



JAPFA LTD
AND ITS SUBSIDIARIES

(Registration Number: 200819599W)

SGXNET ANNOUNCEMENT
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED
31 DECEMBER 2024

JAPFA LTD.

(Registration Number: 200819599W)

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

	Note	Group			Group		
		6 months ended	6 months ended	Change	12 months ended	12 months ended	Change
		31 December 2024 US\$'000	31 December 2023 US\$'000		31 December 2024 US\$'000	31 December 2023 US\$'000	
Revenue	4	2,366,248	2,310,073	2%	4,618,982	4,428,948	4%
Cost of sales		(1,902,018)	(1,993,754)	-5%	(3,750,994)	(3,895,538)	-4%
Gross profit		464,230	316,319	47%	867,988	533,410	63%
Marketing and distribution costs		(86,797)	(74,976)	16%	(160,470)	(154,737)	4%
Administrative expenses		(163,534)	(126,275)	30%	(297,488)	(259,830)	14%
Operating profit		213,899	115,068	86%	410,030	118,843	245%
Interest income		3,520	2,802	26%	5,987	5,561	8%
Finance costs		(47,920)	(53,697)	-11%	(96,718)	(110,671)	-13%
Other loss, net		(19,355)	(959)	1918%	(26,533)	(317)	8270%
Foreign exchange loss		(2,160)	(1,288)	68%	(4,942)	(2,518)	96%
Changes in fair value of biological assets		(11)	3,338	n/m	1,954	(943)	n/m
Share of results of associate and joint ventures		1,006	(2,186)	n/m	(299)	(3,580)	-92%
Profit before tax	5	148,979	63,078	136%	289,479	6,375	4441%
Income tax expense	6	(39,709)	(18,233)	118%	(82,076)	(12,341)	565%
Profit/(loss) for the year, net of tax		109,270	44,845	144%	207,403	(5,966)	n/m
Profit/(Loss) for the year, net of tax attributable to:							
- Owners of the parent ("PATMI")		61,898	22,783	172%	113,569	(30,798)	n/m
- Non-controlling interests		47,372	22,062	115%	93,834	24,832	278%
		109,270	44,845	144%	207,403	(5,966)	n/m

n/m : not meaningful

Additional information:

Management believes that Core PATMI w/o forex and EBITDA are important measures of performance, although these are not standard measures under SFRS(I).

Core PATMI w/o forex	70,574	21,171	233%	123,927	(28,174)	n/m
----------------------	--------	--------	------	---------	----------	-----

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), (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.

EBITDA	269,946	173,949	55%	517,240	237,950	117%
--------	---------	---------	-----	---------	---------	------

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, (c) fair value of biological assets, and (d) extraordinary items.

JAPFA LTD.

(Registration Number: 200819599W)

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

Statement of Other Comprehensive Income

	Note	Group			Group		
		6 months ended 31 December 2024 US\$'000	6 months ended 31 December 2023 US\$'000	Change %	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000	Change %
Profit/(loss) for the year, net of tax		109,270	44,845	144%	207,403	(5,966)	n/m
Other comprehensive income:							
Items that will not be reclassified to profit or loss:							
Gain/(loss) on equity instruments designated at fair value through other comprehensive income		1,997	(3,044)	n/m	869	(6,708)	n/m
Remeasurement of the net defined benefits plan, net of tax		(768)	1,132	n/m	1,109	(2,957)	n/m
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations, net of tax		10,424	(26,468)	n/m	(50,055)	10,695	n/m
Share of other comprehensive (loss)/ income of associate and joint ventures		(288)	644	n/m	(454)	705	n/m
Cash flow hedges		8,767	304	2784%	1,406	11,437	-88%
Other comprehensive income for the year, net of tax		20,132	(27,432)	n/m	(47,125)	13,172	n/m
Total comprehensive income		129,402	17,413	643%	160,278	7,206	2124%
Total comprehensive income, net of tax attributable to:							
- Owners of the parent		72,604	4,083	1678%	83,315	(28,647)	n/m
- Non-controlling interests		56,798	13,330	326%	76,963	35,853	115%
		129,402	17,413	643%	160,278	7,206	2124%
Basic and diluted earnings per share (cents)	9	3.14	1.12	181%	5.67	(1.51)	n/m

n/m : not meaningful

JAPFA LTD.

(Registration Number: 200819599W)

B. Condensed interim statements of financial position

		Group	Company		
	Note	As at 31/12/2024 US\$'000	As at 31/12/2023 US\$'000	As at 31/12/2024 US\$'000	As at 31/12/2023 US\$'000
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	10	1,003,325	1,039,550	48	56
Right-of-use assets		186,292	206,003	1,002	35
Investment properties		26,465	25,362	-	-
Intangible assets		8,982	12,231	-	-
Investment in subsidiaries		-	-	436,274	453,622
Investments in associate and joint ventures		34,796	36,257	21,380	27,100
Biological assets	11	35,275	39,658	-	-
Deferred tax assets		73,642	73,764	-	-
Real estate assets		70,984	65,235	-	-
Other receivables		1,020	1,050	-	-
Other financial assets		33,194	18,940	-	-
Other assets		46,290	43,475	-	-
Total non-current assets		1,520,265	1,561,525	458,704	480,813
<u>Current assets</u>					
Inventories	12	707,210	754,202	-	-
Biological inventories	11	183,723	197,837	-	-
Biological assets	11	122,295	126,523	-	-
Trade and other receivables		194,968	190,147	4,739	4,412
Other financial assets		6,561	5,704	6,397	5,528
Other assets		31,821	36,004	1,973	1,837
Cash at banks		187,991	211,879	2,054	26,993
Total current assets		1,434,569	1,522,296	15,163	38,770
Total assets		2,954,834	3,083,821	473,867	519,583
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	13	478,898	478,898	478,898	478,898
Treasury shares	13	(52,141)	(13,817)	(52,141)	(13,817)
Retained earnings		659,869	560,099	45,713	76,233
Other reserves		(8,082)	(9,911)	(23,513)	(24,505)
Translation reserve		(276,492)	(244,032)	-	-
Equity attributable to owners of the parent		802,052	771,237	448,957	516,809
Non-controlling interests		472,849	421,300	-	-
Total equity		1,274,901	1,192,537	448,957	516,809
<u>Non-current liabilities</u>					
Defined benefit plan liabilities	14	80,732	85,133	-	-
Deferred tax liabilities		37,588	2,616	-	-
Other payables		376	415	-	-
Loans and borrowings	15	485,167	580,737	-	-
Lease liabilities	15	139,315	156,278	570	-
Other liabilities		802	876	-	-
Total non-current liabilities		743,980	826,055	570	-
<u>Current liabilities</u>					
Income tax payable		16,643	15,972	79	166
Trade and other payables		346,289	283,865	4,771	2,578
Loans and borrowings	15	536,092	731,519	19,000	-
Lease liabilities	15	19,927	17,118	490	30
Other financial liabilities		28	346	-	-
Other liabilities		16,974	16,409	-	-
Total current liabilities		935,953	1,065,229	24,340	2,774
Total liabilities		1,679,933	1,891,284	24,910	2,774
Total equity and liabilities		2,954,834	3,083,821	473,867	519,583

