



JAPFA LTD

## AND ITS SUBSIDIARIES

(Registration Number: 200819599W)

### UNAUDITED FINANCIAL UPDATE FOR THE FIRST QUARTER ENDED 31 MARCH 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 1Q2023. For a limited discussion of the Company's 1Q2023 financial results, please refer to the Company's Investor Presentation 1Q2023 Financial Results available on the SGXnet and the Company's website [www.japfa.com](http://www.japfa.com).*

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(Registration Number: 200819599W)

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

	Jan - Mar		Change %
	2023 US\$'000	2022 US\$'000	
<b><u>Continuing Operations*</u></b>			
Revenue	1,016,516	1,098,866	-7%
Cost of sales	(939,109)	(940,434)	0%
<b>Gross profit</b>	<b>77,407</b>	<b>158,432</b>	<b>-51%</b>
Marketing and distribution costs	(39,391)	(35,903)	10%
Administrative expenses	(66,642)	(63,467)	5%
<b>Operating (loss)/profit</b>	<b>(28,626)</b>	<b>59,062</b>	<b>n/m</b>
Interest income	1,223	731	67%
Finance costs	(27,112)	(19,226)	41%
Other (loss)/gain	(103)	2,447	n/m
Foreign exchange adjustments (loss)/gain	(212)	440	n/m
Changes in fair value of biological assets	(6,401)	662	n/m
Share of results of associate and joint ventures	351	813	-57%
<b>(Loss)/Profit before tax from Continuing Operations</b>	<b>(60,880)</b>	<b>44,929</b>	<b>n/m</b>
Tax expense	10,230	(9,901)	n/m
<b>(Loss)/Profit for the period from Continuing Operations, net of tax</b>	<b>(50,650)</b>	<b>35,028</b>	<b>n/m</b>
<b><u>Discontinued operations**</u></b>			
Profit after tax from Discontinued Operations	-	6,028	n/m
<b>(Loss)/Profit for the period, net of tax</b>	<b>(50,650)</b>	<b>41,056</b>	<b>n/m</b>
(Loss)/Profit for the period attributable to owners of the parent, net of tax ("PATMI")	(43,049)	17,316	n/m
(Loss)/Profit for the period attributable to non-controlling interests, net of tax	(7,601)	23,740	n/m
(Loss)/Profit, net of tax	(50,650)	41,056	n/m
<b><u>Continuing operations</u></b>			
(Loss)/Profit for the period attributable to owners of the parent, net of tax ("PATMI")	(43,049)	13,549	n/m
(Loss)/Profit for the period attributable to non-controlling interests, net of tax	(7,601)	21,479	n/m
(Loss)/Profit, net of tax	(50,650)	35,028	n/m
<b><u>Discontinued operations</u></b>			
Profit for the period attributable to owners of the parent, net of tax ("PATMI")	-	3,767	n/m
Profit for the period attributable to non-controlling interests, net of tax	-	2,261	n/m
Profit, net of tax	-	6,028	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 - Mar		
	2023 US\$'000	2022 US\$'000	Change %
<b><u>Continuing operations</u></b>			
Core PATMI w/o forex	(37,912)	12,469	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	2,267	96,821	-98%
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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 - Mar		
	2023 US\$'000	2022 US\$'000	Change %
<b>(Loss)/Profit for the period, net of tax</b>	(50,650)	41,056	n/m
<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	(4,831)	-	n/m
Remeasurement of the net defined benefits plan, net of tax	(1,076)	(125)	761%
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax	35,977	(5,717)	n/m
Share of other comprehensive loss of associate and joint ventures	216	125	73%
Cash flow hedges	11,726	(2,918)	n/m
	42,012	(8,635)	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	-	3,609	n/m
	-	3,609	n/m
<b>Other comprehensive income/(loss) for the period, net of tax</b>	42,012	(5,026)	n/m
<b>Total comprehensive (loss)/income</b>	(8,638)	36,030	n/m
Total comprehensive (loss)/income, net of tax attributable to:			
- Owners of parent	(21,415)	14,397	n/m
- Non-controlling interests	12,777	21,633	-41%
Total comprehensive (loss)/income	(8,638)	36,030	n/m
Basic and diluted earnings per share (cents)	(2.11)	0.85	n/m

n/m : not meaningful

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

	Jan - Mar		
	2023	2022	Change
	US\$'000	US\$'000	%
<b>Income /(expenses)</b>			
<b><u>Continuing Operations</u></b>			
Finance costs			
- Interest expense on loans and borrowings	(22,799)	(16,277)	40%
- Interest expense on lease liabilities	(4,313)	(2,949)	46%
Depreciation of property, plant and equipment	(22,215)	(26,890)	-17%
Depreciation of investment properties	(263)	(189)	39%
Depreciation of right-of-use assets	(7,932)	(7,113)	12%
Amortisation of intangible assets	(234)	(309)	-24%
Changes in fair value of biological assets	(6,401)	662	n/m
Foreign exchange adjustments loss	(212)	440	n/m
Gain on disposal of property, plant and equipment and investment properties	178	81	120%

n/m : not meaningful

# JAPFA LTD.

(Registration Number: 200819599W)

