

CIRCULAR DATED 2 JULY 2013

THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

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

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

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (“**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Circular. This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Corporate Finance, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: (65) 6337 5115.

JAPAN FOODS HOLDING LTD.

(Company Registration No.: 200722314M)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED TERMINATION OF THE JAPAN FOODS EMPLOYEE SHARE OPTION SCHEME; AND**
- (2) THE PROPOSED ADOPTION OF THE JAPAN FOODS PERFORMANCE SHARE PLAN.**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	22 July 2013 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	24 July 2013 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place)
Venue of Extraordinary General Meeting	:	The Imagination Room Level 5, National Library Building Singapore 188064

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DEFINITIONS

In this Circular and the Appendix hereto the following definitions apply throughout except where the context otherwise requires:

- “Act” : The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “AGM” : The annual general meeting of the Company to be held at 9.30 a.m. on 24 July 2013
- “Associate” : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:–
- (i) his immediate family;
 - (ii) 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
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a Subsidiary of any 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 30% or more
- “Associated Company” : A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries and over which the Company has Control
- “Award” : A contingent award of Shares granted under the Performance Share Plan
- “Board” : The board of Directors of the Company
- “Catalist” : The SGX-ST sponsor-supervised listing platform
- “CDP” : The Central Depository (Pte) Limited
- “Circular” : This circular to Shareholders dated 2 July 2013 in relation to the proposed termination of the ESOS and the proposed adoption of the Performance Share Plan
- “Company” : Japan Foods Holding Ltd.

“Committee”	:	The remuneration committee of the Company, or such other committee comprising Directors duly authorised, appointed and nominated by the Board to administer the Performance Share Plan, from time to time
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding Treasury Shares; or (b) in fact exercises Control over the Company
“Date of Grant”	:	The date on which an Award is granted pursuant to the Performance Share Plan
“Directors”	:	The directors of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held at 10.30 a.m. on 24 July 2013 (or as soon thereafter following the conclusion or adjournment of the AGM to be held on the same day and at the same place), the notice of which is set out on pages 38 and 39 of this Circular
“EPS”	:	Earnings per share
“ESOS”	:	The Japan Foods Employee Share Option Scheme which was adopted on 20 January 2009 by the Company’s then Shareholder, as may be amended or modified from time to time
“Executive Director”	:	A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function within the Group
“FY”	:	Financial year of the Company ended 31 March
“Group”	:	The Company and its subsidiaries as at the date of this Circular, and “Group Company” shall mean any one of such companies
“Group Employee”	:	Any Director or full-time employee of the Group and the Associated Companies who is of the age of 18 years and above
“Independent Director”	:	The independent Non-Executive Directors of the Company
“Latest Practicable Date”	:	27 June 2013, being the latest practicable date prior to the printing of this Circular

“Listing Manual”	:	The Listing Manual, Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the vesting of Awards granted under the Performance Share Plan
“Non-Executive Director”	:	A Director who is not an Executive Director, including any Independent Director
“NTA”	:	Net tangible assets
“Option”	:	The right to subscribe for Shares granted or to be granted pursuant to the ESOS
“Ordinary Resolution”	:	A resolution passed by a simple majority of the Shareholders present and voting in person or by proxy at a general meeting of the Company
“Participant”	:	Any eligible person who is selected by the Committee to participate in the Performance Share Plan in accordance with the rules thereof
“Performance Condition”	:	In relation to performance-related Award, the condition specified on the Date of Grant in relation to that Award
“Performance Share Plan”	:	The proposed Japan Foods Performance Share Plan, as may be modified or altered from time to time
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with the CDP in order to participate in such dividends, rights, allotments or other distributions
“Securities Account”	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares

“Shares”	:	Ordinary shares in the issued share capital of the Company
“Substantial Shareholder”	:	A person (including a corporation) who holds directly or indirectly 5% or more of the total issued voting Shares of the Company
“Treasury Shares”	:	Issued Shares which is (or is treated as having been) purchased by the Company in circumstances which Section 76H of the Act applies and has since purchase been continuously held by the Company
“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
“Vesting Period”	:	In relation to an Award, a period or periods of time before Vesting occurs, the duration of which is to be determined by the Committee on the date of the grant of the Award
“S\$” and “cents”	:	Singapore dollars and cents respectively
“%” or “per cent.”	:	Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 130A of the Act. The term “**Subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

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

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

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

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

JAPAN FOODS HOLDING LTD.

(Company Registration No.: 200722314M)
(Incorporated in the Republic of Singapore)

Directors

Takahashi Kenichi (Executive Chairman and CEO)
Shigemitsu Katsuaki (Non-Executive Director)
Wong Hin Sun, Eugene (Non-Executive Director)
Tan Lye Huat (Lead Independent Director)
Lee Sok Koon (Independent Director)

Registered Office

420 North Bridge Road
#02-01 North Bridge Centre
Singapore 188727

2 July 2013

To: The Shareholders of Japan Foods Holding Ltd.

Dear Sir/Madam

- (1) THE PROPOSED TERMINATION OF THE ESOS; AND**
(2) THE PROPOSED ADOPTION OF THE PERFORMANCE SHARE PLAN.

1. INTRODUCTION

1.1 EGM

The Directors propose to convene the EGM to be held at 10.30 a.m on 24 July 2013 (or as soon thereafter following the conclusion or adjournment of the AGM to be held on the same day and at the same place) to seek the approval of the Shareholders for the following matters:

- (i) Ordinary Resolution 1: the proposed termination of the ESOS (conditional upon the passing of Ordinary Resolution 2); and
- (ii) Ordinary Resolution 2: the proposed adoption of the Performance Share Plan.

1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval at the EGM for, the proposed termination of the ESOS and the proposed adoption of the Performance Share Plan.

1.3 Listing of New Shares

On 13 June 2013, the Company received the listing and quotation notice from the SGX-ST for the listing of and quotation for the New Shares on the Catalist, subject to the following conditions:

- (i) Approval from Shareholders at the EGM; and
- (ii) Compliance with the SGX-ST's listing requirements.

The listing and quotation notice granted by the SGX-ST for the listing of and quotation for the New Shares on the Catalist is in no way reflective of and is not to be taken as an indication of the merits of the Performance Share Plan, the Company, its subsidiaries and their securities.

2. THE PROPOSED TERMINATION OF THE ESOS

2.1 Introduction

The Company has an existing employee share option scheme, the ESOS, which was adopted on 20 January 2009 by the Company's then Shareholder. The ESOS provides an opportunity for employees of the Group who have contributed to the growth and performance of the Group (including Executive and Non-Executive Directors) and who satisfy the eligibility criteria as set out under the rules of the ESOS, to participate in the equity of the Company. Controlling Shareholders and their Associates are not eligible to participate in the ESOS.

The ESOS was for a maximum duration of 10 years and will expire on 19 January 2019, unless terminated at any time by the Committee or by ordinary resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required.

2.2 Options granted under the ESOS

Since the adoption of the ESOS to the Latest Practicable Date, no Options have been granted or agreed to be granted by the Company under the ESOS.

2.3 Rationale for the termination of the ESOS

As at the Latest Practicable Date, save for the ESOS, the Company does not have any other share-based schemes in place for its employees.

Having performed a review of the ESOS, the Company is of the view that it is both timely and desirable for a more comprehensive share-based plan which caters to its objectives of motivating and incentivising its employees. Accordingly, the Company intends to substitute the ESOS with the Performance Share Plan (details of which are set out in Section 3 of this Circular) and to terminate the ESOS.

2.4 Termination of the ESOS

The termination of the ESOS is subject to Shareholders' approval and will be proposed as an Ordinary Resolution at the EGM. The termination of the ESOS will take effect on such date as determined by the committee administering the ESOS and no further Options will be granted under the ESOS upon its termination.

