



JAPFA LTD

AND ITS SUBSIDIARIES

(Registration Number: 200819599W)

UNAUDITED FINANCIAL UPDATE  
FOR THE NINE MONTHS  
ENDED 30 SEPTEMBER 2023

*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 2023. For a limited discussion of the Company's nine months ended 30 September 2023 financial results, please refer to the Company's Investor Presentation nine months ended 30 September 2023 Financial Results available on the SGXnet and the Company's website [www.japfa.com](http://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.*

	Jan - Sep		
	2023	2022	Change
	US\$'000	US\$'000	%
<b><u>Continuing operations*</u></b>			
<b>Revenue</b>	3,293,205	3,313,853	-1%
Cost of sales	(2,878,279)	(2,843,481)	1%
<b>Gross profit</b>	414,926	470,372	-12%
Marketing and distribution costs	(114,873)	(108,393)	6%
Administrative expenses	(194,468)	(199,285)	-2%
<b>Operating profit</b>	105,585	162,694	-35%
Interest income	4,066	2,453	66%
Finance costs	(83,906)	(61,402)	37%
Other gain	(76)	6,299	n/m
Foreign exchange adjustments loss	(3,826)	(9,816)	-61%
Changes in fair value of biological assets	(3,378)	(4,045)	-16%
Share of results of associate and joint ventures	(2,001)	915	n/m
<b>Profit before tax from continuing operations</b>	16,464	97,098	-83%
Income tax expense	(10,464)	(28,010)	-63%
<b>Profit for the period from continuing operations, net of tax</b>	6,000	69,088	-91%
<b><u>Discontinued operations**</u></b>			
Profit after tax from discontinued operations	-	39,161	n/m
<b>Profit for the period, net of tax</b>	6,000	108,249	-94%
(Loss)/Profit for the period, net of tax attributable to:			
- Owners of the parent ("PATMI")	(22,661)	46,341	n/m
- Non-controlling interests	28,661	61,908	-54%
	6,000	108,249	-94%
<b><u>Continuing operations</u></b>			
(Loss)/Profit for the period, net of tax attributable to owners of the parent ("PATMI")	(22,661)	21,865	n/m
Profit for the period, net of tax attributable to non-controlling interests	28,661	47,223	-39%
	6,000	69,088	-91%
<b><u>Discontinued operations</u></b>			
Profit for the period, net of tax attributable to owners of the parent ("PATMI")	-	24,476	n/m
Profit for the period, net of tax attributable to non-controlling interests	-	14,685	n/m
	-	39,161	n/m

\* Continuing Operations above do not include AAG.

\*\* On 30 December 2022, being the listing date of AustAsia Group Ltd ("AAG"), the Company distributed ("DIS") its AAG shares to its shareholders and AAG ceased to be a subsidiary of the Group. Accordingly, the "discontinued operations" accounting principle has been applied as at 31 December 2022, where AAG's profit after tax for the financial period 2022 was recorded as a separate line item "profit after tax from Discontinued Operations", which is included in the Group's PAT, PATMI and Core PATMI w/o Forex for 1Q2022 (January to March 2022).

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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 SFRS(I).

	Jan - Sep		
	2023	2022	Change
	US\$'000	US\$'000	%
<b><u>Continuing operations</u></b>			
Core PATMI w/o forex	(16,965)	35,599	n/m

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, b) changes in fair value of derivatives, and c) 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.

### Continuing operations

EBITDA	195,819	257,812	-24%
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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.

### Statement of Comprehensive Income

	Jan - Sep		
	2023	2022	Change
	US\$'000	US\$'000	%
<b>Profit for the period, net of tax</b>	6,000	108,249	-94%
<b><u>Continuing operations</u></b>			
<b><u>Other comprehensive income:</u></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	(5,712)	-	n/m
Remeasurement of the net defined benefits plan, net of tax	(3,259)	2,677	n/m
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax	3,815	(69,180)	n/m
Share of other comprehensive loss of associate and joint ventures	(149)	(1,533)	-90%
Cash flow hedges	7,420	(14,322)	n/m
	<u>2,115</u>	<u>(82,358)</u>	n/m
<b><u>Discontinued operations</u></b>			
<b><u>Other comprehensive income:</u></b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax	-	(87,554)	n/m
	-	(87,554)	n/m
<b>Other comprehensive income for the period, net of tax</b>	2,115	(169,912)	n/m
<b>Total comprehensive income</b>	<u>8,115</u>	<u>(61,663)</u>	n/m
Total comprehensive income, net of tax attributable to:			
- Owners of the parent	(26,636)	(61,034)	-56%
- Non-controlling interests	34,751	(629)	n/m
	<u>8,115</u>	<u>(61,663)</u>	n/m
Basic and diluted earnings per share (cents)	<u>(1.11)</u>	<u>2.27</u>	n/m

n/m : not meaningful

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

	Jan - Sep		Change %
	2023 US\$'000	2022 US\$'000	
<b><u>Income /(expenses)</u></b>			
<b><u>Continuing Operations</u></b>			
Finance costs			
- Interest expense on loans and borrowings	(70,705)	(51,467)	37%
- Interest expense on lease liabilities	(13,201)	(9,935)	33%
Depreciation of property, plant and equipment	(67,892)	(63,596)	7%
Depreciation of investment properties	(622)	(556)	12%
Depreciation of right-of-use assets	(23,092)	(22,891)	1%
Amortisation of intangible assets	(704)	(860)	-18%
Changes in fair value of biological assets	(3,378)	(4,045)	-16%
Foreign exchange adjustments loss	(3,826)	(9,816)	-61%
Gain on disposal of property, plant and equipment	684	(59)	n/m

