JAPFA LTD
(Company Registration Number: 200819599W)
(Incorporated in Singapore on 8 October 2008)

JOINT VENTURE WITH PT CARGILL FOOD INVESTMENT INDONESIA

Japfa Ltd (the "Company") wishes to announce that its wholly owned Indonesian subsidiary, PT So Good Food ("SGF") has on 20 September 2016 entered into a Joint Venture Agreement with PT Cargill Food Investment Indonesia ("PT Cargill") and Cargill Meats (Thailand) Limited ("CMT") (PT Cargill and CMT being collectively "Cargill") in relation to PT Cahaya Gunung Foods, a company to be incorporated ("JVCo").

The initial capital subscription for JVCo is US$6 million, of which SGF will contribute US$2.4 million (40%) and Cargill will contribute US$3.6 million (60%). Completion for the initial subscription will take place in six months' time.

JVCo will manufacture unbranded cooked poultry products for supply to quick service restaurants in Indonesia ("QSR"), as well as HORECA (hotels, restaurants and food service) and CVS (convenience stores and petrol kiosks). JVCo will enjoy exclusivity with respect to its QSR, HORECA and CVS (hot-box) markets. In addition, JVCo will also toll manufacture certain existing SGF products, and contract manufacture new products developed by JVCo for SGF.

JVCo will commence manufacturing operations on or about in six months' time (1Q2017), at SGF's Boyolali factory which it will lease from SGF.

SGF will fund its investment in JVCo through internal resources and/or bank borrowings. This transaction is not expected to have a material effect on the net tangible assets per share and earnings per share of the Group for the current financial year.

None of the directors or substantial shareholders of the Company has any interest in the above transaction.

By Order of the Board
Japfa Ltd

Tan Yong Nang
Executive Director and Chief Executive Officer

Date: 20 September 2016