with the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which the Participant is employed or to which the Participant is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;
 - (vi) (where applicable) the Participant's transfer of employment between companies within the Group;
 - (vii) the Participant's transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
 - (viii) any other event approved by the Committee;
- (c) the death of a Participant; or
- (d) any other event approved by the Committee,

the Committee may, in its absolute discretion, determine whether an Award then held by such Participant, to the extent not yet Released, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and/or Release Schedule and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition(s) has or have been satisfied.

6.3 Without prejudice to the provisions of Rules 5.5 and 7.1, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act; or
- (c) an order being made or a resolution being passed for the winding-up of the Company (other than as provided in Rule 6.1(d) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition(s) has or have been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7. If the Committee so determines, the Release of Awards may be satisfied in cash as provided in Rule 7.

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7. RELEASE OF AWARDS

7.1 Review of Performance Condition(s)

- (a) As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition(s) specified in respect of each Award and determine at its discretion:
- (i) whether the Performance Condition(s) has or have been satisfied and, if so, the extent to which it has been satisfied;
 - (ii) whether any other condition applicable to such Award has been satisfied; and
 - (iii) the number of Shares (if any) comprised in such Award to be Released to the relevant Participant,

and (subject to Rule 6) provided that the relevant Participant has continued to be a Group Executive from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition(s)) of the Shares to which the Participant's Award relates in accordance with the Release Schedule specified in respect of the Participant's Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

If the Committee determines in its sole discretion that the Performance Condition(s) has or have not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Executive from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.

- (b) The Committee shall have the discretion to determine whether the Performance Condition(s) has or have been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further (but without prejudice to the provisions of Rule 5.5) the right to amend the Performance Condition(s) if the Committee decides that a changed performance target would be a fairer measure of performance.

7.2 Release of Award

- (a) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1(a) and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined (which may, in the case of a transfer of Shares, include Shares held by the Company as treasury shares).
- (b) Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares.
- (c) Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant. Until such issue or transfer of such Shares has been effected, that Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to the Participant.

APPENDIX 2 - RULES OF THE RENEWED JAPFA PSP

7.3 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Act and the Constitution of the Company; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

For the purposes of this Rule 7.3, “**Record Date**” means the date fixed by the Company as at the close of business (or such other time as may be prescribed by the Company) for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

7.4 Cash Settlement of Awards

The Committee, in its absolute discretion, may determine to make a Release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive on the Vesting Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to the Participant on Release of the Award, the aggregate Market Value of such Shares on the Vesting Date.

7.5 Moratorium

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

8. LIMITATION ON THE SIZE OF THE PLAN

- 8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen (15) per cent. of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day preceding the date of the relevant new Award.
- 8.2 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. ADJUSTMENT EVENTS

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalization of profits or reserves or rights issue, capital reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:
 - (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
 - (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a shareholder of the Company does not receive.

APPENDIX 2 - RULES OF THE RENEWED JAPFA PSP

- 9.2 Unless the Committee considers an adjustment to be appropriate, the following events will not normally be regarded as a circumstance requiring an adjustment:
- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
 - (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force;
 - (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting; or
 - (d) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.
- 9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalization issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or the Participant's duly appointed personal representatives where applicable) in writing and deliver to the Participant (or the Participant's duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.

10. ADMINISTRATION OF THE PLAN

- 10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the board of directors of the Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to such member or held by such member.
- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the Plan; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

APPENDIX 2 - RULES OF THE RENEWED JAPFA PSP

11. NOTICES AND COMMUNICATIONS

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to the Participant in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to the Participant by hand or sent to the Participant at the Participant's home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

12. MODIFICATIONS TO THE PLAN

- 12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:
- (a) no modification or alteration shall adversely affect the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Condition(s) for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Condition(s) for all outstanding Awards being satisfied in full;
 - (b) the definitions of "Group Executive", "Group Executive Director", "Participant", "Performance Period" and "Release Schedule" and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award or which would be to the advantage of Participants (as the case may be) shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

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13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment and/or directorship of a Participant shall not be affected by the Participant's participation in the Plan, which shall neither form part of such terms nor entitle the Participant to take into account such participation in calculating any compensation or damages on the termination of the Participant's employment and/or directorship for any reason.

