



JAPFA LTD

AND ITS SUBSIDIARIES

(Registration Number: 200819599W)

UNAUDITED FINANCIAL UPDATE  
FOR NINE MONTHS  
ENDED 30 SEPTEMBER 2022

*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 2022. For a limited discussion of the Company's nine months ended 30 September 2022 financial results, please refer to the Company's Investor Presentation nine months ended 30 September 2022 Financial Results available on the SGXnet and the Company's website [www.japfa.com](http://www.japfa.com).*

# JAPFA LTD.

(Registration Number: 200819599W)

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

## Income Statement

	Jan - Sep		Change %
	2022 US\$'000	2021 US\$'000	
<b>Revenue</b>	3,738,323	3,383,670	10%
Cost of sales	(3,155,239)	(2,765,409)	14%
<b>Gross profit</b>	583,084	618,261	-6%
Marketing and distribution costs	(123,433)	(112,596)	10%
Administrative expenses	(235,975)	(239,186)	-1%
<b>Operating profit</b>	223,676	266,479	-16%
Interest income	1,778	2,924	-39%
Finance costs	(81,743)	(71,189)	15%
Other gain	9,079	31,293	-71%
Foreign exchange adjustments loss	(13,436)	(16,189)	-17%
Changes in fair value of biological assets <sup>1</sup>	(1,866)	20,169	n/m
Share of results of associate and joint ventures	915	(70)	n/m
<b>Profit before tax</b>	138,403	233,417	-41%
Tax expense	(30,154)	(39,213)	-23%
<b>Profit, net of tax</b>	108,249	194,204	-44%
<b>Other comprehensive loss:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurement of the net defined benefits plan, net of tax	2,677	5,663	-53%
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax	(156,734)	(15,816)	891%
Share of other comprehensive loss of associate and joint ventures	(1,533)	(290)	429%
Cash flow hedges	(14,322)	(2,273)	530%
<b>Other comprehensive loss for the year, net of tax</b>	(169,912)	(12,716)	n/m
<b>Total comprehensive (loss)/income</b>	(61,663)	181,488	n/m
Profit after tax attributable to owners of the parent, net of tax ("PATMI")	46,341	113,886	-59%
Profit after tax attributable to non-controlling interests, net of tax	61,908	80,318	-23%
Profit, net of tax	108,249	194,204	-44%
Total comprehensive (loss)/income attributable to owners of parent, net of tax	(61,034)	103,911	n/m
Total comprehensive (loss)/income attributable to non-controlling interests, net of tax	(629)	77,577	n/m
Total comprehensive (loss)/income	(61,663)	181,488	n/m
Earnings per share for profit for the period attributable to owners of the parent during the year:			
Basic and diluted (cents)	2.27	5.58	-59%

n/m : not meaningful

<sup>1</sup> Changes in Fair Value of Biological Assets in 9M 2022 includes the gain of US\$7.5 million (9M 2021: US\$15.3 million) arising from fattening beef that were sold in China during the period.

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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 IFRS.

	Jan - Sep		
	2022	2021	Change
	US\$'000	US\$'000	%
Core PATMI w/o forex	65,684	120,958	-46%

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.

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.

	Jan - Sep		
	2022	2021	Change
	US\$'000	US\$'000	%
EBITDA	347,641	420,951	-17%

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>.

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

	Jan - Sep		
	2022	2021	Change
	US\$'000	US\$'000	%
<b><u>Income /(expenses)</u></b>			
Finance costs			
- Interest expense on loans and borrowings	(65,071)	(59,538)	9%
- Interest expense on lease liabilities	(16,672)	(11,651)	43%
Depreciation of property, plant and equipment	(79,248)	(92,414)	-14%
Depreciation of investment properties	(556)	(259)	115%
Depreciation of right-of-use assets	(25,501)	(21,477)	19%
Amortisation of intangible assets	(1,131)	(1,110)	2%
Changes in fair value of biological assets	(1,866)	20,169	n/m
Foreign exchange adjustments loss	(13,436)	(16,189)	-17%
Gain on derivative financial instruments			
- Forex	-	7,292	n/m
- Non-forex	-	329	n/m
Loss on disposal of property, plant and equipment and investment properties	(551)	(30)	n/m

n/m : not meaningful

<sup>1</sup> Changes in Fair Value of Biological Assets in 9M 2022 includes the gain of US\$7.5 million (9M 2021: US\$15.3 million) arising from fattening beef that were sold in China during the period.

