JAPFA LTD
AND ITS SUBSIDIARIES

(Registration Number: 200819599W)

UNAUDITED FINANCIAL UPDATE
FOR NINE MONTHS
ENDED 30 SEPTEMBER 2021

This Unaudited Financial Update is a voluntary disclosure of the Company's Income Statement, Statement of Comprehensive Income and Statement of Financial Position for nine months ended 30 September 2021. For a limited discussion of the Company's nine months ended 30 September 2021 financial results, please refer to the Company's Investor Presentation nine months ended 30 September 2021 Financial Results available on the SGXnet and the Company's website www.japfa.com.

JAPFA LTD.

(Registration Number: 200819599W)

Income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement

	Jan - Sep		
	2021	2020	Change
	US$'000	US$'000	%
Revenue	3,383,670	2,768,787	22%
Cost of sales	(2,765,409)	(2,183,809)	27%
Gross profit	618,261	584,978	6%
Marketing and distribution costs	(112,596)	(119,218)	-6%
Administrative expenses	(239,186)	(228,956)	4%
Operating profit	266,479	236,804	13%
Interest income	2,924	5,047	-42%
Finance costs	(71,189)	(83,367)	-15%
Other gain	31,293	8,750	258%
Share of results of associate and joint ventures	(70)	(68)	3%
Foreign exchange adjustments (loss)/gain	(16,189)	994	n/m
Changes in fair value of biological assets[1]	20,169	(2,442)	n/m
Profit before tax	233,417	165,718	41%
Tax expense	(39,213)	(18,807)	109%
Profit, net of tax	194,204	146,911	32%
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of the net defined benefits plan, net of tax	5,663	(4,923)	n/m
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax	(15,816)	(41,029)	-61%
Share of other comprehensive income of associate and joint ventures	(290)	-	n/m
Cash flow hedges	(2,273)	(136)	n/m
Other comprehensive loss for the year, net of tax	(12,716)	(46,088)	-72%
Total comprehensive income	181,488	100,823	80%
Profit after tax attributable to owners of the parent, net of tax ("PATMI")	**113,886**	**129,958**	-12%
Profit after tax attributable to non-controlling interests, net of tax	80,318	16,953	374%
Profit, net of tax	194,204	146,911	32%
Total comprehensive income attributable to owners of parent, net of tax	103,911	105,350	-1%
Total comprehensive income/(loss) attributable to non-controlling interests, net of tax	77,577	(4,527)	n/m
Total comprehensive income	181,488	100,823	80%
Earnings per share for profit for the period attributable to the owners of the company during the year:			
Basic and diluted (cents)	5.58	6.42	-13%

n/m : not meaningful

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[1] Changes in Fair Value of Biological Assets in 9M 2021 includes the gain of US$15.3 million (9M 2020: US$11.5 million) arising from fattening beef that were sold in China during the period.

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Income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

Additional information:

Management believes that Core PATMI w/o forex and EBITDA are important measures of performance, although these are not standard measures under IFRS.

	Jan - Sep		
	2021	2020	Change
	US$'000	US$'000	%
Core PATMI w/o forex	120,958	140,770	-14%

We derived Core PATMI from "Profit Attributable to Owners of the Parent, Net of Tax" by excluding a) changes in fair value of biological assets (net of tax), other than gains/(losses) from the sale of beef in China[1], b) changes in fair value of derivatives, and c) extraordinary items, attributable to the owners of the parent.

We define Core PATMI w/o forex is an estimate derived from Core PATMI by excluding foreign exchange gains/losses (before tax) attributable to the owners of the parent. We have not made an estimate of the tax impact on foreign exchange gains/losses.

	Jan - Sep		
	2021	2020	Change
	US$'000	US$'000	%
EBITDA	420,951	362,442	16%

We define EBITDA as profit before tax, excluding interest income, finance costs, depreciation and amortisation expenses. We also exclude a) foreign exchange adjustments gains/(losses), b) changes in fair value of derivatives relating to foreign exchange hedging, and c) fair value of biological assets, other than gains/(losses) from the sale of beef in China[1].

