



**JAPFA LTD**  
**AND ITS SUBSIDIARIES**

(Registration Number: 200819599W)

**SGXNET ANNOUNCEMENT**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS AND FULL YEAR ENDED**  
**31 DECEMBER 2021**

# JAPFA LTD.

(Registration Number: 200819599W)

## A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000	Change %	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000	Change %
<b>Revenue</b>	4	2,373,999	2,034,911	17%	4,636,358	3,868,262	20%
Cost of sales		(2,087,429)	(1,555,476)	34%	(3,829,569)	(3,010,685)	27%
<b>Gross profit</b>		286,570	479,435	-40%	806,789	857,577	-6%
Marketing and distribution costs		(73,755)	(75,897)	-3%	(149,293)	(153,721)	-3%
Administrative expenses		(151,860)	(186,358)	-19%	(325,611)	(340,071)	-4%
<b>Operating profit</b>		60,955	217,180	-72%	331,885	363,785	-9%
Interest income		1,214	3,461	-65%	3,474	6,537	-47%
Finance costs		(49,119)	(53,470)	-8%	(96,714)	(105,992)	-9%
Other gain		32,412	151,063	-79%	33,389	150,916	-78%
Foreign exchange adjustments gain/(loss)		2,702	1,714	58%	(11,563)	74	n/m
Changes in fair value of biological assets <sup>1</sup>		(17,294)	9,800	n/m	5,381	7,055	-24%
Share of results of associate and joint ventures		901	37	n/m	975	28	n/m
<b>Profit before tax<sup>2</sup></b>	5	31,771	329,785	-90%	266,827	422,403	-37%
Tax expense	6	(10,595)	(40,805)	-74%	(54,109)	(50,830)	6%
<b>Profit, net of tax<sup>2</sup></b>		21,176	288,980	-93%	212,718	371,573	-43%
<b>Other comprehensive income:</b>							
<b>Items that will not be reclassified to profit or loss:</b>							
Net gain on equity instruments designated at fair value through other comprehensive income		423	-	n/m	423	-	n/m
Remeasurement of the net defined benefits plan, net of tax		7,314	(8,400)	n/m	7,314	(11,879)	n/m
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Exchange differences on translating foreign operations, net of tax		19,611	64,415	-70%	(1,085)	35,134	n/m
Share of other comprehensive income of associate and joint ventures		(217)	11	n/m	(301)	11	n/m
Cash flow hedges		1,120	(4,914)	n/m	(2,768)	85	n/m
<b>Other comprehensive loss for the year, net of tax</b>		28,251	51,112	-45%	3,583	23,351	-85%
<b>Total comprehensive income<sup>2</sup></b>		49,427	340,092	-85%	216,301	394,924	-45%
Profit after tax attributable to owners of the parent, net of tax ("PATMI") <sup>2</sup>		321	245,155	-100%	118,833	321,967	-63%
Profit after tax attributable to non- controlling interests, net of tax		20,855	43,825	-52%	93,885	49,606	89%
<b>Profit, net of tax<sup>2</sup></b>		21,176	288,980	-93%	212,718	371,573	-43%
Total comprehensive income attributable to owners of parent, net of tax <sup>2</sup>		14,986	285,553	-95%	118,779	343,970	-65%
Total comprehensive income attributable to non-controlling interests, net of tax		34,441	54,539	-37%	97,522	50,954	91%
<b>Total comprehensive income<sup>2</sup></b>		49,427	340,092	-85%	216,301	394,924	-45%
<b>Earnings per share for profit for the period attributable to the owners of the company during the year:</b>							
Basic and diluted (cents)	9	0.02	11.97	-100%	5.82	15.86	-63%

<sup>1</sup> Changes in Fair Value of Biological Assets for FY 2021 includes the gain of US\$18.7 million (2H 2021: US\$7.3 million) arising from fattening beef that were sold in China during the period.

<sup>2</sup> includes an extraordinary net gain of US\$140.2m from the effective sale of 80% in Dairy Southeast Asia in 2020.

# JAPFA LTD.

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## A. Condensed interim consolidated statement of profit or loss and other comprehensive income (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.

	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000	Change %	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000	Change %
Core PATMI w/o forex	15,378	105,884	-85%	132,689	195,365	-32%

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<sup>1</sup>, 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.

	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000	Change %	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000	Change %
EBITDA <sup>2</sup>	182,284	462,216	-61%	533,929	683,074	-22%

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<sup>1</sup>.

<sup>1</sup> Changes in Fair Value of Biological Assets for FY 2021 includes the gain of US\$18.7 million (2H 2021: US\$7.3 million) arising from fattening beef that were sold in China during the period.

<sup>2</sup> includes an extraordinary net gain of US\$140.2m from the effective sale of 80% in Dairy Southeast Asia in 2020.

# JAPFA LTD.

(Registration Number: 200819599W)

## B. Condensed interim statements of financial position

		Group		Company	
	Note	As at 31/12/2021 US\$'000	As at 31/12/2020 US\$'000	As at 31/12/2021 US\$'000	As at 31/12/2020 US\$'000
<b>ASSETS</b>					
<b><u>Non-current assets</u></b>					
Property, plant and equipment	10	1,341,657	1,204,815	99	116
Right-of-use assets		336,911	183,088	988	40
Investment properties		25,874	5,106	-	-
Intangible assets		14,543	14,225	-	-
Investment in subsidiaries		-	-	908,735	1,051,956
Investments in associate and joint ventures		34,368	33,757	28,000	28,000
Biological assets	11	511,998	418,341	-	-
Deferred tax assets		36,412	34,355	-	-
Real estate assets		69,158	68,907	-	-
Other receivables		12,994	17,931	-	-
Other financial assets		18,252	20,735	-	-
Other assets		43,623	62,162	-	-
<b>Total non-current assets</b>		<b>2,445,790</b>	<b>2,063,422</b>	<b>937,822</b>	<b>1,080,112</b>
<b><u>Current assets</u></b>					
Inventories	12	1,120,839	787,937	-	-
Biological assets	11	108,839	97,973	-	-
Trade and other receivables		231,905	429,760	41,822	276,162
Other financial assets		2,552	2,515	2,404	2,404
Other assets		71,722	61,588	1,677	2,733
Cash at banks		320,566	224,686	137,860	9,676
<b>Total current assets</b>		<b>1,856,423</b>	<b>1,604,459</b>	<b>183,763</b>	<b>290,975</b>
<b>Total assets</b>		<b>4,302,213</b>	<b>3,667,881</b>	<b>1,121,585</b>	<b>1,371,087</b>
<b>EQUITY AND LIABILITIES</b>					
<b><u>Equity</u></b>					
Share capital	13	1,059,882	1,059,882	1,059,882	1,059,882
Treasury shares	13	(14,125)	(22,886)	(14,125)	(22,886)
Retained earnings		709,272	770,228	84,116	210,977
Other reserves		(157,676)	(219,850)	(16,082)	(9,052)
Translation reserve		(170,381)	(167,666)	-	-
<b>Equity attributable to owners of the parent</b>		<b>1,426,972</b>	<b>1,419,708</b>	<b>1,113,791</b>	<b>1,238,921</b>
Non-controlling interests		719,480	542,315	-	-
<b>Total equity</b>		<b>2,146,452</b>	<b>1,962,023</b>	<b>1,113,791</b>	<b>1,238,921</b>
<b><u>Non-current liabilities</u></b>					
Defined benefit plan liabilities	14	88,643	120,946	-	-
Deferred tax liabilities		5,987	5,011	-	-
Other payables		15,609	3,004	320	700
Loans and borrowings	15	735,109	569,101	-	-
Lease liabilities	15	263,260	142,163	529	-
Other financial liabilities		1,249	-	-	-
Other liabilities		4,353	3,072	-	-
<b>Total non-current liabilities</b>		<b>1,114,210</b>	<b>843,297</b>	<b>849</b>	<b>700</b>
<b><u>Current liabilities</u></b>					
Income tax payable		22,537	29,885	192	-
Trade and other payables		403,143	358,438	6,270	52,748
Loans and borrowings	15	573,787	432,011	-	78,687
Lease liabilities	15	24,390	20,854	483	31
Other financial liabilities		152	8,812	-	-
Other liabilities		17,542	12,561	-	-
<b>Total current liabilities</b>		<b>1,041,551</b>	<b>862,561</b>	<b>6,945</b>	<b>131,466</b>
<b>Total liabilities</b>		<b>2,155,761</b>	<b>1,705,858</b>	<b>7,794</b>	<b>132,166</b>
<b>Total equity and liabilities</b>		<b>4,302,213</b>	<b>3,667,881</b>	<b>1,121,585</b>	<b>1,371,087</b>

