JAPFA LTD
AND ITS SUBSIDIARIES

(Registration Number: 200819599W)

SGXNET ANNOUNCEMENT
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2021

JAPFA LTD.

(Registration Number: 200819599W)

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

	Note	6 months ended 30 June 2021 US$'000	6 months ended 30 June 2020 US$'000	Change %
Revenue	4	2,262,359	1,833,351	23
Cost of sales		(1,742,140)	(1,455,209)	20
Gross profit		520,219	378,142	38
Marketing and distribution costs		(75,538)	(77,824)	-3
Administrative expenses		(173,751)	(153,713)	13
Operating profit		270,930	146,605	85
Interest income		2,260	3,076	-27
Finance costs		(47,595)	(52,522)	-9
Other gain/(loss)		977	(147)	n/m
Share of results of associate and joint ventures		74	(9)	n/m
Foreign exchange adjustments loss		(14,265)	(1,640)	770
Changes in fair value of biological assets[1]		22,675	(2,745)	n/m
Profit before tax	5	235,056	92,618	154
Tax expense	6	(43,514)	(10,025)	334
Profit, net of tax		191,542	82,593	132
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of the net defined benefits plan, net of tax		-	(3,479)	n/m
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		(20,696)	(29,281)	-29
Share of other comprehensive income of associate and joint ventures		(84)	-	n/m
Cash flow hedges		(3,888)	4,999	n/m
Other comprehensive loss for the year, net of tax		(24,668)	(27,761)	-11
Total comprehensive income		166,874	54,832	204
Profit after tax attributable to owners of the parent, net of tax ("PATMI")		**118,512**	**76,812**	54
Profit after tax attributable to non-controlling interests, net of tax		73,030	5,781	n/m
Profit, net of tax		191,542	82,593	132
Total comprehensive income attributable to owners of parent, net of tax		103,793	58,417	78
Total comprehensive income/(loss) attributable to non-controlling interests, net of tax		63,081	(3,585)	n/m
Total comprehensive income		166,874	54,832	204
Earnings per share for profit for the period attributable to the owners of the company during the year:				
Basic and diluted (cents)	9	5.82	3.82	52

n/m : not meaningful

1 Changes in Fair Value of Biological Assets in 1H2021 includes the gain of US$11.4 million arising from fattening beef that were sold in China during the period.

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 30 June 2021 US$'000	6 months ended 30 June 2020 US$'000	Change %
Core PATMI w/o forex	117,311	89,481	31

We derived Core PATMI from "Profit Attributable to Owners of the Parent, Net of Tax" by excluding a) changes in fair value of biological assets (net of tax), other than gains/(losses) from the sale of beef in China[1], b) changes in fair value of derivatives, and c) 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 30 June 2021 US$'000	6 months ended 30 June 2020 US$'000	Change %
EBITDA	351,645	220,858	59

We define EBITDA as profit before tax, excluding interest income, finance costs, depreciation and amortisation expenses. We also exclude a) foreign exchange adjustments gains/(losses), b) changes in fair value of derivatives relating to foreign exchange hedging, and c) fair value of biological assets, other than gains/(losses) from the sale of beef in China[1].

1 Changes in Fair Value of Biological Assets in 1H2021 includes the gain of US$11.4 million arising from fattening beef that were sold in China during the period.

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B. Condensed interim statements of financial position