JAPFA LTD.

(Registration Number: 200819599W)

C. Condensed interim statements of changes in equity

Group

Balance at 1 January 2024

Movements in equity:

Total comprehensive income for the year

Purchase of treasury shares by the Company

Value of employee services pursuant to performance share plan

Acquisition of non-controlling interests without change in control

Dividend paid to equity holders of the Company

Dividend paid by subsidiary to non-controlling interests

Balance at 31 December 2024

Total equity US\$'000	Attributable to parent sub-total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Retained earnings US\$'000	Other reserves US\$'000	Translation reserve US\$'000	Non- controlling interests US\$'000
1,192,537	771,237	478,898	(13,817)	560,099	(9,911)	(244,032)	421,300
160,278	83,315	-	-	114,056	1,719	(32,460)	76,963
(38,324)	(38,324)	-	(38,324)	-	-	-	-
123	123	-	-	-	123	-	-
(2,208)	(13)	-	-	-	(13)	-	(2,195)
(14,286)	(14,286)	-	-	(14,286)	-	-	-
(23,219)	-	-	-	-	-	-	(23,219)
1,274,901	802,052	478,898	(52,141)	659,869	(8,082)	(276,492)	472,849

Balance at 1 January 2023

Movements in Equity:

Total comprehensive income for the year

Purchase of treasury shares by the Company

Reissue of treasury shares by a subsidiary

Reissued treasury shares by the Company under performance share plan

Value of employee services pursuant to performance share plan

Issuance of new shares to non-controlling interests without
change in control

Dividend paid to equity holders of the Company

Dividend paid by subsidiary to non-controlling interests

Balance at 31 December 2023

1,215,266	814,949	478,898	(13,724)	607,736	(9,297)	(248,664)	400,317
7,206	(28,647)	-	-	(32,426)	(853)	4,632	35,853
(697)	(697)	-	(697)	-	-	-	-
880	-	-	-	-	-	-	880
-	-	-	604	-	(604)	-	-
1,101	1,101	-	-	-	1,101	-	-
1,159	(258)	-	-	-	(258)	-	1,417
(15,211)	(15,211)	-	-	(15,211)	-	-	-
(17,167)	-	-	-	-	-	-	(17,167)
1,192,537	771,237	478,898	(13,817)	560,099	(9,911)	(244,032)	421,300

JAPFA LTD.

(Registration Number: 200819599W)

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 2024	516,809	478,898	(13,817)	76,233	(24,505)
Movements in equity:					
Total comprehensive income for the year	(15,365)	-	-	(16,234)	869
Purchase of treasury shares	(38,324)	-	(38,324)	-	-
Value of employee services received of performance share plan	123	-	-	-	123
Dividend paid to equity holders of the company	(14,286)	-	-	(14,286)	-
Balance at 31 December 2024	448,957	478,898	(52,141)	45,713	(23,513)

Balance at 1 January 2023	528,858	478,898	(13,724)	81,978	(18,294)
Movements in equity:					
Total comprehensive income for the year	2,758	-	-	9,466	(6,708)
Purchase of treasury shares	(697)	-	(697)	-	-
Reissued treasury shares under performance share plan	-	-	604	-	(604)
Value of employee services pursuant to performance share plan	1,101	-	-	-	1,101
Dividend paid to equity holders of the company	(15,211)	-	-	(15,211)	-
Balance at 31 December 2023	516,809	478,898	(13,817)	76,233	(24,505)

JAPFA LTD.

(Registration Number: 200819599W)

D. Condensed interim consolidated statement of cash flows

	Group	
	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	289,479	6,375
Adjustment for:		
Amortisation of intangible assets	862	925
Amortisation of bonds issuance cost	2,040	2,003
Amortisation of premium on option	7,333	7,590
Depreciation of property, plant and equipment	94,186	90,830
Amortisation of right-of-use assets	29,053	30,357
Write-off of property, plant and equipment	6,160	781
Write-down of inventories	3,753	1,532
Depreciation of investment properties	1,475	893
Effect of lease liabilities remeasurement and termination	(90)	(794)
Fair value changes on other financial assets	(687)	-
Impairment of goodwill	2,090	-
Changes in fair value of biological assets	(1,954)	943
Gain on disposal of property, plant and equipment	(2,432)	(830)
Expenses arising from increase in defined benefit plan liabilities	14,337	12,440
Dividend income from investment in shares	(617)	(636)
Interest income	(5,987)	(5,561)
Interest expense on loans and borrowings	79,472	93,199
Interest expense on leases	17,246	17,472
Allowance for impairment on trade and other receivables	8,740	6,252
Impairment of property, plant and equipment	8,467	-
Value of employee services received pursuant to performance share plan	123	1,101
Share of loss from equity-accounted associates and joint venture	299	3,580
Net effect of exchange rate changes	6,051	6,750
Operating cash flows before changes in working capital	559,399	275,202
Biological inventories	5,548	6,513
Inventories	9,873	(2,387)
Biological assets	27,147	33,435
Trade and other receivables	(19,214)	5,346
Other assets	(11,613)	(9,379)
Trade and other payables	66,214	(18,463)
Defined benefit plan liabilities	(13,244)	(7,455)
Other liabilities	499	4,565
Net cash flows from operations before tax	624,609	287,377
Income taxes paid	(44,689)	(28,830)
Interest expense paid	(79,472)	(93,199)
Interest paid on lease liabilities	(17,246)	(17,472)
Net cash flows from operating activities	483,202	147,876

JAPFA LTD.