# JAPFA LTD.

(Registration Number: 200819599W)

## C. Condensed interim statements of changes in equity

### Group

Balance at 1 January 2021

Movements in equity:

Total comprehensive income for the year

Purchase of treasury shares by the company

Purchase of treasury shares by subsidiary

Reserve arising from disposal of subsidiary without loss of control

Transfer of share-based payment reserve to liability

Acquisition of non-controlling interests without change of control

Reissued treasury shares by the company pursuant to performance share plan

Value of employee services pursuant to performance share plan

Difference arising from transaction with non-controlling interests

Issued of new shares to non-controlling interests without change of control

Changes in performance share reserves attributable to non-controlling interests

Dividend paid to equity holders of the company

Dividend paid by subsidiary to non-controlling interests

Transfer of cash flow hedge reserve to income statement

Transfer to statutory reserve

Balance at 31 December 2021

Balance at 1 January 2020

Movements in Equity:

Total comprehensive income for the year

Purchase of treasury shares by the company

Purchase of treasury shares by subsidiary

Reserve arising from disposal of subsidiary without loss of control

Realisation of reserves upon disposal of a subsidiary

Effect of group's restructuring between entities under common control

Acquisition of non-controlling interests without change of control

Modification of equity-settled share appreciation to employees by subsidiary

Value of employee services pursuant to performance share plan

Rights issue of new shares by the company

Dividend paid to equity holders of the company

Dividend paid by subsidiary to non-controlling interests

Transfer to statutory reserve

Balance at 31 December 2020

Total equity US\$'000	Attributable to parent sub-total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Retained earnings US\$'000	Other reserves US\$'000	Translation reserve US\$'000	Non- controlling interests US\$'000
1,962,023	1,419,708	1,059,882	(22,886)	770,228	(219,850)	(167,666)	542,315
216,301	118,779	-	-	122,793	(1,299)	(2,715)	97,522
(2,950)	(2,950)	-	(2,950)	-	-	-	-
(5,239)	-	-	-	-	-	-	(5,239)
146,000	49,455	-	-	-	49,455	-	96,545
(1,199)	(1,199)	-	-	-	(1,199)	-	-
(8,105)	(4,232)	-	-	-	(4,232)	-	(3,873)
-	-	-	11,711	-	(11,711)	-	-
18,590	18,590	-	-	-	18,590	-	-
(145)	(145)	-	-	-	(145)	-	-
3,409	-	-	-	-	-	-	3,409
-	(4,767)	-	-	-	(4,767)	-	4,767
(166,180)	(166,180)	-	-	(166,180)	-	-	-
(15,966)	-	-	-	-	-	-	(15,966)
(87)	(87)	-	-	-	(87)	-	-
-	-	-	-	(17,569)	17,569	-	-
2,146,452	1,426,972	1,059,882	(14,125)	709,272	(157,676)	(170,381)	719,480
1,286,690	880,557	993,178	(7,620)	563,704	(454,730)	(213,975)	406,133
394,924	343,970	-	-	315,951	36	27,983	50,954
(15,266)	(15,266)	-	(15,266)	-	-	-	-
(5,062)	-	-	-	-	-	-	(5,062)
254,400	121,634	-	-	-	121,634	-	132,766
18,326	18,326	-	-	(77,467)	77,467	18,326	-
-	19,374	-	-	-	19,374	-	(19,374)
(19,830)	(6,186)	-	-	-	(6,186)	-	(13,644)
(2,503)	(2,503)	-	-	-	(2,503)	-	-
7,989	7,989	-	-	-	7,989	-	-
66,704	66,704	66,704	-	-	-	-	-
(14,891)	(14,891)	-	-	(14,891)	-	-	-
(9,458)	-	-	-	-	-	-	(9,458)
-	-	-	-	(17,069)	17,069	-	-
1,962,023	1,419,708	1,059,882	(22,886)	770,228	(219,850)	(167,666)	542,315

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## C. Condensed interim statements of changes in equity (cont'd)

### Company

Balance at 1 January 2021

Movements in equity:

Total comprehensive income for the year

Purchase of treasury shares

Reissued treasury shares pursuant to performance share plan

Value of employee services pursuant to performance share plan

Dividend paid to equity holders of the company

Balance at 31 December 2021

Total equity US\$'000	Share capital US\$'000	Treasury shares US\$'000	Retained earnings US\$'000	Other reserves US\$'000
1,238,921	1,059,882	(22,886)	210,977	(9,052)
39,319	-	-	39,319	-
(2,950)	-	(2,950)	-	-
-	-	11,711	-	(11,711)
4,681	-	-	-	4,681
(166,180)			(166,180)	
1,113,791	1,059,882	(14,125)	84,116	(16,082)

Balance at 1 January 2020

Movements in equity:

Total comprehensive income for the year

Purchase of treasury shares

Value of employee services pursuant to performance share plan

Rights issue of new shares by the company

Dividend paid to equity holders of the company

Balance at 31 December 2020

990,957	993,178	(7,620)	19,024	(13,625)
206,844	-	-	206,844	-
(15,266)	-	(15,266)	-	-
4,573	-	-	-	4,573
66,704	66,704	-	-	-
(14,891)	-	-	(14,891)	-
1,238,921	1,059,882	(22,886)	210,977	(9,052)

**JAPFA LTD.****(Registration Number: 200819599W)*****D. Condensed interim consolidated statement of cash flows***

	<b>12 months ended 31 December 2021 US\$'000</b>	<b>12 months ended 31 December 2020 US\$'000</b>
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	266,827	422,403
Adjustment for:		
Amortisation of intangible assets	1,487	1,941
Amortisation of bonds issuance cost	3,891	1,799
Depreciation of property, plant and equipment	124,410	119,645
Depreciation of investment properties	403	288
Depreciation of right-of-use assets	29,952	24,024
Fair value gain on biological assets	(5,381)	(7,055)
Fair value (gain)/loss on derivative financial instruments	(7,635)	1,995
Fair value changes on other financial assets	23	(25)
Negative goodwill arising from acquisition of subsidiary	(7,163)	-
Gain on disposal of a joint venture	-	(861)
Gain on disposal of investment property	(63)	-
Loss on disposal of property, plant and equipment	209	623
Effect of lease liabilities remeasurement	939	1,087
Expenses arising from increase in defined benefit plan liabilities	10,738	16,589
Gain on disposal of a subsidiary	-	(157,205)
Interest income	(3,474)	(6,537)
Interest expense on loans and borrowings	80,148	95,372
Interest expense on leases	16,566	10,620
Value of employee services received pursuant to performance share plan	18,590	8,926
Share of gain from associate and joint ventures	(975)	(28)
Write-off of property, plant and equipment	785	782
Write-off of other financial assets	-	681
Allowance for impairment on trade and other receivables	6,627	3,023
Net effect of exchange rate changes	3,925	6,303
Operating cash flows before changes in working capital	540,829	544,390
Inventories	(322,516)	(9,102)
Biological assets	1,114	30,961
Trade and other receivables	199,764	(182)
Other assets	10,110	(21,387)
Trade and other payables	49,361	(23,261)
Defined benefit plan liabilities	(34,237)	(5,323)
Other liabilities	6,262	(1,166)
Net cash flows from operations	450,687	514,930
Income taxes paid	(65,191)	(25,799)
Interest expense paid	(80,148)	(95,372)
Interest paid on lease liabilities	(16,566)	(10,620)
Net cash flows from operating activities	288,782	383,139

