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PRESS RELEASE

Japfa 3Q 2018 Core PATMI Without Forex Surges 141.1% to US$29.3 Million; Outpacing 7.8% Revenue Growth to US$877.4 Million

- ***Lifted by stronger performance across most business segments – higher ASP for both Indonesian poultry and Vietnam swine***
- ***APO segment continued turnaround in 3Q 2018 and achieved record strong operating profit on re-balancing of demand-supply in Vietnam's domestic swine market***

(US$'m)	3Q 2018	3Q 2017	Change (%)	9M 2018	9M 2017	Change (%)
Revenue	877.4	814.3	7.8	2,624.0	2,340.6	12.1
Operating Profit	82.4	56.0	47.1	264.5	144.6	82.9
Operating Profit Margin (%)	*9.4*	*6.9*	2.5 *ppt*	*10.1*	*6.2*	3.9 *ppt*
EBITDA[1]	112.6	81.2	38.6	356.4	220.0	62.0
Profit After Tax ("PAT")	33.7	15.7	114.7	124.8	41.1	203.5
Net Profit Attributable to Owners ("PATMI")	14.3	3.0	374.6	60.5	1.7	3,503.7
Core PATMI without Forex[2]	29.3	12.1	141.1	96.3	22.8	322.1

*[1] EBITDA is defined as profit before tax from continuing operations, excluding interest income, finance costs, depreciation of property, plant and equipment, depreciation of investment properties and amortisation of intangible assets, and also excluding changes in fair value of biological assets and derivatives, which relate to foreign exchange ("**Forex**") hedging and Forex adjustment gains/(losses)*

[2] Core PATMI without Forex is an estimate referring to "Profit Attributable to Owners of the Parent, Net of Tax" excluding changes in fair value of biological assets (net of tax) and derivatives, extraordinary items attributable to owners of the parent and Forex gains/losses (before tax) attributable to owners of the parent

Singapore, 30 October 2018 – Leading vertically-integrated agri-food company, Japfa Ltd ("**Japfa**", or together with its subsidiaries, the "**Group**"), announced today that it has achieved a 374.6% growth in net profit attributable to owners ("**PATMI**") to US$14.3 million, outpacing a 7.8% growth in revenue to US$877.4 million for the financial quarter ended 30 September 2018 ("**3Q 2018**") on stronger performance across most business segments.

In 3Q 2018, Japfa's poultry subsidiary, PT Japfa Tbk reported enhanced profitability while its Animal Protein Other ("**APO**") segment continues the recovery from 2Q 2018 to record strong operating profit. Japfa's Dairy business recorded consistent profits driven by higher milk yields and volumes.

Chief Executive Officer of Japfa, Mr Tan Yong Nang (陈荣南) said, "Amidst macroeconomic volatilities and the inevitable cyclicality of our industry, we are pleased to have recorded improved performance across most of our segments. This is only possible with our strong fundamentals and ability to navigate cyclicality by maintaining our edge as one of the most efficient and low-cost producers in the region with a diversified product mix and geographical presence, allowing us to continue recording resilient EBITDA. We will continue to sharpen our competitive edge to remain at the forefront of the industry and drive value to our shareholders and stakeholders."

FINANCIAL HIGHLIGHTS

Japfa Ltd – Overview

For 3Q 2018, Japfa recorded a 7.8% rise in revenue to US$877.4 million compared to US$814.3 million in the equivalent quarter a year ago ("**3Q 2017**") despite weakening currencies in major subsidiaries. The Group recorded a 141.1% rise in Core PATMI w/o Forex to US$29.3 million compared to 3Q 2017's US$12.1 million.

Japfa's balance sheet remains healthy with cash and bank balances of US$127.8 million, net debt-to-equity ratio of 1.0x with outstanding debt of US$1.2 billion as at 30 September 2018. Fully diluted earnings per share rose to 0.77 US cents per ordinary share in 3Q 2018.

PT Japfa Tbk

The Animal Protein Indonesia segment, or PT Japfa Tbk, continues to be the largest revenue driver for the Group at 65%. Revenue increased 14.2% in Indonesian Rupiah ("**IDR**") terms, but only 4.2% in United States Dollar ("**USD**") terms due to the depreciation of the IDR.