14. DURATION OF THE PLAN

14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

14.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.

14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. COSTS AND EXPENSES OF THE PLAN

16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.

16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 7.2(b)

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18. DISCLOSURES IN ANNUAL REPORTS

The following disclosures or appropriate negative statements (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation as from time to time required by the Listing Manual including the following (where applicable):

- (a) the names of the members of the Committee administering the Plan;
- (b) in respect of the following Participants of the Plan:
 - (i) directors of the Company; and
 - (ii) Participants (other than those in paragraph (i) above) who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent five (5) per cent. or more of the aggregate of the total number of Shares available under the Plan,

the following information:

- (aa) the name of the Participant;
 - (bb) the number of Awards granted during the financial year under review;
 - (cc) the aggregate number of Shares comprised in Award granted since the commencement of the Plan to the end of the financial year under review;
 - (dd) the following particulars relating to Awards which have Vested since the commencement of the Plan to the end of the financial year under review:
 - (1) the number of new Shares issued to such Participant; and
 - (2) the number of existing Shares transferred to such Participant; and
 - (ee) the aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review; and
- (c) such other information as may be required by the Listing Manual or the Act.

19. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

20. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Plan must abstain from voting on any resolution relating to the Plan.

APPENDIX 2 - RULES OF THE RENEWED JAPFA PSP

21. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

23. COLLECTION, USE AND DISCLOSURE OF PERSONAL DATA

For the purposes of implementing and administering the Plan, and in order to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines, the Company will collect, use and disclose the personal data of the Participants, as contained in each Award Letter and/or any other notice or communication given or received pursuant to the Plan, and/or which is otherwise collected from the Participants (or their authorised representatives). By participating in the Plan, each Participant consents to the collection, use and disclosure of the Participant's personal data for all such purposes, including disclosure of data to related corporations of the Company and/or third parties who provide services to the Company (whether within or outside Singapore), and to the collection, use and further disclosure by such parties for such purposes. Each Participant also warrants that where the Participant discloses the personal data of third parties to the Company in connection with this Plan, the Participant has obtained the prior consent of such third parties for the Company to collect, use and disclose their personal data for the abovementioned purposes, in accordance with any applicable laws, regulations and/or guidelines. Each Participant shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.

APPENDIX 2 - RULES OF THE RENEWED JAPFA PSP

Schedule A

JAPFA LTD. JAPFA PERFORMANCE SHARE PLAN

LETTER OF AWARD

[Date]

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

GRANT OF AWARDS UNDER THE JAPFA PERFORMANCE SHARE PLAN FOR [FINANCIAL YEAR]

As part of your overall compensation package with Japfa Ltd. ("**Company**"), the Japfa Performance Share Plan ("**Plan**") recognises the outstanding employees of the Group who have contributed to the long-term growth and profitability of the Group.

We have the pleasure of informing you that, pursuant to the PSP, you will be granted an award ("**Award**") of ordinary shares in the capital of the Company ("**Shares**") by the committee ("**Committee**") authorised and appointed by the Board of Directors of the Company to administer the Plan. Terms as defined in the Plan shall have the same meaning when used in this letter.

The particulars of the Award granted to you are set out below:

1. **Date of Award:** [•]
2. **Number of Shares which are subject of the Award:** [•] ("**Award Shares**"):
3. **Performance Condition(s) which the Award relates to:** [•]
4. **Performance Period which the Award relates to:** [•]
5. **The Vesting Date in respect of the Release of Award Shares ("**Released Award**"):**
6. **[Any other condition relating to the Award:** [•]]

You are not required to pay for the grant of the Award.

The Award or the Released Award is personal to you and, prior to the allotment and/or transfer to you of the Award Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of by you, in whole or in part, except with the prior written approval of the Committee.

The Award shall be subject to the terms of the PSP, a copy of which is available for inspection at the business address of the Company.

Yours faithfully

For and on behalf of
JAPFA LTD.

Name:
Designation:

NOTICE OF EXTRAORDINARY GENERAL MEETING

JAPFA LTD.