(Registration Number: 200819599W)

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

	Group	
	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000
<u>Cash flows used in investing activities</u>		
Purchase of property, plant and equipment	(119,806)	(170,286)
Purchase of investment properties	(444)	(1,914)
Proceeds from disposal of property, plant and equipment	3,364	2,290
Proceeds from disposal of investment properties	249	3
Additions in real estate assets	(7,301)	(191)
Addition to investment in joint venture	-	(3,376)
Proceeds from issuance of shares to non-controlling interest by subsidiary	-	1,159
Purchase of biological assets	(24,257)	(22,398)
Purchase consideration paid for acquisition of non-controlling interests without change of control	(2,208)	-
Purchase of intangible assets	(42)	(54)
Changes in other financial assets	19	(206)
Dividend received from joint ventures	80	117
Dividend received from investment in shares	617	636
Interest income received	5,987	5,561
Net cash flows used in investing activities	(143,742)	(188,659)
<u>Cash flows used in financing activities</u>		
Dividends paid by subsidiary to non-controlling interests	(23,219)	(17,167)
Dividends paid to equity holders of the Company	(14,286)	(15,211)
Repayment of principal portion of lease liabilities	(24,105)	(25,735)
(Repayment)/proceeds from bank loans	(263,330)	29,902
Decrease/(increase) in cash restricted in use	503	(252)
Purchase of treasury shares by the Company	(38,324)	(697)
Reissued of Treasury Shares by Subsidiary	-	880
Net cash flows used in financing activities	(362,761)	(28,280)
Net decrease in cash and cash equivalents	(23,301)	(69,063)
Effect of exchange rate changes on cash and cash equivalents	(84)	(5)
Cash and cash equivalents, statement of cash flows, beginning balance	211,313	280,381
Cash and cash equivalents, statement of cash flows, ending balance	187,928	211,313

Notes:

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

	12 months ended 31 December US\$'000	12 months ended 31 December US\$'000
Cash and bank balances	187,991	211,879
Less: bank deposit pledged	(63)	(566)
Cash and cash equivalents per consolidated statement of cash flows	<u>187,928</u>	<u>211,313</u>

JAPFA LTD.

(Registration Number: 200819599W)

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 31 December 2024 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 comprise animal feed production and breeding, commercial farming and food processing.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2024 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 condensed interim financial statements for the period ended 30 June 2024. 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 2023.

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

JAPFA LTD.

(Registration Number: 200819599W)

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

3. Agri-business cyclical

The Group's revenue and profitability are directly impacted by cyclical 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, across the Group's target markets as follows:

Animal Protein – PT Japfa Tbk refers to the animal protein operations of its public listed subsidiary in Indonesia, PT Japfa Tbk.

Animal Protein – Other comprises of animal protein operations in Vietnam, India, Myanmar and Bangladesh.

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.

JAPFA LTD.

(Registration Number: 200819599W)

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

4. Segment and revenue information (cont'd)

4.1 Reportable segments

1 July 2024 to 31 December 2024

	Animal Protein - PT Japfa Tbk US\$'000	Animal Protein - Other US\$'000	Sub-total US\$'000	Others US\$'000	Group US\$'000
<u>Revenue by segment</u>					
External revenue	1,784,167	566,924	2,351,091	15,157	2,366,248
Inter-segment revenue	400	-	400	(400)	-
Total revenue	1,784,567	566,924	2,351,491	14,757	2,366,248
Operating profit	159,318	47,878	207,196	6,703	213,899
Interest income	1,972	1,202	3,174	346	3,520
Finance costs	(27,335)	(14,316)	(41,651)	(6,269)	(47,920)
Foreign exchange loss	(1,184)	(483)	(1,667)	(493)	(2,160)
Changes in fair value of biological assets	199	(210)	(11)	-	(11)
Share of results of associate and joint ventures	31	-	31	975	1,006
Impairment of goodwill	(2,090)	-	(2,090)	-	(2,090)
Impairment of property, plant and equipment	-	(8,467)	(8,467)	-	(8,467)
Others	(3,172)	(6,237)	(9,409)	611	(8,798)
Profit before tax	127,739	19,367	147,106	1,873	148,979
Income tax expense	(28,151)	(5,091)	(33,242)	(6,467)	(39,709)
Profit/(loss) for the period, net of tax	99,588	14,276	113,864	(4,594)	109,270

Other material items and reconciliations

Property, plant and equipment, rights-of-use assets, intangible assets and investment properties.

Capital expenditure	66,599	9,865	76,464	388	76,852
Depreciation and amortisation	42,646	22,964	65,610	320	65,930

JAPFA LTD.

(Registration Number: 200819599W)

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 July 2023 to 31 December 2023

	Animal Protein - PT Japfa Tbk US\$'000	Animal Protein - Other US\$'000	Sub-total US\$'000	Others US\$'000	Group US\$'000
<u>Revenue by segment</u>					
External revenue	1,752,672	541,769	2,294,441	15,632	2,310,073
Inter-segment revenue	722	294	1,016	(1,016)	-
Total revenue	1,753,394	542,063	2,295,457	14,616	2,310,073
Operating profit	99,333	10,380	109,713	5,355	115,068
Interest income	1,486	792	2,278	524	2,802
Finance costs	(31,595)	(15,776)	(47,371)	(6,326)	(53,697)
Foreign exchange (loss)/gain	(497)	(843)	(1,340)	52	(1,288)
Changes in fair value of biological assets	7	3,331	3,338	-	3,338
Share of results of associate and joint ventures	(222)	-	(222)	(1,964)	(2,186)
Others	(1,469)	152	(1,317)	358	(959)
Profit/(loss) before tax	67,043	(1,964)	65,079	(2,001)	63,078
Income tax expense	(16,274)	(1,306)	(17,580)	(653)	(18,233)
Profit/(loss) for the year, net of tax	50,769	(3,270)	47,499	(2,654)	44,845

Other material items and reconciliations

Property, plant and equipment, rights-of-use assets, intangible assets and investment properties.

