



JAPFA LTD

AND ITS SUBSIDIARIES

(Registration Number: 200819599W)

UNAUDITED FINANCIAL UPDATE FOR THE FIRST QUARTER ENDED 31 MARCH 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 1Q2022. For a limited discussion of the Company's 1Q2022 financial results, please refer to the Company's Investor Presentation 1Q2022 Financial Results available on the SGXnet and the Company's website 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 - Mar		
	2022	2021	Change
	US\$'000	US\$'000	%
Revenue	1,246,018	1,103,149	13%
Cost of sales	(1,045,643)	(826,009)	27%
Gross profit	200,375	277,140	-28%
Marketing and distribution costs	(40,949)	(37,720)	9%
Administrative expenses	(78,040)	(89,587)	-13%
Operating profit	81,386	149,833	-46%
Interest income	565	1,315	-57%
Finance costs	(25,906)	(19,789)	31%
Other gain/(loss)	4,092	(4,886)	n/m
Foreign exchange adjustments gain/(loss)	594	(10,652)	n/m
Changes in fair value of biological assets ¹	(10,081)	(11,725)	-14%
Share of results of associate and joint ventures	813	700	16%
Profit before tax	51,463	104,796	-51%
Tax expense	(10,407)	(22,673)	-54%
Profit, net of tax	41,056	82,123	-50%
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of the net defined benefits plan, net of tax	(125)	-	n/m
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax	(2,108)	(32,952)	-94%
Share of other comprehensive income of associate and joint ventures	125	(703)	n/m
Cash flow hedges	(2,918)	1,191	n/m
Other comprehensive loss for the year, net of tax	(5,026)	(32,464)	-85%
Total comprehensive income	36,030	49,659	-27%
Profit after tax attributable to owners of the parent, net of tax ("PATMI")	17,316	48,546	-64%
Profit after tax attributable to non-controlling interests, net of tax	23,740	33,577	-29%
Profit, net of tax	41,056	82,123	-50%
Total comprehensive income attributable to owners of parent, net of tax	14,397	28,271	-49%
Total comprehensive income attributable to non-controlling interests, net of tax	21,633	21,388	1%
Total comprehensive income	36,030	49,659	-27%
Earnings per share for profit for the period attributable to the owners of the company during the year:			
Basic and diluted (cents)	0.85	2.40	-67%

n/m : not meaningful

¹ Changes in Fair Value of Biological Assets in 1Q2022 includes the gain of US\$2.8 million (1Q2021: US\$5.6 million) arising from fattening beef that were sold in China during the period.

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. (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 - Mar		Change %
	2022 US\$'000	2021 US\$'000	
Core PATMI w/o forex	<u>24,589</u>	<u>67,901</u>	-64%

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 China¹, 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.

	Jan - Mar		Change %
	2022 US\$'000	2021 US\$'000	
EBITDA	<u>129,759</u>	<u>185,582</u>	-30%

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 China¹.

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

	Jan - Mar		Change %
	2022 US\$'000	2021 US\$'000	
<u>Income /(expenses)</u>			
Finance costs			
- Interest expense on loans and borrowings	(20,744)	(16,664)	24%
- Interest expense on lease liabilities	(5,162)	(3,125)	65%
Foreign exchange adjustments gain/(loss)	594	(10,652)	n/m
Depreciation of property, plant and equipment	(32,071)	(30,596)	5%
Depreciation of investment properties	(189)	(86)	n/m
Depreciation of right-of-use assets	(8,034)	(6,925)	16%
Amortisation of intangible assets	(402)	(393)	2%
Changes in fair value of biological assets	(10,081)	(11,725)	-14%
Gain on derivative financial instruments			
- Forex	-	3,633	n/m
- Non-forex	-	327	n/m
(Loss)/gain on disposal of property, plant and equipment and investment properties	(28)	150	n/m

n/m : not meaningful

¹ Changes in Fair Value of Biological Assets in 1Q2022 includes the gain of US\$2.8 million (1Q2021: US\$5.6 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 31/3/2022 US\$'000	As at 31/12/2021 US\$'000	As at 31/3/2022 US\$'000	As at 31/12/2021 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,352,479	1,341,657	98	99
Right-of-use assets	353,539	336,911	864	988
Investment properties	25,532	25,874	-	-
Intangible assets	15,157	14,543	-	-
Investment in subsidiaries	-	-	923,710	908,735
Investments in associate and joint ventures	35,271	34,368	28,000	28,000
Biological assets	545,246	511,998	-	-
Deferred tax assets	41,466	36,412	-	-
Real estate assets	68,791	69,158	-	-
Other receivables	13,080	12,994	-	-
Other financial assets	14,234	18,252	-	-
Other assets	49,423	43,623	-	-
Total non-current assets	2,514,218	2,445,790	952,672	937,822
Current assets				
Inventories	1,136,305	1,120,839	-	-
Biological assets	111,979	108,839	-	-
Trade and other receivables	237,474	231,905	42,724	40,872
Other financial assets	2,584	2,552	2,404	2,404
Other assets	90,337	71,722	1,773	2,627
Cash at banks	317,923	320,566	117,441	137,860
Total current assets	1,896,602	1,856,423	164,342	183,763
Total assets	4,410,820	4,302,213	1,117,014	1,121,585
EQUITY AND LIABILITIES				
Equity				
Share capital	1,059,882	1,059,882	1,059,882	1,059,882
Treasury shares	(14,125)	(14,125)	(14,125)	(14,125)
Retained earnings	726,485	709,272	81,701	84,116
Other reserves	(158,885)	(157,676)	(15,614)	(16,082)
Translation reserve	(171,376)	(170,381)	-	-
Equity attributable to owners of the parent	1,441,981	1,426,972	1,111,844	1,113,791
Non-controlling interests	737,716	719,480	-	-
Total equity	2,179,697	2,146,452	1,111,844	1,113,791
Non-current liabilities				
Defined benefit plan liabilities	90,837	88,643	-	-
Deferred tax liabilities	7,436	5,987	-	-
Other payables	15,700	15,609	360	320
Loans and borrowings	723,282	735,109	-	-
Lease liabilities	279,891	263,260	405	529
Other financial liabilities	929	1,249	-	-
Other liabilities	4,234	4,353	-	-
Total non-current liabilities	1,122,309	1,114,210	765	849
Current liabilities				
Income tax payable	30,792	22,537	192	192
Trade and other payables	393,607	403,143	3,727	6,270
Loans and borrowings	641,400	573,787	-	-
Lease liabilities	27,265	24,390	486	483
Other financial liabilities	57	152	-	-
Other liabilities	15,693	17,542	-	-
Total current liabilities	1,108,814	1,041,551	4,405	6,945
Total liabilities	2,231,123	2,155,761	5,170	7,794
Total equity and liabilities	4,410,820	4,302,213	1,117,014	1,121,585

JAPFA LTD.

(Registration Number: 200819599W)

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 31/3/2022</u>	<u>As at 31/12/2021</u>
Total number of issued shares excluding treasury shares	2,040,800,520	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 - Mar	
	2022	2021
	US Cents	US Cents
Earnings per share for the period		
(a) Based on weighted average number of ordinary shares in issue	0.85	2.40
(b) Based on a fully diluted basis	0.85	2.40
Weighted Average Number of Ordinary Shares	<u>2,040,800,520</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 31/3/2022</u>	<u>As at 31/12/2021</u>	<u>As at 31/3/2022</u>	<u>As at 31/12/2021</u>
Net asset value per ordinary share				
- in US\$	0.71	0.70	0.54	0.55
- in S\$	<u>0.96</u>	<u>0.95</u>	<u>0.74</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.