	Note	Group		Company	
		As at 30/6/2021 US$'000	As at 31/12/2020 US$'000	As at 30/6/2021 US$'000	As at 31/12/2020 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	1,184,500	1,204,815	97	116
Right-of-use assets		211,563	183,088	1,125	40
Real estate assets		67,186	68,907	-	-
Investment properties		4,808	5,106	-	-
Intangible assets		13,219	14,225	-	-
Investment in subsidiaries		-	-	1,056,102	1,051,956
Investments in associate and joint ventures		33,589	33,757	28,000	28,000
Biological assets	11	472,160	418,341	-	-
Deferred tax assets		30,625	34,355	-	-
Other receivables		17,831	17,931	-	-
Other financial assets		20,026	20,735	-	-
Other Investment	19	123,393	-	-	-
Other assets		70,452	62,162	-	-
Total non-current assets		2,249,352	2,063,422	1,085,324	1,080,112
Current assets					
Inventories	12	1,095,496	787,937	-	-
Biological assets	11	101,250	97,973	-	-
Trade and other receivables		201,202	429,760	59,838	276,162
Other financial assets		3,319	2,515	2,404	2,404
Other assets		90,984	61,588	2,212	2,733
Cash at banks		234,210	224,686	26,201	9,676
Total current assets		1,726,461	1,604,459	90,655	290,975
Total assets		3,975,813	3,667,881	1,175,979	1,371,087
EQUITY AND LIABILITIES					
Equity					
Share capital	13	1,059,882	1,059,882	1,059,882	1,059,882
Treasury shares	13	(11,277)	(22,886)	(11,277)	(22,886)
Retained earnings		722,560	770,228	51,429	210,976
Other reserves		(227,716)	(219,850)	(17,266)	(9,051)
Translation reserve		(180,267)	(167,666)	-	-
Equity attributable to owners of the parent		1,363,182	1,419,708	1,082,768	1,238,921
Non-controlling interests		585,750	542,315	-	-
Total equity		1,948,932	1,962,023	1,082,768	1,238,921
Non-current liabilities					
Defined benefit plan liabilities	14	117,296	120,946	-	-
Deferred tax liabilities		3,994	5,011	-	-
Other payables		4,869	3,004	1,293	700
Loans and borrowings	15	638,134	569,101	-	-
Lease liabilities	15	172,518	142,163	776	-
Other financial liabilities		1,359	-	-	-
Other liabilities		3,037	3,072	-	-
Total non-current liabilities		941,207	843,297	2,069	700
Current liabilities					
Income tax payable		35,794	29,885	-	-
Trade and other payables		375,020	358,438	90,666	52,748
Loans and borrowings	15	635,896	432,011	-	78,687
Lease liabilities	15	12,436	20,854	476	31
Other financial liabilities		-	8,812	-	-
Other liabilities		26,528	12,561	-	-
Total current liabilities		1,085,674	862,561	91,142	131,466
Total liabilities		2,026,881	1,705,858	93,211	132,166
Total equity and liabilities		3,975,813	3,667,881	1,175,979	1,371,087

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C. *Condensed interim statements of changes in equity*

Group	Total equity	Attributable to parent sub-total	Share capital	Treasury shares	Retained earnings	Other reserves	Translation reserve	Non-controlling interests
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2021	1,962,023	1,419,708	1,059,882	(22,886)	770,228	(219,850)	(167,666)	542,315
Movements in equity:								
Total comprehensive income for the period	166,874	103,793	-	-	118,512	(2,118)	(12,601)	63,081
Transfer of share-based payment reserve to liability	(253)	(253)	-	-	-	(253)	-	-
Purchase of treasury shares by the company	(102)	(102)	-	(102)	-	-	-	-
Purchase of treasury shares by subsidiary	(5,239)	-	-	-	-	-	-	(5,239)
Reissued treasury shares by the company pursuant to performance share plan	-	-	-	11,711	-	(11,711)	-	-
Value of employee services pursuant to performance share plan by the company	3,496	3,496	-	-	-	3,496	-	-
Value of employee services received of performance share plan by subsidiary	2,806	2,806	-	-	-	2,806	-	-
Dividend paid to equity holders of the company	(166,180)	(166,180)	-	-	(166,180)	-	-	-
Dividend payable by subsidiary to non-controlling interests	(14,407)	-	-	-	-	-	-	(14,407)
Transfer of cash flow hedge reserve to income statement	(86)	(86)	-	-	-	(86)	-	-
Balance at 30 June 2021	1,948,932	1,363,182	1,059,882	(11,277)	722,560	(227,716)	(180,267)	585,750
Balance at 1 January 2020	1,286,690	880,557	993,178	(7,620)	563,704	(454,730)	(213,975)	406,133
Movements in equity:								
Total comprehensive income for the period	54,832	58,417	-	-	74,979	2,621	(19,183)	(3,585)
Grant of share options by subsidiary	176	176	-	-	-	176	-	-
Purchase of treasury shares by the company	(186)	(186)	-	(186)	-	-	-	-
Purchase of treasury shares by subsidiary	(5,062)	-	-	-	-	-	-	(5,062)
Value of employee services pursuant to performance share plan	1,469	1,469	-	-	-	1,469	-	-
Rights issue of new shares by the company	66,704	66,704	66,704	-	-	-	-	-
Dividend payable by subsidiary to non-controlling interests	(7,768)	-	-	-	-	-	-	(7,768)
Transfer to statutory reserve	-	-	-	-	(320)	320	-	-
Balance at 30 June 2020	1,396,855	1,007,137	1,059,882	(7,806)	638,363	(450,144)	(233,158)	389,718