Capital expenditure	61,456	35,186	96,642	10	96,652
Depreciation and amortisation	40,231	21,602	61,833	193	62,026

JAPFA LTD.

(Registration Number: 200819599W)

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 2024 to 31 December 2024

	Animal Protein - PT Japfa Tbk US\$'000	Animal Protein - Other US\$'000	Sub-total US\$'000	Others US\$'000	Group US\$'000
<u>Revenue by segment</u>					
External revenue	3,507,455	1,082,320	4,589,775	29,207	4,618,982
Inter-segment revenue	745	-	745	(745)	-
Total revenue	3,508,200	1,082,320	4,590,520	28,462	4,618,982
Operating profit	320,982	76,016	396,998	13,032	410,030
Interest income	3,158	2,064	5,222	765	5,987
Finance costs	(54,700)	(29,063)	(83,763)	(12,955)	(96,718)
Foreign exchange loss	(331)	(4,088)	(4,419)	(523)	(4,942)
Changes in fair value of biological assets	572	1,382	1,954	-	1,954
Share of results of associate and joint ventures	(36)	-	(36)	(263)	(299)
Impairment of goodwill	(2,090)	-	(2,090)	-	(2,090)
Impairment of property, plant and equipment	-	(8,467)	(8,467)	-	(8,467)
Others	(7,674)	(5,149)	(12,823)	(3,153)	(15,976)
Profit/(loss) before tax	259,881	32,695	292,576	(3,097)	289,479
Income tax expense	(64,702)	(9,866)	(74,568)	(7,508)	(82,076)
Profit/(loss) for the year, net of tax	195,179	22,829	218,008	(10,605)	207,403
<u>Assets and reconciliations</u>					
Segment assets	2,025,954	750,514	2,776,468	55,792	2,832,260
Unallocated assets	49,352	50,179	99,531	23,043	122,574
Total Group assets	2,075,306	800,693	2,875,999	78,835	2,954,834
<u>Liabilities and reconciliations</u>					
Segment liabilities	1,104,782	527,807	1,632,589	(6,888)	1,625,701
Unallocated liabilities	14,743	35,419	50,162	4,070	54,232
Total Group liabilities	1,119,525	563,226	1,682,751	(2,818)	1,679,933

Unallocated assets comprise mainly investment in joint ventures and an associate, goodwill, deferred tax assets and prepaid tax.
Unallocated liabilities comprise mainly tax payable and deferred tax liabilities.

Other material items and reconciliations

Property, plant and equipment, rights-of-use assets, intangible assets and investment properties.

Capital expenditure	111,675	42,257	153,932	1,900	155,832
Depreciation and amortisation	81,422	43,532	124,954	622	125,576

JAPFA LTD.

(Registration Number: 200819599W)

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 2023 to 31 December 2023

	Animal Protein - PT Japfa Tbk US\$'000	Animal Protein - Other US\$'000	Sub-total US\$'000	Others US\$'000	Group US\$'000
<u>Revenue by segment</u>					
External revenue	3,361,253	1,040,618	4,401,871	27,077	4,428,948
Inter-segment revenue	1,434	2,053	3,487	(3,487)	-
Total revenue	3,362,687	1,042,671	4,405,358	23,590	4,428,948
Operating profit/(loss)	141,127	(33,364)	107,763	11,080	118,843
Interest income	2,909	1,929	4,838	723	5,561
Finance costs	(64,951)	(33,907)	(98,858)	(11,813)	(110,671)
Foreign exchange (loss)/gain	(1,439)	(1,103)	(2,542)	24	(2,518)
Changes in fair value of biological assets	16	(959)	(943)	-	(943)
Share of results of associate and joint ventures	(63)	-	(63)	(3,517)	(3,580)
Others	(2,365)	673	(1,692)	1,375	(317)
Profit/(loss) before tax	75,234	(66,731)	8,503	(2,128)	6,375
Income tax (expense)/credit	(20,719)	9,872	(10,847)	(1,494)	(12,341)
Profit/(loss) for the year, net of tax	54,515	(56,859)	(2,344)	(3,622)	(5,966)
<u>Assets and reconciliations</u>					
Segment assets	2,069,936	823,792	2,893,728	61,399	2,955,127
Unallocated assets	76,087	28,987	105,074	23,620	128,694
Total Group assets	2,146,023	852,779	2,998,802	85,019	3,083,821
<u>Liabilities and reconciliations</u>					
Segment liabilities	1,279,497	633,112	1,912,609	(39,913)	1,872,696
Unallocated liabilities	14,108	3,368	17,476	1,112	18,588
Total Group liabilities	1,293,605	636,480	1,930,085	(38,801)	1,891,284

Unallocated assets comprise mainly investment in joint ventures and an associate, goodwill, deferred tax assets and prepaid tax.
Unallocated liabilities comprise mainly tax payable and deferred tax liabilities.

Other material items and reconciliations

Property, plant and equipment, rights-of-use assets, intangible assets and investment properties.

Capital expenditure	133,426	70,161	203,587	11	203,598
Depreciation and amortisation	80,236	42,309	122,545	460	123,005

JAPFA LTD.