# JAPFA LTD.

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## D. Condensed interim consolidated statement of cash flows (cont'd)

	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000
<b>Cash flows used in investing activities</b>		
Acquisition of subsidiaries, net of cash outflows	(115,500)	-
Purchase of property, plant and equipment	(215,608)	(211,621)
Purchase of Investment Properties	(21,404)	-
Purchase of intangible assets	(1,940)	(657)
Purchase of financial assets	(73)	-
Purchase of biological assets	(50,607)	(59,387)
Purchase consideration paid for acquisition of non-controlling interests without change of control	(8,105)	(19,830)
Proceeds from disposal of property, plant and equipment	3,002	2,701
Proceeds from disposal of investment properties	203	109
Proceeds from disposal of a joint venture	-	2,215
Proceeds from disposal of subsidiary without loss of control	146,000	254,400
Proceeds from issuance of shares to NCI by subsidiary	3,409	-
Addition to investment in joint venture	-	(695)
Cash and cash equivalents disposed due to de-consolidation	-	(6,174)
Increase in real estate assets	(1,042)	(3,532)
Interest income received	3,474	6,537
Net cash flows used in investing activities	(258,191)	(35,934)
<b>Cash flows from financing activities</b>		
Proceeds/(repayment) of working capital loans	82,117	(155,080)
Proceeds/(Repayment) of bank loans	146,416	(169,484)
Decrease in cash restricted in use	400	615
Purchase of treasury shares by the company	(2,950)	(15,266)
Purchase of treasury shares by subsidiary	(5,239)	(5,062)
Repayment of bonds payable	(263,999)	-
Payment of principal portion of lease liabilities	(50,709)	(29,031)
Net proceeds from rights issue of new shares by the company	-	66,704
Proceeds from issue of bonds	342,803	-
Dividends paid to equity holders of the company	(166,180)	(14,891)
Dividends paid by subsidiary to non-controlling interests	(15,966)	(9,458)
Net cash flows from financing activities	66,693	(330,953)
<b>Net increase in cash and cash equivalents</b>	97,284	16,252
Effect of exchange rate changes on cash and cash equivalents	(1,004)	306
Cash and cash equivalents, statement of cash flows, beginning balance	221,857	205,299
<b>Cash and cash equivalents, statement of cash flows, ending balance</b>	<b>318,137</b>	<b>221,857</b>

Notes:

(i) For the purpose of the Consolidated Statement of Cash Flows, the Consolidated Cash and Cash Equivalents comprise the following:

	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000
Cash and bank balances	320,566	224,686
Less: bank deposit pledged	(2,429)	(2,829)
Cash and cash equivalents per consolidated statement of cash flows	318,137	221,857



# JAPFA LTD.

(Registration Number: 200819599W)

## ***E. Notes to the condensed interim consolidated financial statements***

### **1. Corporate information**

Japfa Ltd (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are that of group head office, and business development and branding.

The principal activities of the Group are production of multiple high-quality animal proteins, including poultry, swine, beef and aquaculture as well as high-quality animal feed, and production of raw milk.

### **2. Basis of preparation**

The condensed interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021. The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States Dollars (“US\$” or “USD”) and all values in the tables are rounded to the nearest thousand (“US\$’000”), except when otherwise indicated.

#### **2.1 Changes in accounting policies**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 11 – determination of fair value of biological assets using significant unobservable inputs
- Note 14 – the defined benefit plan liabilities involved a number of significant assumptions in determining the valuation of ultimate liability

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## *E. Notes to the condensed interim consolidated financial statements (cont'd)*

### **3. Agri-business cyclicity**

The Group's revenue and profitability are directly impacted by cyclicity in the agri-business, which in turn is dependent on a variety of external factors beyond the Group's control. These include seasonal factors such as seasonality of harvest and festivals, and other factors such as macroeconomic conditions that affect consumer purchasing power, government policies as well as changes to market demand and supply for raw materials which resulting in fluctuations in their costs and selling prices.

### **4. Segment and revenue information**

The animal protein segment includes production of multiple high-quality animal proteins, including poultry, swine, beef and aquaculture as well as high-quality animal feed.

Animal Protein – PT Japfa Tbk ("PT Japfa Tbk") refers to the animal protein operations of its public listed subsidiary in Indonesia, PT Japfa Tbk.

Animal Protein – Other ("APO") mainly comprises of animal protein operations in Vietnam, India and Myanmar.

Dairy mainly comprises of production of raw milk and beef operations in China.

Others include corporate office, central purchasing office and consolidation adjustments which are not directly attributable to a particular business segment above.

Inter-segment sales are measured on the basis that the entity actually uses to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

The management reporting system evaluates performances based on operating statement of comprehensive income and is measured in the same way as operating statement of comprehensive income in the consolidated financial statements.

These operating segments are reported in a manner consistent with internal reporting provided to CEO who are responsible for allocating resources and assessing performance of the operating segments.

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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 4. Segment and revenue information (cont'd)

#### 4.1 Reportable segments

1 July 2021 to 31 December 2021

	Animal Protein - PT Japfa Tbk US\$'000	Animal Protein - Other US\$'000	Total Animal Protein US\$'000	Dairy US\$'000	Others US\$'000	Group US\$'000
<b>Revenue by segment</b>						
External revenue	1,586,688	479,973	2,066,661	303,633	3,705	2,373,999
Inter-segment revenue	2,243	(9)	2,234	-	(2,234)	-
Total revenue	1,588,931	479,964	2,068,895	303,633	1,471	2,373,999
Operating profit	34,115	(35,990)	(1,875)	59,612	3,218	60,955
Interest income	149	743	892	291	31	1,214
Finance costs	(25,456)	(8,722)	(34,178)	(13,860)	(1,081)	(49,119)
Foreign exchange adjustments gain/(loss)	3,618	(1,301)	2,317	629	(244)	2,702
Changes in fair value of biological assets	252	187	439	(17,733)	-	(17,294)
Share of results of associate and joint ventures	291	-	291	-	610	901
Others	27,344	755	28,099	4,335	(22)	32,412
Profit before income tax	40,313	(44,328)	(4,015)	33,274	2,512	31,771
Income tax expense	(11,006)	6,168	(4,838)	(1,583)	(4,174)	(10,595)
Profit, net of income tax	29,307	(38,160)	(8,853)	31,691	(1,662)	21,176
<b>Other material items and reconciliations</b>						
Capital expenditure	102,774	49,140	151,914	41,685	53	193,652
Depreciation and amortisation	49,960	18,649	68,609	11,919	195	80,723

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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 4. Segment and revenue information (cont'd)