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

Company	Total equity US$'000	Share capital US$'000	Treasury shares US$'000	Retained earnings US$'000	Other reserves US$'000
Balance at 1 January 2021	1,238,921	1,059,882	(22,886)	210,976	(9,051)
Movements in equity:					
Total comprehensive income for the period	6,633	-	-	6,633	-
Purchase of treasury shares	(102)	-	(102)	-	-
Reissued treasury shares pursuant to performance share plan	-	-	11,711	-	(11,711)
Value of employee services pursuant to performance share plan	3,496	-	-	-	3,496
Dividend paid to equity holders of the company	(166,180)			(166,180)	
Balance at 30 June 2021	1,082,768	1,059,882	(11,277)	51,429	(17,266)
Balance at 1 January 2020	990,957	993,178	(7,620)	19,024	(13,625)
Movements in equity:					
Total comprehensive income for the period	8,009	-	-	8,009	-
Purchase of treasury shares	(186)	-	(186)	-	-
Value of employee services pursuant to performance share plan	1,469	-	-	-	1,469
Rights issue of new shares by the company	66,704	66,704	-	-	-
Balance at 30 June 2020	1,066,953	1,059,882	(7,806)	27,033	(12,156)

D. ***Condensed interim consolidated statement of cash flows***

	6 months ended 30 June 2021 US$'000	6 months ended 30 June 2020 US$'000
Cash flows from operating activities		
Profit before tax	235,056	92,618
Adjustment for:		
Amortisation of intangible assets	765	960
Amortisation of bonds issuance cost	2,890	873
Depreciation of property, plant and equipment	61,200	57,228
Depreciation of investment properties	173	153
Depreciation of right-of-use assets	13,391	10,998
Fair value (gain)/loss on biological assets	(22,675)	2,745
Fair value (gain)/loss on derivative financial instruments	(7,622)	1,056
Fair value changes on other financial assets	24	-
Gain on disposal of a joint venture	-	(858)
Loss on disposal of property, plant and equipment	14	192
Effect of lease liabilities remeasurement	(1,945)	473
Expenses arising from increase in defined benefit plan liabilities	8,685	7,966
Interest income	(2,260)	(3,076)
Interest expense on loans and borrowings	40,889	47,729
Interest expense on leases	6,706	4,793
Value of employee services received pursuant to performance share plan	6,302	1,645
Share of (gain)/loss from associate and joint ventures	(74)	9
Write-off of property, plant and equipment	224	264
Write-off of other financial assets	3	-
Allowance for impairment on trade receivables	(57)	2,941
Net effect of exchange rate changes	(8,377)	(2,694)
Operating cash flows before changes in working capital	333,312	226,015
Inventories	(305,585)	(38,511)
Biological assets	15,737	(3,991)
Trade and other receivables	229,667	10,334
Other assets	(34,927)	(12,175)
Trade and other payables	(11,118)	(100,524)
Defined benefit plan liabilities	(9,007)	(1,101)
Other liabilities	13,932	(770)
Net cash flows from operations	232,011	79,277
Income taxes paid	(8,372)	(3,011)
Interest expense paid	(40,889)	(47,729)
Interest paid on lease liabilities	(6,706)	(4,793)
Net cash flows from operating activities	176,044	23,744

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

	6 months ended 30 June 2021 US$'000	6 months ended 30 June 2020 US$'000
Cash flows used in investing activities		
Purchase of property, plant and equipment	(77,328)	(108,769)
Purchase of Investment Properties	(111)	-
Purchase of intangible assets	(98)	(128)
Purchase of financial assets	(66)	-
Purchase of biological assets	(42,789)	(17,463)
Proceeds from disposal of property, plant and equipment	983	600
Proceeds from disposal of investment properties	180	108
Proceeds from disposal of a joint venture	-	2,280
Consideration paid for acquisition of subsidiaries	(123,393)	-
Increase in real estate assets	(138)	(3,422)
Interest income received	2,260	3,076
Net cash flows used in investing activities	(240,500)	(123,718)
Cash flows from financing activities		
Increase in working capital loans	98,157	77,385
Proceeds from bank loans	169,152	104,151
Repayment of bank loans	(75,182)	(38,400)
Decrease in cash restricted in use	(317)	(3,722)
Purchase of treasury shares by the company	(102)	(186)
Purchase of treasury shares by subsidiary	(5,239)	(5,062)
Repayment of bonds payable	(249,517)	-
Payment of principal portion of lease liabilities	(18,179)	(15,971)
Proceeds from rights issue of new shares by the company	-	66,704
Proceeds from issue of bonds	337,285	-
Dividends paid to equity holders of the company	(166,180)	-
Dividends paid by subsidiary to non-controlling interests	(14,407)	-
Net cash flows from financing activities	75,471	184,899
Net increase in cash and cash equivalents	11,015	84,925
Effect of exchange rate changes on cash and cash equivalents	(1,808)	(522)
Cash and cash equivalents, statement of cash flows, beginning balance	221,857	205,299
Cash and cash equivalents, statement of cash flows, ending balance	231,064	289,702

Notes:

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

	6 months ended 30 June 2021 US$'000	6 months ended 30 June 2020 US$'000
Cash and bank balances	234,210	296,868
Less: bank deposit pledged	(3,146)	(7,166)
Cash and cash equivalents per consolidated statement of cash flows	231,064	289,702

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 30 June 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 30 June 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 annual financial statements for the year ended 31 December 2020. 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

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

3. Agri-business cyclicality

The Group's revenue and profitability are directly impacted by cyclicality 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 refers to the animal protein operations of its public listed subsidiary in Indonesia, PT Japfa Tbk.