(Registration Number: 200819599W)

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 information based on the geographical location of customers and assets respectively are as follows:

	Group		Group	
	6 months ended 31 December 2024 US\$'000	6 months ended 31 December 2023 US\$'000	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000
Indonesia	1,755,933	1,729,439	3,453,583	3,314,753
Vietnam	464,938	429,987	878,907	817,053
India	56,080	62,220	115,070	127,933
Myanmar	39,833	44,243	76,200	85,612
Others	49,464	44,184	95,222	83,597
	<u>2,366,248</u>	<u>2,310,073</u>	<u>4,618,982</u>	<u>4,428,948</u>

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

A breakdown of sales

	Group		Change
	2024 US\$'000	2023 US\$'000	%
(a) Sales reported for the first half year	2,252,734	2,118,875	6%
(b) Profit/(loss), net of tax before deducting non-controlling interests reported for first half year	98,133	(50,811)	n/m
(c) Sales reported for second half year	2,366,248	2,310,073	2%
(d) Profit, net of tax before deducting non-controlling interests reported for second half year	109,270	44,845	144%

JAPFA LTD.

(Registration Number: 200819599W)

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

4. Segment and revenue information (cont'd)

4.2 Disaggregation of revenue

Major product

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

	Animal Protein - PT Japfa Tbk US\$'000	Animal Protein - Other US\$'000	Total US\$'000
<u>1 July 2023 to 31 December 2024</u>			
Sales of animal feed	561,277	183,051	744,328
Sales of livestock	841,755	364,136	1,205,891
Sales of animal protein products	284,643	24,037	308,680
<u>1 July 2023 to 31 December 2023</u>			
Sales of animal feed	569,622	187,201	756,823
Sales of livestock	842,776	336,710	1,179,486
Sales of animal protein products	257,435	19,740	277,175
<u>1 January 2023 to 31 December 2024</u>			
Sales of animal feed	1,117,526	354,832	1,472,358
Sales of livestock	1,679,196	686,548	2,365,744
Sales of animal protein products	532,273	40,940	573,213
<u>1 January 2023 to 31 December 2023</u>			
Sales of animal feed	1,108,928	376,328	1,485,256
Sales of livestock	1,584,802	625,698	2,210,500
Sales of animal protein products	498,187	36,540	534,727

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

JAPFA LTD.

(Registration Number: 200819599W)

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

5. Profit before tax

5.1 Significant items

	Group			Group		
	6 months ended 31 December 2024 US\$'000	6 months ended 31 December 2023 US\$'000	Change %	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000	Change %
<u>Income /(expenses)</u>						
Finance costs						
- Interest expense on loans and borrowings	(39,589)	(45,039)	-12%	(79,472)	(93,199)	-15%
- Interest expense on lease liabilities	(8,331)	(8,658)	-4%	(17,246)	(17,472)	-1%
Depreciation of property, plant and equipment	(49,629)	(45,695)	9%	(94,186)	(90,830)	4%
Depreciation of investment properties	(993)	(445)	123%	(1,475)	(893)	65%
Depreciation of right-of-use assets	(14,871)	(15,432)	-4%	(29,053)	(30,357)	-4%
Amortisation of intangible assets	(437)	(454)	-4%	(862)	(925)	-7%
Changes in fair value of biological assets	(11)	3,338	n/m	1,954	(943)	n/m
Foreign exchange loss	(2,160)	(1,288)	68%	(4,942)	(2,518)	96%
Allowance for impairment on trade and other receivables	(5,629)	(3,871)	45%	(8,740)	(6,252)	40%
Impairment of goodwill	(2,090)	-	n/m	(2,090)	-	n/m
Impairment of property, plant and equipment	(8,467)	-	n/m	(8,467)	-	n/m
Gain on disposal of property, plant and equipment	1,820	326	458%	2,432	830	193%

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	
	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000
Sales of goods	35,048	29,878
Purchases of goods	9,637	9,943
Insurance contracts	278	2,531
Receiving of services	2,024	2,462
Lease of office	3,122	2,268
Rental of transport equipment	-	246
Lease income of premises, machineries and investment properties	1,061	1,121
Rendering of service income	49	-
Technical service fee income	536	386

JAPFA LTD.

(Registration Number: 200819599W)

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		Group	
	6 months ended 31 December 2024 US\$'000	6 months ended 31 December 2023 US\$'000	12 months ended 31 December 2024 US\$'000	12 months ended 31 December 2023 US\$'000
Current income tax expense	23,804	19,758	46,693	28,007
Deferred income tax expense relating to original and reversal of temporary differences	9,795	(1,610)	28,918	(15,939)
Withholding tax expenses	6,110	85	6,465	273
Income tax expense recognised in statement of comprehensive income	<u>39,709</u>	<u>18,233</u>	<u>82,076</u>	<u>12,341</u>

7. Dividends

	Company	
	Financial Year 2024 US\$'000	Financial Year 2023 US\$'000
<u>Dividends paid during the financial period</u>		
Dividends on ordinary shares:		
Final tax exempt (1-tier) dividend of 1.0 Singapore cent per share paid for reporting year ended 31 December 2022	-	15,211
Interim tax exempt (1-tier) dividend of 1.0 Singapore cent per share paid for reporting year ended 31 December 2024	14,286	-

JAPFA LTD.

(Registration Number: 200819599W)

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

8. Net asset value

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net asset value per ordinary share				
- in US\$	0.42	0.38	0.24	0.25
- in S\$	0.58	0.50	0.32	0.33

9. Earnings per share (EPS)

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share:

	Group		Group	
	6 months ended 31 December 2024 US Cents	6 months ended 31 December 2023 US Cents	12 months ended 31 December 2024 US Cents	12 months ended 31 December 2023 US Cents
Earnings per share for the year				
(a) Based on weighted average number of ordinary shares in issue	3.14	1.12	5.67	(1.51)
(b) Based on a fully diluted basis	3.14	1.12	5.67	(1.51)
Weighted average number of ordinary shares	1,968,635,259	2,036,857,923	2,002,643,431	2,037,364,682

10. Property, plant and equipment

During the six months ended 31 December 2024, the Group acquired assets amounting to US\$67.3 million (31 December 2023: US\$75.1 million), disposed of assets amounting to US\$5.2 million (31 December 2023: US\$1.5 million), impaired assets amounting to US\$8.5 million (31 December 2023: Nil) and written off assets amounting to US\$4.6 million (31 December 2023: US\$0.7 million).