Shareholders should note that the proposed termination of the ESOS (Ordinary Resolution 1) is subject to, and conditional upon, the passing of the proposed adoption of the Performance Share Plan (Ordinary Resolution 2).

3. THE PROPOSED ADOPTION OF THE PERFORMANCE SHARE PLAN

3.1 Introduction

The Directors are proposing the adoption of the Performance Share Plan, in substitution of the ESOS.

3.2 Rationale for the proposed adoption of the Performance Share Plan

The Company has undertaken a comprehensive review of the Group's remuneration and benefits to its employees and, in substitution of the ESOS, wishes to introduce a new compensation scheme that promotes higher performance goals and recognises exceptional achievement. The Company, in its quest to be competitive, has taken steps to align itself with and embrace local trends and best practices in compensation. In line with this, the Company believes that the Performance Share Plan needs to be adopted to strengthen the overall effectiveness of the Group's remuneration and benefits to its employees.

The Group recognises that the ability of talented, qualified and experienced employees is necessary for the stability and growth of the Group. The continued services and contributions made by eligible employees to participate in the Performance Share Plan are crucial and essential to the well-being and success of the Group. The Group believes that the Performance Share Plan increases the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve increased performance as it acknowledges and gives recognition to any positive achievements and contributions made by these eligible employees. Through such equity participation, the Group hopes to strengthen its relationship with the Participants by motivating these Participants to achieve higher standards of performance as well as to encourage loyalty which will in turn contribute to the Group's long term goals.

The assessment criteria for granting Options under the ESOS are more general (e.g. based on length of service and general performance of the Group) and do not relate to specific performance targets imposed by the Company, whereas the Performance Share Plan, which uses methods fairly common among successful multinational companies to incentivise and motivate employees to achieve pre-determined targets, gives the Company greater flexibility in rewarding its employees as it gives the Company the flexibility to impose specific or medium-term performance targets or to impose time-based service conditions, or a combination of both.

Unlike the ESOS whereby participants are required to pay the exercise price of the Options, the award of fully-paid Shares under the Performance Share Plan, free of charge, to the Participants is intended to incentivise Participants to achieve certain specific performance targets and be a more attractive form of bonus from the Company to the Participants.

The Performance Share Plan will help to achieve the following positive objectives:

- (a) provide an opportunity for Participants to participate in the equity of the Company thereby inculcating a stronger sense of identification with the long term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;
- (b) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;
- (c) give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and

- (d) make employee remuneration sufficiently competitive to recruit new Participants and/or to retain existing Participants whose contributions are important to the long term growth and profitability of the Group.

The Performance Share Plan, which forms an integral and important component of a compensation plan, is designed as an additional incentive tool to reward and retain the Participants whose services are vital to the well-being and success of the Group.

The proposed adoption of the Performance Share Plan is subject to the approval of the Shareholders and will be proposed as an Ordinary Resolution at the EGM.

3.3 Overview of the Performance Share Plan

The Performance Share Plan is designed to reward its Participants by the issue and/or transfer of fully-paid Shares according to the extent to which they complete certain time-based service conditions and/or achieve their performance targets over set performance periods.

Awards granted under the Performance Share Plan may be time-based and/or performance-related, and in each instance, shall vest only:

- (a) where the Award is time-based, after the satisfactory completion of time-based service conditions, that is, after the Participant has served the Group for a specified number of years (such Awards being “**time-based Awards**”); or
- (b) where the Award is performance-related, after the Participant achieves a pre-determined performance target (such Awards being “**performance-related Awards**”).

A time-based Award may be granted, for example, as a supplement to the cash component of the remuneration packages of senior executive officers, whom the Company seeks to attract and recruit. A performance-related Award may be granted, for example, with a Performance Condition based on the successful completion of a project or the successful achievement of certain quantifiable Performance Conditions, such as sales growth or productivity enhancement.

3.4 Summary rules of the Performance Share Plan

The following is a summary of the principal rules of the Performance Share Plan:

3.4.1 Eligibility

The following persons are eligible to participate in the Performance Share Plan at the absolute discretion of the Committee:

- (i) full-time employees of the Group and the Associated Companies who are of the age of 18 years and above; and
- (ii) directors of the Company and its subsidiaries (including Non-Executive and Independent Directors),

who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.

Persons who are Controlling Shareholders and their Associates shall not be eligible to participate in the Performance Share Plan.

Participants who participate in the Performance Share Plan are eligible to participate in other plans implemented by other companies in the Group if approved by the Committee.

For the purposes of assessing the contributions of eligible persons, the Committee may adopt a performance framework which incorporates financial and/or non-financial performance measurement criteria including, but not limited to the financial benefit or financial enhancement to the Group through any deals or transactions entered into by the Group as a result of the contributions of such persons, as well as the value of other contributions such as the introduction of new contacts or business opportunities.

3.4.2 Limitation on the size and duration of the Performance Share Plan

The aggregate number of Shares over which the Committee may grant Awards on any date, when added to the number of Shares issued and issuable and/or transferred and transferable in respect of all Shares granted under the Performance Share Plan and any other share schemes to be implemented by the Company shall not exceed fifteen per cent. (15%) of the issued share capital of the Company (excluding Treasury Shares) on the day preceding that date (the “**Plan Limit**”).

Subject to the provisions on variation of the capital, the aggregate number of Shares which may be offered to a Participant in accordance with the Performance Share Plan shall be determined at the absolute discretion of the Committee. Such discretion will give the Committee sufficient flexibility in adjusting the number of Shares to be offered to achieve the desired goals of the Company through tailoring the compensation and incentive packages suitable for each Participant. In determining the extent of participation of an eligible employee, the Committee shall take into account criteria such as the scope of work and responsibility, performance targets, job performance, years of service and potential for further development and contribution to the success of the Group.

The size of the Performance Share Plan is intended to accommodate the potential pool of Participants arising over the duration of the Performance Share Plan.

As at the Latest Practicable Date, the total number of issued Shares is 115,404,000. The aggregate number of Shares available under the Performance Share Plan would be 15% of the total number of issued Shares excluding Treasury Shares from time to time.

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

Notwithstanding the expiry or termination of the Performance Share Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

3.4.3 Operation of the Performance Share Plan

Subject to the prevailing legislation and the rules of the Listing Manual, the Company will have the flexibility to deliver Shares to Participants upon vesting of their Awards by way of:

- (a) an issue of New Shares deemed to be fully paid upon their issuance and allotment; and/or
- (b) transfer of Treasury Shares (by way of the purchase of existing Shares from the market pursuant to the Act).

In determining whether to issue New Shares or to purchase existing Shares for delivery to Participants on vesting of their Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the financial effect on the Company of either issuing New Shares or purchasing existing Shares. As at the Latest Practicable Date, the Company does not have a share purchase mandate in place. If the Company desires to purchase existing Shares, the specific approval of Shareholders will be separately sought for a share purchase mandate.

3.4.4 Adjustment events

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

- (i) the class and/or the number of shares which are the subject of an Award to the extent not yet vested and the rights attached thereto; and/or
- (ii) the class and/or the maximum number of shares over which Awards may be granted under the Performance Share Plan,

may at the option of the Committee be adjusted and in such manner as the Committee may determine to be appropriate.

No adjustment shall be made if, as a result the Participant receives a benefit that a Shareholder does not receive and any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the auditors (“**Auditors**”) of the Company (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for a private placement of shares or as consideration for or in connection with an acquisition of any assets or upon the exercise of any options or conversion of any loan stock or any other securities convertible into shares or subscription rights of any warrants or 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 (including any renewal of such mandate) is in force, will not be regarded as circumstance requiring adjustment.

When any adjustment has to be made pursuant to the Performance Share Plan, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and number of New Shares and/or existing Shares (including Treasury Shares) thereafter to be issued or transferred respectively on the vesting of an Award and the date on which any adjustment shall take effect.

The Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Auditors to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such Auditors (acting only as experts and not as arbitrators) to be in their opinion appropriate.

3.4.5 Modifications to the Performance Share Plan

Any or all of the provisions of the Performance Share Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, subject to compliance with the Listing Manual and such other regulatory authorities as may be necessary, save that:

- (i) any modification or alteration which materially and adversely alters the rights attaching to any Award granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if the Awards were released to them upon the expiry of all the Vesting Periods applicable to the Awards, would together hold not less than three-quarters (3/4) in aggregate number of Shares which would fall to be Vested upon the release of all outstanding Awards held by all participants who respond to the Company's request for such consent within 21 days of the Company's despatch of the request; and
- (ii) any modification or alteration which would be to the advantage of the Participants under the Performance Share Plan shall be subject to the prior approval of the Shareholders in general meeting.

The opinion of the Committee as to whether any modification or alteration would materially and adversely alter the rights attaching to any Award or be to the advantage of the Participants shall be final and conclusive.

The Committee may at any time by resolution (and without other formality or approval of the Participants, save for the prior approval of the SGX-ST) amend or alter the Performance Share Plan in any way to the extent necessary to cause the Performance Share Plan to comply with any statutory provision or the provision of the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

Written notice of any modification or alteration made in accordance with the above shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

3.4.6 Grant of Awards

Awards represent the right conferred by the Company on a Participant to be issued or transferred Shares in the Company, free of charge, in accordance with the Performance Share Plan.

The Committee may grant Awards at any time, provided that in the event that an announcement on any matter involving unpublished price sensitive information is made, Awards may only be granted after the second Market Day following the aforesaid announcement. Where the Grant of Awards to any Participant is subject to approval of specific resolution at a general meeting, the Committee shall grant such approved Awards within 30 days from the conclusion of the general meeting that approved the resolution.

The Committee shall decide, in relation to each Award:

- (i) the Participant;
- (ii) the Date of Grant;
- (iii) the number of Shares which are the subject of the Award; and
- (iv) in the case of a performance-related Award, the performance period and the Performance Condition.

The offer of the Award shall be personal to the Participant to whom it is granted and any Award granted and accepted by a Participant under the Performance Share Plan shall not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part unless approved by the Committee, but may be exercised by the Participant's duly appointed personal representative in the event of the death of the Participant.

The Committee may in the case of performance-related Awards, amend or waive the Vesting Period(s), the performance period and/or the Performance Condition in respect of any Award in the absolute discretion of the Committee:

- (a) if anything happens which causes the Committee to conclude that:
 - (i) an amended Performance Condition would be a fairer measure of performance and would be no less difficult to satisfy; or
 - (ii) the Performance Condition should be waived; or
- (b) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares of the Company, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company;

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

Participants are not required to pay for the grant of Awards.

An Award or released Award shall be personal to the Participant to whom it is granted and no Award or released Award or any rights thereunder shall be transferred, charged, assigned, pledged, mortgaged, encumbered or otherwise disposed of, in whole or in part, and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or released Award, that Award or released Award shall immediately lapse.

3.4.7 *Acceptance of Awards*

The grant of an Award to a Participant shall be accepted by the Participant within 30 days from the Date of Grant. The Participant may accept or refuse the whole but not part of the offer.

The Committee shall within 15 Market Days of receipt of the acceptance form acknowledge receipt thereof.

If the grant of an Award is not accepted by the Participant within 30 days from the Date of Grant, such offer shall upon the expiry of the 30-day period automatically lapse and shall be null and void.

3.4.8 *Release of Awards*

Subject as provided in the Performance Share Plan, an Award shall be released, in accordance with any conditions that the Committee may, in its absolute discretion, specify in the letter of offer.

Shares which are the subject of a released Award shall be vested to a Participant on the vesting date, which shall be a Market Day falling as soon as practicable after the review by the Committee and on the vesting date, the Committee will procure the allotment of such New Shares and/or transfer of such existing Shares (including Treasury Shares) to each Participant of the number of Shares so determined in accordance with the Award.

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 the listing and quotation of such Shares.

New Shares which are allotted and/or existing Shares (including Treasury Shares) which are transferred on the Release of an Award to a Participant shall be registered 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.

(a) The New Shares allotted and issued; (b) existing Shares procured by the Company on behalf of the Participants for transfer; and (c) Treasury Shares held by the Company for transfer, upon the Release of an Award shall be subject to all the provisions of the Memorandum and Articles of Association of the Company, and rank for any dividend, right, allotment by other distribution the Record Date of which is on or after the relevant vesting date and (subject as aforesaid) will rank *pari passu* in all respects with the Shares then existing.

3.4.9 Vesting of Awards

Unless otherwise decided in the absolute discretion of the Committee, an Award to the extent not yet released, shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such an event, the Participant shall have no claim whatsoever against the Company, its Directors or employees):

- (i) misconduct on the part of the Participant as determined by the Committee in its discretion;
- (ii) the Participant, for any reason whatsoever (whether by reason of wrongful dismissal or otherwise) ceases to be in the employment of the Company and/or any subsidiary or in the event the company by which the Group Employee is employed ceases to be a company in the Group; and/or
- (iii) the Participant commits any breach of any of the terms of his Awards.

The Awards shall be deemed not to have become void nor cease to have effect in accordance with the Performance Share Plan if a Participant ceases to be employed before the Release by reason of:

- (a) death of the Participant;
- (b) ill-health, injury, disability or accident (in each case evidenced to the satisfaction of the Committee); or
- (c) any other ground where the Release of the Award has been approved by the Committee in writing.

The Committee may at its absolute discretion waive the Vesting Period for all or any of the Awards not yet released to the Participant or his duly appointed representative(s) under any of the above stated circumstances.

In the event of a take-over offer (whether conditional or unconditional) being made for all or any part of the Shares of the Company, all Awards to the extent not yet released shall be released to all Participants and the Vesting Period waived so that they be entitled to exercise their rights under the take-over offer, on the date on which such take-over offer becomes or is declared unconditional, as the case may be.

If before the vesting date, any of the following occurs:

- (i) a Participant does or suffers any act or thing whereby he would or might be deprived of the legal or beneficial ownership of his Award;
- (ii) a Participant commits an act of bankruptcy or is subject to a petition for bankruptcy;
- (iii) a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Act;
- (iv) an order for the compulsory winding up of the Company is made; or
- (v) a resolution for a voluntary winding up (other than for amalgamation or reconstruction) of the Company being made,

the Committee may consider, at its absolute discretion, whether or not to release any Award. 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 Vesting Period(s) which has elapsed and the extent to which the Performance Condition (if any) has been satisfied. Where Awards are released, the Committee will, as soon as practicable after Awards have been released, procure the allotment of such New Shares and/or transfer of such existing Shares (including Treasury Shares) to each Participant of the number of Shares so determined in accordance with such Award, such allotment and/or transfer to be made in accordance with the Performance Share Plan.