Animal Protein – Other 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.

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

4. Segment and revenue information (cont'd)

4.1 Reportable segments

1 January 2021 to 30 June 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
Revenue by segment						
External revenue	1,537,168	458,238	1,995,406	260,693	6,260	2,262,359
Inter-segment revenue	2,416	1,367	3,783	-	(3,783)	-
Total revenue	1,539,584	459,605	1,999,189	260,693	2,477	2,262,359
Operating profit	183,807	35,389	219,196	53,126	(1,392)	270,930
Interest income	837	1,062	1,899	320	41	2,260
Finance costs	(30,773)	(7,588)	(38,361)	(7,775)	(1,459)	(47,595)
Foreign exchange adjustments loss	(291)	(5,367)	(5,658)	(3,864)	(4,743)	(14,265)
Changes in fair value of biological assets	2,064	(5,397)	(3,333)	26,008	-	22,675
Share of results of associate and joint ventures	288	-	288	-	(214)	74
Others	(9,345)	320	(9,025)	5,916	4,086	977
Profit before income tax	146,587	18,419	165,006	73,731	(3,681)	235,056
Income tax expense	(35,209)	(5,437)	(40,646)	(851)	(2,017)	(43,514)
Profit, net of income tax	111,378	12,982	124,360	72,880	(5,698)	191,542
Assets and reconciliations						
Segment assets	1,988,916	707,159	2,696,075	1,184,257	46,744	3,927,076
Unallocated assets	39,545	7,127	46,672	1,038	1,027	48,737
Total Group assets	2,028,461	714,286	2,742,747	1,185,295	47,771	3,975,813
Liabilities and reconciliations						
Segment liabilities	1,191,832	426,896	1,618,728	450,283	(81,918)	1,987,093
Unallocated liabilities	27,319	10,285	37,604	923	1,261	39,788
Total Group liabilities	1,219,151	437,181	1,656,332	451,206	(80,657)	2,026,881

Unallocated liabilities comprise mainly tax payable and deferred tax liabilities.

Other material items and reconciliations						
Capital expenditure	38,178	45,544	83,722	36,636	1,517	121,875
Depreciation and amortisation	49,229	15,911	65,140	9,939	450	75,529

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 30 June 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
Revenue by segment						
External revenue	1,223,488	364,643	1,588,131	244,488	732	1,833,351
Inter-segment revenue	2,541	-	2,541	-	(2,541)	-
Total revenue	1,226,029	364,643	1,590,672	244,488	(1,809)	1,833,351
Operating profit	52,567	47,367	99,934	46,548	123	146,605
Interest income	1,924	1,264	3,188	201	(313)	3,076
Finance costs	(28,929)	(6,518)	(35,447)	(9,098)	(7,977)	(52,522)
Foreign exchange adjustments (loss)/gain	396	893	1,289	(3,115)	186	(1,640)
Changes in fair value of biological assets	(958)	4,599	3,641	(6,386)	-	(2,745)
Share of results of associate and joint ventures	18	(27)	(9)	-	-	(9)
Others	(2,528)	742	(1,786)	2,826	(1,187)	(147)
Profit before income tax	22,490	48,320	70,810	30,976	(9,168)	92,618
Income tax expense	(4,108)	(5,179)	(9,287)	(1,657)	919	(10,025)
Profit, net of income tax	18,382	43,141	61,523	29,319	(8,249)	82,593
Assets and reconciliations						
Segment assets	1,956,235	539,438	2,495,673	965,331	(7,797)	3,453,207
Unallocated assets	47,695	4,316	52,011	1,999	618	54,628
Total Group assets	2,003,930	543,754	2,547,684	967,330	(7,179)	3,507,835
Liabilities and reconciliations						
Segment liabilities	1,202,706	285,568	1,488,274	441,893	150,534	2,080,701
Unallocated liabilities	11,737	9,137	20,874	5,079	4,326	30,279
Total Group liabilities	1,214,443	294,705	1,509,148	446,972	154,860	2,110,980

Unallocated liabilities comprise mainly tax payable and deferred tax liabilities.

