PRESS RELEASE

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Japfa strengthens consumer food capabilities through joint venture with Cargill

- ***Joint venture brings together two leading industry players to produce tasty, high-quality, and safe chicken products***

- ***Strategic partnership will enhance the depth and breadth of Japfa's consumer food processing capabilities, and widen its product range to tap the growing food market in Indonesia***

- ***Joint venture is Cargill's first entry in the poultry business in Indonesia, reflecting the company's continued commitment to invest in the country***

Singapore, 20 September 2016 – **PT So Good Food**, a wholly-owned Indonesian subsidiary of leading agri-food company **Japfa Ltd** ("Japfa", or together with its subsidiaries, the "Group"), and **PT Cargill Food Investment Indonesia** ("Cargill Indonesia"), a wholly-owned subsidiary of global agri-business and food industry leader **Cargill Inc.** ("Cargill"), have entered into a 40-60 joint venture to produce and supply fully-cooked poultry products in Indonesia.

The strategic partnership will further boost PT So Good Food's capabilities in consumer food processing technologies, product innovation and quality assurance by leveraging Cargill's broad industry expertise. Both Japfa and Cargill will also work together to produce a new range of value-added consumer food products.

Besides toll manufacturing for PT So Good Food, the joint venture company, PT Cahaya Gunung Foods ("JVCo"), will supply high quality products to well-established and reputable quick service restaurants ("QSR"); hotels, restaurants, and the food service sector ("HORECA"); as well as convenience stores and petrol kiosks ("CVS") in Indonesia. The JVCo will also have the capability to export products to the region.

Cementing Partnership, Strengthening Capabilities

On the Group's latest partnership, Mr Tan Yong Nang, Chief Executive Officer of Japfa, explained, "We are pleased to further cement our relationship with Cargill, whom we have had a long standing business relationship with. To be selected as Cargill's JV partner is testament of Japfa's high quality, food safety and welfare standards. We look forward to strengthening our capabilities and know-how with Cargill's broad industry expertise, and deliver even better quality chicken products."

Derek Schoonbaert, Managing Director of PT Cahaya Gunung Foods stated, "Indonesia is an important growth market for Cargill. This is our first venture in the poultry business in Indonesia and we are excited to be partnering with Japfa. We will implement our world-class systems and processes to ensure high quality chicken products through our broad industry expertise and quality standards.

The JVCo will initially operate out of PT So Good Food's existing value-added meat plant at Boyolali, Indonesia and take over the employment of the employees at the processing facility. Both companies will look to invest and expand the operations together, focusing on new premium products.

Meanwhile, PT So Good Food will continue to operate its four meat processing plants in Indonesia, focused on producing downstream branded ready-to-eat consumer food products such as chicken nuggets, meat balls and shelf-stable sausages.

Growing Appetite in Indonesia

According to Euromonitor, Indonesia is the largest foodservice market in ASEAN. The value sales for Indonesia's foodservice market grew at a compound annual growth rate ("CAGR") of 8.7% from 2010 to 2014, reaching US$36.8 billion in 2014, which was about US$14 billion higher than the next largest ASEAN market, Thailand.

Full-service restaurants, fast food and street stalls/kiosks are the top three growth drivers for Indonesia's foodservice market. The sales value of the foodservice market is estimated to increase at a CAGR of 9.0% from 2015 to 2019 to hit US$56.3 million by end 2018.

"As the world's fourth most populous nation, Indonesia's foodservice market offers immense opportunities. Today, our *So Good*, *So Good Sozzis* and *So Nice* brands are already award-winning household brands in Indonesia for processed meats such as chicken nuggets, meat balls and shelf-stable sausages. Our JV with Cargill will take us a step further into new growth segments such as HORECA and CVS with a wider range of consumer food products," concluded Mr Tan.

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ABOUT JAPFA LTD

Japfa Ltd is a leading agri-food producer focused on feeding emerging Asian markets. The Group produces protein staples such as chicken, beef and milk, as well as protein-based consumer food products. From its headquarters in Singapore, Japfa operates its businesses in the fast growing economies of Indonesia, China, India and Indo-China. Backed by two generations of farming experience, it operates industrial-scale farms which are vertically integrated with its downstream food processing operations.

ABOUT CARGILL

Cargill provides food, agriculture, financial and industrial products and services to the world. Together with farmers, customers, governments and communities, it helps people thrive by applying its insights and 150 years of experience. Cargill has 150,000 employees in 70 countries who are committed to feeding the world in a responsible way, reducing environmental impact and improving the communities where they live and work. For more information, visit Cargill.com.

This press release is issued on behalf of Japfa Ltd by Kreab Singapore.

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