#### 4.1 Reportable segments (cont'd)

1 July 2020 to 31 December 2020

	Animal Protein - PT Japfa Tbk US\$'000	Animal Protein - Other US\$'000	Total Animal Protein US\$'000	Dairy US\$'000	Others US\$'000	Group US\$'000
<b>Revenue by segment</b>						
External revenue	1,298,625	431,226	1,729,851	303,019	2,041	2,034,911
Inter-segment revenue	2,820	131	2,951	8	(2,959)	-
Total revenue	1,301,445	431,357	1,732,802	303,027	(918)	2,034,911
Operating profit	121,331	50,630	171,961	67,722	(22,503)	217,180
Interest income	1,925	1,405	3,330	281	(150)	3,461
Finance costs	(29,816)	(6,801)	(36,617)	(9,965)	(6,888)	(53,470)
Foreign exchange adjustments gain/(loss)	(526)	1,062	536	3,262	(2,084)	1,714
Changes in fair value of biological assets	(656)	(3,197)	(3,853)	13,653	-	9,800
Share of results of joint ventures	37	-	37	-	-	37
Others	(6,242)	390	(5,852)	(1,265)	158,180	151,063
Profit before income tax	86,053	43,489	129,542	73,688	126,555	329,785
Income tax expense	(27,152)	(8,192)	(35,344)	698	(6,159)	(40,805)
Profit, net of income tax	58,901	35,297	94,198	74,386	120,396	288,980
<b>Other material items and reconciliations</b>						
Capital expenditure	50,410	53,166	103,576	50,743	8	154,327
Depreciation and amortisation	48,181	15,079	63,260	12,999	300	76,559

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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 4. Segment and revenue information (cont'd)

#### 4.1 Reportable segments (cont'd)

1 January 2021 to 31 December 2021

	Animal Protein - PT Japfa Tbk US\$'000	Animal Protein - Other US\$'000	Total Animal Protein US\$'000	Dairy US\$'000	Others US\$'000	Group US\$'000
<b>Revenue by segment</b>						
External revenue	3,123,856	938,211	4,062,067	564,326	9,965	4,636,358
Inter-segment revenue	4,659	1,358	6,017	-	(6,017)	-
Total revenue	3,128,515	939,569	4,068,084	564,326	3,948	4,636,358
Operating profit	217,922	(601)	217,321	112,738	1,826	331,885
Interest income	986	1,805	2,791	611	72	3,474
Finance costs	(56,229)	(16,310)	(72,539)	(21,635)	(2,540)	(96,714)
Foreign exchange adjustments gain/(loss)	3,327	(6,668)	(3,341)	(3,235)	(4,987)	(11,563)
Changes in fair value of biological assets	2,316	(5,210)	(2,894)	8,275	-	5,381
Share of results of associate and joint ventures	579	-	579	-	396	975
Others	17,999	1,075	19,074	10,251	4,064	33,389
Profit before income tax	186,900	(25,909)	160,991	107,005	(1,169)	266,827
Income tax expense	(46,215)	731	(45,484)	(2,434)	(6,191)	(54,109)
Profit, net of income tax	140,685	(25,178)	115,507	104,571	(7,360)	212,718
<b>Assets and reconciliations</b>						
Segment assets	1,902,094	769,777	2,671,871	1,375,705	196,103	4,243,679
Unallocated assets	45,422	11,587	57,009	863	662	58,534
Total Group assets	1,947,516	781,364	2,728,880	1,376,568	196,765	4,302,213
<b>Liabilities and reconciliations</b>						
Segment liabilities	1,067,846	529,366	1,597,212	588,478	(58,454)	2,127,236
Unallocated liabilities	17,144	5,284	22,428	1,898	4,199	28,525
Total Group liabilities	1,084,990	534,650	1,619,640	590,376	(54,255)	2,155,761

Unallocated liabilities comprise mainly tax payable and deferred tax liabilities.

#### Other material items and reconciliations

Capital expenditure	140,952	94,684	235,636	78,321	1,570	315,527
Depreciation and amortisation	99,189	34,560	133,749	21,858	645	156,252

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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 4. Segment and revenue information (cont'd)

#### 4.1 Reportable segments (cont'd)

**1 January 2020 to 31 December 2020**

	Animal Protein - PT Japfa Tbk US\$'000	Animal Protein - Other US\$'000	Total Animal Protein US\$'000	Dairy US\$'000	Others US\$'000	Group US\$'000
<b>Revenue by segment</b>						
External revenue	2,522,113	795,869	3,317,982	547,507	2,773	3,868,262
Inter-segment revenue	5,361	131	5,492	8	(5,500)	-
Total revenue	2,527,474	796,000	3,323,474	547,515	(2,727)	3,868,262
Operating profit	173,898	97,997	271,895	114,270	(22,380)	363,785
Interest income	3,849	2,669	6,518	482	(463)	6,537
Finance costs	(58,745)	(13,319)	(72,064)	(19,063)	(14,865)	(105,992)
Foreign exchange adjustments (loss)/gain	(130)	1,955	1,825	147	(1,898)	74
Changes in fair value of biological assets	(1,614)	1,402	(212)	7,267	-	7,055
Share of results of joint ventures	55	(27)	28	-	-	28
Others	(8,770)	1,132	(7,638)	1,561	156,993	150,916
Profit before income tax	108,543	91,809	200,352	104,664	117,387	422,403
Income tax expense	(31,260)	(13,371)	(44,631)	(959)	(5,240)	(50,830)
Profit, net of income tax	77,283	78,438	155,721	103,705	112,147	371,573
<b>Assets and reconciliations</b>						
Segment assets	1,748,788	626,685	2,375,473	975,563	267,291	3,618,327
Unallocated assets	41,833	6,060	47,893	840	821	49,554
Total Group assets	1,790,621	632,745	2,423,366	976,403	268,112	3,667,881
<b>Liabilities and reconciliations</b>						
Segment liabilities	1,008,636	353,051	1,361,687	324,048	(14,772)	1,670,963
Unallocated liabilities	22,162	9,843	32,005	688	2,202	34,895
Total Group liabilities	1,030,798	362,894	1,393,692	324,736	(12,570)	1,705,858

Unallocated liabilities comprise mainly tax payable and deferred tax liabilities.

#### Other material items and reconciliations

Capital expenditure	127,018	100,975	227,993	76,692	24	304,709
Depreciation and amortisation	92,303	28,159	120,462	24,815	621	145,898

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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 4. Segment and revenue information (cont'd)

#### 4.1 Reportable segments (cont'd)

##### Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Revenue	
	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000
Singapore	130	2,852	160	6,215
Indonesia	1,565,850	1,337,249	3,093,527	2,593,236
Vietnam	353,863	314,822	699,347	594,305
China	302,172	245,028	561,578	435,590
India	86,880	60,027	150,318	104,714
Myanmar	33,896	55,323	79,487	96,661
Bangladesh	6,032	2,040	10,581	2,191
Others	25,176	17,570	41,360	35,350
	<u>2,373,999</u>	<u>2,034,911</u>	<u>4,636,358</u>	<u>3,868,262</u>

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services.

##### A breakdown of sales

	GROUP		
	2021 US\$'000	2020 US\$'000	Change %
(a) Sales reported for the first half year	2,262,359	1,833,351	23%
(b) Profit, net of tax before deducting non-controlling interests reported for first half year	191,542	82,593	132%
(c) Sales reported for second half year	2,373,999	2,034,911	17%
(d) Profit, net of tax before deducting non-controlling interests reported for second half year	21,176	288,980	-93%

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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 4. Segment and revenue information (cont'd)

#### 4.2 Disaggregation of revenue

##### Major product

Revenue by the major products groups by segments include the following:

	<b>Animal Protein - PT Japfa Tbk US\$'000</b>	<b>Animal Protein - Other US\$'000</b>	<b>Dairy US\$'000</b>	<b>Total US\$'000</b>
<b><u>1 July 2021 to 31 December 2021</u></b>				
Sales of animal feed	566,404	219,327	-	785,731
Sales of livestock	715,324	227,358	48,461	991,143
Sales of raw milk	-	-	235,392	235,392
Sales of animal protein and milk products	215,209	21,187	19,168	255,564
<b><u>1 July 2020 to 31 December 2020</u></b>				
Sales of animal feed	444,965	192,158	-	637,123
Sales of livestock	593,278	230,099	44,366	867,743
Sales of raw milk	-	-	190,332	190,332
Sales of animal protein and milk products	187,089	27,512	72,344	286,945
<b><u>1 January 2021 to 31 December 2021</u></b>				
Sales of animal feed	1,100,222	414,654	-	1,514,876
Sales of livestock	1,433,162	445,987	92,906	1,972,055
Sales of raw milk	-	-	438,038	438,038
Sales of animal protein and milk products	419,651	51,372	32,771	503,794
<b><u>1 January 2020 to 31 December 2020</u></b>				
Sales of animal feed	888,318	342,080	-	1,230,398
Sales of livestock	1,150,050	408,953	77,429	1,636,432
Sales of raw milk	-	-	349,834	349,834
Sales of animal protein and milk products	341,504	44,766	121,057	507,327

For the sale of goods, the Group satisfies its performance obligation at a point in time.