Other material items and reconciliations						
Capital expenditure	76,608	47,809	124,417	25,949	16	150,382
Depreciation and amortisation	44,122	13,080	57,202	11,816	321	69,339

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	
	6 months ended 30 June 2021	**6 months ended 30 June 2020**
	US$'000	US$'000
Singapore	30	3,363
Indonesia	1,527,677	1,255,987
Vietnam	345,484	279,483
China	259,406	190,562
India	63,438	44,687
Myanmar	45,591	41,338
Bangladesh	4,549	151
Others	16,184	17,780
	2,262,359	1,833,351

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

4.2 Disaggregation of revenue

Major product

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

	Animal Protein – PT Japfa Tbk	**Animal Protein – Other**	**Dairy**	**Total**
	US$'000	US$'000	US$'000	US$'000
1 January 2021 to 30 June 2021				
Sales of animal feed	533,818	195,327	-	729,145
Sales of livestock	717,838	218,629	44,445	980,912
Sales of raw milk	-	-	202,646	202,646
Sales of animal protein and milk products	204,442	30,185	13,603	248,230
1 January 2020 to 30 June 2020				
Sales of animal feed	443,353	149,922	347	593,622
Sales of livestock	556,772	178,854	33,063	768,689
Sales of raw milk	-	-	159,502	159,502
Sales of animal protein and milk products	154,415	17,254	48,713	220,382

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

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

5. Profit before tax

5.1 Significant items

	6 months ended 30 June 2021 US$'000	6 months ended 30 June 2020 US$'000
Income /(expenses)		
Finance costs		
- Interest expense on loans and borrowings	(40,889)	(47,729)
- Interest expense on lease liabilities	(6,706)	(4,793)
Foreign exchange adjustments loss	(14,265)	(1,640)
Depreciation of property, plant and equipment	(61,200)	(57,228)
Depreciation of investment properties	(173)	(153)
Depreciation of right-of-use assets	(13,391)	(10,998)
Amortisation of intangible assets	(765)	(960)
Changes in fair value of biological assets	22,675	(2,745)
Gain/(loss) on derivative financial instruments		
- Forex	7,293	(2,470)
- Non-forex	329	1,414
Loss on disposal of property, plant and equipment and investment properties	(14)	(192)

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.

	Group	
	6 months ended 30 June 2021 US$'000	6 months ended 30 June 2020 US$'000
Revenue	2,712	5,850
Purchases of goods	155	2,248
Insurance expense	374	1,618
Rental income	491	2
Interest income	173	8
Rental of premises	135	186
Rental of boat	-	234
Technical service fee income	44	-

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	
	6 months ended 30 June 2021	**6 months ended 30 June 2020**
	US$'000	US$'000
Current income tax expense	41,085	17,798
Deferred income tax expense relating to original and reversal of temporary differences	2,429	(7,773)
Income tax expense recognised in statement of comprehensive income	43,514	10,025

7. Dividends

	Group	
	6 months ended 30 June 2021	**6 months ended 30 June 2020**
	US$'000	US$'000
Dividends paid during the financial period		
Dividends on ordinary shares:		
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 2021	150,851	-

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

8. Net asset value

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Net asset value per ordinary share				
- in US$	0.67	0.70	0.53	0.61
- in S$	0.90	0.93	0.71	0.81

9. Earnings per share

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	US Cents	US Cents
Earnings per share for the period		
(a) Based on weighted average number of ordinary shares in issue	5.82	3.82
(b) Based on a fully diluted basis	5.82	3.82
Weighted average number of ordinary shares	2,035,753,452	2,011,449,435

10. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to US$78.8 million (30 June 2020: US$109.9 million) and disposed of assets amounting to US$1.2 million (30 June 2020: US$1.1 million).

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

11. Biological assets

	Group	
	30 June 2021	**31 December 2020**
	US$'000	US$'000
Breeding chickens	101,250	97,973
Breeding cattle	6,239	7,674
Breeding swine	45,945	40,552
Dairy cows	419,814	369,948
Forage and plantation	162	167
	573,410	516,314
Fattening livestock	235,623	188,853
	809,033	705,167
Presented as:		
Biological assets, current	101,250	97,973
Biological assets, non-current	472,160	418,341
Biological assets presented as Inventories (Note 12)	235,623	188,853
	809,033	705,167

	Group
	US$'000
6 months ended 30 June 2021	
Opening balance at 1 January 2021	705,167
Net additions	82,799
Changes in fair value	22,675
Foreign exchange adjustments	(1,608)
Closing balance at 30 June 2021	809,033

12. Inventories

	Group	
	30 June 2021	**31 December 2020**
	US$'000	US$'000
Finished goods	121,302	92,767
Work in process	5,400	4,882
Raw materials	677,981	449,039
Consumables	55,190	52,396
	859,873	599,084
Biological assets presented under inventories (Note 11)	235,623	188,853
	1,095,496	787,937

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 of shares issued	Amount
Issued and fully paid ordinary shares:	'000	US$'000
30 June 2021		
Beginning of interim period on 1 January 2021 and end of interim period on 30 June 2021	2,067,423	1,059,882
31 December 2020		
Beginning of interim period on 1 July 2020 and end of interim period on 31 December 2020	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
30 June 2021		
Beginning of interim period on 1 January 2021	41,338	22,886
Acquired of shares	150	102
Reissued of shares under performance share plan	(21,135)	(11,711)
End of interim period on 30 June 2021	20,353	11,277
31 December 2020		
Beginning of interim period on 1 July 2020	18,338	7,806
Acquired of shares	23,000	15,080
End of interim period on 31 December 2020	41,338	22,886

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

The Company acquired 150,000 (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$0.1 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 30 June 2021 is 2,047,070,320 (31 December 2020: 2,026,084,720).