3.5 Disclosure in Annual Report

In accordance with the Listing Manual, the Company shall make the following disclosures (as applicable) in its annual report for as long as the Performance Share Plan continues in operation:

- (i) the names of the members of the Committee administering the Performance Share Plan;
- (ii) the information in the table below for the following Participants:
 - (a) Directors;
 - (b) Controlling Shareholders and their Associates; and
 - (c) Participants (other than those in paragraphs (a) and (b) above) who have received Shares pursuant to the vesting of Awards which, in aggregate, represent 5.0% or more of the total number of Shares available under the Performance Share Plan;

Name of Participant	Aggregate number of Shares comprised in Awards granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since the commencement of Performance Share Plan to end of financial year under review	Aggregate number of Shares comprised in Awards granted which have vested since the commencement of the Performance Share Plan to end of financial year under review, and in respect of such Awards, the proportion of New Shares issued or Treasury Shares transferred upon the release of the vested Awards	Aggregate number of Shares comprised in Awards which have not been released at end of financial year under review

- (iii) in respect of Awards granted to directors and employees of the parent company and its Subsidiaries (where applicable):
 - (aa) the names of the person, the number of Shares comprised in the Awards and the terms of the Awards granted to each such person who receives Shares pursuant to the vesting of Awards which represent five per cent. (5.0%) or more of the total number of Shares available to all directors and employees of the parent company and its subsidiaries under the Performance Share Plan, during the financial year under review; and
 - (bb) the aggregate number of Shares comprised in the Awards granted to the directors and employees of the parent company and its subsidiaries for the financial year under review, and since the commencement of the Performance Share Plan to the end of the financial year under review,
- (iv) if any of the above is not applicable, an appropriate negative statement must be included; and
- (v) such other information as may be required by the Listing Manual and the Act.

Controlling Shareholders and their Associates shall not be eligible to participate in the Performance Share Plan. Further, the Company does not have any parent company and accordingly, the Participants of the Performance Share Plan shall not include any directors and/or employees of any parent company and its Subsidiaries.

3.6 Role and composition of the Committee

The Performance Share Plan shall be administered by the Committee with such discretion, powers and duties as are conferred on it by the Board. A member of the Committee shall not be involved in the deliberations of the Committee in respect of the grant of Awards to him. In exercising its discretion, the Committee must act in accordance with any guidelines that may be provided by the Board and the rules of the Listing Manual. The Committee shall refer any matter not falling within the scope of its terms of reference to the Board. Shareholders who are eligible to participate in the Performance Share Plan shall abstain from voting on any resolution relating to the Performance Share Plan.

Subject to the rules of the Listing Manual, 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 Performance Share Plan) for the implementation and administration of the Performance Share Plan, to give effect to the provisions of the Performance Share 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 decision of the Committee, made pursuant to any provision of the Performance Share Plan (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Performance Share Plan or any rule, regulation, or procedure thereunder or as to any rights under the Performance Share Plan).

3.7 Rules of the Performance Share Plan

The rules of the Performance Share Plan are set out in Appendix 1 to this Circular.

3.8 Financial effects of the Performance Share Plan

3.8.1 Cost of Awards

As Participants are not required to pay for the grant of the Awards, such grant of Awards will have a financial effect on the Company.

Financial Reporting Standard 102 (“**FRS 102**”) requires the recognition of an expense in respect of Awards granted under the Performance Share Plan. The expenses will be based on the fair value of the Awards at the date of the grant and will be recognised over the expected Vesting Period. However, no expense will ultimately be recognised for any Awards granted that do not vest because of failure to satisfy the vesting conditions.

In accordance with FRS 102 ‘Share-based payment’, paragraph 15, the Company will account for the grant of award during the Vesting Period, with a corresponding increase in equity. As per FRS 102, paragraph 19, on a cumulative basis, no amount is recognised for services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition. Also, as per FRS 102, paragraph 20, the Company shall recognise an amount for the services received during the Vesting Period based on the best available estimate of the number of equity instruments expected to vest and shall revise that estimate, if necessary. Therefore, the grant of award is recognised to income statement over the expected Vesting Period. If an employee leaves before end of Vesting Period, the Company should revise the estimated number of equity instruments expected to vest.

3.8.2 Share capital

The Performance Share Plan will result in an increase in the Company’s issued share capital only if New Shares are issued to Participants. The number of New Shares issued will depend on, *inter alia*, the size of the Awards granted under the Performance Share Plan. However, if existing Shares are purchased for delivery to Participants *in lieu* of issuing New Shares to Participants, the Performance Share Plan will have no impact on the Company’s issued share capital.

3.8.3 NTA

As described below under Section 3.8.4 of this Circular entitled “**EPS**” below, the Performance Share Plan will result in a charge to the Company’s and Group’s profit and loss account equal to the market value at which the New Shares are issued or the existing Shares are purchased to meet delivery under the Awards. If New Shares are issued under the Performance Share Plan, the NTA of the Company and the Group would decrease by the amount charged. If existing Shares are purchased for delivery to Participants, the NTA of the Group and the Company would decrease by the amount charged.

Although the Performance Share Plan will result in a charge to the profit and loss account of the Company and the Group, it should be noted that Awards are granted only on a selective basis and will be granted to Participants whom the Company believes would have contributed or will contribute significant value in its success including financial performance. In particular, the grant of Awards and delivery of Shares to Participants of the Performance Share Plan, are contingent upon the Participants meeting prescribed

Performance Conditions. Therefore, Participants would have contributed to or will contribute to significant value add to the NTA of the Company and the Group before the Awards are granted and Shares delivered.

3.8.4 EPS

The Performance Share Plan will result in a charge to earnings equivalent to the market value at which the existing Shares are purchased or the market value on the date at which New Shares are issued under the Awards.

Although the Performance Share Plan will have a dilutive impact (to the extent that New Shares are issued pursuant to the Performance Share Plan) on the EPS of the Company and the Group, the delivery of Shares to Participants in respect of Awards granted under the Performance Share Plan, is contingent upon the Participants meeting prescribed conditions. Accordingly, the earnings of the Company and the Group should have grown before the Awards are granted and Shares delivered.

3.8.5 Dilutive impact

It is expected that any dilutive impact of the Performance Share Plan on the NTA and the EPS of the Company and the Group would not be significant.

3.9 Rationale and justification for participation by the directors and employees of the Associated Companies

It is desired that the Group should have a Performance Share Plan which caters to the persons who are not employed within the Group but work closely with the Group and who, by reason of their relationship with the Group, are in a position to input and contribute their experience, knowledge and expertise to the development and prosperity of the Group. Such other persons include the directors and employees of the Associated Companies.

By implementing the Performance Share Plan, the Group will have a means of providing for those who, while not being directors or employees of the Group, are nonetheless closely associated with the Group as well as the performance of the Group through participation in the equity of the Group. It is hoped that by doing so, the Group will also strengthen its working relationships with the directors and employees of the Associated Companies by inculcating in them a stronger and more lasting sense of identification with the Group.

As at the Latest Practicable Date, the Group does not have any Associated Companies (over whose management the Company and/or the Group have control). The Performance Conditions set for the directors and employees of the Associated Companies will be similar to those of the Performance Conditions set for the directors and employees of the Group which shall be determined by the Committee in due course.

3.10 Rationale and justification for participation by Non-Executive Directors (including Independent Directors)

Under the rules of the Listing Manual, the Group has some flexibility in formulating a scheme that recognises and benefits not only persons who are in the employment of the Group but also Non-Executive Directors (including Independent Directors) who are not employed by the Group but who nevertheless work closely with the Group and/or are in the position to contribute their experience, knowledge and expertise to the success of the Group. The Performance Share Plan is extended to the Non-Executive Directors (including Independent Directors) of the Group.

Although the Non-Executive Directors are not involved in the day-to-day running of the Group, they also play an invaluable role in the Group's success by applying their experience, drawing on their knowledge and utilising their expertise for the benefit of the Group. It is desirable that the Non-Executive Directors (including Independent Directors) be allowed to participate in the Performance Share Plan to give recognition to their services and contributions and to further align their interests with that of the Group.