*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 31/3/2023 US\$'000	As at 31/12/2022 US\$'000	As at 31/3/2023 US\$'000	As at 31/12/2022 US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,005,257	968,094	71	78
Right-of-use assets	215,782	205,135	370	494
Investment properties	24,467	23,047	-	-
Intangible assets	13,021	12,698	-	-
Investment in subsidiaries	-	-	431,928	410,913
Investments in associate and joint ventures	38,547	35,664	28,000	28,000
Biological assets	34,687	40,845	-	-
Deferred tax assets	72,054	58,613	-	-
Real estate assets	65,285	62,481	-	-
Other receivables	965	965	-	-
Other financial assets	14,710	15,408	-	-
Other assets	38,659	37,824	-	-
<b>Total non-current assets</b>	<b>1,523,434</b>	<b>1,460,774</b>	<b>460,369</b>	<b>439,485</b>
<b>Current assets</b>				
Inventories	986,341	948,923	-	-
Biological assets	141,507	136,979	-	-
Trade and other receivables	182,081	190,807	3,961	5,111
Other financial assets	7,370	12,219	7,203	12,034
Other assets	63,984	37,460	20,716	919
Cash at banks	223,983	280,695	30,059	76,816
<b>Total current assets</b>	<b>1,605,266</b>	<b>1,607,083</b>	<b>61,939</b>	<b>94,880</b>
<b>Total assets</b>	<b>3,128,700</b>	<b>3,067,857</b>	<b>522,308</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	564,099	607,736	77,901	81,978
Other reserves	(7,680)	(9,297)	(22,842)	(18,294)
Translation reserve	(227,777)	(248,664)	-	-
<b>Equity attributable to owners of the parent</b>	<b>793,257</b>	<b>814,949</b>	<b>519,674</b>	<b>528,858</b>
Non-controlling interests	414,076	400,317	-	-
<b>Total equity</b>	<b>1,207,333</b>	<b>1,215,266</b>	<b>519,674</b>	<b>528,858</b>
<b>Non-current liabilities</b>				
Defined benefit plan liabilities	80,804	75,209	-	-
Deferred tax liabilities	4,020	4,226	-	-
Other payables	541	423	-	-
Loans and borrowings	613,477	616,985	-	-
Lease liabilities	161,448	148,096	-	29
Other liabilities	1,013	807	-	-
<b>Total non-current liabilities</b>	<b>861,303</b>	<b>845,746</b>	<b>-</b>	<b>29</b>
<b>Current liabilities</b>				
Income tax payable	19,501	16,930	534	535
Trade and other payables	308,620	299,596	1,687	4,440
Loans and borrowings	702,497	657,587	-	-
Lease liabilities	17,087	20,542	413	503
Other financial liabilities	481	274	-	-
Other liabilities	11,878	11,916	-	-
<b>Total current liabilities</b>	<b>1,060,064</b>	<b>1,006,845</b>	<b>2,634</b>	<b>5,478</b>
<b>Total liabilities</b>	<b>1,921,367</b>	<b>1,852,591</b>	<b>2,634</b>	<b>5,507</b>
<b>Total equity and liabilities</b>	<b>3,128,700</b>	<b>3,067,857</b>	<b>522,308</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 31/3/2023</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 - Mar	
	2023	2022
	US Cents	US Cents
Earnings per share for the period		
(a) Based on weighted average number of ordinary shares in issue	(2.11)	0.85
(b) Based on a fully diluted basis	(2.11)	0.85
Weighted Average Number of Ordinary Shares	<u>2,039,237,787</u>	<u>2,040,800,520</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 31/3/2023</u>	<u>As at 31/12/2022</u>	<u>As at 31/3/2023</u>	<u>As at 31/12/2022</u>
Net asset value per ordinary share				
- in US\$	0.39	0.40	0.26	0.26
- in S\$	<u>0.52</u>	<u>0.54</u>	<u>0.34</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.