JAPFA LTD.

(Registration Number: 200819599W)

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

11. Biological assets

	Group	
	31 December 2024	31 December 2023
	US\$'000	US\$'000
Breeding chickens	114,226	115,723
Breeding ducks	917	648
Breeding cattle	1,362	1,645
Breeding swine	40,884	47,968
Forage and plantation	181	197
	157,570	166,181
Fattening livestock	183,723	197,837
	341,293	364,018
<u>Presented as:</u>		
Biological assets, current	122,295	126,523
Biological assets, non-current	35,275	39,658
Biological inventories, current	183,723	197,837
	341,293	364,018

	Group US\$'000
<u>6 months ended 31 December 2024</u>	
Opening balance at 1 July 2024	344,525
Net reductions	(5,860)
Changes in fair value	(11)
Foreign exchange adjustments	2,639
Closing balance at 31 December 2024	341,293

12. Inventories

	Group	
	31 December 2024	31 December 2023
	US\$'000	US\$'000
Finished goods	88,059	108,304
Work in process	9,998	6,998
Raw materials	560,647	586,875
Consumables	48,506	52,025
	707,210	754,202

JAPFA LTD.

(Registration Number: 200819599W)

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	Amount
	of shares issued	US\$'000
<u>Issued and fully paid ordinary shares:</u>		
<u>6 months ended 31 December 2024</u>		
Beginning of interim period on 1 July 2024		
and end of interim period on 31 December 2024	2,067,423,320	478,898

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
		US\$'000
<u>6 months ended 31 December 2024</u>		
Beginning of interim period on 1 July 2024	30,398,000	13,817
Purchase of treasury shares	139,819,680	38,324
End of interim period on 31 December 2024	170,217,680	52,141

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

During the interim financial period, the Company acquired 139,819,680 shares in the Company by way of an off-market equal access scheme. The total amount paid to acquire the shares was US\$38.3 million.

In the Corresponding period of the immediately preceding financial year, the Company acquired 817,600 shares in the Company through purchases on the Singapore Exchange. The total amount paid to acquire the shares was US\$0.1 million.

The total number of issued shares excluding treasury shares as at 31 December 2024 is 1,897,205,640 (31 December 2023: 2,037,025,320).

JAPFA LTD.

(Registration Number: 200819599W)

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

14. Defined benefit plan liabilities

	Group	
	31 December 2024	31 December 2023
	US\$'000	US\$'000
Present value of unfunded defined benefit	97,072	97,777
Fair value of plan assets	(16,340)	(12,644)
Defined benefit plan liabilities	80,732	85,133

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
<u>6 months ended 31 December 2024</u>	
Opening balance at 1 July 2024	78,267
Net benefit expense recognised in statement of comprehensive income	7,516
Re-measurement gain included in other comprehensive income	939
Contributions to plan made	(6,724)
Payments for the interim period	(429)
Foreign exchange adjustments	1,163
Closing balance at 31 December 2024	80,732

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

	Group US\$'000
<u>6 months ended 31 December 2024</u>	
Opening balance at 1 July 2024	13,369
Interest income	453
Return on plan assets (excluding amounts included in net interest expense)	(29)
Contributions from the employer	6,724
Benefits paid	(4,334)
Foreign exchange adjustments	157
Closing balance at 31 December 2024	16,340

JAPFA LTD.

(Registration Number: 200819599W)

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

15. Borrowings

	Group	
	31 December 2024	31 December 2023
	US\$'000	US\$'000
Amount due within one year		
Secured	357,238	430,223
Unsecured	198,781	318,414
Total	<u>556,019</u>	<u>748,637</u>
Amount due more than one year		
Secured	167,714	223,561
Unsecured	456,768	513,454
Total	<u>624,482</u>	<u>737,015</u>

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.

Borrowings comprise of loan and borrowings, and lease liabilities presented in balance sheet.

JAPFA LTD.

(Registration Number: 200819599W)

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 31 December 2024 and 31 December 2023:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Financial Assets				
Total trade and other receivables	195,988	191,197	4,739	4,412
Cash at bank	187,991	211,879	2,054	26,993
Deposit	5,906	6,559	144	144
Total financial assets	389,885	409,635	6,937	31,549
Financial Liabilities				
Trade and other payables	346,665	284,280	4,771	2,578
Loan and borrowings	1,021,259	1,312,256	19,000	-
Lease liabilities	159,242	173,396	490	30
Total financial liabilities	1,527,166	1,769,932	24,261	2,608

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	
	12 months ended 31 December 2024	12 months ended 31 December 2023
	US\$'000	US\$'000
Additions of property, plant and equipment	123,507	156,001
Less: Net movements in liability for purchase/ construction of plant and equipment	(3,701)	14,285
Purchase of property, plant and equipment in consolidated statement of cash flows	119,806	170,286

JAPFA LTD.

(Registration Number: 200819599W)

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

18. Fair value measurement

(a) Fair value hierarchy

The Group categorises 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 31 December 2024 and 31 December 2023:

	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
31 December 2024				
Assets/(liabilities) measured at fair value				
Financial assets/(liabilities):				
<u>Equity securities at FVOCI</u>				
Quoted equity security	1,605	-	-	1,605
Unquoted equity securities	-	-	9,537	9,537
<u>Derivatives</u>				
Foreign currency forward and option contracts	-	28,585	-	28,585
Financial assets	1,605	28,585	9,537	39,727
Non-financial assets:				
Biological assets	-	-	341,293	341,293
Non-financial assets	-	-	341,293	341,293

JAPFA LTD.

(Registration Number: 200819599W)

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)

	<u>Fair value measurements at the end of the reporting period using</u>			
	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
31 December 2023				
Assets/(liabilities) measured at fair value				
Financial assets/(liabilities):				
<u>Equity securities at FVOCI</u>				
Quoted equity security	2,971	-	-	2,971
Unquoted equity securities	-	-	6,831	6,831
<u>Derivatives</u>				
Foreign currency forward and option contracts	-	14,495	-	14,495
Financial assets	2,971	14,495	6,831	24,297
Non-financial assets:				
Biological assets	-	-	364,018	364,018
Non-financial assets	-	-	364,018	364,018

19. Subsequent events

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

JAPFA LTD.