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

14. Defined benefit plan liabilities

	Group	
	30 June 2021	**31 December 2020**
	US$'000	US$'000
Present value of unfunded defined benefit	136,513	136,809
Fair value of plan assets	(19,216)	(15,863)
Defined benefit plan liabilities	117,297	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:

	Group
	US$'000
6 months ended 30 June 2021	
Opening balance at 1 January 2021	120,946
Net benefit expense recognised in statement of comprehensive income	8,685
Contributions to plan made	(8,296)
Payments for the year	(711)
Others	(3,328)
Closing balance at 30 June 2021	117,296

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

	Group
	US$'000
6 months ended 30 June 2021	
Opening balance at 1 January 2021	15,863
Interest income	255
Contributions from the employer	8,296
Benefits paid	(4,773)
Foreign exchange adjustments	(425)
Closing balance at 30 June 2021	19,216

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

15. Borrowings

	Group	
	30 June 2021	**31 December 2020**
	US$'000	US$'000
Amount due within one year		
Secured	509,609	385,976
Unsecured	138,723	66,889
Total	648,332	452,865
Amount due more than one year		
Secured	280,329	253,592
Unsecured	530,323	457,672
Total	810,652	711,264

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.

Disclosure pursuant to Rule 704(31) and Rule 728 of the Listing Manual

Further to the Company's announcement on 28 June 2021 in relation to the proposed acquisition of the Pure Source Farms and the entry of a US$130m the facility agreement with DBS Bank Ltd on 23 June 2021 ("Facility Agreement") whereby the Facility Agreement included a covenant against the change of majority shareholding (directly or indirectly) and management control in AustAsia tied to the Company and/or its affiliates (including the Santosa family) and/or key management, the Company wish to inform that as at 30 June 2021, the total outstanding loans with restriction covenants tied to the change in control of the Santosa family is US$617.47m.

In compliance with Rule 728 of the Listing Manual of the SGX-ST, the Company had on 29 July 2014 obtained an undertaking from its controlling shareholders Mr. Handojo Santosa and Ms. Rachel Anastasia Kolonas to notify the Company as soon as he or she becomes aware, of any share pledging arrangements by the Scuderia Trust and the Capital Two Trust (directly and/or indirectly) respectively and of any event which may result in a breach of the provisions under the then existing or any future banking facilities, where the shareholdings of the Controlling Shareholders are referenced.

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 30 June 2021 and 31 December 2020:

	Group		Company	
	30 June 2021	**31 December 2020**	**30 June 2021**	**31 December 2020**
	US$'000	US$'000	US$'000	US$'000
Financial Assets				
Total trade and other receivables	219,033	447,691	59,838	276,162
Cash at bank	234,210	224,686	26,201	9,676
Deposit	6,595	4,901	134	143
Total financial assets	459,838	677,278	86,173	285,981
Financial Liabilities				
Trade and other payables	379,889	361,442	91,959	53,448
Loan and borrowings	1,274,030	1,001,112	-	78,687
Lease liabilities	184,954	163,017	1,252	31
Total financial liabilities	1,838,873	1,525,571	93,211	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	
	6 months ended 30 June 2021	**6 months ended 30 June 2020**
	US$'000	US$'000
Additions of property, plant and equipment (Note 10)	78,767	109,945
Less: Net movements in liability for purchase/ construction of plant and equipment	(1,439)	(1,176)
Purchase of property, plant and equipment in consolidated statement of cash flows	77,328	108,769

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

18. Fair value measurement

(a) ***Fair value hierarchy***

The Group categories 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 30 June 2021 and 31 December 2020:

	Fair value measurements at the end of the reporting period using			
	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
30 June 2021				
Assets/(liabilities) measured at fair value				
Financial assets/(liabilities):				
Equity securities at FVOCI				
Unquoted equity securities	-	-	7,307	7,307
Derivatives				
Foreign currency forward and option contracts	-	14,678	-	14,678
Interest rate swap contracts	-	-	-	-
Financial assets	-	14,678	7,307	21,985
Non-financial assets:				
Biological assets	-	-	809,033	809,033
Non-financial assets	-	-	809,033	809,033

