JAPFA LTD
AND ITS SUBSIDIARIES

(Registration Number: 200819599W)

UNAUDITED FINANCIAL UPDATE
FOR NINE MONTHS
ENDED 30 SEPTEMBER 2020

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 2020. For a limited discussion of the Company's nine months ended 30 September 2020 financial results, please refer to the Company's Investor Presentation nine months ended 30 September 2020 Financial Results available on the SGXnet and the Company's website www.japfa.com.

JAPFA LTD.

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

Income Statement

	Jan - Sep		
	2020	2019	Change
	US$'000	US$'000	%
Revenue	2,768,787	2,838,405	-2%
Cost of Sales	(2,183,809)	(2,307,048)	-5%
Gross Profit	584,978	531,357	10%
Marketing and Distribution Costs	(119,218)	(120,577)	-1%
Administrative Expenses	(228,956)	(226,361)	1%
Operating Profit	236,804	184,419	28%
Interest Income	5,047	1,914	164%
Finance Costs	(83,367)	(78,089)	7%
Other Gain	8,750	11,494	-24%
Share of results of Joint Ventures	(68)	418	n/m
Foreign Exchange Adjustments Gain	994	3,312	-70%
Changes in Fair Value of Biological Assets[1]	(2,442)	(27,161)	-91%
Profit Before Tax	165,718	96,307	72%
Tax Expense	(18,807)	(33,001)	-43%
Profit, Net of Tax	146,911	63,306	132%
Profit Attributable to Owners of the Parent, Net of Tax*	**129,958**	**22,430**	479%
Profit Attributable to Non-Controlling Interests, Net of Tax	16,953	40,876	-59%
Profit, Net of Tax	146,911	63,306	132%

n/m : not meaningful

Additional information:

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

Core PATMI w/o Forex	140,770	47,543	196%

* 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) any extraordinary items, attributable to the owners of the parent.

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. This is because the majority of the gains/losses are unrealised and arise from the translation of USD bonds (from a subsidiary in Indonesia) and USD loans (from subsidiaries in China), which have no tax implication.

EBITDA	362,442	290,321	25%

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].

[1] *Changes in Fair Value of Biological Assets in 9M 2020 includes a gain of US$11.5 million from the sale of beef in China.*

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

Statement of Comprehensive Income

	Jan - Sep		
	2020 US$'000	2019 US$'000	Change %
Profit, Net of Tax	146,911	63,306	132%
Other Comprehensive (Loss)/Income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of the Net Defined Benefits Plan, Net of Tax	(4,923)	(1,786)	176%
Items that may be reclassified subsequently to profit or loss:			
Exchange Differences on Translating Foreign Operations, Net of Tax	(41,029)	2,627	n/m
Cash Flow Hedges	(136)	-	n/m
Other Comprehensive (Loss)/Income for the Period, Net of Tax	(46,088)	841	n/m
Total Comprehensive Income	100,823	64,147	57%
Total Comprehensive Income Attributable to Owners of Parent, Net of Tax	105,350	17,432	504%
Total Comprehensive (Loss)/Income Attributable to Non-Controlling Interests, Net of Tax	(4,527)	46,715	n/m
Total Comprehensive Income	100,823	64,147	57%

n/m : not meaningful

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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 30/9/2020 US$'000	As at 31/12/2019 US$'000	As at 30/9/2020 US$'000	As at 31/12/2019 US$'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	1,197,330	1,179,316	136	198
Right-Of-Use Assets	173,101	130,787	160	544
Real Estate Assets	60,414	60,605	-	-
Investment Properties	4,331	4,994	-	-
Intangible Assets	14,839	16,911	-	-
Investments in Subsidiaries	-	-	1,120,427	1,293,305
Investment in Joint Ventures	4,681	6,483	-	-
Biological Assets	415,652	386,416	-	-
Deferred Tax Assets	42,778	28,182	-	-
Other Receivables	16,180	14,825	-	-
Other Financial Assets	33,938	18,799	-	-
Other Assets	64,072	78,966	-	-
Total Non-Current Assets	2,027,316	1,926,284	1,120,723	1,294,047
Current Assets				
Inventories	780,747	794,752	-	-
Biological Assets	95,939	98,841	-	-
Trade and Other Receivables	197,672	225,881	67,946	19,030
Other Financial Assets	2,836	2,488	2,404	2,404
Other Assets	105,975	53,444	2,842	2,024
Cash and Cash Equivalents	279,229	208,743	1,537	17,676
Total Current Assets	1,462,398	1,384,149	74,729	41,134
Total Assets	3,489,714	3,310,433	1,195,452	1,335,181
EQUITY AND LIABILITIES				
Equity				
Share Capital	1,059,882	993,178	1,059,882	993,178
Treasury Shares	(7,806)	(7,620)	(7,806)	(7,620)
Retained Earnings	675,857	563,704	44,602	19,024
Other Reserves	(336,248)	(454,730)	(11,030)	(13,625)
Translation Reserve	(235,903)	(213,975)	-	-
Equity Attributable to Owners of the the Parent	1,155,782	880,557	1,085,648	990,957
Non-Controlling Interests	513,014	406,133	-	-
Total Equity	1,668,796	1,286,690	1,085,648	990,957
Non-Current Liabilities				
Defined benefit plan liabilities	108,341	98,776	-	-
Deferred Tax Liabilities	10,055	9,531	-	-
Other Payables	852	480	-	-
Loans and Borrowings	567,858	793,369	-	252,768
Lease liabilities	128,791	91,295	-	30
Other Financial Liabilities	-	4,625	-	2,766
Other Liabilities	3,248	3,199	-	-
Total Non-Current Liabilities	819,145	1,001,275	-	255,564
Current Liabilities				
Income Tax Payable	26,693	19,018	4	593
Trade and Other Payables	321,430	389,871	35,687	8,148
Loans and Borrowings	625,020	583,549	73,951	79,400
Lease liabilities	14,580	14,224	162	519
Other Financial Liabilities	2,273	2,206	-	-
Other Liabilities	11,777	13,600	-	-
Total Current Liabilities	1,001,773	1,022,468	109,804	88,660
Total Liabilities	1,820,918	2,023,743	109,804	344,224
Total Equity and Liabilities	3,489,714	3,310,433	1,195,452	1,335,181

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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 30/9/2020	As at 31/12/2019
Total number of issued shares excluding treasury shares	2,049,084,720	1,863,338,291

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	
	2020	2019
	US Cents	US Cents
Earnings per share for the period		
(a) Based on weighted average number of ordinary shares in issue	6.42	1.21
(b) Based on a fully diluted basis	6.42	1.21
Weighted Average Number of Ordinary Shares	2,024,086,100	1,860,063,786

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 30/9/2020	As at 31/12/2019	As at 30/9/2020	As at 31/12/2019
Net asset value per ordinary share				
- in US$	0.56	0.47	0.53	0.53
- in S$	0.77	0.64	0.73	0.72

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.