(Registration Number: 200819599W)

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Japfa Ltd and its subsidiaries as at 31 December 2024 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. *Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).*

Not applicable.

3. Review of performance of the Group

Review of Group Performance

Please refer to the Company's Investor Presentation for the twelve months period ended 31 December 2024.

Review of Group Financial Position

Total assets as at 31 December 2024 decreased by US\$129.0 million from US\$3,083.8 million to US\$2,954.8 million primarily due to decrease in cash at banks, property, plant and equipment and inventories.

Total liabilities as at 31 December 2024 decreased by US\$211.4 million from US\$1,891.3 million to US\$1,679.9 million primarily due to decrease in loans and borrowings and lease liabilities.

Equity attributable to the Owners of the Parent as at 31 December 2024 increased by US\$30.9 million from US\$771.2 million to US\$802.1 million mainly contributed by the profit attributable to owners of the parent for the financial year ended 31 December 2024.

Review of Group Cash Flow

Net cash flows from operating activities were US\$483.2 million in FY2024, which mainly arose from operating cash flows before changes in working capital of US\$559.4 million, changes in working capital of US\$65.2 million, income tax paid of US\$44.7 million and interest paid of US\$96.7 million.

Net cash flows used in investing activities were US\$143.7 million in FY2024 mainly arose from purchase of property, plant and equipment of US\$119.8 million and purchase of biological assets of US\$24.3 million.

Net cash flows used in financing activities were US\$362.8 million in FY2024 mainly arose from repayment of bank loans of US\$263.3 million, repayment of principal portion of lease liabilities of US\$24.1 million and dividend paid of US\$37.5 million (including dividend paid by subsidiary to non-controlling interests).

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

Not applicable.

JAPFA LTD.

(Registration Number: 200819599W)

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 31 December 2024	As at 31 December 2023
Issued ordinary shares	2,067,423,320	2,067,423,320
Treasury shares	170,217,680	30,398,000
Issued ordinary shares excluding treasury shares	1,897,205,640	2,037,025,320

6. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Please refer to note 13.2 above in page 20.

7. Dividend information

(a) *Current financial period reported on*

Name of Dividend	Final
Dividend type	Cash
Final ordinary dividend per share	1 Singapore cent
Tax rate	Tax exempt

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

(c) *Date payable*
Not applicable.

(d) *Books closure date*
Not applicable.

8. Interested person transactions

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

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.

JAPFA LTD.

(Registration Number: 200819599W)

10. 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

Group revenue and profitability are directly impacted by cyclicalities in the agri-business, which in turn is dependent on a variety of external factors beyond the Group's control. These include macroeconomic conditions that affect consumer purchasing power, government policies, the availability and cost of raw materials, which depend on the seasonality of harvest and festivals, as well as changes to demand and supply. In addition, geopolitical tensions may also disrupt global economies, supply chains and commodities prices, and impact the cost of raw materials as well as consumer's purchasing power.

Since 2022, our operating environment has become more challenging, with the ongoing geo-political conflicts across the world, global inflationary pressures and tightening monetary policy. These conditions exacerbated during 2023 and, as a result, the world is currently facing cost-of-living pressures. Inflation has a stronger impact on the purchasing power of the consumers in the low-income band. The lower purchasing power reduces our ability to increase selling prices especially in Emerging Asia, which may result in overall margin shrinkage.

Notwithstanding the recent easing in 2024 of raw material prices from previous highs, uncertainties remain as (i) weather conditions may affect crop production in some countries, (ii) high interest rates increase the cost of funding, and (iii) geo-political issues persist. In addition, renewed trade tensions between US and China may disrupt prices and physical flow of grains such as corn and soybean as well as animal protein products.

As our business involves livestock, the outbreak of animal diseases, such as African Swine Fever ("ASF") in Vietnam, represents a major risk. Volatility in foreign exchange rates might affect the Group's financial results which are reported in USD terms.

These uncertainties may affect the Group's operations and financial results. We expect these global external factors and the cost-of-living pressures to persist in the near term, but we remain cautiously optimistic about the solid prospects for staple protein consumption in our markets.

PT Japfa Tbk

In Indonesia, the prices of broiler and day-old-chick ("DOC") are volatile, depending on market demand-supply dynamics. This affects poultry selling prices and our profitability, with fluctuation of operating profit between quarters. Global macro-economic factors, such as high raw material costs and inflationary pressures described above, add to market dynamics. For example, in FY2022 and FY2023, poultry selling prices did not keep pace with the higher global feed raw materials costs. Additionally, supply in Indonesia has progressively grown over the last few years following the expectations of demand growth for chicken. This resulted in a demand supply imbalance in DOC and broiler in FY2022 and FY2023, which in turn has led to volatile and weak poultry prices. In FY2024, poultry prices remained stable throughout the year, which improved our FY2024 profits. However, cost-of-living pressures are likely to persist, which may dampen demand and selling prices for our products.

Since the Covid-19 outbreak in 2020, PT Japfa Tbk has taken action to freeze and defer non-essential capital expenditures ("Capex"). In line with our prudent approach, this measure is still in place and PT Japfa Tbk continues to keep a close eye on the macro-economic conditions and manage Capex growth accordingly.

New lifestyles 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.

JAPFA LTD.

(Registration Number: 200819599W)

10. 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”)

In Vietnam, ASF remains an industry-wide problem. As there is still no proven vaccine or treatment for ASF, biosecurity measures are the only available means to protect Vietnamese swine livestock. Since 4Q2023, there has been a resurgence in ASF in Vietnam, which has reduced the supply of pork in the market. We believe our strong focus on biosecurity has allowed us to minimise the impact of ASF and maintain our swine fattening sales volumes, however, ASF remains a risk.

Despite Vietnam’s GDP growth in FY2024, global geopolitical and trade tensions may affect the country’s economy and consumer purchasing power in the near term.