# 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	As at	As at	As at
	30/9/2022	31/12/2021	30/9/2022	31/12/2021
	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,359,292	1,341,657	85	99
Right-of-use assets	377,981	336,911	617	988
Investment properties	23,756	25,874	-	-
Intangible assets	13,665	14,543	-	-
Investment in subsidiaries	-	-	923,107	908,735
Investments in associate and joint ventures	37,258	34,368	28,000	28,000
Biological assets	530,290	511,998	-	-
Deferred tax assets	45,802	36,412	-	-
Real estate assets	65,014	69,158	-	-
Other receivables	13,081	12,994	-	-
Other financial assets	14,849	18,252	-	-
Other assets	60,458	43,623	-	-
<b>Total non-current assets</b>	<b>2,541,446</b>	<b>2,445,790</b>	<b>951,809</b>	<b>937,822</b>
<b>Current assets</b>				
Inventories	1,270,387	1,120,839	-	-
Biological assets	130,762	108,839	-	-
Trade and other receivables	225,563	231,905	50,152	40,872
Other financial assets	5,041	2,552	2,404	2,404
Other assets	107,735	71,722	1,198	2,627
Cash at banks	264,215	320,566	100,261	137,860
<b>Total current assets</b>	<b>2,003,703</b>	<b>1,856,423</b>	<b>154,015</b>	<b>183,763</b>
<b>Total assets</b>	<b>4,545,149</b>	<b>4,302,213</b>	<b>1,105,824</b>	<b>1,121,585</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	1,059,882	1,059,882	1,059,882	1,059,882
Treasury shares	(12,307)	(14,125)	(12,307)	(14,125)
Retained earnings	735,100	709,272	72,464	84,116
Other reserves	(164,519)	(157,676)	(18,174)	(16,082)
Translation reserve	(271,573)	(170,381)	-	-
<b>Equity attributable to owners of the parent</b>	<b>1,346,583</b>	<b>1,426,972</b>	<b>1,101,865</b>	<b>1,113,791</b>
Non-controlling interests	694,673	719,480	-	-
<b>Total equity</b>	<b>2,041,256</b>	<b>2,146,452</b>	<b>1,101,865</b>	<b>1,113,791</b>
<b>Non-current liabilities</b>				
Defined benefit plan liabilities	85,128	88,643	-	-
Deferred tax liabilities	4,229	5,987	-	-
Other payables	14,350	15,609	598	320
Loans and borrowings	793,272	735,109	-	-
Lease liabilities	312,073	263,260	147	529
Other financial liabilities	387	1,249	-	-
Other liabilities	3,694	4,353	-	-
<b>Total non-current liabilities</b>	<b>1,213,133</b>	<b>1,114,210</b>	<b>745</b>	<b>849</b>
<b>Current liabilities</b>				
Income tax payable	16,315	22,537	8	192
Trade and other payables	452,555	403,143	2,739	6,270
Loans and borrowings	785,817	573,787	-	-
Lease liabilities	21,532	24,390	467	483
Other financial liabilities	-	152	-	-
Other liabilities	14,541	17,542	-	-
<b>Total current liabilities</b>	<b>1,290,760</b>	<b>1,041,551</b>	<b>3,214</b>	<b>6,945</b>
<b>Total liabilities</b>	<b>2,503,893</b>	<b>2,155,761</b>	<b>3,959</b>	<b>7,794</b>
<b>Total equity and liabilities</b>	<b>4,545,149</b>	<b>4,302,213</b>	<b>1,105,824</b>	<b>1,121,585</b>

## JAPFA LTD.

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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 30/9/2022</u>	<u>As at 31/12/2021</u>
Total number of issued shares excluding treasury shares	2,043,717,820	2,040,800,520

**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	
	2022	2021
	<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	2.27	5.58
(b) Based on a fully diluted basis	2.27	5.58
Weighted Average Number of Ordinary Shares	<u>2,042,625,144</u>	<u>2,039,567,194</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 30/9/2022</u>	<u>As at 31/12/2021</u>	<u>As at 30/9/2022</u>	<u>As at 31/12/2021</u>
Net asset value per ordinary share				
- in US\$	0.66	0.70	0.54	0.55
- in S\$	<u>0.94</u>	<u>0.95</u>	<u>0.77</u>	<u>0.74</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.