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

This Notice has been made available on SGXNET and the Company's website and may be accessed at the URL <https://japfa.com/investors/general-report/agm-egm>.

All capitalised terms used in this Notice which are not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the circular to shareholders of the Company dated 1 April 2024 (the "Circular").

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the "**EGM**") of Japfa Ltd. (the "**Company**") will be held at York Hotel Singapore, Carlton Hall, Level 2, 21 Mount Elizabeth, Singapore 228516 on Thursday, 18 April 2024 at 2.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day) for the purpose of considering and, if thought fit, passing, with or without amendments, the resolutions set out below.

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION 1: THE PROPOSED EXTENSION OF THE SUPPLY AGREEMENT AS AN INTERESTED PERSON TRANSACTION

THAT:

- (a) the approval be and is hereby given for the Proposed Extension of the Supply Agreement by way of entry into the Proposed 2024 Supply Agreement (the principal terms of which are set out in Section 2 of the Circular) and all the transactions contemplated thereby; and
- (b) the Directors and each of them be and are hereby severally authorised to complete and to do all acts and things (including, without limitation, approving, modifying and executing all such documents as may be required) as they or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this Ordinary Resolution.

Note:

- (1) Pursuant to Rule 919 of the Listing Manual, each of Mr Renaldo Santosa and Ms Gabriella Santosa and their respective associates will abstain from voting on the Ordinary Resolution.

ORDINARY RESOLUTION 2: THE PROPOSED RENEWAL OF THE JAPFA PERFORMANCE SHARE PLAN

THAT:

- (a) the approval be and is hereby given for the proposed renewal of the Existing Japfa PSP by way of the adoption of a new performance share plan which will continue to be known as the "Japfa Performance Share Plan" ("**Renewed Japfa PSP**") the details and rules of which are set out in the Circular and under which Awards of Shares may be granted to selected Participants;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Directors of the Company be and are severally authorised to:
- (i) establish and administer the Renewed Japfa PSP;
 - (ii) modify and/or amend the Renewed Japfa PSP from time to time, provided that such modification or amendment is effected in accordance with the provisions of the Renewed Japfa PSP and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Renewed Japfa PSP; and
 - (iii) offer and grant Awards in accordance with the rules of the Renewed Japfa PSP; and
 - (iv) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) allot, issue and/or deliver from time to time such number of Shares in the capital of the Company as may be required to be allotted, issued and/or delivered pursuant to the vesting of Awards granted under the Renewed Japfa PSP, provided that aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Renewed Japfa PSP on any date, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen (15) per cent. of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day preceding the date of the relevant new Award; and
- (c) the Directors and any one of them be and are hereby severally authorised to complete and do all such acts and things (including executing such documents and approving any amendments, alterations or modifications to any documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

By Order of the Board of Directors

Tan Yong Nang
Executive Director and Chief Executive Officer

1 April 2024

NOTES:

1. Submission of questions in advance of the EGM

A member may submit substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM in advance of the EGM. To do so, all questions must be submitted by **Tuesday, 9 April 2024, 2.30 p.m.** for the purposes of the EGM:

- (i) in hard copy by sending personally or by post and lodging the same at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or
- (ii) by email to the Company's Share Registrar at JapfaAEGM2024@boardroomlimited.com.

A member will be required to provide the following details for verification purposes:

- (A) full name;
- (B) NRIC/FIN/Passport/Company Registration number;
- (C) email address; and
- (D) the manner in which they hold Shares.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Company will endeavour to address all substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM received from Shareholders either before the EGM on SGXNET and the Company's website at the URL <https://japfa.com/investors/general-report/aggm-egm> before **Monday, 15 April 2024, 2.30 p.m.** (being 72 hours prior to the last date and time for lodgement of Proxy Form) or during the EGM.

The Company will, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNET and the Company's website, and the minutes will include the responses to the questions referred to above.

2. Voting by proxy

A member who is unable to attend the EGM and wishes to appoint proxy(ies) to attend, speak and vote at the EGM on his/her/its behalf, should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.