In order to minimise any possible conflicts of interest, and so as not to compromise the objectivity of independent members of the Board who may, in the future, be selected to participate in the Performance Share Plan, the Non-Executive Directors (including Independent Directors) would primarily continue to be remunerated for their services by way of Directors' fees. The Committee when deciding on the selection of Non-Executive Directors to participate in the Performance Share Plan and the number of Awards to be offered (in accordance with the Performance Share Plan) will take into consideration the nature and extent of their input, assistance and expertise rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the Board. The Board does not envisage that the aggregate number of Shares comprised in Awards set aside for the Non-Executive Directors collectively will exceed 1% of total issued share capital of the Company from time to time. Non-Executive Directors (including Independent Directors) will abstain from making any recommendation as a Director and abstain from voting as a member of the Company when the grant of Awards to him is being considered.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Interests of Directors

The interests (both direct and indirect) of the Directors in the issued share capital of the Company, as recorded in the Register of Directors' shareholdings of the Company as at the Latest Practicable Date, are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Takahashi Kenichi	76,543,200	66.3	5,400,000 ⁽²⁾	4.7	81,943,200	71.0
Shigemitsu Katsuaki	2,240,400	1.9	2,240,400 ⁽³⁾	1.9	4,480,800	3.8
Wong Hin Sun, Eugene	–	–	4,777,200 ⁽⁴⁾	4.1	4,777,200	4.1
Tan Lye Huat	–	–	–	–	–	–
Lee Sok Koon	–	–	–	–	–	–

Notes:

- (1) Based on the issued share capital of the Company of 115,404,000 Shares as at the Latest Practicable Date.
- (2) Takahashi Kenichi is deemed interested in the 5,400,000 Shares held by his deemed associate, Chan Chau Mui.
- (3) Shigemitsu Katsuaki is also the president and chief executive officer of Shigemitsu Industry Co., Ltd. ("Shigemitsu Industry"). As at the Latest Practicable Date, Shigemitsu Industry has a share capital comprising 631 shares. Of this, Shigemitsu Katsuaki holds 283 shares, Shigemitsu Corporation (in which Shigemitsu Katsuaki holds a direct 100% shareholding interest) holds 158 shares, the family members of Shigemitsu Katsuaki hold 169 shares, while the remaining 21 shares are held by unrelated parties. Accordingly, Shigemitsu Katsuaki is deemed interested in all the 2,240,400 Shares held by Shigemitsu Industry.

- (4) Wong Hin Sun, Eugene (“**Eugene Wong**”) is also the managing director of Sirius Venture Consulting Pte. Ltd. (“**Sirius Venture**”). As at the Latest Practicable Date, Eugene Wong holds 100% of the issued share capital of Sirius Venture. Accordingly, Eugene Wong is deemed interested in all the 4,777,200 Shares held by Sirius Venture.

4.2 Interests of Substantial Shareholders

The interests (both direct and indirect interests) of the Substantial Shareholders in the issued share capital of the Company, as recorded in the Register of Substantial Shareholders’ shareholdings of the Company as at the Latest Practicable Date, are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Substantial Shareholder						
Takahashi Kenichi	76,543,200	66.3	5,400,000 ⁽²⁾	4.7	81,943,200	71.0

Notes:

- (1) Based on the issued share capital of the Company of 115,404,000 Shares as at the Latest Practicable Date.
- (2) Takahashi Kenichi is deemed interested in the 5,400,000 Shares held by his deemed associate, Chan Chau Mui.

5. DIRECTOR’S RECOMMENDATION

As at the Latest Practicable Date, Mr Takahashi Kenichi is a Controlling Shareholder and is not eligible to participate in the ESOS and the Performance Share Plan as the ESOS and the Performance Share Plan do not provide for the participation by Controlling Shareholders.

Save for Mr Takahashi Kenichi, all the remaining Directors are eligible to participate in, and are therefore interested in, the ESOS and the Performance Share Plan. Accordingly, these Directors have abstained from making any recommendation to Shareholders on Ordinary Resolutions 1 and 2, being the resolutions relating to the proposed termination of the ESOS and the proposed adoption of the Performance Share Plan.

Having considered the rationale for the proposed termination of the ESOS and the proposed adoption of the Performance Share Plan as set out in Section 2.3 and Section 3.2 of this Circular respectively, Mr Takahashi Kenichi, who is not eligible to participate in both the ESOS and the Performance Share Plan, is of the opinion that the proposed termination of the ESOS and the proposed adoption of the Performance Share Plan are in the best interests of the Company and accordingly recommends that Shareholders vote in favour of Ordinary Resolutions 1 and 2 at the EGM.

6. ABSTENTION FROM VOTING

Any Shareholder entitled to participate or who is interested in the ESOS and the Performance Share Plan should abstain from voting at the EGM in respect of Ordinary Resolutions 1 and 2 relating to the proposed termination of the ESOS and the proposed adoption of the Performance Share Plan respectively. Such Shareholders should also not accept nominations as proxies or otherwise for voting in respect of the aforesaid Ordinary Resolutions at the EGM unless specific instruction has been given in the proxy form as to the manner in which votes are to be cast in respect of such Ordinary Resolutions.

All the Directors (save for Mr Takahashi Kenichi) are entitled to participate in the ESOS and the Performance Share Plan, and therefore, such Directors shall abstain from voting in respect of their holdings of Shares (if any) at the EGM on Ordinary Resolutions 1 and 2 and shall also decline to accept appointment as proxies for any Shareholder to vote in respect of each of the said Ordinary Resolutions unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of such Ordinary Resolutions.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 38 and 39 of this Circular, will be held at The Imagination Room, Level 5, National Library Building, Singapore 188064 on 24 July 2013 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM to be held on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's registered office at 420 North Bridge Road, #02-01 North Bridge Centre, Singapore 188727, not less than 48 hours before the time fixed for the EGM.

The completion and return of a proxy form by a Shareholder does not preclude him from attending and voting in person at the EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM.

Any Shareholder who is eligible to participate in the ESOS and the Performance Share Plan, together with their Associates, must abstain from voting on the Ordinary Resolutions relating to the proposed termination of the ESOS and the proposed adoption of the Performance Share Plan at the EGM and should not accept appointments as proxies for any Shareholder to vote in respect of each of the said Ordinary Resolutions unless the Shareholder concerned have given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of such Ordinary Resolutions.

9. DIRECTORS' 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 termination of the ESOS, the proposed adoption of the Performance Share Plan and the Group, 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.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 420 North Bridge Road, #02-01 North Bridge Centre, Singapore 188727, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Annual Report of the Company for FY2013;
- (c) the rules of the ESOS; and
- (d) the proposed rules of the Performance Share Plan.

Yours faithfully

For and on behalf of the Board of Directors

Takahashi Kenichi
Executive Chairman and CEO

RULES OF THE PERFORMANCE SHARE PLAN

1. Name of the Performance Share Plan

The Japan Foods Performance Share Plan shall be referred to as the “**Performance Share Plan**”.

2. Definitions

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

- “Adoption Date” : The date on which the Performance Share Plan is adopted by the Company in an extraordinary general meeting
- “Associate” : (a) in relation to any director, chief executive officer, substantial or controlling shareholder of a corporation (being an individual) means:
- (i) his immediate family;
 - (ii) a trustee, acting in his capacity as such trustee, of any trust of which the individual or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any corporation in which he and his immediate family (directly or indirectly) have interests in voting shares of an aggregate of not less than 30% of the total votes attached to all voting shares
- (b) in relation to a substantial shareholder or controlling shareholder of a corporation (being a corporation) any other corporation 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 interests in voting shares of an aggregate of not less than 30% of the total votes attached to all voting shares
- “Associated Company” : A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries and over which the Company has Control
- “Auditors” : The auditors of the Company for the time being