In India, feed continues to be the major business activity.

The ongoing political instability in Myanmar after four years since the coup in 2021 does not show any signs of resolution. This uncertainty has affected consumer demand as a result of general economic deterioration and a return 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). As the economic and operating environment remains tough and consumer purchasing power stays weak, our operations in Myanmar continue to face challenges.

Similarly, in Bangladesh consumer sentiment has been affected by the country’s ongoing political uncertainties and economic challenges, including high inflation.

Due to the instability in those countries, our Myanmar and Bangladesh operations continue to record losses. As a result, in FY2024, we recorded an accounting impairment loss of fixed assets of US\$8.5 million. It is worth noting that the Group’s business in Myanmar and Bangladesh is not material, as together they represent approximately 2% of Group revenue and 1% of Group assets in FY2024. The Company will continue to monitor the situation as it develops, and we remain committed to supporting our team and maintaining our operational standards. 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.

Conclusion

Over the medium and long-term the 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 proteins and geographies, together with its track record in replicating its industrialised and scalable business across the region, will continue to sustain its future growth.

JAPFA LTD.

(Registration Number: 200819599W)

11. Disclosures pursuant to Chapter 7 Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual").

The persons occupying a managerial position in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company are as follows:

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Gabriella Santosa	32	<p>Daughter of Substantial Shareholder, Farida Gustimego Santosa</p> <p>Sister of Director and Substantial Shareholder, Renaldo Santosa, Sister of Substantial Shareholder, Mikael Santosa and Raffaella Santosa;</p> <p>Niece of Director, Hendrick Kolonas.</p> <p>Gabriella is also a deemed Substantial Shareholder of the Company by virtue of her being a joint investment power holder (with Renaldo Santosa) of the Scuderia Trust.</p>	<p>Head of Business Development in Japfa Ltd held since 1 August 2022</p> <p>Duties: She reports to Chief Executive Officer to:</p> <ul style="list-style-type: none"> - Investigate, identify and propose potential market segments and opportunities. - Develop and propose new business, partnerships, strategies, and models aligned to the Company's strategy to expand and grow the business where possible. - Develop negotiating strategies and positions to ensure alignment with company strategies and operations. - Assess business deals by analysing market strategies, deal requirements, potential and financials. - Identify appropriate technologies/ trends to improve business. - Review existing operations and operational procedures to achieve greater efficiencies and effectiveness. - Manage strategic projects and initiatives. <p>Head of Projects, President Director's Office in PT Japfa Comfeed Indonesia Tbk held since 1 March 2024</p> <p>Duties:</p> <ul style="list-style-type: none"> - Oversee and manage critical project and initiatives on behalf of the President Director (PD). - Provide direct support to the PD in executing the company's strategic vision and objectives. - Collaborate with the PD in developing and implementing business plans and operational strategies. - Support the PD in identifying potential risks and implementing strategies to mitigate them. - Conduct thorough research and analysis to aid the PD in making informed decisions and identifying opportunities for business growth and development. - Monitor industry trends in fields such as Technology and Innovation, providing regular insights and recommendations to the PD. - Assist the PD in driving productivity and efficiency in our operations. - Act as a liaison between the PD and various departments. - Assist the PD to lead the management team and key executives, fostering a collaborative and high-performance work environment. - Assist in the identification and development of potential future leaders within the company. - Facilitate effective communication within the company. - Foster an engaged workforce anchored on a positive company culture and values. 	No Change

JAPFA LTD.

(Registration Number: 200819599W)

11. Disclosures pursuant to Chapter 7 Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual"). (Cont'd)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Aldrian Irvan Kolonas	36	Son of Director, Mr Hendrick Kolonas. Brother of Substantial Shareholder, Ms Rachel Anastasia Kolonas.	Chief Operating Officer, Downstream in PT Japfa Comfeed Indonesia Tbk held since 1 January 2025 Duties: <ul style="list-style-type: none"> - Set and drive strategy and implement it operationally aligning with short term and long term objectives of the Company. - Identify trends and opportunities for improvement in Downstream Operations. - Analyse the risk and return of the operation's investments and ensure there is adequate funding. - Oversee the processing of our products, sales and distribution, consumer foods, and branding to customers. - Ensure compliance with national and local business regulations and to keep up with industry best practices. - Build and maintain trusting relationships with key customers, clients, partners, and stakeholders. 	No Change
Mikael Santosa	24	Son of Substantial Shareholder, Farida Gustimego Santosa Brother of Director and Substantial Shareholder, Renaldo Santosa, Brother of Substantial Shareholders, Gabriella Santosa and Raffaella Santosa. Nephew of Director, Hendrick Kolonas	Business Development Manager in Japfa Ltd since 15 November 2024 Duties: <ul style="list-style-type: none"> - Experiment use of AI and identify use cases where AI can enhance operational efficiencies - Part of agile project team for Micro-Projects with use of AI - Participate in project planning and coordination activities - Conduct trial and pilot with tech partners and Japfa users - Survey regenerative practices relating to sustainability to benefit nature and the Group - Focus resources to support and encourage technological efficiencies in operations - Understand new trending markets and ideas for the Group to consider expansion 	No Change
Raffaella Santosa	24	Daughter of Substantial Shareholder, Farida Gustimego Santosa Sister of Director and Substantial Shareholder, Renaldo Santosa, Sister of Substantial Shareholders, Gabriella Santosa and Mikael Santosa. Niece of Director, Hendrick Kolonas	Business Development Manager in Japfa Ltd since 1 January 2025 Duties: <ul style="list-style-type: none"> - Expand our network and partnerships to enhance synergies within the agri-food sector - Explore new venture potential in both new growth areas and existing operations - Survey regenerative practices relating to sustainability to benefit nature and the Group - Focus resources to support and encourage technological efficiencies in operations - Understand new trending markets and ideas for the Group to consider expansion 	No Change

JAPFA LTD.

(Registration Number: 200819599W)

**By Order of the Board
Japfa Ltd**

Tan Yong Nang
Executive Director and
Chief Executive Officer
28 February 2025