Operating margin increased 2.3 percentage points to 10.6% due to strong prevailing poultry average selling prices ("**ASP**") in Indonesia that was mainly driven by lack of Day-Old-Chick ("**DOC**") supply in Indonesia that had also led to strong profits from breeding operations.

Coupled with higher productivity of the breeding farms and quality of DOC breed, profit after tax rose 39.0% or US$11.0 million to US$39.0 million in 3Q 2018. The stronger segment profit is in spite of US$11.2 million worth of Forex losses, of which US$9.0 million resulted from unrealised Forex losses on USD bonds due to the weaker IDR.

Animal Protein Other

APO, which refers to the Group's animal protein operations in Vietnam, Myanmar, India and China, continued its recovery in 3Q 2018 – it recorded revenue of US$153.8 million, a 29.4% year-on-year growth from US$118.9 million in 3Q 2017, and a turnaround in operating profit to US$11.7 million compared to a loss of US$6.4 million a year ago.

The improved performance was mainly driven by record operating profit from its Vietnam operations with continued strong recovery of swine prices and higher ASP for DOC. This also reflects a re-balancing of Vietnam's domestic swine market demand-supply levels following China's swine import restrictions imposed in November 2016.

Dairy

Driven by higher milk yields and volumes achieved, the Dairy segment continues to generate consistent profits despite pressure on raw milk prices. Segment revenue rose 20.5% to US$101.9 million while operating profit rose to US$15.3 million.

Overall, the segment reported a loss after tax of US$0.4 million in 3Q 2018, due mainly to a bio-asset fair value loss of US$14.1 million recorded this quarter compared to a fair value loss of US$16.3 million a year ago. This fair value loss was a result of a lower population of heifers and calves as at the end of 3Q 2018 compared to the preceding quarter.

In its downstream business, sales volumes of extended shelf life ("**ESL**")[3] products in Southeast Asia increased alongside higher advertising and promotions ("**A&P**") investments in consumer products to increase brand visibility and capture greater market share.

[3] ESL refers to extended shelf life from milk

In Indonesia, efforts are channelled into brand building and broadening of the Greenfields consumer brand product offerings to capture a larger target segment. Japfa's Greenfields milk is currently the Number 1 brand of fresh pasteurised milk in Indonesia while the brand's stirred yoghurt makes headway towards increased market dominance.

Consumer Food

While revenue declined 7.1% to US$53.8 million this quarter, notably, the segment recorded a 2.9% growth in IDR terms. The Consumer Food segment recorded an operating loss of US$5.6 million due mainly to lower ASP, inability to pass on increased production costs arising from higher chicken raw material prices to consumers due to intense competition, and continued A&P spending to maintain market share and leadership that is keenly contested in the Indonesian market.

Despite the above challenges, the segment had maintained its market share as reflected in the rise in sales volumes for ambient food products over the last four quarters.

To sharpen the segment's competitive edge, the Group has embarked on various long-term strategic initiatives including brand rejuvenation with clearer packaging and brand positioning; widening of its products' market positioning to reach out to more consumer groups; improving the taste and product quality of its "So Good" branded products; and enhancing its logistics and distribution system in these markets.

BUSINESS STRATEGIES

"Over 40% of the world's total population live in our operating markets, pointing towards vast untapped market potential that we could capitalise on via our four business pillars – Poultry, Dairy, Swine and Consumer Food. We will continue to strengthen our market leadership, improve efficiency and productivity across our operations and reap synergies via our vertically-integrated business model that spans the entire value chain to drive long-term sustainable growth for Japfa going forward," added Mr Tan.

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About Japfa Ltd

Headquartered in Singapore, Japfa Ltd is a leading vertically-integrated agri-food company listed on the SGX Main Board since 2014.

Established in 1975, the Group has over the last four decades grown into one of Asia's leading low-cost producers of protein staples including poultry, beef, dairy as well as protein-based consumer products across fast-growing emerging Asian economies such as Indonesia, China, India, and Indo-China.

Japfa embraces an integrated industrial approach to livestock and food production across the value chain. Its vertically-integrated business model spans from Feed & Breeding (upstream), Milking and Fattening (mid-stream) and Processing and Distribution of consumer products (downstream).

For more information, please visit https://www.japfa.com/.

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