“Award”	:	A contingent award of Shares under the Performance Share Plan
“Board”	:	The board of directors for the time being of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company”	:	Japan Foods Holding Ltd., a company incorporated in the Republic of Singapore
“Committee”	:	The Remuneration Committee of the Company, or such other committee comprising Directors duly authorised, appointed and nominated by the Board to administer the Performance Share Plan from time to time
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	:	A person who (a) holds directly or indirectly 15% or more of the aggregate of the votes attached to all the voting Shares in the Company (unless determined otherwise by the SGX-ST); or (b) in fact exercises Control over the Company
“Director”	:	A director of the Company
“Executive Director”	:	A director of the Company and/or its subsidiaries or Associated Companies, as the case may be, who is an employee of the Group
“Group Employee”	:	Any director of the Company or full-time employees of the Group and the Associated Companies who is of the age of 18 years and above
“Group”	:	The Company and its subsidiaries, and “Group Company” shall mean any one of such companies
“Listing Manual”	:	The Listing Manual, Section B: Rules of Catalist of the SGX-ST, as may be amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities

“Market Price”	:	The average of the dealt price for a Share as determined by reference to the last dealt prices of the Shares for the three (3) consecutive Market Days immediately preceding the date on which the Award shall be vested
“Non-Executive Director”	:	A director of the Company who is not an Executive Director
“Participant”	:	Any eligible person who is selected by the Committee to participate in the Performance Share Plan in accordance with the rules thereof
“Performance Share Plan”	:	The Japan Foods Performance Share Plan, as may be modified or altered from time to time
“Performance Target(s)”	:	The performance target(s) prescribed by the Committee to be fulfilled by a Participant for any particular period under the Performance Share Plan
“Rules”	:	The rules of the Performance Share Plan, as the same may be amended from time to time
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Ordinary shares in the issued share capital of the Company
“Vesting Period”	:	In relation to an Award, a period or periods of time before vesting occurs, the duration of which is to be determined by the Committee at the date of the grant of the Award
“S\$”	:	Singapore dollars

2.2 The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act. The term “**Treasury Shares**” shall have the meaning ascribed to it in Section 4 of the Companies Act.

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

2.4 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.

2.5 Any reference in the Performance Share Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual or any statutory modification thereof and used in the Performance Share Plan shall, where applicable, have the meaning assigned to it under the Companies Act or the Listing Manual or any statutory modification thereof, as the case may be unless otherwise provided.

2.6 Any reference to a time of day in the Performance Share Plan shall be a reference to Singapore time unless otherwise stated.

3. Objectives of the Performance Share Plan

The objectives of the Performance Share Plan are as follows:

- (a) to motivate participants to strive towards performance excellence and to maintain a high level of contribution to the Group;
- (b) to provide an opportunity for participants of the Performance Share Plan to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of participants towards the Group;
- (c) to give recognition to contributions made or to be made by participants by introducing a variable component into their remuneration package; and
- (d) to make employee remuneration sufficiently competitive to recruit new participants and/or to retain existing participants whose contributions are important to the long-term growth and profitability of the Group.

4. Eligibility

4.1 The following persons are eligible to participate in the Performance Share Plan at the absolute discretion of the Committee:

- (i) full-time employees of the Group and Associated Companies who are of the age of 18 years and above; and
- (ii) directors of the Company and its subsidiaries (including Non-Executive and Independent Directors),

who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.

Persons who are Controlling Shareholders and their Associates shall not be eligible to participate in the Performance Share Plan.

4.2 There shall be no restriction on the eligibility of any Participant to participate in any other share plan or share incentive schemes implemented by any of the other companies within the Group.

4.3 Subject to any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted and the Rules, the terms of eligibility for participation in the Performance Share Plan may be amended from time to time at the absolute discretion of the Committee.

5. Limitations under the Performance Share Plan

- 5.1 The total number of Shares that may be issued or are issuable pursuant to the granting of the Awards on any date, when added to the aggregate number of Shares that are issued or are issuable in respect of such other share-based incentive schemes of the Company (if any), shall not exceed fifteen per cent. (15%) (or such other percentage as may be prescribed or permitted from time to time by the SGX-ST) of the total number of issued ordinary shares (excluding Treasury Shares) of the Company on the day immediately preceding the date on which the Award shall be granted.
- 5.2 Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Awards Committee being satisfied that the Participant has achieved the Performance Target(s) and that the Vesting Period (if any) has expired. Provided Always That the Awards Committee shall have the absolute discretion to determine the extent to which the Shares under that Award shall be released on the prescribed Performance Target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed performance period. No Shares under the Award shall be released for the portion of the prescribed Performance Target(s) that is not satisfied by the Participant at the end of the prescribed performance period.
- 5.3 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Awards Committee under the Performance Share Plan.

6. Grant Date

The Committee may at its sole discretion grant Awards to any Participant at any time during the period when the Performance Share Plan is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards, may only be delivered on or after the second Market Day from the date on which the aforesaid announcement is made.

7. Awards Entitlement

- 7.1 Awards represent the right of a Participant to receive fully-paid Shares free of charge. A Participant is entitled to receive fully-paid Shares free of charge subject to certain prescribed Performance Targets being met.

The Vesting Periods of Awards will be determined by the Committee and may not be subject to such time restrictions before vesting.

The selection of a Participant, the number of Shares which are the subject of each Award to be granted to him, and the prescribed Vesting Period shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success of the Group and the extent of effort required to achieve the Performance Target within the performance period.

The Committee shall decide, in relation to each Award to be granted to a participant:

- (a) the date on which the Award is to be granted;
- (b) the number of Shares which are the subject of the Award;

- (c) the prescribed Vesting Period(s);
- (d) the prescribed Performance Target(s);
- (e) the performance period during which the prescribed Performance Target(s) are to be satisfied;
- (f) the extent to which Shares which are the subject of that Award shall be released on the prescribed Performance Target(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; and
- (g) the extent to which Shares, which are the subject of that Award, shall be released at the end of each prescribed Vesting Period.

7.2 Once an Award is finalised by the Committee, the Committee shall send an Award letter to the Participant confirming the said Award. The said Award letter shall specify, *inter alia*, the following:

- (a) the date on which the Award will be granted;
- (b) the number of Shares which are the subject of the Award;
- (c) the prescribed Performance Target(s);
- (d) the performance period during which the prescribed Performance Target(s) are to be satisfied;
- (e) the Vesting Period, if any; and
- (f) the extent to which Shares which are the subject of that Award shall be released on the prescribed Performance Target(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.

8. Vesting of the Awards

8.1 Unless otherwise decided in the absolute discretion of the Committee, an Award shall, to the extent not yet vested, 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; or
- (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Award; or
- (c) subject to Rules 8.2 and 8.3, upon a Participant, being a Group Employee ceasing to be in the full-time employment of the Group for any reason whatsoever; or
- (d) in the event that the Committee shall at its discretion deem it appropriate that such Award to be given to a Participant shall so lapse on the grounds that any of the objectives of the Performance Share Plan (as set out in Rule 3) have not been met.

For the purpose of Rule 8.1(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 him, unless such notice shall be withdrawn prior to its effective date.

- 8.2 If a Participant, being a Group Employee ceases to be employed by the Group, by reason of his:
- (a) ill health, injury, death, disability (in each case, evidenced to the satisfaction of the Committee); or
 - (b) redundancy; or
 - (c) retirement at or after the normal retirement age; or
 - (d) retirement before that age with the consent of the Committee; or
 - (e) completion of the term of his service contract;

or for any other reason approved in writing by the Committee; the Committee may, in its absolute discretion, decide that a Participant is entitled to an Award or any part thereof, so long as he has met the Performance Target(s) notwithstanding that he may have ceased to be so employed or ceased to hold office after the fulfilment of such Performance Target(s) and that the Vesting Period (if any) has not expired prior to the cessation of such employment or holding of office.

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 Target(s) have been satisfied.

- 8.3 If a Participant who has fulfilled his Performance Target(s) dies before an Award is vested, the Award shall in such circumstances be given to the duly appointed personal representatives of the Participant.
- 8.4 Save as provided and for the avoidance of doubt, an Award shall nevertheless be vested in a Participant for as long as he has fulfilled his Performance Target(s) and the Vesting Period (if any) has expired and notwithstanding a transfer of his employment within any company in the Group or any apportionment of Performance Target(s) within any company within the Group.