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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 5. Profit before tax

#### 5.1 Significant items

	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000	Change %	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000	Change %
<b><u>Income /(expenses)</u></b>						
Finance costs						
- Interest expense on loans and borrowings	(39,259)	(47,643)	-18%	(80,148)	(95,372)	-16%
- Interest expense on lease liabilities	(9,860)	(5,827)	69%	(16,566)	(10,620)	56%
Foreign exchange adjustments gain/(loss)	2,702	1,714	58%	(11,563)	74	n/m
Depreciation of property, plant and equipment	(63,210)	(62,417)	1%	(124,410)	(119,645)	4%
Depreciation of investment properties	(230)	(135)	70%	(403)	(288)	40%
Depreciation of right-of-use assets	(16,561)	(13,026)	27%	(29,952)	(24,024)	25%
Amortisation of intangible assets	(722)	(981)	-26%	(1,487)	(1,941)	-23%
Changes in fair value of biological assets	(17,294)	9,800	n/m	5,381	7,055	-24%
Gain on disposal of subsidiary	-	157,205	n/m	-	157,205	n/m
Gain/(loss) on derivative financial instruments						
- Forex	12	(1,958)	n/m	7,305	(4,428)	n/m
- Non-forex	1	1,019	n/m	330	2,433	-86%
Allowance for impairment on trade and other receivables	(6,684)	(82)	n/m	(6,627)	(3,023)	119%
Loss on disposal of property, plant and equipment and investment properties	(132)	(431)	-69%	(146)	(623)	-77%

#### 5.2. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year.

	<b>Group</b>	
	<b>12 months ended 31 December 2021 US\$'000</b>	<b>12 months ended 31 December 2020 US\$'000</b>
Revenue	12,439	4,948
Purchases of goods	5,900	11,547
Insurance expense	1,881	2,369
Rendering of services expense	2,534	-
Rental income	885	948
Interest income	32	5
Rental of premises	312	318
Rental of boat	-	468
Technical service fee income	62	-

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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 6. Tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group		Group	
	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000
Current income tax expense	16,115	33,062	57,200	50,860
Deferred income tax expense relating to original and reversal of temporary differences	(5,520)	7,743	(3,091)	(30)
Income tax expense recognised in statement of comprehensive income	10,595	40,805	54,109	50,830

### 7. Dividends

	Group	
	Financial Year 2021 US\$'000	Financial Year 2020 US\$'000
<b><u>Dividends paid during the financial period</u></b>		
Dividends on ordinary shares:		
Final tax exempt (1-tier) dividend of 1.0 Singapore cents per share paid for reporting year ended 31 December 2019	-	14,891
Final tax exempt (1-tier) dividend of 1.0 Singapore cents per share paid for reporting year ended 31 December 2020	15,329	-
Interim special (1-tier) dividend of 10.0 Singapore cents per share paid for reporting year ended 31 December 2020	150,851	-

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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 8. Net asset value

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Net asset value per ordinary share				
- in US\$	0.70	0.70	0.55	0.61
- in S\$	0.95	0.93	0.74	0.81

### 9. Earnings per share

	Group		Group	
	6 months ended 31 December 2021 US Cents	6 months ended 31 December 2020 US Cents	12 months ended 31 December 2021 US Cents	12 months ended 31 December 2020 US Cents
Earnings per share for the period				
(a) Based on weighted average number of ordinary shares in issue	0.02	11.97	5.82	15.86
(b) Based on a fully diluted basis	0.02	11.97	5.82	15.86
Weighted average number of ordinary shares	2,045,915,782	2,047,264,884	2,040,876,380	2,029,455,016

### 10. Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to US\$137.4 million (31 December 2020: US\$111.8 million) and disposed of assets amounting to US\$2.8 million (31 December 2020: US\$3.0 million).

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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 11. Biological assets

	Group	
	31 December 2021	31 December 2020
	US\$'000	US\$'000
Breeding chickens	108,558	97,973
Breeding ducks	281	-
Breeding cattle	3,799	7,674
Breeding swine	53,013	40,552
Dairy cows	455,006	369,948
Forage and plantation	180	167
	620,837	516,314
Fattening livestock	253,341	188,853
	874,178	705,167
<u>Presented as:</u>		
Biological assets, current	108,839	97,973
Biological assets, non-current	511,998	418,341
Biological assets presented as Inventories (Note 12)	253,341	188,853
	874,178	705,167

	Group US\$'000
<b><u>6 months ended 31 December 2021</u></b>	
Opening balance at 1 July 2021	809,033
Addition through business combination	26,433
Net additions	46,903
Changes in fair value	(24,598)
Fair value gain arising from sales of beef	7,304
Foreign exchange adjustments	9,103
Closing balance at 31 December 2021	874,178

### 12. Inventories

	Group	
	31 December 2021	31 December 2020
	US\$'000	US\$'000
Finished goods	99,580	92,767
Work in process	8,007	4,882
Raw materials	705,380	449,039
Consumables	54,531	52,396
	867,498	599,084
Biological assets presented under inventories (Note 11)	253,341	188,853
	1,120,839	787,937

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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 13. Share capital and other equity information

#### 13.1 Share capital

	Group and Company	
	Number	Amount
	of shares issued	US\$'000
	'000	
<u>Issued and fully paid ordinary shares:</u>		
<b><u>6 months ended 31 December 2021</u></b>		
Beginning of interim period on 1 July 2021		
and end of interim period on 31 December 2021	2,067,423	1,059,882

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

#### 13.2 Treasury shares

	Group and Company	
	Number of shares	Amount
	'000	US\$'000
<b><u>6 months ended 31 December 2021</u></b>		
Beginning of interim period on 1 July 2021	20,353	11,277
Acquired of shares	6,270	2,848
End of interim period on 31 December 2021	26,623	14,125

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company acquired 6,270,000 (2020: 23,000,000) shares in the Company through purchases on the Singapore Exchange during the interim financial period. The total amount paid to acquire the shares was US\$2.8 million (2020: US\$15.1 million) and this was presented as a component within shareholders' equity.

The total number of issued shares excluding treasury shares as at 31 December 2021 is 2,040,800,520 (31 December 2020: 2,026,084,720).

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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 14. Defined benefit plan liabilities

	<b>Group</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	US\$'000	US\$'000
Present value of unfunded defined benefit	105,563	136,809
Fair value of plan assets	(16,920)	(15,863)
Defined benefit plan liabilities	88,643	120,946

The Group operates a defined benefit plan for qualifying employees of its subsidiaries in Indonesia, in accordance with Indonesian Labour Laws. Amounts are determined based on years of service and salaries of the employees at the time of the pension.

