

JAPFA

Feeding Emerging Asia

Japfa Ltd

Extraordinary General Meeting

26 January 2021







Disposal of 80% interest in Greenfields Dairy

- On 6 December 2020, Japfa entered into a conditional Share Purchase Agreement (“SPA”) for the sale of 80% of its vertically integrated branded dairy business in South East Asia (“Greenfields Dairy”)

- The Group's dairy segment (which comprises China and South East Asia), has grown considerably since its inception in 1997, and there is potential for significant growth in both geographies. To accelerate its dairy segment to the next phase of development, Japfa entered into a strategic partnership with Meiji Co., Ltd for China, and will now enter into a strategic partnership with TPG (together with North Star Group) for South East Asia. The proposed transaction will bring TPG’s funding and management expertise to Greenfields Dairy

- Through its 20% interest in Greenfields Dairy, Japfa will continue to benefit from the expected upside potential from this strategic partnership with TPG

Disposal of 80% interest in Greenfields Dairy (cont'd)

- The transaction price that will be paid by TPG, represents an implied equity valuation of Greenfields Dairy of US$295m

- For reference,
  - the implied equity valuation of US$295m is approximately 4 times NAV of US$81.3m as at 30 September 2020;
  - the implied enterprise value of US$334.7m is approximately 21 times EBITDA of US$16.1m for FY 31 December 2019; and
  - the gain on disposal from the proposed transaction is estimated to be US$213.7m* as at 30 September 2020, which will increase NAV by a similar amount

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* For illustration purposes only. Please refer to the Circular dated 11 January 2021 for details.

Disposal of 80% interest in Greenfields Dairy (cont'd)

- The Company will receive approximately US$244.0m in cash for the proposed transaction

- The Company proposes to utilise approximately US$150.0m of these proceeds to declare an interim special dividend of S$0.10 per share to shareholders. The balance after transaction expenses will be used to pay down existing bank loans and for general working capital and corporate purposes

- Target completion of proposed transaction: On or about 2 February 2021

- Further details of the interim special dividend will be announced together with the Group's FY2020 full-year results expected to be released on or about the end of February 2021

Q&A



Resolution 1

To approve the proposed disposal of an effective 80% interest in Greenfields Dairy Singapore Pte. Ltd.

Resolution 1

To approve the proposed disposal of an effective 80% interest in Greenfields Dairy Singapore Pte. Ltd.

	No. of Votes	Percentage
For	1,795,134,157	100.00
Against	0	0.00

THANK YOU

IMPORTANT NOTICE: *This presentation is for information only and should not be relied upon to make any investment or divestment decision with respect to securities of the Japfa Group. Shareholders and potential investors are advised to seek independent advice in the making of any investment or divestment decision. Where this presentation includes opinions, judgements or forward-looking statements, these involve assumptions, risks and uncertainties that may or may not be realised. Any references to industry prices or price trends are Company estimates due to the absence of centralised public sources. Industry related data quoted has not been independently verified.*

For further information, please refer to the Company's website www.japfa.com.