9. Take-over and Winding Up of the Company

- 9.1 Notwithstanding the provisions of Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall (notwithstanding that the Vesting Period for the Award has not expired) be entitled to the Shares under the Awards if he has met the Performance Target(s) which falls within the period commencing on the date on which such offer for a take-over of the Company is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Awards Committee and the SGX-ST, such expiry date is extended to a later date being a date falling not later than the last date on which the Performance Target(s) are to be fulfilled; or

- (b) the date of expiry of the period for which the Performance Target(s) are to be fulfilled. Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Participant shall be obliged to fulfil such Performance Target(s) until the expiry of such specified date or the expiry date of the Performance Target(s) relating thereto, whichever is earlier, before an Award can be vested.
- 9.2 If: (a) under any applicable laws, the court sanctions 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, or (b) there is a change of Control of the Company, each Participant who has fulfilled his Performance Target(s) shall be entitled, notwithstanding the provisions herein and the fact that the Vesting Period for such Award has not expired but subject to Rule 9.5, to any Awards so determined by the Committee to be vested in him during the period: (i) in the case of scenario (a) above, commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise, arrangement or amalgamation becomes effective, whichever is later; or if under the Companies Act, the Registrar of Companies issues a notice of amalgamation, for the purposes of, or in connection with the amalgamation of the Company with another company or companies, each Participant who has fulfilled his Performance Target(s) shall be entitled, notwithstanding Rule 9 and the non-expiry of the Vesting Period for the Award but subject to Rule 9.5, to any Awards so determined by the Committee to be vested in him during the period commencing on the date upon which the notice of amalgamation is issued by the Registrar of Companies and ending either on the expiry of sixty (60) days thereafter or the date upon which the amalgamation becomes effective, whichever is later; or (ii) in the case of scenario (b) above, commencing on the date upon which the change of Control becomes effective and ending on the expiry of sixty (60) days thereafter.
- 9.3 If an order or an effective resolution is made for the winding-up of the Company on the basis of its insolvency, all Awards, notwithstanding that they may have been so vested shall be deemed to become null and void.
- 9.4 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Awards shall so vest in the Participant for so long as, in the absolute determination by the Committee, the Participant has met the Performance Target(s) prior to the date that the members' voluntary winding-up shall be deemed to have been commenced or effective in law.
- 9.5 If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no Award shall be made in such circumstances.
- 9.6 Without prejudice to any other provision contained in the Rules, the Committee shall have the absolute discretion to waive the full compliance of the Performance Targets on the part of the Participant upon the occurrence of any of the events provided in this Rule 9. 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 Target(s) have been satisfied.

10. Shares

- 10.1 Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the Performance Share Plan and the Memorandum and Articles of Association of the Company, the Company shall, within ten (10) Market Days after the vesting of an Award, allot and issue the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit, or in the case of a transfer of Treasury Shares, do such acts or things which are necessary for the transfer to be effective.
- 10.2 The Company shall, as soon as practicable after such allotment, where necessary, apply to the SGX-ST for permission to deal in and for quotation of such Shares.
- 10.3 Shares which are the subject of an Award shall be issued in or transferred to in the name of CDP or its nominees to the credit of the Securities Account of that Participant or the securities sub-account maintained with a Depository Agent.
- 10.4 Shares allotted and issued and/or Treasury Shares transferred, upon the vesting of an Award, shall be subject to all the provisions of the Memorandum and Articles of Association of the Company, and shall rank in full for all entitlements, excluding dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or before the date of issue of New Shares or the date of transfer of the Treasury Shares (as the case may be), and shall in all other respects rank *pari passu* with other existing Shares then in issue. “**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
- 10.5 Shares which are allotted, and/or Treasury Shares which are transferred, on the vesting of an Award to a Participant, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, for a period of three (3) months commencing on the date the Shares are allotted and issued, or the date the Treasury Shares are transferred to a Participant upon the vesting of an Award, except to the extent set out in the Award letter or with the prior approval of the Committee.
- 10.6 The Committee may determine to vest an Award, wholly or partly, in the form of cash rather than Shares or Treasury Shares, in which event the Participant shall receive, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on the release of his Award, the aggregate Market Price of such Shares.
- 10.7 For the avoidance of doubt, Treasury Shares shall not be transferred, in connection with the vesting of an Award, to Non-Executive Directors or any director who is not an employee.

11. Variation of Capital

- 11.1 If a variation in the share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, reduction, subdivision, consolidation or distribution) 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 over which future Awards may be granted under the Performance Share Plan, may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate.

However, any adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

11.2 Unless the Committee considers an adjustment to be appropriate:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities; or
- (b) the issue of securities by the Company as a consequence of the exercise of conversion rights/subsorption rights in the Company's loan stock or warrants and any other securities convertible into Shares (including the exercise of any options granted under the Performance Share Plan) or the delivery of Shares pursuant to the vesting of Awards from time to time by the Company or through any other share-based incentive schemes implemented by the Company; or
- (c) 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,

shall not normally be regarded as a circumstance requiring adjustment.

11.3 Notwithstanding the provisions of Rule 11.1:

- (a) no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive; and
- (b) any determination by the Committee as to whether to make any adjustment and if so, the manner in which such adjustment should be made, must (except in relation to a capitalisation issue) be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

11.4 Upon any adjustment required to be made pursuant to this Rule 11, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

12. Administration of the Performance Share Plan

12.1 The Performance Share Plan shall be managed by the Committee, which has the absolute discretion to determine persons who will be eligible to participate in the Performance Share Plan. However, a Participant who is a member of the Committee shall not be involved in any deliberation or decision in respect of Awards (as the case may be) to be granted to or held by that Participant.

12.2 The Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the Performance Share Plan) for the implementation and administration of the Performance Share Plan as they think fit including, but not limited to:

- (a) imposing restrictions on the number of Awards that may be vested within each financial year; and

- (b) amending Performance Target(s) if by so doing, it would be a fairer measure of performance for a Participant or for the Performance Share Plan as a whole and/or amending the Vesting Period (if any).
- 12.3 Neither the Performance Share Plan nor the grant of Awards under the Performance Share Plan shall impose on the Company or the Committee any liability whatsoever in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the Performance Share Plan;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Awards Committee of, any discretion under the Performance Share Plan; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the Performance Share Plan.
- 12.4 Any decision of the Committee (including any decisions pertaining to the number of Shares to be vested) made pursuant to any provision of the Performance Share Plan (other than a matter to be certified by the Auditors) shall be final and binding in all cases including any disputes as to the interpretation of the Performance Share Plan or any rule, regulation, procedure thereunder or as to any rights under the Performance Share Plan.

13. Notices and Annual Report

- 13.1 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 him in writing.
- 13.2 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 him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or at the last known address, electronic mail address or facsimile number of the Participant.
- 13.3 Any notices or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any notices 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 13.2, or if sent by post, shall be deemed to have been given on the day following the date of posting, or if sent by electronic mail or facsimile transmission, on the day of despatch.
- 13.4 The Company, as required by law or the SGX-ST or other relevant authority, shall make the following disclosures (as applicable) in its annual report for so long as the Performance Share Plan continues in operation:
- (a) the names of the members of the Committee administering the Performance Share Plan;
 - (b) in respect of the following Participants of the Performance Share Plan:
 - (i) Directors;
 - (ii) Controlling Shareholders and their Associates; and

- (iii) Participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the vesting of Awards which, in aggregate, represent five per cent. (5.0%) or more of the aggregate of the total number of Shares available under the Performance Share Plan, the following information:
 - (aa) the name of the Participant;
 - (bb) in relation to Awards vested under the Performance Share Plan, the number of Shares issued and/or the number of Treasury Shares transferred to such Participant during the financial year under review; and
 - (cc) the information set out in (c) below in relation to such Participant.
- (c) in relation to the Performance Share Plan, the following particulars:
 - (i) the aggregate number of Shares comprised in Awards granted since the commencement of the Performance Share Plan to the end of the financial year under review;
 - (ii) the aggregate number of Shares comprised in Awards which have vested since the commencement of the Performance Share Plan to the end of the financial year under review; and
 - (iii) the aggregate number of Shares comprised in Awards which have not been vested since the commencement of the Performance Share Plan to the end of the financial year under review; and
- (d) such other information as may be required by the Listing Manual or the Companies Act.