Movements of the defined benefit plan liabilities recognised in statement of financial position are as follows:

	<b>Group</b>
	US\$'000
<b>6 months ended 31 December 2021</b>	
Opening balance at 1 July 2021	117,296
Net benefit expense recognised in statement of comprehensive income	(19,423)
Re-measurement loss included in other comprehensive income	(9,032)
Contributions to plan made	(1,809)
Payments for the interim period	(227)
Foreign exchange adjustments	1,838
Closing balance at 31 December 2021	88,643

Movements in the fair value of the plan assets are as follows:

	<b>Group</b>
	US\$'000
<b>6 months ended 31 December 2021</b>	
Opening balance at 1 July 2021	19,216
Interest income	846
Return on plan assets (excluding amounts included in net interest expense)	(570)
Contributions from the employer	1,809
Benefits paid	(4,625)
Foreign exchange adjustments	244
Closing balance at 31 December 2021	16,920

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## *F. Notes to the condensed interim consolidated financial statements (cont'd)*

### 15. Borrowings

	Group	
	31 December 2021	31 December 2020
	US\$'000	US\$'000
Amount due within one year		
Secured	456,235	385,976
Unsecured	141,942	66,889
Total	<u>598,177</u>	<u>452,865</u>
Amount due more than one year		
Secured	453,986	253,592
Unsecured	544,383	457,672
Total	<u>998,369</u>	<u>711,264</u>

The secured borrowings are secured by property, plant and equipment, share certificates of certain subsidiaries, cash and cash equivalents, receivables, inventories, biological assets, assessment of insurance policies and corporate guarantees of the Company and its subsidiaries.

Borrowings comprise of loan and borrowings, and lease liabilities presented in balance sheet.

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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 16. Financial assets and financial liabilities at amortised cost

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

	Group		Company	
	31 December 2021 US\$'000	31 December 2020 US\$'000	31 December 2021 US\$'000	31 December 2020 US\$'000
<b>Financial Assets</b>				
Total trade and other receivables	244,899	447,691	41,822	276,162
Cash at bank	320,566	224,686	137,860	9,676
Deposit	9,967	4,901	1,083	143
Total financial assets	575,432	677,278	180,765	285,981
<b>Financial Liabilities</b>				
Trade and other payables	418,752	361,442	6,590	53,448
Loan and borrowings	1,308,896	1,001,112	-	78,687
Lease liabilities	287,650	163,017	1,012	31
Total financial liabilities	2,015,298	1,525,571	7,602	132,166

Deposit is included in other asset presented in balance sheet.

### 17. Non-cash transactions

The net cash incurred for the purchase of property, plant and equipment is as follows:

	Group	
	12 months ended 31 December 2021 US\$'000	12 months ended 31 December 2020 US\$'000
Additions of property, plant and equipment	216,151	221,754
Less: Net movements in liability for purchase/ construction of plant and equipment	(543)	(10,133)
Purchase of property, plant and equipment in consolidated statement of cash flows	215,608	211,621



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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 18. Fair value measurement

#### (a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

#### (b) Assets and liabilities measured at fair value

The following table shows an analysis of assets/liabilities measured at fair value as at 31 December 2021 and 31 December 2020:

	<u>Fair value measurements at the end of the reporting period using</u>			
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	Total US\$'000
<b>31 December 2021</b>				
<b>Assets/(liabilities) measured at fair value</b>				
<b>Financial assets/(liabilities):</b>				
<u>Equity securities at FVOCI</u>				
Unquoted equity securities	-	816	6,979	7,795
<u>Derivatives</u>				
Foreign currency forward and option contracts	-	11,607	-	11,607
<b>Financial assets</b>	-	12,423	6,979	19,402
<b>Non-financial assets:</b>				
Biological assets	-	-	874,178	874,178
<b>Non-financial assets</b>	-	-	874,178	874,178

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## E. Notes to the condensed interim consolidated financial statements (cont'd)

### 18. Fair value measurement (cont'd)

#### (b) Assets and liabilities measured at fair value (cont'd)

	<u>Fair value measurements at the end of the reporting period using</u>			
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	Total US\$'000
<b>2020</b>				
<b>Assets/(liabilities) measured at fair value</b>				
<b>Financial assets/(liabilities):</b>				
<u>Equity securities at FVOCI</u>				
Unquoted equity securities	-	1,233	6,135	7,368
<u>Derivatives</u>				
Foreign currency forward and option contracts	-	7,396	-	7,396
Interest rate swap contracts	-	(326)	-	(326)
<b>Financial assets as at 31 December 2020</b>	<b>-</b>	<b>8,303</b>	<b>6,135</b>	<b>14,438</b>
<b>Non-financial assets:</b>				
Biological assets	-	-	705,167	705,167
<b>Non-financial assets as at 31 December 2020</b>	<b>-</b>	<b>-</b>	<b>705,167</b>	<b>705,167</b>

### 19. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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## OTHER INFORMATION

### 1. Review

The condensed consolidated statement of financial position of Japfa Ltd and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

### 3. Review of performance of the Group

#### Review of Group Performance

Please refer to the Company's Investor Presentation for the twelve months period ended 31 December 2021.

#### Review of Group Financial Position

Total assets as at 31 December 2021 increased by US\$634.3 million from US\$3,667.9 million to US\$4,302.2 million primarily due to increase in property, plant and equipment, biological assets, inventories and cash and cash equivalents.

Total liabilities as at 31 December 2021 increased by US\$449.9 million from US\$1,705.9 million to US\$2,155.8 million primarily due to increase in loans and borrowings and lease liabilities.

Equity attributable to the Owners of the Parent increased by US\$7.3m mainly as a result of (i) FY2021 PATMI of US\$118.8m; (ii) a gain of US\$49.4m from the sale of the 12.5% stake in Dairy-China recorded in Equity; and (iii) dividends paid in 2021 of US\$166.2m (special interim dividend of S\$0.10 per share and final dividend of S\$0.01 per share).

#### Review of Group Cash Flow

Net cash flows from operating activities were US\$288.8 million in FY2021, which mainly arose from operating cash flows before changes in working capital of US\$540.8 million, changes in working capital of US\$90.1 million, income tax paid of US\$65.2 million and interest paid of US\$96.7 million.

Net cash flows used in investing activities were US\$258.2 million in FY2021 mainly represented by consideration paid for acquisition of subsidiaries of US\$115.5 million (net of cash acquired), purchase of property, plant and equipment of US\$215.6 million, purchase of biological assets of US\$50.6 million and partially offset by proceeds from disposal of shares in subsidiary of US\$146.0 million.

Net cash flows from financing activities were US\$66.7 million in FY2021 mainly arose from proceeds from issue of bonds of US\$342.8 million, proceeds from bank loans of US\$146.4 million, increase in working capital loans of US\$82.1 million and partially offset by repayment of bonds payable of US\$264.0 million, payment of principal portion of lease liabilities of US\$50.7 million and dividend paid of US\$182.1 million (including dividend paid by subsidiary to non-controlling interests).

### 4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

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**5. Number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of shares	
	As at 31 December 2021	As at 31 December 2020
Issued ordinary shares	2,067,423,320	2,067,423,320
Treasury shares	26,622,800	41,338,600
Issued ordinary shares excluding treasury shares	2,040,800,520	2,026,084,720

**6. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the half year ended 31 December 2021.

## 7. Dividend information

(a) *Current financial period reported on*

Yes

Name of Dividend	Final
Dividend type	Cash
Dividend per share	1.5 Singapore cents
Tax rate	Tax exempt

The Directors are pleased to declare a tax exempt one-tier final cash dividend of 1.5 cents (ordinary dividend of 1 Singapore cent and special dividend of 0.5 Singapore cents) per share in respect of the year ended 31 December 2021.

(b) *Corresponding period of the immediately preceding financial year*

Yes

Name of Dividend	Interim and Final
Dividend type	Cash
Interim dividend per share	10.0 Singapore cents
Final dividend per share	1.0 Singapore cent
Tax rate	Tax exempt

(c) *Date payable*

Subject to approval by shareholders at the next Annual General Meeting and to be announced at a later date.