In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the EGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

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

- (i) if in hard copy sent personally or by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or
- (ii) if sent by email, be received by the Company's Share Registrar at JapfaAEGM2024@boardroomlimited.com,

in either case, by **Monday, 15 April 2024, 2.30 p.m.** (being 72 hours before the time fixed for the EGM), and in default the instrument of proxy shall not be treated as valid.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

A proxy need not be a member of the Company.

The instrument appointing proxy(ies) or the Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing proxy(ies) or the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 of Singapore or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing proxy(ies) or the Chairman of the EGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

The Company shall be entitled to reject the instrument appointing proxy(ies) or the Chairman of the EGM as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing proxy(ies) or the Chairman of the EGM as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing proxy(ies) or the Chairman of the EGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by the CDP to the Company.

Please refer to Section 9 of the Circular for more details on how members may attend and participate in the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

PERSONAL DATA PRIVACY

By submitting a proxy form appointing proxy(ies) or the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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JAPFA LTD.

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

PROXY FORM

EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the EGM.
2. Investors who hold Shares through relevant intermediaries (including SRS Investors) who wish to vote should approach their relevant intermediaries (including their respective SRS Approved Banks) to submit their voting instructions by on 8 April 2024 (being at least seven (7) working days before the date of the EGM).
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 1 April 2024.

*I/We _____ (Name) _____ (NRIC/Passport Number/Company Registration Number)

of _____ (Address)

being a *member/ members of Japfa Ltd. (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Number of Shareholdings	Proportion of Shareholdings (%)

*and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Number of Shareholdings	Proportion of Shareholdings (%)

or failing him/them, the Chairman of the Extraordinary General Meeting ("EGM"), as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the EGM to be held York Hotel Singapore, Carlton Hall, Level 2, 21 Mount Elizabeth, Singapore 228516 on Thursday, 18 April 2024 at 2.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day) and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the EGM as indicated hereunder. If no specific instructions as to voting are given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

NOTE: The Chairman of the EGM will be exercising his right under Regulation 86(2)(a) of the Constitution of the Company to demand a poll in respect of the Ordinary Resolutions to be put to the vote at the EGM and at any adjournment thereof. Accordingly, the Ordinary Resolutions at the EGM will be voted on by way of a poll.

	For *	Against *	Abstain *
ORDINARY RESOLUTION 1 To approve the entry into the Proposed Extension of the Supply Agreement as an interested person transaction			
ordinary resolution 2 To approve the Proposed Renewal of the Japfa Performance Share Plan			

* If you wish to exercise all your votes "For", "Against" or to abstain from voting on an Ordinary Resolution, please indicate with a "✓" within the box provided. Otherwise, please indicate the number of votes "For" or "Against" the Ordinary Resolution. If no specific instructions as to voting are given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

Dated this _____ day of _____ 2024

Total Number of Shares Held

Signature of member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:-

1. If the member has Shares entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), he/she/it should insert that number of Shares. If the member has Shares registered in his/her/its name in the Register of Members, he/she/it should insert that number of Shares. If the member has Shares entered against his/her/its name in the Depository Register and Shares registered in his/her/its name in the Register of Members, he/she/it should insert the number of Shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by the member.
2. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the EGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
3. A proxy need not be a member of the Company.
4. The instrument of proxy, together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof must:
 - (a) if sent personally or by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) if sent by email, be received by the Company's Share Registrar at JapfaAEGM2024@boardroomlimited.com.in either case, by **Monday, 15 April 2024, 2.30 p.m.** (being 72 hours before the time fixed for the EGM), in default the instrument of proxy shall not be treated as valid.
5. The instrument appointing proxy(ies) or the Chairman of the EGM as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing proxy(ies) or the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 of Singapore or under the hand of an attorney or officer duly authorised, or in some other manner approved by the Directors.
6. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy to the EGM.
7. Where the instrument appointing proxy(ies) or the Chairman of the EGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may, in accordance with Section 179 of the Companies Act 1967 of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM.
9. A member of the Company who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such member's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy (expressed as a percentage as a whole) shall be specified in the instrument of proxy.
10. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
11. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the instrument of proxy. In addition, in the case of a member whose Shares are entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by the CDP to the Company.