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)***

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	US$'000	US$'000	US$'000	US$'000
2020				
Assets/(liabilities) measured at fair value				
Financial assets/(liabilities):				
Equity securities at FVOCI				
Unquoted equity securities	-	-	7,368	7,368
Derivatives				
Foreign currency forward and option contracts	-	7,396	-	7,396
Interest rate swap contracts	-	(326)	-	(326)
Financial assets as at 31 December 2020	-	7,070	7,368	14,438
Non-financial assets:				
Biological assets	-	-	705,167	705,167
Non-financial assets as at 31 December 2020	-	-	705,167	705,167

19. Acquisition of new subsidiaries

As disclosed in the SGX announcement dated 28 June 2021, the Company announced that its 75% owned, principal subsidiary, AustAsia Investment Holdings Pte Ltd ("AustAsia"), has on 27 June 2021 entered into a Share Purchase Agreement ("SPA") with unrelated parties to acquire the entire issued capital of Falcon Dairy Holdings Limited ("Falcon").

Falcon holds 100% of the registered capital of Pure Source Dairy Farm Company Limited ("Pure Source") which owns two dairy farms in Shandong, China (Falcon and Pure Source being together the "Falcon Group").

The transaction was completed on 30 June 2021 and Japfa Group has taken control over the operations of Falcon Group on 1 July 2021. Japfa Group will consolidate the accounts of Falcon Group effective from 1 July 2021.

The consideration paid at closing of US$123.4 million is presented as "other investments" in the balance sheet as at 30 June 2021.

20. Subsequent events

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

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Japfa Ltd and its subsidiaries as at 30 June 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. Review of performance of the Group

Review of Group Performance

1H2021 vs 1H2020

Revenue

	1H2021	1H2020	Variance[1]
	US$ million	US$ million	US$ million
Animal Protein – PT Japfa Tbk ("PT Japfa Tbk")	1,539.6	1,226.0	313.6
Animal Protein – Other ("APO")	459.6	364.6	95.0
Dairy	260.7	244.5	16.2
Others[2]	2.5	(1.8)	4.3
Group	2,262.4	1,833.4	429.0

Revenue increased across all 3 segments in PT Japfa Tbk, APO and Dairy. Revenue increase in PT Japfa Tbk mainly driven by higher sales volumes for feed, DOC, and broiler in Indonesia. Revenue increase in APO mainly driven by higher sales volumes for swine fattening and swine feed in Vietnam. Revenue increase in Dairy mainly driven by higher sales volume of raw milk in China.

Operating Profit

	1H2021	1H2020	Variance[1]
	US$ million	US$ million	US$ million
Animal Protein – PT Japfa Tbk ("PT Japfa Tbk")	183.8	52.6	131.2
Animal Protein – Other ("APO")	35.4	47.4	(12.0)
Dairy	53.1	46.5	6.6
Others[2]	(1.4)	0.1	(1.5)
Group	270.9	146.6	124.3

Improved operating profit in PT Japfa Tbk due to more stable poultry prices arising from effective culling initiatives which successfully balanced supply and demand. Improved operating profit in Dairy driven by higher raw milk price in China due to supply shortage. Dropped in operating profit in APO mainly due to lower swine fattening average selling prices ("ASPs') in Vietnam. The swine fattening ASPs in 2020 were exceptionally high due to the supply shortage caused by African Swine Fever. As the supply of pork in the market has progressively increased since then, this has lowered swine fattening ASPs in 2021. Overall Group operating profit improved by US$124.3 million to US$270.9 million in 1H2021.

[1] Due to rounding, numbers presented may not add up precisely to the totals provided.
[2] Others include corporate office, central purchasing office in Singapore and elimination adjustments between segments.

2. Review of performance of the Group (cont'd)

Gain from changes in fair value of biological assets was US$22.7 million in 1H2021 as compared to a loss of US$2.7 million in 1H2020. The gain from changes in fair value of biological assets in 1H2021 mainly comprised a US$11.4 million gain arising from fattening of beef cattle that were sold in China during the period and a US$11.2 million gain from the changes in fair value of dairy herd in China.

Foreign exchange adjustments losses were US$14.3 million in 1H2021 as compared to US$1.6 million in 1H2020. The gain on foreign exchange financial instruments included in Other Gain were US$7.3 million in 1H2021 as compared to US$1.4 million in 1H2020. The net exchange losses of US$7.0 million in 1H2021 mainly due to the depreciation of Kyat against payables due in USD.

As a result of the above, the Group recorded a profit after tax ("PAT") of US$191.5 million in 1H2021 as compared to US$82.6 million in 1H2020. The profit attributable to owners of the parent ("PATMI") was US$118.5 million in 1H2021 as compared to US$76.8 million in 1H2020.