(d) *Books closure date*

Subject to approval by shareholders at the next Annual General Meeting and to be announced at a later date.

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## **8. Interested person transactions**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

## **9. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

## **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

The Covid-19 pandemic continues into its third year, impacting people's lives and the global economy. Even with vaccination programmes being rolled out, the pandemic still looms and economic recovery appears unpredictable and uneven among countries. In several of the countries in which we operate, the pandemic has recently worsened, increasing uncertainty.

Against this backdrop, the Group has implemented measures in an attempt to minimise the impact on its staff and to try to ensure their safety and welfare. As the Group provides an essential service by supplying staple protein foods largely to the domestic markets in which they are produced, the day-to-day operations of the Group have not thus far been materially impacted by the lockdown or movement restrictions. However, as this pandemic is an unprecedented and persisting event, the ultimate effect on demand, logistics and distribution cannot be reliably estimated with any certainty. Covid-19, including movement restrictions, affects the purchasing power of consumers in the lower income band, especially in emerging economies, dampening demand and impacting selling prices of our products. The impact on demand on our business may vary depending on how and when the pandemic affects each market. Should Covid-19 continue and affect global economies resulting a global recession, the impact will be significant on our business, notwithstanding our position in staple protein foods. We continue to keep a close watch on the situation.

The Group's revenue and profitability are directly impacted by cyclicalities in the agri-business, which in turn is dependent on a variety of external factors beyond the Group's control. These include the seasonality of harvest and festivals, macroeconomic conditions that affect consumer purchasing power, government policies, as well as changes to market demand and supply for raw materials resulting in fluctuations in their costs and selling prices. In addition, geopolitical tensions, especially the recent developments between Russia and Ukraine, may disrupt global economies, supply chains and commodities prices. This may impact on the cost of raw materials and on consumer's purchasing power.

Local currency depreciation in the countries in which we operate, in particular in Myanmar, may delay the passing on of the higher cost of imported raw materials through our feed selling price. In addition, the volatility in foreign exchange rates will affect the Group's financial results which are reported in USD terms.

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### ***10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months (cont'd)***

Cost of raw materials and the physical flow of grains such as corn and soybean meal might also impact the business. In 1H2021, global prices of such grains increased and are expected to remain high, as (i) China aims to increase production of animal protein, (ii) the Covid-19 situation continues as well as supply chain disruptions, and (iii) weather conditions affect crop production in some countries. As our business involves livestock, the outbreak of animal diseases such as African Swine Fever (“ASF”) in Vietnam, represent a major risk. These uncertainties may impact the Group’s operations and financial results.

#### **PT Japfa Tbk**

In Indonesia, the prices of broiler and day-old-chick (“DOC”) are volatile, depending on market demand-supply dynamics and, in April 2020, dropped to one of the lowest levels since Japfa’s IPO in 2014. This was due to the reduced demand for consumer staples, including poultry, following the Covid-19. Although poultry prices recovered from 4Q2020, this improvement may not be stable. In 3Q2021, the effects of Covid-19 have worsened in Indonesia dampening demand and impact selling prices of our products.

With the pandemic impacting movement restrictions, this may reduce consumer purchasing power and, as a result, the demand for many consumer products. However, as the Company supplies mainly chicken, which is a staple and affordable protein food, the impact is not expected to be long lasting. Since the Covid-19 outbreak, PT Japfa Tbk has taken action to freeze and defer non-essential capital expenditures (“Capex”).

Movement restrictions linked to the pandemic are changing consumer patterns towards processed foods, including those produced by the Group. Challenges remain particularly in the Group’s ambient food products business due to intense market competition.

#### **Animal Protein Other (“APO”)**

It is estimated that ASF has significantly reduced the total swine population in Vietnam. As there is still no vaccine or treatment for ASF, biosecurity measures are the only available means to protect Vietnamese swine livestock. Through the use of strict biosecurity protocols, our wholly owned Vietnamese subsidiary has been able to manage ASF relatively well so far and will continue to focus on biosecurity to protect its livestock and mitigate any future ASF outbreaks. As the swine population in Vietnam has declined due to ASF, swine feed sales volume may be affected.

ASF resurgence in 4Q2021 has increased our operational costs while at the same time swine fattening prices have dropped because of pre-emptive sales in the market. As producers in Vietnam are restocking, the increased pork supply is having a negative impact on swine fattening prices. In addition, the Covid-19 situation has worsened in 3Q2021 in Vietnam and this has impacted our operations.

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### **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months (cont'd)**

In relation to our operations in Myanmar, consumer demand has been affected both by Covid-19 and by the political situation in the country. Business in Myanmar has reverted to a cash economy. Actions have been taken by the local management to adapt to the current situation, including scaling down operations to match the lower demand, and sourcing raw materials from local suppliers in local currency (Myanmar Kyat). Our operations in Myanmar remain challenging and recorded losses during this uncertain time. The Group's business in Myanmar is not material, representing 2% of Group revenue and assets in FY2021. Should the situation worsen, some level of accounting impairment on the fixed assets in Myanmar may be necessary in the future, impacting Group results. However, as the Company supplies mainly chicken, which is a staple and affordable protein food, we do not expect the impact on our business to be long lasting. The Company will continue to monitor the situation as it develops.

In India, the Covid-19 situation and movement restrictions measures implemented by the authorities have impacted consumer demand and, in particular, food service.

#### **Dairy**

Fluctuations in raw milk price may affect our financial results. In China, raw milk prices have been strong since 2020 and remain strong, due to shortage of raw milk supply in the market.

After a short-term drop in the demand for dairy products in China due to Covid-19, our China dairy business is seeing a recovery in the demand for raw milk and the Company believes that there should not be a major impact from Covid-19 over the medium and long-term.

#### **Conclusion**

Over the medium and long-term the five emerging markets in which the Group operates are expected to continue to witness growing animal protein consumption. Against this backdrop, the Group is confident that its core competencies in large-scale farming and food production as well as its strategy of diversification across multiple proteins and geographies, together with its track record in replicating its industrialised and scalable business across the region, will continue to sustain its growth in the medium to long-term.

**JAPFA LTD.****(Registration Number: 200819599W)****11. Disclosures pursuant to Chapter 7 Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual").**

The persons occupying a managerial position in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company are as follows:

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Renaldo Santosa	31	<p>Son of Director and Executive Chairman Handojo Santosa</p> <p>Nephew of Director, Mr Hendrick Kolonas.</p> <p>Renaldo is also a deemed Substantial Shareholder of the Company by virtue of his being a beneficiary of the Scuderia Trust.</p>	<p>Head of Business Development &amp; Strategy</p> <p>Position held since 1 March 2017</p> <p>Duties:</p> <p>Reports to Executive Chairman to:</p> <ul style="list-style-type: none"> <li>- Investigate, identify and propose potential market segments and opportunities.</li> <li>- Develop and propose new business, partnerships, strategies, and models aligned to the Company's strategy to expand and grow the business where possible.</li> <li>- Develop negotiating strategies and positions to ensure alignment with company strategies and operations.</li> <li>- Assessment of business deals by analysing market strategies, deal requirements, potential and financials.</li> <li>- Identify appropriate technologies/ trends to improve business.</li> <li>- Review existing operations and operational procedures to achieve greater efficiencies and effectiveness.</li> <li>- Manage strategic projects and initiatives.</li> </ul>	No change