Net Profit is arrived at after (charging)/ crediting the following:

	Jan - Sep		
	2021	2020	Change
	US$'000	US$'000	%
Income /(expenses)			
Finance costs			
- Interest expense on loans and borrowings	(59,538)	(76,000)	-22%
- Interest expense on lease liabilities	(11,651)	(7,367)	58%
Foreign exchange adjustments (loss)/gain	(16,189)	994	n/m
Depreciation of property, plant and equipment	(92,414)	(87,515)	6%
Depreciation of investment properties	(259)	(222)	17%
Depreciation of right-of-use assets	(21,477)	(17,228)	25%
Amortisation of intangible assets	(1,110)	(1,446)	-23%
Changes in fair value of biological assets[1]	20,169	(2,442)	n/m
Gain on derivative financial instruments			
- Forex	7,292	981	643%
- Non-forex	329	2,305	-86%
Loss on disposal of property, plant and equipment and investment properties	(30)	(173)	83%

n/m : not meaningful

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1 Changes in Fair Value of Biological Assets in 9M 2021 includes the gain of US$15.3 million (9M 2020: US$11.5 million) arising from fattening beef that were sold in China during the period.

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Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 30/9/2021 US$'000	As at 31/12/2020 US$'000	As at 30/9/2021 US$'000	As at 31/12/2020 US$'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,291,179	1,204,815	74	116
Right-of-use assets	315,143	183,088	948	40
Real estate assets	68,088	68,907	-	-
Investment properties	4,805	5,106	-	-
Intangible assets	13,189	14,225	-	-
Investment in subsidiaries	-	-	918,926	1,051,956
Investments in associate and joint ventures	33,317	33,757	28,000	28,000
Biological assets	511,265	418,341	-	-
Deferred tax assets	38,671	34,355	-	-
Other receivables	17,718	17,931	-	-
Other financial assets	18,867	20,735	-	-
Other assets	69,871	62,162	-	-
Total non-current assets	2,382,113	2,063,422	947,948	1,080,112
Current assets				
Inventories	1,085,646	787,937	-	-
Biological assets	105,359	97,973	-	-
Trade and other receivables	214,434	429,760	52,053	276,162
Other financial assets	2,704	2,515	2,404	2,404
Other assets	122,565	61,588	3,556	2,733
Cash at banks	358,202	224,686	107,462	9,676
Total current assets	1,888,910	1,604,459	165,475	290,975
Total assets	4,271,023	3,667,881	1,113,423	1,371,087
EQUITY AND LIABILITIES				
Equity				
Share capital	1,059,882	1,059,882	1,059,882	1,059,882
Treasury shares	(11,277)	(22,886)	(11,277)	(22,886)
Retained earnings	720,979	770,228	68,997	210,976
Other reserves	(196,655)	(219,850)	(16,719)	(9,051)
Translation reserve	(179,448)	(167,666)	-	-
Equity attributable to owners of the parent	1,393,481	1,419,708	1,100,883	1,238,921
Non-controlling interests	656,926	542,315	-	-
Total equity	2,050,407	1,962,023	1,100,883	1,238,921
Non-current liabilities				
Defined benefit plan liabilities	88,509	120,946	-	-
Deferred tax liabilities	3,089	5,011	-	-
Other payables	3,869	3,004	1,780	700
Loans and borrowings	697,918	569,101	-	-
Lease liabilities	266,244	142,163	646	-
Other financial liabilities	767	-	-	-
Other liabilities	3,031	3,072	-	-
Total non-current liabilities	1,063,427	843,297	2,426	700
Current liabilities				
Income tax payable	22,423	29,885	-	-
Trade and other payables	394,080	358,438	9,639	52,748
Loans and borrowings	698,750	432,011	-	78,687
Lease liabilities	20,019	20,854	475	31
Other financial liabilities	5	8,812	-	-
Other liabilities	21,912	12,561	-	-
Total current liabilities	1,157,189	862,561	10,114	131,466
Total liabilities	2,220,616	1,705,858	12,540	132,166
Total equity and liabilities	4,271,023	3,667,881	1,113,423	1,371,087

Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30/9/2021	As at 31/12/2020
Total number of issued shares excluding treasury shares	2,047,070,320	2,026,084,720

Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Jan - Sep	
	2021	2020
	US Cents	US Cents
Earnings per share for the period		
(a) Based on weighted average number of ordinary shares in issue	5.58	6.42
(b) Based on a fully diluted basis	5.58	6.42
Weighted Average Number of Ordinary Shares	2,039,567,194	2,024,086,100

Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and immediately preceding financial year.

	Group		Company	
	As at 30/9/2021	As at 31/12/2020	As at 30/9/2021	As at 31/12/2020
Net asset value per ordinary share				
- in US$	0.68	0.70	0.54	0.61
- in S$	0.93	0.93	0.73	0.81

Net asset value per ordinary share is based on the issued share capital excluding treasury shares of the Company at the end of the financial period.