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 30/9/2023 US\$'000	As at 31/12/2022 US\$'000	As at 30/9/2023 US\$'000	As at 31/12/2022 US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,017,234	968,094	62	78
Right-of-use assets	202,748	205,135	151	494
Investment properties	26,863	23,047	-	-
Intangible assets	12,385	12,698	-	-
Investment in subsidiaries	-	-	453,481	410,913
Investments in associate and joint ventures	36,997	35,664	28,000	28,000
Biological assets	35,764	40,845	-	-
Deferred tax assets	71,260	58,613	-	-
Real estate assets	63,394	62,481	-	-
Other receivables	965	965	-	-
Other financial assets	17,584	15,408	-	-
Other assets	40,203	37,824	-	-
<b>Total non-current assets</b>	<b>1,525,397</b>	<b>1,460,774</b>	<b>481,694</b>	<b>439,485</b>
<b>Current assets</b>				
Inventories	773,979	743,715	-	-
Biological inventories	210,515	205,208	-	-
Biological assets	131,744	136,979	-	-
Trade and other receivables	186,108	190,807	4,358	5,111
Other financial assets	6,600	12,219	6,322	12,034
Other assets	59,293	37,460	2,211	919
Cash at banks	172,927	280,695	31,167	76,816
<b>Total current assets</b>	<b>1,541,166</b>	<b>1,607,083</b>	<b>44,058</b>	<b>94,880</b>
<b>Total assets</b>	<b>3,066,563</b>	<b>3,067,857</b>	<b>525,752</b>	<b>534,365</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	478,898	478,898	478,898	478,898
Treasury shares	(14,283)	(13,724)	(14,283)	(13,724)
Retained earnings	568,094	607,736	83,052	81,978
Other reserves	(10,414)	(9,297)	(23,126)	(18,294)
Translation reserve	(248,871)	(248,664)	-	-
<b>Equity attributable to owners of the parent</b>	<b>773,424</b>	<b>814,949</b>	<b>524,541</b>	<b>528,858</b>
Non-controlling interests	419,940	400,317	-	-
<b>Total equity</b>	<b>1,193,364</b>	<b>1,215,266</b>	<b>524,541</b>	<b>528,858</b>
<b>Non-current liabilities</b>				
Defined benefit plan liabilities	84,863	75,209	-	-
Deferred tax liabilities	2,897	4,226	-	-
Other payables	450	423	-	-
Loans and borrowings	601,755	616,985	-	-
Lease liabilities	153,085	148,096	-	29
Other liabilities	1,001	807	-	-
<b>Total non-current liabilities</b>	<b>844,051</b>	<b>845,746</b>	<b>-</b>	<b>29</b>
<b>Current liabilities</b>				
Income tax payable	14,747	16,930	2	535
Trade and other payables	304,159	299,596	1,062	4,440
Loans and borrowings	680,910	657,587	-	-
Lease liabilities	16,862	20,542	147	503
Other financial liabilities	-	274	-	-
Other liabilities	12,470	11,916	-	-
<b>Total current liabilities</b>	<b>1,029,148</b>	<b>1,006,845</b>	<b>1,211</b>	<b>5,478</b>
<b>Total liabilities</b>	<b>1,873,199</b>	<b>1,852,591</b>	<b>1,211</b>	<b>5,507</b>
<b>Total equity and liabilities</b>	<b>3,066,563</b>	<b>3,067,857</b>	<b>525,752</b>	<b>534,365</b>

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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.**

	<u>As at 30/9/2023</u>	<u>As at 31/12/2022</u>
Total number of issued shares excluding treasury shares	<u>2,036,536,820</u>	<u>2,039,835,520</u>

**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	
	2023	2022
	<u>US Cents</u>	<u>US Cents</u>
Earnings per share for the period		
(a) Based on weighted average number of ordinary shares in issue	(1.11)	2.27
(b) Based on a fully diluted basis	(1.11)	2.27
Weighted Average Number of Ordinary Shares	<u>2,037,427,250</u>	<u>2,042,625,144</u>

**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	
	<u>As at 30/9/2023</u>	<u>As at 31/12/2022</u>	<u>As at 30/9/2023</u>	<u>As at 31/12/2022</u>
Net asset value per ordinary share				
- in US\$	0.38	0.40	0.26	0.26
- in S\$	<u>0.52</u>	<u>0.54</u>	<u>0.35</u>	<u>0.35</u>

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.