**JAPFA LTD.****(Registration Number: 200819599W)****11. Disclosures pursuant to Chapter 7 Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual"). (Cont'd)**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Gabriella Santosa	29	<p>Daughter of Director and Executive Chairman Handojo Santosa</p> <p>Niece of Director, Mr Hendrick Kolonas.</p> <p>Gabriella is also a deemed Substantial Shareholder of the Company by virtue of her being a beneficiary of the Scuderia Trust.</p>	<p>Vice President, Business Development</p> <p>Position held since 29 October 2020</p> <p>Duties:</p> <ul style="list-style-type: none"> <li>- Expand our network and partnerships mainly in animal health and technology and aquaculture.</li> <li>- Explore new venture potential in both new growth areas and existing operations.</li> <li>- Focus resources to support technological efficiencies and innovation in current operational process.</li> <li>- Manage deal pipeline of new business opportunities.</li> <li>- Map and explore technology roadmap for the Group.</li> <li>- Understand new markets for the Group to consider expansion.</li> </ul>	No change

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(Registration Number: 200819599W)

**11. Disclosures pursuant to Chapter 7 Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual"). (Cont'd)**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Aldrian Irvan Kolonas	34	<p>Nephew of Director and Executive Chairman Handojo Santosa</p> <p>Son of Director, Mr Hendrick Kolonas.</p> <p>Irvan is also a deemed Substantial Shareholder of the Company by virtue of his being a beneficiary of the Scuderia Trust.</p>	<p><u>Deputy Corporate Affairs Director in PT Japfa Comfeed Indonesia Tbk</u></p> <p>Position held since 1 October 2020.</p> <p>Duties:</p> <ul style="list-style-type: none"> <li>- Systematically organizes governance process, coordinates coherent policy and is responsible for external communications.</li> <li>- Provides strategic leadership pertaining Company's reputation.</li> <li>- Advises Management Team on matters relating corporate issues and image.</li> <li>- Builds and maintain good relations with all stakeholders.</li> <li>- Engages and influence policy makers, as well as deal with the Government regarding permit, legal and law.</li> <li>- Leads and oversees government relations, corporate communications and social Investment functions.</li> <li>- Ensure the entire strategic plan within Corporate Affairs function is well executive and implemented.</li> </ul> <p><u>Deputy Head, SBU Grains Trading in PT Japfa Comfeed Indonesia Tbk</u></p> <p>Position held since 1 January 2019.</p> <p>Duties:</p> <ul style="list-style-type: none"> <li>- Overall responsibility is to assist Head of SBU Grains Trading in creating, planning, implementing, and integrating the strategic direction.</li> <li>- Ensure that the organization's leadership maintains a constant awareness of both the external and internal competitive landscape, opportunities for expansion, customer base, markets, new industry developments and standards.</li> </ul>	No change

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### **12. Disclosure pursuant to Chapter 7 Rule 706A of the Listing Manual**

- (a) During the financial year ended 31 December 2021, the Company acquired 62,591,800 ordinary shares in the capital of PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk") shares from open market at an average price of IDR1,849 per share.

PT Japfa Tbk is a principal subsidiary of the Company listed on the Indonesia Stock Exchange.

Following the abovementioned acquisition, the Company's shareholding in PT Japfa Tbk has increased from 54.47% to 55.00%.

The aggregate consideration (including brokerage and other transaction cost) of IDR116.4 billion (approximately US\$8.2 million) was settled in cash from the Company's internal resources.

The Transaction does not have any material impact on the net asset per share or earnings per share of the Company for the financial year ending 31 December 2021.

None of the directors and controlling shareholders of the Company has any interest in the Transaction except that, (a) the Company's Executive Directors, Handojo Santosa and Tan Yong Nang, are also Directors of PT Japfa Tbk, and the Company's Non-Executive Director, Hendrick Kolonas is a Commissioner of PT Japfa Tbk; and (b) disclosed in the Company's and PT Japfa Tbk's respective announcements of Directors' Interests.

- (b) The Company wishes to announce that on 1 September 2021, PT. Ciomas Adisatwa ("Ciomas"), a wholly-owned subsidiary of PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk"), the IDX listed subsidiary of the Company entered into a joint venture with Tn. H. Warsubi, S.H., M. Si ("Warsubi"), an Indonesian national in respect of PT Multi-Farmindo Jaya ("MFJ"). MFJ is a wholly-owned subsidiary of PT Japfa Tbk held as to 99% by Ciomas and 1% by PT Japfa Tbk. MFJ carries on the business of the breeding and commercial farming of ducks.

Under the Asset Injection to Capital Deed and two Sale and Purchase Deeds of the same date:

- (i) Warsubi subscribed for 141,000 shares of Rp1 million each at par (in aggregate Rp141 billion or approximately US\$ 9.8 million), in the capital of MFJ in consideration of Warsubi's transfer of land to MFJ;
- (ii) Warsubi sold 93,500 shares of Rp1 million each of its shareholding in MFJ to Ciomas for the aggregate consideration of Rp93.5 billion (approximately US\$6.5 million); and
- (iii) PT Japfa Tbk sold all 240 shares of Rp1 million each of its shareholding in MFJ for the aggregate consideration of Rp240 million (approximately US\$16.8 million) to Ciomas.

As a result of the above transactions, the Company's indirect ownership in MFJ through PT Japfa Tbk and Ciomas, dropped from 100% to 75%, the remaining 25% held by Warsubi.

This land will be used for MFJ's duck breeding and commercial farming business.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect in the joint venture save for their shareholdings in the Company.

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### 13. Announcement pursuant to Chapter 7 Rule 704(29) of the Listing Manual

#### Grant of share awards under Japfa Performance Share Plan

Pursuant to Rule 704(29) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Japfa Ltd (the "Company") wishes to announce the following details of the grant of share awards ("Awards") under the Japfa Performance Share Plan:

(a)	Date of grant	1 March 2022
(b)	Number of shares which are the subject of the Awards	7,900,000 ordinary shares*
(c)	Market price of shares on the date of grant	S\$0.60 **
(d)	Number of shares which are the subject of the Awards granted to eligible participants are as follows:	3,920,500 ordinary shares
	(i) Employees of the Company and its subsidiaries	
	(ii) Directors of the Company	3,466,300 ordinary shares to Mr Tan Yong Nang, Executive Director and Chief Executive Officer  513,200 ordinary shares to Mr Kevin John Monteiro, Executive Director and Chief Financial Officer
	(iii) Controlling Shareholders (and their associates) of the Company	Nil
(e)	Vesting Date (if applicable)	1 March 2024

\* Note: Based on 100% of the grant. The Shares awarded on the vesting date could range from 0% to 100%, depending on the level of achievement against pre-set performance conditions.

\*\* Based on the closing price of the latest trading day as of Tuesday, 1 March 2022

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### ***14. Disclosure pursuant to Chapter 7 Rule 703 of the Listing Manual***

In November 2021, AustAsia Investment Holdings Pte. Ltd. ("AIH") transferred its PRC subsidiaries to its Singapore wholly-owned subsidiary, AIH2 Pte. Ltd. ("AIH2"). AIH is a 62.5% subsidiary of the Company and the ultimate holding company of the AustAsia dairy group). As a result of this internal restructuring, AIH2 now holds all PRC subsidiaries of the AustAsia dairy group.

- (i) Shanghai AustAsia Food Co., Ltd.
- (ii) Dongying AustAsia Modern Dairy Farm Co., Ltd.;
- (iii) Taian AustAsia Modern Dairy Farm Co., Ltd.;
- (iv) Dongying Xianhe AustAsia Modern Dairy Farm Co., Ltd.;
- (v) Dongying Shenzhou AustAsia Modern Dairy Farm Co., Ltd.;
- (vi) Dongying AustAsia Beef Co., Ltd.;
- (vii) ShanDong AustAsia Feed Technology Co., Ltd.。

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Restructuring (other than through their respective shareholding interests in the Company, if any).

The Restructuring does not have any material impact on the net tangible assets per share and earnings per share of the Company or the Group for the financial year ended 2021.

**By Order of the Board**  
**Japfa Ltd**

Tan Yong Nang  
Executive Director and  
Chief Executive Officer  
1 March 2022