If any of the disclosure above in the foregoing of this Rule 13 is not applicable, an appropriate negative statement will be included in the annual report.

14. Modifications to the Performance Share Plan

- 14.1 Any or all the provisions of the Performance Share Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, subject to compliance with the Listing Manual and such other regulatory authorities as may be necessary, except that:
 - (a) any modification or alteration which would be to the advantage of Participants under the Performance Share Plan shall be subject to the prior approval of Shareholders in a general meeting; and
 - (b) no modification or alteration shall be made without due compliance with the Listing Manual and the approval of the SGX-ST and such other regulatory authorities as may be necessary.
- 14.2 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 rules or provisions of the Performance Share Plan in any way to the extent necessary to cause the Performance Share Plan to comply with any statutory provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 14.3 In addition to the above, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written

consent of such number of participants under the relevant Share Plan who, if their Awards were released to them, would thereby become entitled to not less than 75.0% of the aggregate number of all the issued Shares which would be issued upon exercise in full of all outstanding Awards under the Performance Share Plan.

14.4 Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants.

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

15. Terms of Employment Unaffected

The terms of employment of a Participant shall not be affected by his participation in the Performance Share Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages (if any) on the termination of his employment for any reason.

16. Duration of the Performance Share Plan

16.1 The Performance Share 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 Performance Share Plan may continue beyond the above stipulated period with the approval of the Shareholders by an ordinary resolution in a general meeting and of any relevant authorities which may then be required.

16.2 The Performance Share Plan may be terminated at any time by the Committee or by an ordinary resolution of the Company in general meeting subject to all relevant approvals which may be required and if the Performance Share Plan is so terminated, no further Awards shall be vested by the Company thereunder.

16.3 The termination of the Performance Share Plan shall not affect Awards which have been vested, whether (i) such Shares have been allotted and issued and/or delivered (as the case may be) or not; or (ii) the Treasury Shares (if any) have been transferred or not.

17. Taxes

All taxes (including income tax) arising from the grant and/or disposal of Shares pursuant to the Awards granted to any Participant under the Performance Share Plan shall be borne by that Participant.

18. Costs and Expenses

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

18.2 Save for the taxes referred to in Rule 17 and such other costs and expenses expressly provided in the Performance Share Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Performance Share Plan including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of Shares or transfer of Treasury Shares pursuant to the Awards shall be borne by the Company.

19. Disclaimer of Liability

Notwithstanding any provisions herein contained, the Board, the Committee and any company within the Group, as the case may be, 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 allotting and issuing Shares, transferring Treasury Shares or applying for or procuring the listing of the Shares on the SGX-ST in accordance with Rule 10.2 (and any other stock exchange on which the Shares are quoted or listed).

20. 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.

21. Condition of Awards

Every Award shall be subject to the condition that no Shares would be issued or Treasury Shares transferred pursuant to the vesting of any Award if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue and/or transfer of Shares hereto.

22. Governing Law

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

JAPAN FOODS HOLDING LTD.

(Company Registration No.: 200722314M)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of **JAPAN FOODS HOLDING LTD.** (the “**Company**”) will be held at The Imagination Room, Level 5, National Library Building, Singapore 188064 on 24 July 2013 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1: PROPOSED TERMINATION OF THE JAPAN FOODS EMPLOYEE SHARE OPTION SCHEME

That subject to and contingent upon the passing of Ordinary Resolution 2 below:

- (a) approval be and is hereby given for the Japan Foods Employee Share Option Scheme (“**ESOS**”), adopted on 20 January 2009, be terminated on such date as determined by the committee of directors of the Company administering the ESOS, provided that such termination shall be without prejudice to the rights of holders of options granted and outstanding under ESOS as at the date of its termination; and
- (b) the directors of the Company (“**Directors**”) be and are hereby authorised to do any act or thing or take such steps as may be necessary to facilitate or as may be incidental in connection with the termination of the ESOS.

ORDINARY RESOLUTION 2: PROPOSED ADOPTION OF THE JAPAN FOODS PERFORMANCE SHARE PLAN

That:

- (a) a new performance share plan to be known as “Japan Foods Performance Share Plan” (“**Performance Share Plan**”), the rules and details of which have been set out in the Company’s circular dated 2 July 2013 (“**Circular**”), under which awards (“**Awards**”) of fully paid-up ordinary shares in the capital of the Company (“**Shares**”), their equivalent cash value or combinations thereof will be granted, free of payment, to selected employees of the Company and/or its subsidiaries, including the Directors, and other selected participants, details of which are set out in the Circular, be and is hereby approved;
- (b) the Directors be and are hereby authorised:
 - (i) to establish and administer the Performance Share Plan;
 - (ii) to modify and/or alter the Performance Share Plan from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the Performance Share Plan and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Performance Share Plan; and
 - (iii) subject to the same being allowed by law, to apply any Share purchased under any share buyback mandate towards the satisfaction of Awards granted under the Performance Share Plan; and

- (c) the Directors be and are hereby authorised to grant Awards in accordance with the provisions of the Performance Share Plan and to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of Awards under the Performance Share Plan, provided that the aggregate number of Shares to be allotted and issued pursuant to the Performance Share Plan, when added to the number of Shares issued and issuable in respect of all options granted or awards granted under any other share-based incentive schemes adopted by the Company and for the time being in force, shall not exceed 15.0% of the total issued and paid-up Shares (excluding treasury shares) on the day preceding the date on which the Award shall be granted.

By Order of the Board

Esther Au
Company Secretary
Singapore

2 July 2013

Notes:

- (1) A shareholder of the Company entitled to attend and vote at the EGM may appoint not more than two proxies to attend and vote in his/her stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a shareholder of the Company.
- (2) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 420 North Bridge Road, #02-01 North Bridge Centre, Singapore 188727, not later than 48 hours before the time appointed for the holding of the EGM.
- (3) The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- (4) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 48 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

JAPAN FOODS HOLDING LTD.

(Company Registration No.: 200722314M)
(Incorporated in the Republic of Singapore)

PROXY FORM

EXTRAORDINARY GENERAL MEETING

I/We _____ NRIC/Passport no. _____

of _____

being a member/members of Japan Foods Holding Ltd. (the "Company") hereby appoint:-

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or*

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Extraordinary General Meeting ("EGM") of the Company as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf and, if necessary, to demand a poll at the EGM to be held at The Imagination Room, Level 5, National Library Building, Singapore 188064 on 24 July 2013 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place).

(Please indicate with a tick (✓) in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of EGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the EGM.)

No.	Ordinary Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For	Against	Number of Votes For**	Number of Votes Against**
1	Proposed termination of the Japan Foods Employee Share Option Scheme				
2	Proposed adoption of the Japan Foods Performance Share Plan				

* Delete accordingly

** If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2013

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Notes:-

1. Please insert the total number of ordinary shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members of the Company, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at registered office of the Company at 420 North Bridge Road, #02-01 North Bridge Centre, Singapore 188727, not less than 48 hours before the time appointed for the meeting.
4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
8. 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 the instrument of proxy. In addition, in the case of Shares 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 name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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