Review of Group Financial Position

Total assets as at 30 June 2021 increased by US$307.9 million from US$3,667.9 million to US$3,975.8 million primarily due to increase in other investment, biological assets, inventories and cash and cash equivalents.

Total liabilities as at 30 June 2021 increased by US$321.0 million from US$1,705.9 million to US$2,026.9 million primarily due to increase in loans and borrowings.

Equity attributable to the Owners of the Parent decreased by US$56.5 million from US$1,419.7 million to US$1,363.2 million mainly due to dividends paid amounting to US$166.2 million (special interim dividend of S$0.10 per share and final dividend of S$0.01 per share) during 1H2021 offset by a 1H2021 PATMI of US$118.5 million.

Review of Group Cash Flow

Net cash flows from operating activities were US$176.0 million in 1H 2021, which mainly arose from operating cash flows before changes in working capital of US$333.3 million, changes in working capital of US$101.3 million, income tax paid of US$8.4 million and interest paid of US$47.6 million.

Net cash flows used in investing activities were US$240.5 million in 1H 2021 mainly represented by consideration paid for acquisition of subsidiaries of US$123.4 million, purchase of property, plant and equipment of US$77.3 million and purchase of biological assets of US$42.8 million.

Net cash flows from financing activities were US$75.5 million in 1H 2021 mainly arose from proceeds from issue of bonds of US$337.3 million, proceeds from bank loans of US$169.2 million, increase in working capital loans of US$98.2 million and partially offset by repayment of bonds payable of US$249.5 million, repayment of bank loans of US$75.2 million and dividend paid of US$180.6 million.

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

Not applicable.

4. 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 to impact people's lives and the global economy. Even with vaccination programmes being rolled out, the pandemic and its impact on people's lives and the global economy remain unpredictable. 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 cyclicality 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.

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.

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 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. The effects of Covid-19 have recently worsened in Indonesia and this may dampen demand and impact selling prices of our products.

The Company believes that the pandemic has recently worsened, which 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.

4. 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)

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 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.

As a consequence of the substantial drop in pork supply due to ASF in Vietnam, with demand for pork appearing stable, pork prices have remained strong since 4Q2019. More recently, 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 recently worsened in Vietnam and this could impact our operations.

In relation to our operations in Myanmar, consumer demand has been affected both by Covid-19 and by the political situation in Myanmar. 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 1H2021. Should the situation worsen, some level of accounting impairment may be necessary in the future. 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.

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 30 June 2021	As at 30 June 2020
Issued ordinary shares	2,067,423,320	2,067,423,320
Treasury shares	20,353,000	18,338,600
Issued ordinary shares excluding treasury shares	2,047,070,320	2,049,084,720

6. Dividend information

(a) Current financial period reported on
Nil

No interim dividend is recommended for the current financial period reported on as the Group intends to conserve cash to be used for the operations. It is the Group's practice to recommend dividend payment annually together with its audited full-year results.

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

(c) Date payable
Not applicable

(d) Books closure date
Not applicable

7. Interested person transactions

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

8. Disclosure pursuant to Rule 706A of the Listing Manual

(a) The Company wish to announce that PT Japfa Comfeed Indonesia Tbk, together with its subsidiary company, PT Ciomas Adisatwa have incorporated a new subsidiary company, PT Multi Farmindo Jaya, ("PT MFJ") in Indonesia.

PT MFJ was incorporated on 15 June 2021 with an initial paid-up capital of Rp24 billion (approximately US$1.7 million). The business activities of PT MFJ are operation of animal husbandry, breeding and culture of ducks.

The initial capital of PT MFJ is funded through the Group's internal resources. The incorporation of the PT MJF is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2021.

Saved as disclosed above, none of the Directors or Controlling Shareholders of the Company has an interest, directly or indirectly, in the above transaction, save through their shareholdings (if any) in the Company.

8. Disclosure pursuant to Rule 706A of the Listing Manual (cont'd)

(b) AustAsia Investment Holding Pte Ltd, a 75% subsidiary of Japfa Ltd and the holding company of the Japfa Group's dairy business has incorporated a wholly-owned subsidiary, Shan Dong AustAsia Technology Co. Ltd ("SDAAT") in China.

SDAAT was incorporated on 2 June 2021 with a registered investment capital of US$12 million payable within 2 years and to be funded through the Group's internal resources.

The business activity of SDAAT is production and sale of animal feed in China.

The incorporation of SDAA and the establishment of the China feed operation are not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2021.

Saved as disclosed above, none of the Directors or Controlling Shareholders of the Company has an interest, directly or indirectly, in the above transaction, save through their shareholdings (if any) in the Company.

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.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Yong Nang
Director

Kevin John Monteiro
Director

Singapore
29 July 2021